



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Cyfrifon Cyhoeddus **The Public Accounts Committee**

Dydd Mawrth, 24 Mawrth 2015
Tuesday, 24 March 2015

Cynnwys **Contents**

[Cyflwyniadau, Ymddiheuriadau a Dirprwyon](#)
[Introductions, Apologies and Substitutions](#)

[Papurau i'w Nodi](#)
[Papers to Note](#)

[Ymchwiliad i Werth am Arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Sesiwn Dystiolaeth 4](#)
[Inquiry into Value for Money of Motorway and Trunk Road Investment: Evidence Session 4](#)

[Trefniadau Llywodraethu Bwrdd Iechyd Lleol Prifysgol Betsi Cadwaladr: Sesiwn Dystiolaeth 1](#)
[Governance Arrangements at Betsi Cadwaladr University Local Health Board: Evidence session 1](#)

[Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod](#)
[Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting](#)

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are recorded in the language in which they were spoken in the committee. In

addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Jocelyn Davies	Plaid Cymru The Party of Wales
William Graham	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Sandy Mewies	Llafur Labour
Darren Millar	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Julie Morgan	Llafur Labour
Jenny Rathbone	Llafur Labour
Aled Roberts	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Dave Cooil	Pennaeth Gwasanaeth, Asiant Cefnffyrdd Gogledd a Chanolbarth Cymru
Dr Peter Higson OBE	Head of Service, North & Mid Wales Trunk Road Agent Cadeirydd, Bwrdd Iechyd Prifysgol Betsi Cadwaladr Chair, Betsi Cadwaladr University Health Board
Ian Hughes	Rheolwr Busnes a Gweithrediaeth Statudol, Asiant Cefnffyrdd Gogledd a Chanolbarth Cymru Business Manager and Statutory Executive, North & Mid Wales Trunk Road Agent
Richard Jones	Pennaeth Gwasanaeth, Asiant Cefnffyrdd De Cymru Head of Service, South Wales Trunk Road Agent
Geoff Lang	Cyfarwyddwr Gweithredol Strategaeth, Bwrdd Iechyd Prifysgol Betsi Cadwaladr Executive Director of Strategy, Betsi Cadwaladr University Health Board
Jeremy Morgan	Swyddfa Archwilio Cymru Wales Audit Office
Gareth Nutt	Cyfarwyddwr Corfforaethol Amgylchedd, Cyngor Bwrdeistref Sirol Castell Nedd Port Talbot Corporate Director of Environment, Neath Port Talbot County Borough Council
Mike Usher	Swyddfa Archwilio Cymru Wales Audit Office
Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru Auditor General for Wales
Yr Athro/Professor Trevor Purt	Prif Weithredwr, Bwrdd Iechyd Prifysgol Betsi Cadwaladr Chief Executive, Betsi Cadwaladr University Health Board

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Leanne Hatcher	Clerc Clerc
Andrew Minnis	Y Gwasanaeth Ymchwil Research Service
Tanwen Summers	Dirprwy Glerc Deputy Clerk
Joanest Varney-Jackson	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Phillipa Watkins	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 08:37.
The meeting began at 08:37.*

Cyflwyniadau, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Darren Millar:** Good morning, everybody. Welcome to today's meeting of the Public Accounts Committee. If I could just remind Members and witnesses that the National Assembly for Wales is a bilingual institution, and Members and witnesses should feel free to contribute to today's proceedings through either English or Welsh, as they see fit. For those who need them, there are headsets available, both for translation and sound amplification.

[2] If I could just remind people to switch off their mobile phones as well, of course, as these can interfere with the broadcasting equipment. And, because it's a formal meeting, the microphones will operate automatically; no-one needs to press any buttons on them—they should light up as you speak. In the event of a fire alarm, we should just follow the instructions of the ushers, who will guide us to the nearest safe exit. We haven't received any apologies for today's meeting, but a couple of Members have indicated that they'll be joining us a little later.

