TASK & FINISH MINISTERIAL ADVISORY GROUP

NHS WALES ACCOUNTABILITY REVIEW

April 2024

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ACCOUNTABILITY REVIEW

1. FOREWARD FROM THE CHAIR OF THE MINISTERIAL ADVISORY GROUP

It has been a real privilege to work with the Ministerial Advisory Group to look at the governance of the NHS in Wales. We have been greatly assisted by the very helpful and informative conversations we have had with individuals and groups within Wales. Our questioning has focussed on a number of key areas: -

- Strengths and weaknesses of the current system and what we can learn from others;
- The effectiveness of current performance management arrangements and interventions – what levers and actions can be employed;
- The barriers to change and improvement.

The main themes that emerged from the discussions and research were: -

- The need for increased scrutiny of the quality, safety, and outcomes of care;
- Improved and expanded accountability to the public;
- Streamlining the current governance processes and structures;
- Greater support for organisations facing difficulties and effective levers and sanctions to enhance performance;
- Improved co-production of service design and delivery with the population.

The report represents a moment in time with, we hope, some helpful suggestions for an improvement in accountability and in better outcomes for patients and citizens.

We hope that some of our suggestions might be taken forward to enable services, staff, and the populations we serve to thrive.

I am very grateful to my group colleagues for their support and invaluable help in completing this task.

Ann Lloyd CBE

Chair of Aneurin Bevan University Health Board

2. BACKGROUND

In July 2023, the Minister for Health & Social Services (now the Cabinet Secretary for Health & Social Care) announced that she was putting in place a task and finish Ministerial Advisory Group to reflect on the current governance structures within NHS Wales, to provide a view about whether or not accountabilities were clear and appropriate, and to advise on any action to strengthen them.

Given the time that has passed since the current governance structure was introduced in the NHS Wales Act in 2006, the recent introduction of the NHS Wales Executive, and the new tools to drive improvements in performance, the Group was asked to review existing arrangements to ensure they were fit for purpose given the challenges ahead for our health care system.

Under the current governance structure of NHS Wales, health boards, NHS trusts, and special health authorities are accountable to the Cabinet Secretary for Health and Social Care through their respective chairs.

The NHS Wales Executive became operational on 1 April 2023. This was a commitment made in ***A Healthier Wales***, as recommended by the Parliamentary Review of the Long-term Future of Health and Social Care, with the aim of consolidating national activity and bringing a consistent approach to planning, priority setting based on outcomes, performance management, and accountability. Its establishment was reconfirmed in the Programme for Government.

The NHS Wales Executive has not changed statutory accountability mechanisms. All NHS organisations remain directly accountable to Ministers through their chairs, and the Welsh Government and Ministers will continue to set priorities, targets, and outcome measures for the NHS.

The NHS Wales Executive aims to provide a stronger guiding hand to the NHS in Wales, through clearer and more robust accountability, through escalation arrangements and through the provision of additional support and guidance to the service.

The terms of reference for the review are included as **Appendix 1**.

The Group met for the first time on 04 October 2023 and undertook to advise the Cabinet Secretary of its recommendations by 31 March 2024.

3. OBJECTIVES OF THE REVIEW

The Cabinet Secretary for Health & Social Care asked members of the Group to:

- Reflect on the current governance structures within the NHS Wales system and provide observations of any strengths or weaknesses.
- Provide a view as to whether accountabilities are clear and appropriate.
- Provide any recommendations to strengthen the system.
- Take account of the fact that health ministers in Wales are closer to the NHS system than elsewhere and that the accountability mechanisms need to consider this.
- In relation to levers for change the group is also asked to:

    - Review the levers for change paper from October 2022 (not yet published)
    - Consider the role of incentives and sanctions to drive and improve delivery in NHS Wales organisations.
    - Identify any other levers that could be used to drive performance and change.

4. REVIEW METHODOLOGY

4.1 Evidence Gathering

Evidence has been gathered through the following means:

- Review of comparable NHS systems in the UK
- Review of current governance and accountability arrangements across NHS Wales
- Literature review
- A series of 1-to-1 interviews (the full list of people interviewed can be found in **Appendix 2**)
- Facilitated discussions with: NHS Wales Chairs; NHS Wales Chief Executive Officers; and the Senior Leadership Team of the NHS Wales Executive
- Stakeholder evidence session (a list of attendees is included in **Appendix 3**)
- Stakeholder survey (included as **Appendix 4**)
- Summary of responses to the Stakeholder Survey (28 responses were received and have been analysed, the list of responders [included as **Appendix 5]**).

There was a high degree of synergy and commonality in the responses received.

The Ministerial Advisory Group is grateful to the extensive list of stakeholders who gave up their time to contribute to this review.

4.2 Comparison with other UK Healthcare Systems

There are similarities across the healthcare systems of all four UK nations, but a closer comparison was undertaken against Scotland due to it being more comparable to Wales in terms of size and make-up than England or Northern Ireland.

The key points, below, highlight the differences in Scotland:

- There are fewer bodies and frameworks;
- There is one inspectorate with integrated functions;
- Limited inspections, with only clinical inspections undertaken;
- Earlier intervention for NHS organisations which is positive, proactive, and focussed on support;
- More formal interaction at a national level;
- Greater public accountability – annual reviews are conducted publicly;
- Performance data forms the basis of accountability reviews;
- There are monthly interactions between the Chairs of NHS organisations and the Minister.

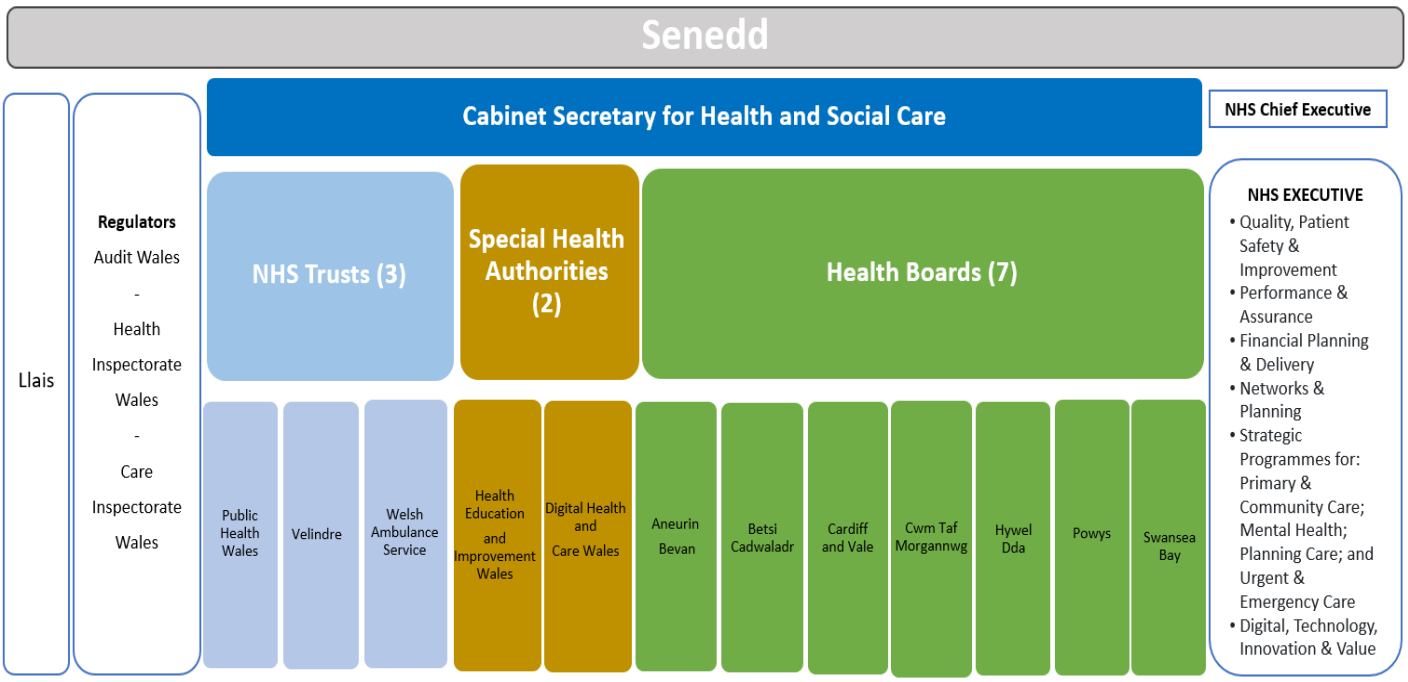
4.3 Review of Current NHS Wales Governance Structures and Accountability Arrangements

4.3.1 Current NHS Wales Governance Structures

NHS Wales comprises seven Local Health Boards (LHBs), three NHS Trusts and two Special Health Authorities. The Local Health Boards, Trusts and Special Health Authorities are accountable to the Cabinet Secretary for Health & Social Care, and to the Director General of Health and Social Services and NHS Wales Chief Executive (the Director General) through their chief executives as the accountable officers. The Director General, Health and Social Services reports directly to the Permanent Secretary in relation to their personal performance, their role as additional accounting officer and for the way in which the Directorate Group is run. As Chief Executive, NHS Wales, they are accountable to the Minister for Health and Social Servics, and is responsible for providing policy advice and exercising strategic leadership and management of the NHS.

The Governance Map on page 8 describes the current governance arrangements in NHS Wales.

NHS WALES GOVERNANCE MAP



There are a number of hosted bodies that provide services on behalf of NHS organisations, they, however, are non-statutory organisations and the accountability for these sits with the respective organisation. This includes the NHS Wales Joint Commissioning Committee, NHS Wales Shared Services Partnership and other hosted bodies.

The Director General is accountable to the Cabinet Secretary for Health and Social Care and is responsible for providing policy advice. As CEO NHS Wales they exercise strategic leadership and management of the NHS.

In summary:

- There are **seven health boards** in Wales. Their principal role is to ensure the effective planning and delivery of health and wellbeing and healthcare for people for whom it is responsible, within a robust governance framework, to achieve the highest standards of patient safety and public service delivery, improve health, reduce inequalities, and achieve the best possible outcomes for its citizens, and in a manner that promotes human rights.

- In addition, the seven LHBs are supported by a new **NHS Wales Joint Commissioning Committee** (JCC) from 1 April 2024, which will commission ambulance, 111 and specialised services on behalf of the health boards. The Health Board remain accountable to their populations for the services commissioned by the NHS Wales JCC and hold the JCC to account for the services they commission.

- There are **three NHS Trusts** in Wales with a specific focus. These are the Welsh Ambulance Services NHS Trust, the Velindre NHS Trust and Public Health Wales. Velindre NHS Trust also hosts the shared services provider and Health Technology Wales whilst Public Health Wales hosts the NHS Executive.

- There are **two Special Health Authorities**; Health Education and Improvement Wales (HEIW) and Digital Health and Care Wales (DHCW).

- The **NHS Wales Shared Services Partnership** (NWSSP) is an independent partnership, directed by NHS Wales, hosted by Velindre Trust. It supports NHS Wales through the provision of a range of back-office functions and services including internal audit, procurement, counter-fraud services, and employment services (including payroll and payment of expenses).

- In addition,there is an **NHS Wales Executive,** working on behalf of the Welsh Government to support delivery of ministerial prioritie. The NHS Executive became operational on 1 April 2023 with the overall aim to drive improvements in the quality and safety of care, and to achieve better and fairer health outcomes.

A more detailed summary of the current NHS Wales governance structures can be found at **Appendix 6**.

4.3.2 Current NHS Wales Accountability Arrangements

The **Cabinet Secretary for Health and Social Care** is a cabinet position in the Welsh Government. The Cabinet Secretary is responsible (and accountable to the Welsh Parliament) for the exercise of all the powers in the health and social services portfolio, including:

- setting the policy and strategic framework within which the NHS in Wales should operate.
- agreeing in Cabinet, as part of collective discussion, the overall resource framework for the NHS in Wales
- determining the strategic distribution of overall NHS Wales resources
- setting the standards and performance framework for the NHS in Wales
- holding NHS Wales leaders to account.

The **Chief Executive**, **NHS Wales** holds a combined role as Chief Executive, NHS Wales, and **Director General**, Health & Social Services (HSS) within the Welsh Government. They are designated by the Permanent Secretary, Welsh Government as the Accountable Officer for the NHS in Wales and are an Additional Accountable Officer in respect of the role as Director General.

As Chief Executive of NHS Wales, they are accountable to the Cabinet Secretary for Health and Social Care, and responsible for providing them with policy advice and exercising strategic leadership and management of the NHS.

Each NHS organisation in Wales has a Chief Executive who is appointed Accountable Officer, through an Accountable Officer Memorandum issued by the Chief Executive of NHS Wales. This Memorandum outlines the responsibility of the Accountable Officer in each NHS organisation including for financial management and performance.

The Memorandum states that the Accountable Officer is directly accountable for all financial performance issues (and all other performance issues) delegated to the organisation to the Chief Executive of NHS Wales as Additional Accounting Officer for Health and Social Services. They are also accountable to the Chair of their health organisations for the overall statutory operational and strategic performance of the organisation and as a member of the Board.

The **Chair of a NHS Board in Wales** is responsible for providing strong, effective, and visible leadership, and is accountable for maintaining the highest standards of clinical care and governance. The Chair is ultimately accountable for LHB/NHS Trust performance to the Cabinet Secretary for Health and Social Care.

The **Vice-Chair of a Local Health Board** has a specific brief as a champion in respect of overseeing the planning, delivery and evaluation of primary care, community health and mental health services. The Vice-chair supports the Chair in the performance of the Board and its effective governance, upholding the values of the NHS, and promoting the confidence of the public and partners.

Chairs, Vice-Chairs, and other **Independent Members** on NHS Boards are formally held to account for their personal performance in fulfilling their roles and responsibilities through the introduction of annual accountability agreements linked to the conduct of personal performance management arrangements.

The **NHS Organisations Chief Executives' role** as Accountable Officers is to the Chief Executive, NHS Wales. Chief Executives are required to sign an Annual Governance Statement on behalf of their organisation.

For individuals within NHS Wales bodies, their responsibilities and accountability will be formally defined within a clear framework of delegation, and their performance formally reviewed and reported upon through an NHS Wales-wide personal performance management system. Professional staff working across the NHS in Wales will also be accountable to their professional bodies in respect of their professional roles.

Board champion posts (WHC/2021/002) have been introduced to Local Health Boards and NHS Trusts since 2003 and were reviewed in 2021. They consist of a mix of statutory and non-statutory roles, to be held at non-executive (independent member), executive director level or both. They are not set down in any legislative framework. The requirement to appoint Board Champions over and above the roles of Board Members is considered to place additional burdens, particularly on non-executive board members when they have limited time to undertake their roles.

NHS England undertook a different approach in 2021 which aligned the role to board-level committees. A similar approach should be considered for NHS Wales.

B0994_Enhancing-board-oversight-a-new-approach-to-non-executive-director-champion-roles_December-2021.pdf (england.nhs.uk)

4.4 Literature Review

Details of the documents reviewed is included as **Appendix 7**.

The overarching fundings from the literature were:

- There is an urgent need for simplification. A number of previous reviews, including the Parliamentary Review, have drawn the same conclusion. There is an array of frameworks, duties, and standards. It needs to be easier for Boards to establish exactly what they will be accountable for.

- Accountability is multi-directional and appears to be skewed towards entities that are regulatory in nature. The problem with regulation is that the regulator becomes a de-facto customer. The patient (and the Cabinet Secretary) should be the customer and the accountability arrangements ought to reflect that. This is where the Accountability Reviews in Public might be useful.

- The escalation arrangements need to be more pre-emptive and supportive, rather than reactionary. The skills within the Executive should be readily available to the service.

- There is a need to redefine the role of the Board.

- No amount of change to the structure and processes of governance and accountability will have a positive effect on quality and outcomes unless something is done about culture. Structured development for Boards would help them understand their role in creating and managing culture.

5. DEFINITION OF GOVERNANCE AND ACCOUNTABILITY

While the term “NHS Wales” is commonly used, unlike NHS England, there is no actual legal entity of this name. NHS Wales is used to collectively refer to Health Boards, Trusts and Special Health Authorities (SHAs) and those carrying out NHS functions on their behalf to provide a range of primary, community, secondary, and specialist tertiary care services, mental health and learning disabilities service and public health and protection services.

The Welsh Ministers (served by the Welsh Government Department of Health and Social Services) are responsible under the 2006 Act for the promotion and provision of a comprehensive health service in Wales in accordance with the 2006 Act. In addition, the Welsh Ministers must provide certain services, such as hospital accommodation and services or facilities for diagnosis and treatment of illness[1].

For the NHS in Wales, governance is defined by the NHS Confederation as being, “a system of accountability to citizens, service users, stakeholders, and the wider

[1] See sections 1, 2 and 3 of the 2006 Act.

community within which the health organisations work, take decisions and lead their people to achieve their set objectives. Holders of public office are accountable to the public for their decisions and actions and must submit themselves to scrutiny to ensure this" (via the Nolan principles).

However, the Ministerial Advisory Group felt that the definition agreed by NHS Scotland be adapted to reflect the system working required in Wales would be more appropriate given its emphasis on public health and health improvement.

"Governance is the means by which NHS Boards direct and control the healthcare system to deliver Welsh Government policies and strategies and ensure the long-term success of the organisation and the services it provides for which they are held to account by Ministers. It is the ability to ask questions and make decisions to improve population health and address health inequalities whilst delivering safe, effective, high-quality, cost-effective healthcare services. It is to be distinguished from executive-led operational management."

Accountability rests on several pillars, which together ensure that NHS Wales improves the care it provides, meets people's expectations, and can become truly sustainable. Three key pillars are accountability to ***ministers,*** to **patients**, and the wider ***public***. In part, this accountability is discharged via elected politicians, including MSs, the Cabinet Secretary, and Ministers. But that accountability must be balanced by complementary links from the service directly to its patients, and the public served. The lines to the public and patients currently were considered to be weak and under-developed by the Ministerial Advisory Group.

The group considered that one of the most important changes for the future of NHS Wales was to raise that direct accountability to a level where it routinely drives beneficial change and provides the foundation of for a healthy partnership with people. They considered that in the future, NHS Wales must directly shape its services in response to what works for its patients, and which helps communities live longer and more healthily.

Currently, health bodies (particularly Health Boards and Trusts) spend a lot of time and effort listening to their patients and local populations. Llais also contributes to this collective effort. All these activities need to continue. However, this engagement is too often episodic, isolated, uncoordinated, focused on transient issues, of variable quality, and characterised by very limited participation. It is not a *national, purposeful conversation* about the health service.

A national strategy for patient and public engagement is needed. It will:

- Clarify roles and responsibilities;
- Coordinate activity, understand feedback, and shape meaningful conversations;
- Amplify patient and public voices;
- Improve effectiveness, build expertise, and share good practice;

- Provide leadership and ensure that this has sufficient priority and is taken seriously.

The working assumption, at least for now, is that additional resources are not needed for this – NHS Wales should concentrate first on getting the maximum value from current resources.

6. PRINCIPLES FROM THE SURVEYS AND FINDINGS

The following principles were adopted by the Ministerial Advisory Group to guide and aid its discussions and conclusions around the subject of accountability:

i. Clarity of responsibility – setting strategy, delivering strategy, making sure the whole system works as well as it could and should to benefit the health of the population.

ii. Effective assistance and intervention – so that problems and issues are resolved quickly by the most competent person who is available to do so.

iii. Transparency of actions and outcomes for the population and politicians – with good and poor progress being clear, together with the reasons for the situation and the action being taken.

iv. Equal attention should be given in addition to finance and service coverage with the quality of services, safety, activity, cost effectiveness and the outcomes of care.

v. The culture within which accountability is applied is critical to transparency and successful outcomes for the population.