08:38

Papurau i'w Nodi Papers to Note

[3] **Darren Millar:** Item 2 on our agenda is papers to note. We've got the minutes of our meeting held on 17 March. I will take it that those are noted. If there are no objections, then, we'll move on to item 3 on today's agenda.

08:38

Ymchwiliad i Werth am Arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Sesiwn Dystiolaeth 4 Inquiry into Value for Money of Motorway and Trunk Road Investment: Evidence Session 4

[4] **Darren Millar:** We continue with our inquiry into value for money of motorway and trunk road investment. This is our fourth evidence session, and I'm very pleased to be able to welcome to the table today Ian Hughes, the business manager and statutory executive, North and Mid Wales Trunk Road Agent—welcome to you, Ian; David Cooil, head of service, North and Mid Wales Trunk Road Agent; Richard Jones, head of service, South Wales Trunk

Road Agent; and Gareth Nutt, who's the director of environment. Welcome to you all, and thank you very much indeed for the written evidence that you already submitted to the committee.

[5] Members have obviously got a number of questions on the evidence that you've submitted. But, can you just tell us in the round, from both trunk road agents' perspective, how we can be so confident that you are delivering value for money for taxpayers in Wales? Do you want to start, David?

[6] **Mr Cooil:** Yes. We've been working on a trunk road delivery model for a number of years, going back as early as 2005, when some fairly significant changes were made, and we've embarked on a process of continuous improvement. We've improved our levels of governance and transparency over the years, we've established extended supply chains, through competitive processes, we've undertaken a number of agency reviews, including benchmarking activities, comparing ourselves with other models that are being used elsewhere, particularly in Scotland, and, at each of those review stages, we've shown considerable levels of improvement and demonstrated ongoing value for money at each stage, and we've continued to build on that progress and are continuing to do so, particularly in line with the current agency review and the last Minister's statement.

[7] **Darren Millar:** Richard or Gareth, do you want to respond in terms of the south Wales area?

[8] **Mr Nutt:** Thank you. I'd just like to add, I suppose, that—. I think I go back to the 2010 review, which compared costs for the agencies against the private sector model in Scotland. In the written evidence, there is a quote at that time on the outcome of that review that compared the costs in Wales favourably with the private sector model in Scotland at that time, which was only in 2010—not that many years ago. In addition, I think we've been able to demonstrate considerable flexibility in our approach with the Welsh Government, and we've managed to take on services and adapt and change to meet those service needs. I think I'd also like to mention the transparency of costs of the agency, which are open to the Welsh Government, including staff structures, salaries and operation costs. They are completely transparent to the Welsh Government. I think, probably, I would also like to add that our procurement has moved on considerably and best value and value for money is not just about the outcome of the tender. It's also about the supply chain, local employment and other opportunities that I think we can deliver across Wales through the agency model.

[9] **Darren Millar:** Well, we're going to look at some of these issues in a little bit more detail during the course of questions. I'm going to come to Mike Hedges first, if that's okay. Mike.

[10] **Mike Hedges:** Is there scope to improve co-ordination of maintenance and improvement of motorways and trunk roads with local roads to avoid having a local road being dug up at the same time that a trunk road is being dealt with? As someone who lives in Morriston, I'm seeing work being done on the M4 and work done on the A48 at the same time, which has caused a lot of problems.

[11] **Darren Millar:** Who wants to start? Richard.

[12] **Mr Jones:** In terms of co-ordination, there is always scope to improve every service that we undertake. We're currently working closely with local authorities through formal co-ordination meetings on a quarterly basis. That is to look at ensuring that, while local authorities undertake work and we undertake work, we minimise any clashes on any diversion routes et cetera. So, it's a formal process under legislation—the New Roads and Street Works Act 1991. So, that's a formal system that's in place. One thing I'm aware they're currently

looking at, in terms of Welsh Government—and both agents and Welsh Government—. The technology consultant is really looking at improving the Traffic Wales information website in terms of having a more integrated approach to local authority information and Welsh Government information in a single portal. It also goes back to a comment made in an earlier session regarding the Elgin system that is in use in England. The system being developed in Wales will be compatible with that system, so it will allow, when developed, which will hopefully be within the next financial year, a system where members of the public or road hauliers or other stakeholders can go to a single portal to look at roadworks, both from a local authority perspective and on the strategic road network as well.