Although many views were presented via the evidence collected and views varied across the spectrum, there were some issues on which there was accord. These areas were:

i. The balance between national leadership and local autonomy is difficult to strike in NHS Wales at the best of times, because of issues which are unique to this nation (e.g. the size and political culture of Wales) and because modern healthcare is inherently complex and sensitive. This relationship has become somewhat unbalanced in recent years, causing a series of challenges which this report seeks to address in its recommendations:

   - The vision for health and care in Wales as set out in A Healthier Wales, has not yet been translated into a convincing and sufficiently specific national plan for the NHS, which would give local NHS bodies a clear framework and milestones for their own plans, and enable them to be held to account effectively;

- There is a perception that there are too many national targets, and an insufficient sense of priority;
- Stakeholders felt that the NHS Executive had an unclear leadership role, and accountabilities, and has yet to develop a leadership style appropriate to the challenges faced;
- There are insufficient mechanisms to ensure that NHS bodies make timely *shared* decisions when the national interest requires it;
- NHS bodies are still too slow to learn from, and replicate innovation from elsewhere in the system;
- The health landscape in Wales is complicated with too many non-statutory and other bodies, which confuses accountability and unnecessarily complicates and delays decision-making;
- The political leadership of health can become entangled in NHS operational matters.

Based on the following findings, several of our recommendations will aim to address the imbalance between national leadership and local autonomy: being clear about the national plan and priorities; putting the NHS Executive on a sound footing to allow it to add value to NHS Wales; encouraging the NHS Executive to ensure timely decisions are made in the national interest; and to simplify the organisational architecture.

Each of these changes will hopefully clarify and improve accountability, helping to set NHS Wales on the path to sustainability and high-quality care.

ii. Culture and style are essential to ensuring high quality and performance – earned autonomy should be implemented together with a reinforcement of the principles of compassionate leadership. The sharing of good practice is essential across Wales.

iii. There needs to be a focus on the development of management and leadership for all staff to enable them to perform their responsibilities well. There needs to be a very sound and supportive programme of development for leaders and potential leaders of organisations, especially in areas where organisations struggle to meet performance targets and standards.

iv. As recognised in the revised NHS Wales Escalation & Intervention Framework (January 2024), intervention should commence at an earlier stage and should be supportive. There is currently a lack of expert capacity and available expertise in the system – this requires resolution. The criteria for de-escalation should be well understood and transparent.

v. The services will come under considerable pressure over the next few years to live within their resources and the system could become overwhelmed by disputes etc. Thought should be given to establishing an independent commissioner panel to advise ministers on the resolution of service design disputes and to advise the organisations on the management of change in service design and delivery.

vi. There needs to be a focusing of inspection to encompass quality improvement, cost effectiveness, sustainability, culture, and competence. The leadership qualities of the organisations' Boards should be included in the assessment e.g. using the well led framework and the maturity of decision-making matrices in the organisations. Consideration should be given to the independence of the inspectorate, allowing it to extend its role to form the public voice on issues of quality and safety (like other inspectorates in schools, universities, prisons, probation, and most other significant areas of public life)

vii. There are a significant number of health-related non-statutory bodies in Wales. Each body needs to be clear about its role and unique contribution. They should be reviewed to explore whether or not the numbers should be reduced and refocussed to areas where they might make a positive contribution to the delivery and development of better quality, sustainable services. In response to the Parliamentary Review of Health and Social Care in Wales (2018), the Director General of Health and Social Care convened a working group to examine the NHS Wales landscape and recommend solutions to streamline health-related non-statutory bodies and governance structures. The findings of this review indicate that either the recommendations made in the Parliamentary Review (2018) were not implemented or that the cycle of layering has been repeated over time.

viii. Levers for change were discussed and it was agreed that the new draft policy appeared sound as an overview, but the methodologies would have to be applied transparently. Consideration should be given to the way in which assessments are currently made about the performance of NHS bodies (escalation and de-escalation) – moving to a more transparent and consistent approach in which all parties – and crucially patients and the public – can understand the decisions being made. It was agreed that there should be earned autonomy applied in the system and the rewarding of excellence – not necessarily financial – where justifiable. Underpinning this should be increased transparency of outcomes and much greater co-production. Clinical leadership and accountability should be strengthened to play a full part in the delivery and direction of health services. There should be earlier supportive escalation of issues and concerns. There must be increased transparency in decision making. In terms of improvement the concept of adopt or justify should be introduced. In addition to earn autonomy, levers and incentives could include the

provision of capital for improvement schemes or the awarding of resources to undertake the piloting of innovation on behalf of services in Wales.

ix. There needs to be a more effective dialogue with the public and patients. Service change and developments in services are required and difficult decisions will have to be made. Boards will need to overhaul their engagement practices and make them more meaningful and inclusive for the population.

Boards should operate within a much clearer national framework for public and patient accountability, which would coordinate the efforts of all NHS bodies and Llais, link them to the responsibilities of Regional Partnership Board (RPBs)/Public Service Boards (PSBs), and ensure that elected politicians and the public have easy and effective means for joining in the conversation.

Structures

The landscape across NHS Wales can be particularly complicated and challenging to navigate. Reducing the number of statutory organisations/agencies could provide better clarity but needs to be weighed against the disruption this could cause. The current governance map is overcrowded, and agencies have increased, which has provided more confusion.

The size and composition of Health Board Boards often make decision making unwieldy.

- The new Joint Commissioning Committee, while being established as a Joint Committee of the Health Boards, will have a Ministerially appointed Chair and Lay Members, which means they are appointed in the same way as the Health Body Chairs, etc. It is difficult then to have clear lines of accountability back to the Health Boards as they have the same route of accountability back to the Cabinet Secretary.

- There are perceived inconsistencies in the way in which Hosted Organisations are managed, when compared with the role and statutory function of individual boards.

- The role of clinical networks and other hosted bodies requires more clarity.

- The new arrangements for the joint commissioning committee will need to be evaluated and reviewed in the near future as indicated in the independent review undertaken by Steve Combe in his report. It is hoped that the new joint committee's accountability as a joint committee of health boards will be clearer and more effective.

Boards

i. There were many views submitted about the current number and scope of the health bodies in Wales. Generally, it was considered that there were too many for a small country and that the number should be reduced. No-one suggested that the numbers of health boards be reduced – although this might be considered – but that some national bodies might be merged to produce a significant provider organisation working with health boards to secure the vital services they plan and deliver. However, the recommendations made in this report about strengthening governance and accountability would apply regardless of the number of organisations in the structure.

ii. In terms of the unitary board model, most Chairs were in favour of this model believing it to be a good way to build sound relationships between independent and executive members to aid decision making. However, a contrary set of views was also expressed which highlighted the fact that the independent members were expressly urged not to become part of the mindset of the executive but to challenge and test. There is a problem that in decision making in a unitary board, for most decisions half of the board are already unanimous and united in their view of the right answer.

iii. There was agreement that the composition of the Boards was too large, and that the representation model was no longer suitable or effective.

iv. There was also concern that the role of non-executives had grown considerably and now greatly outstripped the time that they were supposed to spend within the organisation. E.g. AACs (Advisory Appointment Committee for Consultant Medical Staff). There should be a review of their responsibilities with a view to streamlining the use of their time to allow them sufficient time to meet their primary obligations to the organisation.

v. The appointment of independent members as “champions” was also seen as an outdated concept given the responsibility borne by each member.

vi. The role of the vice chair is also confused; it appears to have grown away from the allocated responsibilities as a member with a special interest in mental health, primary care, and community services. Instead, they are expected to hold the provision of the service to account for performance and effectiveness which is the role of the whole board, not the vice chair alone.

vii. Concern was also expressed about the potential for the blurring of the role of the Chair and the CEO especially in the setting of objectives for the chair. A different methodology for the setting of clear and measurable Chairs’ objectives should be implemented – possibly based on the well led framework and Board maturity matrices which would more appropriately reflect their job descriptions and the responsibilities they alone hold.

viii. The appointment and induction processes for health body members require overhauling urgently. The current appointment processes are laborious and ineffective. Thought could be given to the appointment of an Independent Commissioner for NHS appointments, to remove inconsistency and improve effectiveness.

Pursuing Integration

The complexity of the current landscape together with the difficulties caused through very different accountability arrangements for health boards and local authorities was acknowledged by the Ministerial Accountability Group. These issues have led to considerable frustration in delivering good quality, collective, appropriate care for people in their areas.

There was a real desire to have a strategic forum for the leaders of the organisations in which to plan the future together and to review the effectiveness of joint working. It was recognised that there had been an attempt to achieve this goal in the establishment of Regional Partnership Boards (RPBs). However, despite everyone's best efforts they remain underdeveloped, and their governance needs a radical overhaul. Some RPBs are overhauling their governance to enable greater accountability to the statutory organisations (e.g., Gwent RPB) and to ensure better and more effective engagement with other partners, carers and citizens.

The landscape is further complicated by the evolving governance of Primary Care Clusters who are required to submit an annual report to the Health Board that demonstrates progress against their Cluster Plan, with evidence that priorities identified by their local needs assessments are being addressed. These reports are important not only as an assurance on delivery against cluster objectives, but also directly influence Health Board planning priorities. Integrated Service Planning Boards (ISPB's) have also been established, reporting through the RPB. Their evolution should be carefully mapped and monitored.

The establishment of Public Service Boards (PSBs) was another attempt at better longer-term integrated action; they again have not met their potential and consideration should be given to acknowledging the overlaps between the RPB and PSB and redesigning the integration landscape. It would be helpful if at Government level there was one senior official driving integration.

7. RECOMMENDATIONS

Evidence gathered from stakeholders concluded that the current governance and accountability arrangements where complex and not well understood. A number of suggestions are made below for how arrangements can be simplified, streamlined, and become more transparent.

Fundamentally however, a clear sense of national direction is required, underpinned by the development of a national plan outlining a national health and wellbeing strategy and how the NHS and its partners will become sustainable.

Although many perspectives were presented through the evidence gathered, there were some issues on which there was accord. The areas were:

Recommendation 1: Governance is a means to an end, not the end in itself. We need an ambitious vision and strategy for Wales underpinned by a clear set of priorities.

i. To support the imminent refresh of A Healthier Wales actions, there is an urgent need for an overarching reformed vision and strategy for services in Wales. It needs to be both ambitious - with greater emphasis on prevention, showing how the NHS in Wales is to become sustainable and sufficiently fine-grained through a 10-year sustainable vision, to show what progress is needed year-on-year. This will then serve as the foundation for the planning system, establishing clear expectations for those in charge of delivery, and holding NHS bodies accountable without ambiguity.

ii. The national planning system needs a clearer sense of meaningful (and fewer) priorities and should focus on metrics which relate to those priorities and make a difference to the quality and availability of care. NHS plans should set out what organisations intend to deliver, and they should be held to account for this.

Recommendation 2: There is an urgent need to simplify the delivery landscape and the associated arrangements for governance.

iii. NHS Wales Good Governance Guide to be updated and published to aid understanding and navigation of the system.

iv. Develop a new operating framework for NHS Wales, which clarifies accountabilities in the system, and recognises/ confirms the roles and contributions of the NHS Wales Executive.

v. In view of the number of statutory health bodies in Wales, thought could be given to the potential for the establishment of a single provider organisation delivering educational, IT, shared services and NHS employer functions to the rest of the system.

vi. The role, leadership style and resourcing of the NHS Executive should be established in a new Mandate, to ensure that that the relationship between the NHS Executive, Welsh Government and NHS bodies is clear and functional. There are different ways to configure the NHS Executive, and the Group does not have a view on which is best suited

to the task, provided that the new arrangement ensures that the NHS Executive *inter alia.*

- Has clear, effective and dedicated leadership;
- Has clear separation of roles and functions from the HSSG;
- Holds NHS bodies to account for the operational implementation of Ministerial priorities;
- Conducts early intervention when NHS bodies show signs of significant organisational failure, using an appropriate range of techniques and expertise;
- Ensures effective clinical leadership of national service configurations, through a simplified advisory structure and rationalised set of quality 'frameworks' for whose delivery NHS bodies are held to account;
- Exercises proactive leadership of system governance where NHS bodies are required to cooperate with each other in the interests of regional or national service configuration;
- Ensures that NHS bodies effectively follow the 'adopt or justify' approach to service innovation;
- Accounts publicly for the performance of their role and responsibilities.

The NHS Executive will need to provide visible system leadership to NHS Wales and ensure that NHS bodies deliver optimal services to their populations in accordance with the collective needs of NHS Wales. At present the roles and responsibilities of the Department for Health and Social Care and the NHS Executive are mixed and overlap. These roles need to be clearly defined; there should be clear leadership of the NHS Executive.

There needs to be absolute clarity on the roles of Welsh Governmernt and the Executive – both seem to be doing the same job and this is duplicating time and effort. Oversight of the effectiveness of the NHS Executive and the NHS in Wales might be informed by an independent advisory board to the Cabinet Secretary. Clarity is imperative for the future.

vii. Collaboration between NHS Bodies to deliver the vision requires improvement. Mechanisms to ensure that NHS bodies make timely shared decisions when the national interest requires it are required in order to improve patient outcomes across existing boundaries.

viii. There are a significant number of health-related non-statutory bodies in Wales, and these should be reduced and refocussed to areas where they might make a more effective contribution to the delivery and development of better quality, sustainable services. There is a lack of clarity about to whom and for what they are accountable.

Recommendation 3: There should be much greater transparency about what Health Boards are held to account to deliver. These accountabilities should be drawn from the strategy and agreed annually.

ix. In the event of a potential failure to deliver, intervention should commence at an earlier stage and should be supportive. There is currently a lack of capacity and available expertise in the system – this requires resolution. The criteria for de-escalation of organisations should be very clear from the beginning of the intervention.

x. The services will come under considerable pressure over the next few years to live within their resources and the system could become overwhelmed by disputes etc. Consideration should be given to whether or not there should be an independent commissioner and panel to adjudicate over disputes arising from discussions about service change in order to advise Ministers. The independent commissioner should also advise organisations on the most effective ways of engaging in the process of service change.

xi. Levers for change were discussed and it was agreed that the new draft policy appeared sound but would have to be applied transparently. Consideration should be given to the way in which assessments are currently made about the performance of NHS bodies (escalation and de-escalation) – moving to a more transparent and consistent approach in which all parties – and crucially patients and the public – can understand the decisions being made. NHS bodies should be more proactive in learning from and replicating innovation from other parts of the system to improve patient experiences and outcomes.

It was agreed that there should be earned autonomy and the rewarding of excellence – not necessarily financial – where justifiable. The development of a financial inequalities between organisations should be avoided. Consideration could be given to the awarding of capital to successful organisations or the award of all Wales development pilots to those bodies. Underpinning this should be increased transparency of outcomes and greater co-production. Clinical leadership and accountability should be strengthened. There should be earlier supportive escalation of issues and concerns. There must be increased transparency in decision making and, in terms of improvement, the concept of adopt or justify should be introduced.

Sanctions imposed upon organisations which are failing to meet their objectives might need further consideration; the provision of expert help and assistance must be the first step to improvement.

Recommendation 4: The culture in NHS Wales is characterised by regulation, judgement and intervention related to failure. We should promote a culture that is based on support, earlier intervention, and improvement.

xii. Culture and style are essential – earned autonomy should be implemented together with a reinforcement of the principles of compassionate leadership. A more collegiate approach is required.

xiii. Commission a review of the role of NHS regulators and inspectors considering whether more integrated, independent, and quality focused arrangements are required with equal attention given to the quality of services, safety, activity, cost effectiveness and the outcomes of care as it is to finance and service coverage. The five key principles set out in this report are currently not well-served by the existing inspection and regulation arrangements in NHS Wales. In particular, there is a need to ensure that key decisions on inadequate performance by health bodies – both escalation and de-escalation – are made, and are seen to be made: -

a) transparently, consistently, and independently;
b) against clear criteria and evidence,
c) in a timely manner;
d) focused on improvement;
e) giving weight especially to issues of safety and the quality of care;
f) have a health and social care system-wide remit.

xiv. There needs to be a focusing of inspection to encompass quality improvement, cost effectiveness and sustainability. The leadership qualities of the organisations' Boards should be included in the assessment e.g. the well led framework and the maturity of decision making in the organisation. Consideration should be given to the independence of the inspectorate, allowing it to extend its role to form the public voice on issues of quality and safety (like other inspectorates in schools, universities, prisons, probation, and most other significant areas of public life), working in partnership with Llais.

xv. Llais should be enabled to develop as a truly independent voice for patients and the public. They should develop a close working relationship with health bodies and advise them on their performance and planning based on their community perspective.

xvi. Clarity on who can remove the Board of a health organisation that is failing is needed. Greater clarity is needed on the (very rare) occasions when the existing governance structures are subject to major failure. This should address such issues as: how should the performance of executive and non-executive directors (including the Chair and Vice

Chair) be assessed where serious poor performance may be general rather than focused on a few individuals; how should remedial action (up to, and including removal from office) be taken and by whom; what arrangements should be put in place to ensure the safety and continuity of service provision. Thought should be given to the formal enabling of Chairs of health bodies to remove executives who are not working to the standards of a health body's principles from their position on the Board. The process of suspending independent members who are failing to meet their responsibilities should be more effective and transparent.

xvii. Review NHS Wales Chairs' objectives to ensure they are appropriate, clear, and impactful, and that they do not stray too far into operational matters and blur accountabilities with the Chief Executive Officer, bearing in mind that the Chair is responsible for the overall performance and strategy of the organisation.

Recommendation 5: The Cabinet Secretary (and the public) should be able to hold Boards and Trusts to account in annual public accountability meetings. The agenda for these meetings should be informed by the agreed priorities referred to above.

xviii. The Cabinet Secretary for Health and Social Care should consider conducting annual reviews of the NHS organisations in public to provide greater public accountability and transparency.

Recommendation 6: Leadership and People Development needs to be a core investment in the creation of a high performing NHS Wales.

xix. There needs to be a focus on the development of management and leadership for all staff to enable them to perform their responsibilities. Leadership and people development need to be a core investment in the creating of a high performing NHS. Coaching and mentoring for leaders is essential. Capacity within Health Boards by introducing development programmes should be promoted. A culture of sustainable quality of care with a continuous learning approach should be adopted.

xx. Provide clarity on individual accountabilities, particularly the distinction between the accountabilities of NHS Wales Chairs and NHS Wales Chief Executives

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xxi. The appointment and induction processes for health body members require overhauling urgently and consideration should be given to whether or not there should be an independent commissioner for appointments.

xxii. There is a need to build wide-spread change and improvement capability within NHS organisations to lead to high-quality organisations. Productivity and quality of services must be improved continuously to better serve the local population.

xxiii. A bespoke continuing professional development programme for NHS Chairs and aspiring Chairs and Board Members – including executives of a Unitary Board should be commissioned.

xxiv. The Code of conduct for NHS Managers should be reviewed and professional standards developed and applied to all management grades in Wales.

xxv. Review the size and constitution of NHS Wales Boards to ensure they are effective and fit for the future. The general view of those interviewed was that the Health Board membership was too big and although the unitary board model had benefits, the continuing appropriateness of the models has given rise to concerns.

xxvi. Review the role of NHS Wales Vice Chairs.

xxvii. Review the role and purpose of NHS Wales Board Champions.

xxviii. There needs to be clarity relating to the role and authority of the accounting officer of Welsh Government and the NHS Board in respect of the role of the CEO as the accountable officer.

Recommendation 7: Patient and public participation in co-production of NHS services will lead to improved outcomes.

xxix. There needs to be a more effective dialogue with the public and patients. Improving the health of people in Wales, reducing health inequalities, improving the partnership in service delivery between services and those they serve, making services more effective and patient centred, and re-building public trust and confidence in the NHS, all require a far more effective approach to building dialogue and understanding. In addition, change and development in services is required and difficult decisions will have to be made. This requires national and local leadership, a clear understanding of respective roles and responsibilities, and coordination of effort.