[13] **Mike Hedges:** What about statutory undertakers? I mean, Welsh Water are digging up large chunks of Morriston as we speak. Is there any co-ordination with them?

[14] **Mr Jones:** The co-ordination meetings, which I mentioned, are statutory co-ordination between the National Joint Utilities Group—so, the public utilities—and local authorities and the strategic road network. So, that's a formal process on a quarterly basis, which allows all users of the road space, in terms of maintaining their apparatus, to meet and to discuss and to co-ordinate. So, that will be a key part of that information as well.

[15] **Mike Hedges:** We shouldn't have the A48 dug up at the same time as work is being done on the M4.

[16] **Mr Jones:** There are procedures now to work to avoid that as far as possible. There are instances, such as emergency works, which are more—. It's for planned maintenance really where we look to try and avoid—. Where there are key diversion routes for one road, we minimise the amount of roadworks in that location, but there are emergency circumstances that can crop up from time to time.

[17] **Darren Millar:** Has that been the case in the area that Mike has referred to?

08:45

[18] **Mr Jones:** Unfortunately, I don't know the detail, Mr Hedges, in relation to that really, so I'd have to look that up and come back to you.

[19] **Darren Millar:** Okay. William, you had a question on this.

[20] **William Graham:** On that point, is there any research to suggest how far in advance you should try to tell people that major road works are going to happen? For example, on the M4, the drainage channels for the tunnel and for the M4 across the St Julian's embankment are still long overdue. It seems that they come upon us very quickly; what must it be like for road hauliers, I don't know. Is there any evidence to suggest how far in advance you announce it for people to find alternative routes?

[21] **Mr Jones:** The aim of the co-ordination, and the information put on the Traffic Wales information site, is to assist with journey planning—

[22] **William Graham:** I accept that. I'm asking how far in advance you should do it to make it effective.

[23] **Mr Jones:** We meet quarterly, so it's looking at the programme for the next quarter in advance, so that information then, and the purpose of that, really, is to identify whether there are any classes that need to have more detailed co-ordination. In terms of whether there is any statutory guidance for how far in advance, I'm unaware. I'm not sure, Dave, if you're aware of that.

[24] **Mr Cooil:** With larger projects, if we're undertaking improvement works, then I think we're in a position to give an increased level of notification, because there's a longer planning process in advance. But for smaller scale works, quarterly is probably about right, because it's linked to funding availability and contractors programmes, whereas if we try and project too far into the future, the accuracy of the timing of those works becomes less certain. So, quarterly is probably around the optimum for small to medium-scale works, and we can predict reasonably accurately when we'll be on the road doing that work.

[25] **Mr Jones:** Can I just come in?

[26] **Darren Millar:** Yes, of course.

[27] **Mr Jones:** In terms of quarterly meetings, they are supplemented with a process that we have weekly of submitting weekly road works information, which is then obviously evaluated and put onto the information sites as required.

[28] **Darren Millar:** Aled, was it on this?

[29] **Aled Roberts:** Rwyf am ofyn yn Gymraeg. Pwy sydd â chyfrifoldeb felly ynghylch arwyddion ffyrdd? Mae enghreifftiau ar yr A55 yn y gogledd—rwy'n gwybod nad eich rhanbarth chi ydy o—lle mae arwyddion ffyrdd yn dangos bod gwaith yn cael ei gwblhau, a phythefnos neu dair wythnos wedyn, mae'r arwyddion dal yn anghywir. Felly, ai'r asiantaeth sydd â'r cyfrifoldeb yna neu'r contractwyr?