NHS Boards will need to overhaul their engagement practices and make them more meaningful for the population. They should operate within a much clearer national framework for public and patient accountability, which would coordinate the efforts of all NHS bodies and

Llais and ensure that elected politicians have easy and effective means for joining in the conversation.

xxx. There is a need to develop a national strategy for public and patient involvement.

8. SUPPLMENTARY FINDINGS AND ADVICE

Some issues were advanced which were outside the original terms of reference but which the group considered were worthy of note. These were:

- Consider whether the role and function of Deputy Ministers needs to be described/ clarified.
- Consider whether there would be merit in having a single lead (e.g. Managing Director) for the NHS Wales Executive with the role of Director General being separated from the NHS CEO at Welsh Government. Many respondents also queried the separation of the NHS Wales executive from Government.
- Consider whether further clarity is required on the role and function of Regional Partnership Boards and Public Service Boards, including their governance and accountability.
- Welsh Government is advised to consider whether a public service leadership pipeline is required.
- Consider establishing a role of Director of Integration in the Welsh Government Health & Social Service Group.

9. CONCLUDING REMARKS

This report combines the thoughts and aspirations of a variety of stakeholders and the views of members of the Ministerial Advisory Group to improve the governance and accountability of the NHS in Wales and to improve the universal delivery of good quality population health and service delivery to the people served by NHS Wales.

The working group has been guided by principles that it adopted, namely:

- Clarity of responsibility
- Effective assistance and intervention, transparency of actions and outcomes for the population and politicians;
- An increased attention on improving the quality of services and outcomes for people;
- The development of an empowering culture and informed by the views of those who provided written and verbal evidence.

At this stage, the Ministerial Accountability Group has not concluded on a definitive position which describes the future – that will be for Ministers to determine.

10. APPENDICES

- Appendix 1 – Terms of Reference
- Appendix 2 – List of interviewees
- Appendix 3 - Stakeholder Evidence Session Attendees
- Appendix 4 – Stakeholder Survey
- Appendix 5 – Summary of Responses to the Survey
- Appendix 6 – Summary of Current NHS Wales Governance Arrangements
- Appendix 7 – Literature Review
- Appendix 8 - Characteristics of a Successful Organisation
- Appendix 9 – Summary of NHS Wales Executive

Appendix 1 – Terms of Reference

Task and Finish Ministerial Advisory Group

NHS Wales Accountability

Terms of Reference

Background

- The current governance structure of NHS Wales (Health Boards, Trusts and Special Health Authorities accountable to the Minister through their respective Chairs, and Chief Executives of Organisations accountable to the NHS Wales Chief Executive) was established following the NHS (Wales) Act 2006.

- The decision to establish the NHS Wales Executive was made in *A Healthier Wales*, as recommended by the Parliamentary Review of the Long-term Future of Health and Social Care, with the aim of consolidating national activity and bringing a consistent approach to planning, priority setting based on outcomes, performance management and accountability. It was reconfirmed in the Programme for Government.

- The NHS Wales Executive became operational on 1 April 2023.

- Establishing the NHS Wales Executive has not changed statutory accountability mechanisms. All NHS organisations remain directly accountable to Ministers, and the Welsh Government and Ministers will continue to set priorities, targets and outcome measures for the NHS. However, the NHS Wales Executive provides additional capacity at a national level to oversee and support delivery of these priorities.

- The Health Minister appoints Chairs and independent members to health boards, trusts and strategic health authorities who, along with the Chief Executive and Executive Team, have a responsibility for oversight of the organisations to which they are appointed.

- Alongside the establishment of the new NHS Wales Executive, *A Healthier Wales* included a specific action for the introduction of *"a range of 'levers for change', a combination of incentives and sanctions, to drive performance, reward achievement and address failure to deliver"*.

- Levers for change will provide some of the tools to drive improvements in performance and outcomes as part of the NHS Wales Executive's aim of a stronger guiding hand, through clearer and more robust accountability and escalation arrangements. The levers for change work was paused during the pandemic and was updated in October 2022. It has been further updated in Q1

of 2023/24 to reflect the current priorities together with the operational and financial context alongside the work to revise the NHS Wales Assurance and Oversight Framework.

- The NHS Wales Assurance and Oversight Framework (AOF) will set out Welsh Government's Ministers' mechanism and approach for gaining assurance from NHS Wales organisations. The AOF will set out the oversight approach and the process for escalation and intervention and will be published in Autumn 2023.

- NHS Chairs' Performance Objectives are being strengthened to link to Planning Framework requirements and accountability conditions. This will reinforce accountability and link the performance management of the Chair more closely to that of the organisation they lead.

Purpose/Role of group

Within the context set out above the group is asked to:

- Reflect on the current governance structures within the NHS Wales system and provide observations of any strengths or weaknesses.

- Provide a view as to whether accountabilities are clear and appropriate.

- Provide any recommendations to strengthen the system.

- Take account of the fact that health ministers in Wales are closer to the NHS system than elsewhere and that the accountability mechanisms need to consider this.

In relation to levers for change the group is asked to:

- Review the levers for change paper from October 2022.

- Consider the role of incentives and sanctions to drive and improve delivery in NHS Wales organisations.

- Identify any other levers that could be used to drive performance.

This is a task and finish Ministerial Advisory Group which has been established for a specific and time-limited purpose and has been classified by the Welsh Government as an ad hoc body by reason of its temporary nature.

The Group will report to MHSS with recommendations at the end of its period (i.e. by 31st March 2024).

It is noted that recommendations could potentially require new primary legislation if they are accepted and acknowledged that any such action will not be deliverable within this Senedd term but could be part of the next Programme for Government after the 2026 Senedd election.

Membership

Victor Adebowale	Chair, NHS Confederation
Nick Bennett	Director Economics Wales, Savills
Mark Hackett	NHS Chief Executive
Derek Feeley	Senior Fellow, Institute for Healthcare Improvement Wales
Olwen Williams	Associate Director of Clinical Leadership, Health Education, and Improvement Wales
Rhiannon Tudor Edwards	Professor of Health Economics
Pam Wenger	Board Secretary, Cygnet Health Care
Marcus Longley	Deputy Chair of the Professional Standards Authority for Health and Social Care
Debra Williams	Chair, Careers Wales

As a task and finish Ministerial Advisory Group the Group will be appointed on basis of advice from the Welsh Government Public Appointments Unit which states that Welsh Government policy is for such appointments to follow the spirit of the Commissioner for Public Appointment's Code of Practice for Ministerial Appointments to Public Bodies, in particular that appointments should be based on merit. The Health Minister will approve all members to the group as is usual practice.

The Group will be Chaired by Ann Lloyd, Chair of Aneurin Bevan University Health Board.

The Group will include some members from outside of NHS Wales who can provide additional expertise, perspective and challenge.

Welsh Government will provide a relevant Policy Official to observe the Group and provide factual information on current arrangements and options which have been explored to date.

The number of members will be capped at 10.

The term of appointment for each member will be six months from the initial meeting.

The Group members will not be remunerated. Travel and Subsistence expenses will be refunded.

Members will need to complete and return a Registration and recording of interest form.

Members should be made aware of the code of conduct.

Meetings

- The first meeting will be held in person with a virtual option, but meetings thereafter may be held virtually by default in line with Welsh Government guidelines.

- No deputies will be accepted in place of members.

- The secretariat function for the Group will be undertaken by the Welsh Government.

- No minimum number of members is required for a meeting to be quorate.

- There will not be a published output from each meeting; the Group will report back to MHSS at the end of their term.

Appendix 2 – List of Interviewees

- First Minister
- Minister for Health and Social Services
- Minister for Economy in their capacity as previous Minister for Health and Social Services
- Deputy Minister for Social Services
- Deputy Minister for Mental Health and Well Being
- Special Advisers for the Minister for Health and Social Services; Deputy Minister for Social Services and Deputy Minister for Mental Health and Well-Being
- Chief Nursing Officer for Wales
- The Permanent Secretary of the Welsh Government
- The Director General of NHS Wales and Chief Executive of NHS Wales
- Senior Welsh Government Officials – Deputy Chief Executive NHS Wales and NHS Executive Programme Director
- NHS Wales Chairs
- NHS Wales Chief Executive Officers
- NHS Wales Executive Senior team
- Jonathan Morgan - Chair Cwm Taf Morgannwg UHB on behalf of NHS Chairs
- Opposition Spokespeople
    - Russell George - Conservative
    - Mabon ap Gwynfor – Plaid Cymru
    - Jane Dodds – Welsh Liberal Democrats
- Paul Mears CEO Cwm Taf Morgannwg UHB on behalf of NHS CEOs
- Medwin Hughes - Chair and Alyson Thomas - CEO of Lais
- Michelle Morris - Ombudsman for Wales

Appendix 3 - Stakeholder Evidence Session Attendance

- Wales Partnership Forum
- Welsh NHS Confederation
- Allied Health Professionals bodies
- Welsh Local Government Association
- Royal Medical Colleges Wales
- Royal Nursing Colleges Wales
- London City University

The organisations listed below were invited to attend the Stakeholder Evidence Session but were unable to attend.

- Nuffield Trust
- Bevan Commission
- Wales Centre for Public Policy
- Good Governance Institute
- King's Fund
- Audit Wales
- Health Improvement Wales (HIW)
- Llais
- Wales Council for Voluntary Action (WCVA)
- Tavistock Institute

Appendix 4 – Stakeholder Survey

Our Ref: AL/sk Direct Line: 01633 435957 14th December 2023

Dear Colleagues

I am delighted to have been appointed by the Minister for Health and Social Services as the Chair of the NHS Wales Accountability Ministerial Task and Finish Group. The role of the group is to reflect on the current governance structures within NHS Wales, provide a view about whether accountabilities are clear and appropriate, and advise on any recommendations necessary to strengthen them.

The terms of reference for the review are available at the following link:

Task and Finish Ministerial Advisory Group NHS Wales Accountability - Terms of Reference.pdf (gov. wales)

OBJECTIVES OF THE REVIEW

The Minister for Health & Social Services has asked members of the Group to:

- Reflect on the current governance structures within the NHS Wales system and provide observations of any strengths or weaknesses.
- Provide a view as to whether accountabilities are clear and appropriate.
- Provide any recommendations to strengthen the system.
- Take account of the fact that health ministers in Wales are closer to the NHS system than elsewhere and that the accountability mechanisms need to consider this.
- In relation to levers for change the group is also asked to:
  - Review the levers for change paper from October 2022.
  - Consider the role of incentives and sanctions to drive and improve delivery in NHS Wales organisations.
  - Identify any other levers that could be used to drive performance.

The Group would welcome submissions of evidence from a broad spectrum of participants from across the health and social care system and from patients, the public, and the wider voluntary sector.

Therefore, we would be grateful if you could circulate this call for evidence to other colleagues and relevant stakeholders.

I would therefore be grateful for your written feedback in the attached questionnaire as part of this call for evidence by **12th January 2024.**

Yours Sincerely

Ann Lloyd CBE

Chair, NHS Wales Accountability Ministerial Task and Finish Group

NHS WALES ACCOUNTABILITY SURVEY

You can respond as an individual, or on behalf of an organisation by completing the survey below. **The deadline for responses to the call for evidence is 12 January 2024.**

NHS Wales Accountability Review

Appendix 5 – Summary of Response to the Stakeholder Survey

SUMMARY OF EVIDENCE FROM THE NHS WALES ACCOUNTABILITY REVIEW QUESTIONNAIRE

NHS Accountability Review – Summary of Call for Evidence

Organisation/Professional Body/Individual that Responded to the Call for Evidence	
1	Strategic Programme for Mental Health, NHS Executive
2	Royal College of Midwives
3	Aneurin Bevan University Health Board
4	British Medical Association (BMA) Cymru Wales
5	Public Health Specialists submitting as an individual
6	Audit Wales
7	Community Leisure UK (Wales)
8	Cardiff and Vale University Health Board
9	Wales Cancer Alliance
10	Cwm Taf Morgannwg UHB
11	Breast Cancer Now
12	RNIB Cymru
13	Asthma and Lung UK
14	Royal College of Nursing Wales
15	Macmillan Cancer Support
16	Fair Treatment for the Women of Wales
17	Powys Teaching Health Board
18	Hywel Dda UHB
19	HEIW
20	HIW
21	Chairs of NHS Wales Bodies
22	Cancer Research UK (CRUK)
23	Royal College of Physicians
24	Directors of Corporate Governance
25	Vice Chairs of NHS Wales Bodies
26	Allied Health Professionals
27	Bevan Commission
28	Llais

Part 1 - Governance

GOVERNANCE Q1: To what extent are the roles of the NHS bodies appropriately clear and distinct?

In general, roles are clear and distinct; however, some operating models are less clear, and boundaries are blurred, creating uncertainty about governance and accountability. This can reduce cohesion and create duplication throughout the system, necessitating an overarching strategy/framework for oversight.

- The NHS Executive's (NHSE)responsibilities are unclear. Greater clarity is required regarding its role and how it relates to those of the Minister for Health and Social Services and NHS Wales organisations.
- The Welsh Government (WG) must be clear about its role in establishing strategic direction and policy framework and not entering into the operational space.
- The dual role of Director General (DG) and Chief Executive NHS Wales has benefits but may lead to conflict between the two functions.
- It is necessary to establish clarity regarding the role of clinical networks and hosted bodies concerning individual boards' statutory functions and the Accountable Officer's (AO) responsibilities.
- The role of Healthcare Providers like Digital Health Care Wales (DHCW) in delivering national programs, including governance and accountability arrangements, needs clarification.
- Shared Services provides important services to all NHS Wales bodies and has an AO, but it is not a body with public visibility or scrutiny.
- Establishing clarity on how Wales' patient representative body, Llais, contributes to the work of NHSE and other NHS bodies is necessary.
- The National Governance Framework promotes transparency when implemented properly. However, inconsistencies in how parts of NHS Wales are created and governed can lead to confusion and difficulty in understanding.
- To improve governance, reducing the number of bodies is necessary.

GOVERNANCE Q2: Does the Welsh Government operate at an appropriate 'length of arm' to ensure the right balance between alignment with government priorities and the need for impartiality?

Opinions on this question are mixed, with half of the respondents agreeing that the Welsh Government operates at an appropriate arm's length, while the other half disagrees.

- To improve governance, the NHSE should be a statutory body that has oversight of operational delivery, and the Welsh Government should focus on strategic direction.
- The dual roles of the NHS Wales Chief Executive and DG are not wholly compatible and carry the risk of confusion, potentially holding the individual accountable on certain matters and confusing the "arm's length" arrangements between the NHS and Welsh Government.
- Meeting structures need to be reviewed to remove duplication and ensure the appropriate governance structures are in place in terms of what is reported to the Welsh Government vs the NHSE.

Part 2 - Accountability

ACCOUNTABILITY Q1: How effective and appropriate is the relationship between the Welsh Government and NHS Wales organisations?

Most respondents feel that the relationship between the Welsh Government and NHS Wales organisations is neither effective nor appropriate.

- To improve accountability, the Welsh Government needs to provide central guidance, ensuring that Health Boards and bodies are subject to greater direction, scrutiny, and accountability, so they are clearer and better able to deliver what is expected of them.
- The Welsh Government should align guidance on the production of annual/periodic requirements such as the IMTP, winter planning, and Chair's objectives to an annual timetable with clear guidance and expected outcomes/expectations.
- Establishing greater clarity on the responsibilities of Welsh Government officials and who has official oversight of matters would enable stronger relationships to be forged and a clear governance and accountability structure.

ACCOUNTABILITY Q2: Is the accountability of NHS Wales well understood and effective?

Overall, accountability within NHS Wales is reasonably well understood but not always effective, due to inherent complexities that require streamlining.

- To improve accountability, it is necessary to ensure that the Welsh Government holds health boards to account, monitors progress against measures, and establishes consequences for health board leaders in cases where progress is not being made.
- The accountability of Independent Members (IMs) as Board Champions and the role of the Vice-Chair need clarification.
- The dual role of NHSCE and DG leads to ambiguity, and the different lines of accountability to the Minister and the Permanent Secretary of the WG can be confusing. Similarly, the accountability to NHSE is not yet clear.
- The move to a Joint Commissioning Committee is welcome but clarity on who it is accountable to, e.g., Health Boards or Minister is required.

ACCOUNTABILITY Q3: Are there any examples of where you think accountability could be improved and how

- Chairs' objectives don't stray inappropriately into areas that are the responsibility of the Executive.
- Clear lines of accountability within operating models / organisational structures across the health system
- Appropriate accountability arrangements need to be put in place for Partnership and regional working.
- Regular review of the Terms of Reference and membership of delivery groups and to regular oversight of their work
- Representation from all peer group leads at key meetings e.g.; Allied Health Professionals, Health Science, Governance, etc to ensure the right people are held to account.
- Stakeholders like allied health professionals should be involved in the development of quality statements and implementation plans
- An independent review of the escalation process is required to ensure it remains fit for purpose and to ensure it retains the confidence of all stakeholders.
- Regulation of NHS Managers / Officers
- Ministerial accountability for staffing levels across the NHS in legislation
- Clarity on the governance and accountability arrangements of Health Care Providers such as Digital Health Care Wales (DHCW). The proper digital and data infrastructure fosters greater transparency and accountability
- Greater executive capacity consolidated at a national level to improve quality.
- Defined requirements of accountability framed in legislation for Executive officers on the board would be beneficial.
- Review of the IMTP as a statutory role and function, considered a poor mechanism for holding Health Boards to account since so few manage to publish one within the timelines set by the Government and due to financial constraints.
- Publication of information needs to be standardised nationally to enable understanding and assessment of how effective an organisation is or hold it to account.
- Closer alignment of Health and social care accountability arrangements
- Formal documentation outlining different lines of accountability of the NHSCE and DG to the Minister and the Permanent Secretary of the WG. As well as what WG, Health Boards, and Health Bodies are accountable to the public for.

ACCOUNTABILITY Q4: Please describe the current culture across NHS Wales. What steps would need to be implemented to ensure NHS Wales creates high-performing organisations that consistently focus on creating a culture of high-quality, sustainable care?

The current culture is one of reactive blame, rather than a just culture. It is based on performance management which has created a competitive environment. As a result, there is a culture of continued failings, and there is a reluctance to seek external intervention, resulting in crisis management becoming the norm.

To improve the culture, the following steps need to be taken:

- Clinical leadership at the national level should be actively engaged and involved in reformulating health and care in Wales.
- Greater collaboration and early engagement with professional bodies and third sector organisations should be encouraged in policy development.
- The workforce across all organisations should have the right skill mix.
- Duty of Quality embedded and at the core of all health bodies
- Mechanisms should be put in place to facilitate the identification and sharing of good practice, as well as learning from successful approaches to tackle specific challenges across NHS Wales.

Part 3- Performance Management

PERFORMANCE MANAGEMENT Q1: Do you think the Vision and Strategy for NHS Wales is clearly understood and reflected in the local strategies of NHS Wales organisations?

The general vision and strategy for NHS Wales are understood, but there seems to be a disconnect between Welsh Government policies and NHS Wales strategies. Additionally, due to competing priorities, it's difficult to understand how local and national strategies connect.

To address these issues, there are a few recommendations:

- The 'A Healthier Wales' strategy needs to be updated as it no longer aligns with the current operating environment and available resources.
- Developing a national plan or blueprint under 'A Healthier Wales' would ensure consistency and coordination at the local and regional levels. It would also clarify how national decisions will support and enable local/regional determination.
- The 'A Healthier Wales' strategy should be more inclusive of social care.
- Underpinning strategies such as Digital need to be refined.