Aled Roberts: I will ask in Welsh. Who has responsibility therefore for road signs? There are examples on the A55 in north Wales—I know that it's not your region—where there are signs showing that work will be completed, and then two or three weeks later, the signs are still incorrect. So, is it the agency that has that responsibility or the contractors?

[30] **Mr Cooil:** In relation to the A55, the signs that would be on the road itself would be under our direct control. I'm not aware of any signs indicating the duration of works, that we'd exceed those dates; it would be the yellow information signs at the side of the road. On the notifications that go on to the Traffic Wales website, we would provide the relevant information to Traffic Wales and it would be Welsh Government's technology consultant that manages that website and would update the website to reflect the duration of those road works.

[31] **Darren Millar:** Okay. Can I just ask, in terms of this co-ordination, how engaged are the different partners that have to sit around the table? Do all local authorities turn up? Do all the utilities companies properly participate in these things?

[32] **Mr Cooil:** The formal groups meet through the highway authorities and utilities committee, which is a formal co-ordination group. The utility companies are there, local authorities are there and trunk roads are represented at those groups. So, they're well-attended.

[33] **Darren Millar:** And all local authorities are properly engaged.

[34] **Mr Cooil:** All local authorities have to be engaged. It's a statutory process under the—

[35] **Darren Millar:** We come across statutory processes all the time where some local authorities do not attend meetings. So, I'm asking you: do they attend your meetings? You're smiling, Richard Jones; is the engagement where it should be from some organisations?

[36] **Mr Jones:** Yes, there will be some times where they attend every single meeting, but if representation or information is shared at those meetings—. As far as I'm aware, there's no issue with the attendance at those meetings.

[37] **Darren Millar:** So, if those things are working—. Again, I don't want to be parochial, but this is an example: in Abergele and in Rhyl at the moment, a utility company in one place, in Abergele, on a strategic route through the town, is digging up the road for a six-week period, down the road in Rhyl, on the Blue Bridge, Denbighshire has just undertaken a piece of work that has taken them about four weeks to complete, and at the same time, the major trunk road, the A55, has also had considerable roadworks on it, choking up three main arteries in a very small area. What co-ordination, specifically, was undertaken in respect of those works?

[38] **Mr Cooil:** The co-ordination—

[39] **Darren Millar:** If you knew a quarter in advance, Mr Cooil, why on earth were those three things happening at the same time?

[40] **Mr Cooil:** There are a number of factors that can lead to that situation that you've just described.

[41] **Darren Millar:** None of them were emergencies; they were all planned.

[42] **Mr Cooil:** Road space is at a premium, to undertake work, particularly on the trunk road network. We have a series of trunk road embargo periods, so we actually have very limited windows when we can undertake work and the autumn-winter period is probably our most extended period of available road space to undertake works.

[43] Funding is also a particular issue, in that those schemes quite often attract funding towards the second half, or the final quarter, of the financial year, which increases the pressure on road space. We do, through the co-ordination groups, try and minimise that effect, but in reality, it's difficult to undertake works without causing some level of disruption. We try and do as much co-ordination in advance as we can. Through our contracts, we try and adopt working practices, including night-time working, extended working days and extended working weeks, to minimise the duration of those works. We're very conscious of the level of disruption that we can cause when we're on the network and we do everything within our powers to keep that to an absolute minimum.

[44] **Darren Millar:** It doesn't answer the question as to why you choke three routes up, or why three routes are choked up in a small area—and I'm sure that there are many examples in other parts of Wales, as well—all at the same time. I can appreciate that you made reference to spending pressures at the year end and I'm sure there'll be some questions on that later on, but, presumably, you were aware that the utility company wanted to dig up the road; that was a major part of their capital investment programme, so it's not as though it was money that had to be spent within a very short time period. Major works on the A55 at the same time and very much a planned piece of capital work on a bridge. You know, I can't see how the excuse you've given me for that not being co-ordinated is acceptable.