PERFORMANCE MANAGEMENT Q2: What mechanisms and metrics could be used to hold NHS Wales organisations accountable regularly and to judge whether they are performing well?

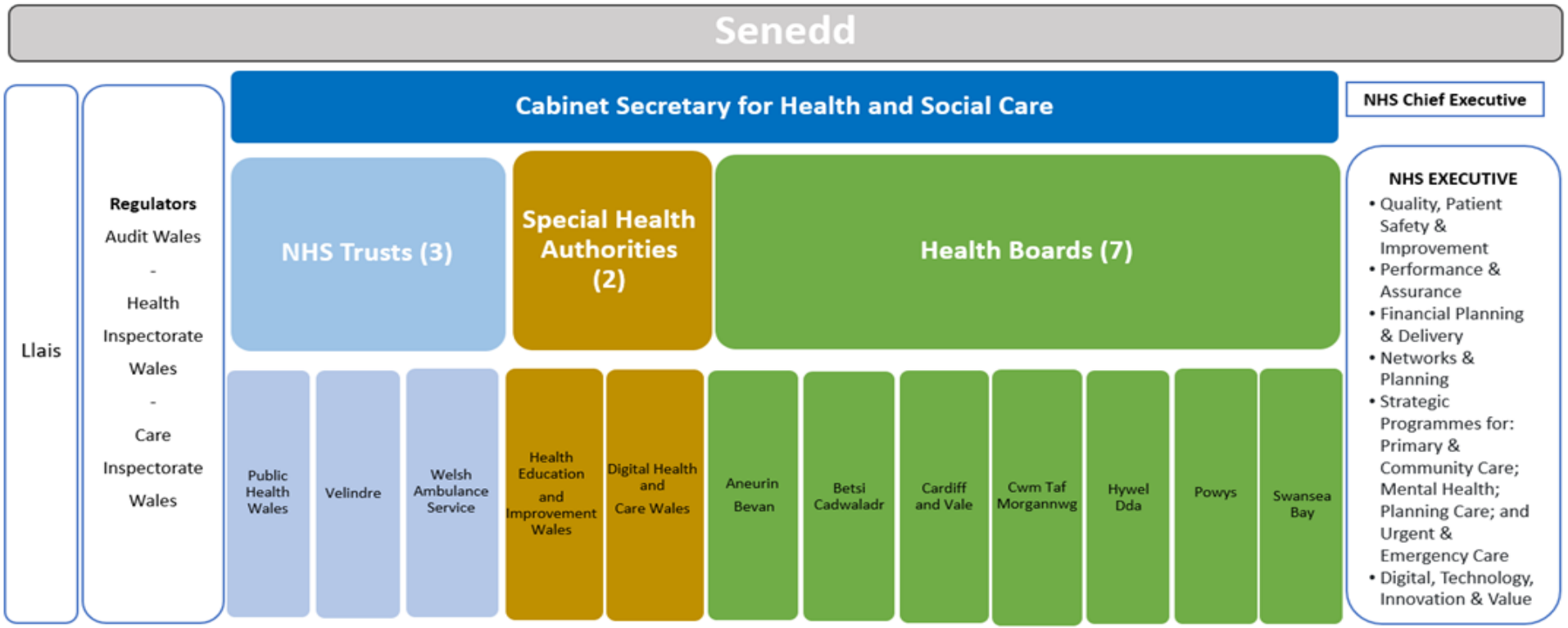
- Publication of agreed-upon information, such as board business, targets, and staff satisfaction surveys.
- Prioritisation of patient experience and outcomes through systematic use of PREMs and PROMs.
- Wider set of national performance metrics under IQPD
- Prioritise staffing and population needs over process and output targets.
- Monitoring overall performance, including leadership effectiveness and workforce engagement.
- Clinical Coding metrics are crucial for generating base data that supports essential management information in the NHS.

PERFORMANCE MANAGEMENT Q3: What mechanisms outside of national targets could be used to support performance improvement?

- Developing and establishing networks with health systems - Learning from UK/European/Global comparators
- Sharpened focus on IPQD
- Greater engagement in areas where performance is poor. This will help us to identify the root cause of the problem and formulate remedial plans and actions accordingly.
- Having access to quality data is also important to monitor our progress and make informed decisions.
- It is crucial to strengthen social care accountability and align it more closely with NHS accountability.
- Reducing the number of strategies and priorities.
- while complying with standards like Welsh Language Standards, WbFGA, and Duty of Quality, we should also remain pragmatic about what can be delivered.

Appendix 6 – Summary of Current NHS Wales Governance Arrangements

NHS Wales comprises seven Local Health Boards (LHBs), three NHS Trusts and two Special Health Authorities. The Local Health Boards, Trusts and Special Health Authorities are accountable to the Cabinet Secretary for Health & Social Care, and also to the Director General of Health and Social Services and NHS Wales Chief Executive (the Director General) through their chief executives as the accountable officers. The Director General is in turn accountable to Ministers.



There are a number of hosted bodies that provide services on behalf of NHS organisations, they, however, are non-statutory organisations and the accountability for these sits with the respective organisation. This includes the NHS Wales Joint Commissioning Committee, NHS Wales Shared Services Partnership and other hosted bodies.

The Director General is accountable to the Cabinet Secretary for Health and Social Care and is responsible for providing policy advice. As CEO NHS Wales they exercise strategic leadership and management of the NHS.

4.1.1 Health Boards in Wales (7)

The principal role of a Health Board is to ensure the effective planning and delivery of healthcare for people for whom it is responsible, within a robust governance framework, to achieve the highest standards of patient safety and public service delivery, improve health, reduce inequalities and achieve the best possible outcomes for its citizens, and in a manner that promotes human rights.

The main functions of a health board are:

- improving physical and mental health outcomes
- promoting wellbeing
- reducing health inequalities across their population
- commissioning services from other organisations to meet the needs of their residents.

In addition, the seven LHBs will be supported by a new **NHS Wales Joint Commissioning Committee** (JCC) from 1 April 2024. The JCC, established under the National Health Service Joint Commissioning Committee (Wales) Regulations 2024, replaces two former Joint Committees:

- The Welsh Health Specialised Services Committee (WHSSC), the remit of which was to enable the seven health boards in Wales to make collective decisions on the review, planning, procurement, and performance monitoring of agreed specialised and tertiary services.
- The Emergency Ambulance Services Committee (EASC) which enabled the seven health boards in Wales to make collective decisions in the planning of ambulance services for the people of Wales.

Alongside this, the National Collaborative Commissioning Unit (NCCU) and the commissioning of 111 and sexual assault referral centres will also transfer to the new JCC from 1 April. The JCC will be hosted by Cwm Taf Morgannwg University Health Board on behalf of the seven health boards in Wales.

The JCC was established in response to an independent review of national commissioning functions. It will have an Independent Chair and between 3 and 5 Independent Lay Members, appointed by the Minister for Health and Social Services.

The seven health board chief executives ae accountable for commissioning services for the populations they service. However, the Chief Commissioner is the accountable officer for the JCC Team and holds accountable officer status for element of their role, namely the regulatory and propriety of funds.

4.1.2 NHS Trusts (3)

There are three NHS Trusts in Wales with a specific focus. These are the Welsh Ambulance Services NHS Trust, the Velindre NHS Trust and Public Health Wales.

The **Welsh Ambulance Services NHS Trust** is the national ambulance service.

The **Velindre University NHS Trust** provides specialist cancer services across South East Wales. It also provides specialist blood services across Wales through **Velindre Cancer Centre** and the **Welsh Blood Service.**

Public Health Wales is the national public health agency. Public Health Wales is responsible for protecting and improving health and wellbeing and reducing health inequalities.

4.1.3 Special Health Authorities (2)

There are two Special Health Authorities; Health Education and Improvement Wales (HEIW) and Digital Health and Care Wales (DHCW).

Health Education and Improvement Wales (HEIW) has a leading role in providing the healthcare workforce in Wales with:

- education
- training
- development

Digital Health and Care Wales is a special health authority, building and designing digital services for health and care in Wales.

4.1.4 NHS Wales Shared Services Partnership (hosted by Velindre NHS Trust)

The NHS Wales Shared Services Partnership (NWSSP) is an independent partnership, directed by NHS Wales. It supports NHS Wales through the provision of a range of back-office functions and services including internal audit, procurement, counter-fraud services, and employment services (including payroll and payment of expenses).

The NWSSP is hosted by Velindre NHS Trust, the Chair is accountable to the Shared Services Partnership Committee (SSPC) in relation to the delivery of the functions exercised by the SSPC on its behalf and, through Velindre NHS Trust Chair, as the hosting organisation, for the conduct of business in accordance with the defined governance and operating framework.

The NWSSP Managing Director is the accountable officer for NWSSP and holds the same accountability as the accountable officers the Local Health Boards, NHS Trusts and Special Health Authorities.

4.1.5 NHS Wales Executive

The NHS Wales Executive became operational on 1 April 2023 with the overall aim to drive improvements in the quality and safety of care, and to achieve better and fairer health outcomes through:

a. **Quality, safety and improvement** – including reinforcing and refocusing national leadership for quality improvement, patient safety and transformation;
b. **Planning** – including developing national and regional planning capability and support for national decision making alongside regional and local delivery; and
c. **Oversight and assurance** – including enabling stronger performance management arrangements, financial control, and capacity to challenge and support organisations that are not operating as expected.

The NHS Executive brings together a number of key functions:

- Quality, Patient Safety & Improvement
- Performance & Assurance
- Financial Planning & Delivery
- Networks & Planning
- Strategic Programmes for: Primary & Community Care; Mental Health; Planning Care; and Urgent & Emergency Care
- Digital, Technology, Innovation & Value

4.1.6 Accountability

The **Cabinet Secretary for Health and Social Care** is a cabinet position in the Welsh government. The Cabinet Secretary is responsible (and accountable to the Welsh Parliament) for the exercise of all the powers in the health and social services portfolio, including:

- set the policy and strategic framework within which the NHS in Wales should operate
- agree in Cabinet, as part of collective discussion, the overall resource framework for the NHS in Wales
- determine the strategic distribution of overall NHS Wales resources
- set the standards and performance framework for the NHS in Wales
- hold NHS leaders to account.

The **Chief Executive**, NHS Wales holds a combined role as Chief Executive, NHS Wales, and Director General, Health & Social Services (HSS) within the Welsh Government. They are designated by the Permanent Secretary, Welsh Government as the Accountable Officer for the NHS in Wales and are an Additional Accountable Officer in respect of the role as Director General.

The Welsh Government's Director General for Health and Social Services is also Chief Executive of NHS Wales. As Chief Executive of NHS Wales, they are accountable to the Cabinet Secretary for Health and Social Care, and responsible for

providing them with policy advice and exercising strategic leadership and management of the NHS.

Each NHS organisation in Wales has a Chief Executive who is appointed Accountable Officer, through an Accountable Officer Memorandum issued by the Chief Executive of NHS Wales. This Memorandum outlines the responsibility of the Accountable Officer in each NHS organisation for financial management and performance.

The Memorandum clearly states that the Accountable Officer is directly accountable for all financial performance issues (and all other performance issues) delegated to the organisation and to the Chief Executive of NHS Wales as Additional Accounting Officer for Health and Social Services.

The Chair of a NHS Board in Wales is responsible for providing strong, effective, and visible leadership, and is accountable for maintaining the highest standards of clinical care. The Chair is ultimately accountable for LHB/NHS Trust performance to the Minister.

The Vice-Chair of a Local Health Board has a specific brief as a champion in respect of overseeing the planning, delivery and evaluation of primary care, community health and mental health services.

Chairs, Vice-Chairs, and other Independent Members on NHS Boards are formally held to account for their personal performance in fulfilling their roles and responsibilities through the introduction of annual accountability agreements linked to the conduct of personal performance management arrangements.

The NHS Organisations Chief Executives' role as Accountable Officers is to the Chief Executive, NHS Wales. Chief Executives are required sign an Annual Governance Statement on behalf of their organisation.

The **NHS Organisations Chief Executives' role** as Accountable Officers is to the Chief Executive, NHS Wales. Chief Executives are required sign an Annual Governance Statement on behalf of their organisation.

For individuals within NHS bodies, their responsibilities and accountability will be formally defined within a clear framework of delegation, and their performance formally reviewed and reported upon through an NHS wide personal performance management system. Professional staff working across the NHS will also be accountable to their professional bodies in respect of their professional roles.

Board champion posts (WHC/2021/002) have been introduced to Local Health Boards and NHS Trusts since 2003 and were reviewed in 2021. They consist of a mix of statutory and non-statutory roles, to be held at non-executive (independent member), executive director level or both. They are not set down in any legislative framework. The requirement to appoint Board Champions over and above the roles of Board Members is considered to place additional requirements, particularly on non-executive board members when they have limited time to undertake their roles.

NHS England undertook a different approach in 2021 which aligned the role to board level committees. A similar approach should be considered for NHS Wales.

B0994_Enhancing-board-oversight-a-new-approach-to-non-executive-director-champion-roles_December-2021.pdf (england.nhs.uk)

Appendix 7 – Literature Review

The following section provides a summary of the literature reviewed.

The Good Governance Guide for NHS Wales Boards

(Academi Wales, 2nd Edition, 2017)

Good Governance Guide for NHS Wales Boards.pdf

Summary

The guide is a helpful document that aims to set out the context and background of the different roles and responsibilities of NHS Boards. It is a valuable resource for NHS professionals and a first point of call for Board Members.

The document was developed over five years ago and does not necessarily provide the context regarding the focus on quality and safety, culture, and leadership.

Other examples could be used to develop a simplified version of this guide. For example, Scotland has developed a "Blueprint for Governance".

Supporting Improvements in Health Boards

(Wales Centre for Public Policy, April 2019)

Supporting Improvements in Health Boards | WCPP

Summary

This report focuses on the challenges within Health Boards and highlights the importance of leadership and that of middle management.

Interestingly, the report focuses on intervention and suggests a need for a more robust regulatory organisation in Wales. This is an opportunity to consider the role in which the regulators can provide insight into when organisations are underperforming and strengthen the current arrangements in place.

The issues identified in this report are relevant to this review: the intense focus on culture and leadership at the Board level and the capability and empowerment at the middle management level.

The importance of the role of the Regulators and whether they can provide an assessment of the capability at the Board level, such as in the case of the well-led reviews in England. It is recognised that some of this review will be addressed through the annual structured assessment process by Wales Audit Office and other governance mechanisms. However, this is an area to consider strengthening.

The third area of relevance in this report relates to the role of intervention, which should be timely, carefully targeted, and led by teams with experience, credibility, and

determination. This is relevant to reviewing the oversight and assurance framework, and the evidence should be linked to ensure clarity regarding escalation criteria.

WG HSSG "LEVERS FOR CHANGE" BRIEFING (DRAFT – NOT POLICY)

Summary

This is an internal document which was last updated in October 2022. Original proposals for levers for changes were developed in 2019 by a working group with representation from across the Health & Social Services Group. However, the work was paused during the pandemic. The levers for change were informed by engagement with NHS Chief Executives and broader stakeholders.

For example, the NHS Executive aims to provide a more substantial guiding hand through transparent and robust accountability and escalation arrangements. Levers for change will give tools to drive performance and outcomes improvements.

The document sets out the levers for change, including ways of support and incentives to help NHS Wales organisations deliver better outcomes. Still, it highlights the need for these to be strengthened and applied more consistently. This is in line with the discussions held in the Advisory Group and the need for clarity and simplicity of approach.

There are references to financial and non-financial incentives. However, some are examples of good performing organisations and not necessarily incentives. There is also some reference to access to expert support as an incentive when actually, in a 'support' approach, access to support should be available if organisations identify a need. This builds upon the path of a more supportive, less punitive approach – this is an essential element of building positive cultures across NHS Wales.

The last section of this document refers to the escalation arrangements – what is clear is that organisations need clarity on the criteria for each escalation level and what they need to do to exit escalation.

The one area that this document focuses on is the accountability framework for the levers for change, and these should be included in the functions of the NHS Executive. The approach appears to be the right one with the caveats of clarity on the roles and leadership of the NHS Executive. Furthermore, the route in which it is delivered appears to be consistent with current structures, but an opportunity to influence this should be considered as part of this review.

NHS Wales Executive Mandate 2023-24 (Welsh Government)

Welsh Government Mandate to NHS Executive

Summary

The role of the NHS Executive, as set out in the Mandate, is clear.

Working on behalf of the Welsh Government, the Executive's role in supporting this mission is to provide strong leadership and strategic direction and enable, support, and, where necessary, intervene to ensure the delivery of national priorities and standards and safeguard and improve the quality and safety of care.

The Executive will:

- Strengthen national leadership and support for quality improvement.
- Provide more central direction to ensure a consistent and equitable approach to national and regional planning based on outcomes.
- Enable more robust performance management arrangements, including capacity to challenge and support organisations that are not operating as expected.
- Lever and respond to the advances in medicine, science, and technology to deliver a modern NHS in Wales.

The governance and structure described in the mandate seem appropriate. However, it is unclear how this works in practice and how the governance systems are being set up. It is unclear from the mandate what the EDT will be holding the Senior Leadership Team to account for other than what is covered in the annual remit letter. However, a clear governance framework is expected to set out the roles and responsibilities as part of its establishment and development.

Audit Commission – A Force for Change – Central Government Intervention in Failing Government Services
(Welsh Government 2002)

4 building blocks for effective organisations

- Ownership of problems and willingness to change;
- A sustained focus on what matters;
- Capacity and systems to deliver performance and improvement;
- Improvement integral to work practises.

NHS Wales Oversight & Assurance Framework
(Welsh Government, January 2024)
https://www.gov.wales/nhs-oversight-and-escalation-framework

Summary

Recently revised and reissued, the framework establishes the updated approach and focuses on quality improvement and culture. The framework has been totally rewritten and focuses on support and clarity in terms of the levels of escalation and de-escalation. It helpfully offers several lines of enquiry – which will assist organisations and does align with the thinking emerging from the Advisory Group on support, culture, quality focussed.

Several meetings are included in the framework, and it is unclear how this aligns with the role of the NHS Executive in its performance function, which could be explored and clarified.

Summary of the Literature Reviewed

- There is an urgent need for simplification. There is an array of frameworks, duties and standards. It needs to be easier for Boards to establish exactly what they will be accountable for.

- Accountability is multi-directional and appears to be skewed towards entities that are regulatory in nature. The problem with regulation is that the regulator becomes a de-facto customer. The patient (and the Minister) should be the customer and the accountability arrangements ought to reflect that. This is where the Accountability Reviews in Public might be useful.

- The escalation arrangements need to be more pre-emptive and supportive, rather than reactionary.

- There is a need to redefine the role of the Board.

- No amount of change to the structure and processes of governance and accountability will have a positive effect on quality and outcomes unless something is done about culture. Structured development for Boards would help them understand their role in creating and managing culture.

Appendix 8 - Characteristics of a Successful Organisation

Characteristics of a Successful Organisation

These are taken from a range of publications/articles.

- **Leadership at all levels;**
- **Clear Vision and mission;**
- **Effective open communication;**
- **Efficient** (lean organisation)**;**
- **Strong Partnerships;**
- **Ethics – transparent record of corporate accountability;**
- **Applied wisdom** (awareness, experience, and insight to set direction, empower people, ensure well-being, and guide activity to achieve lasting results)**;**
- **Culture – empowering staff;**
- **Resilience – derived from a positive culture;**
- **Innovation;**
- **Continual evaluation of organisational effectiveness and delivery; and,**
- **Agility and Adaptability – adapt to the speed and change in the environment.**

Appendix 9 – Summary of NHS Wales Executive

About Us - NHS Wales Executive