[45] **Mr Cooil:** As I say, within those constraints that we have to operate, we try and co-ordinate as best we can. It's not perfect—we'd accept that—and it's not ideal if we have roadworks running concurrently, but we are, in some ways, competing for that overall road space and we work to try and ensure those works are done with minimum disruption within those constraints.

[46] **Darren Millar:** Send us a note on the examples that Mike, William and I have brought to the table, if that's okay. Aled, you wanted to come in—was it on this?

[47] **Aled Roberts:** Rwy'n meddwl bod Mr Cooil wedi rhoi'r ateb, i ryw raddau, yn sôn am gyllid. Mae gwaith yn Abergele ar yr A55; gwaith atal sŵn ydy o. Rwy'n cymryd, felly, bod yna grant roedd yn rhaid ei wario cyn diwedd mis Mawrth a dyna pam, hwyrach, bod gwario'r arian yn bwysicach na chadw'r ffyrdd ar agor, o ystyried y gwaith a oedd yn cymryd lle yn Abergele ac yn Rhyl beth bynnag.

Aled Roberts: I think that Mr Cooil has given the answer, to a certain extent, talking about funding. There is work on the A55 in Abergele; it is noise prevention work. So, I take it that there was a grant that had to be spent before the end of March and that is why, perhaps, spending the money is more important than keeping roads open, given the work that was happening in Abergele and Rhyl anyway.

[48] **Mr Cooil:** The noise reduction scheme you've described is part of a ministerial commitment. We have an annual allocation against those schemes. It is a piece of work of a reasonable duration and, as I said in response to the earlier question, the largest window we have to undertake works on the A55 is generally after October half term through to the end of the financial year. That's probably our largest window to undertake works and that scheme fitted within that available road space.

[49] **Aled Roberts:** Pe bai gennych chi'r un rhaglen â Lloegr, sydd wedi symud i batrwm pum mlynedd, a fuasai'n bosib i chi greu amserlen wahanol, fel na fyddai'r holl broblemau yma'n digwydd ar unwaith?

Aled Roberts: If you had the same programme as England, which has moved to a five-year pattern, could you work to a different timetable, so that all of these problems didn't happen at the same time?

[50] **Mr Cooil:** Yes. I think, if we did have a funding programme extended over a number of years—two, three, possibly five years—it would enable us to programme works such that we could target earlier road space windows. If we can get preparation work done earlier, we could then target road space at the beginning of the financial year. So, I think there would be some benefits, if that were the case.

[51] **Darren Millar:** Do you have a view on that, as well?

[52] **Mr Nutt:** I think, on what's happening in England at the moment, it's probably a little bit too early to draw a conclusion about whether there's a significant improvement or not yet. However, as Dave has alluded to, I think there are potential benefits for a longer-term planning—financial planning—horizon that would give the opportunity to develop schemes in advance. The things we talked about—notification, the management of risk—would become a lot easier to deal with. Perhaps the coordination will become a little bit easier to programme as well. So, I definitely think it's something we should be exploring in terms of the highway programme.

[53] **Darren Millar:** Can I just ask—? Sandy, you had a follow-up question, I think.

[54] **Sandy Mewies:** Yes, I did, actually. It's along the lines of other people, but I'm particularly concerned because I'm from north Wales and a border area, and you talked about the Elgin system, and, you know, things that are coming in. It's not just about coordinating within Wales, is it? It's about looking at what's happening in other areas, because there's been quite a bottleneck, actually, hasn't there, out from the Chester roundabout and there have been all sorts of things going on which have contributed to delays there. Do you see any methodology by which you could improve that? There's also been—we've also had a suggestion in evidence over the last few sessions that bringing the agencies down to two has been successful, but perhaps bringing them down to one would be more successful. I'm not

personally saying to you that I think that's a good idea or not; I'm asking you: do you think that that would be counter-productive, and, if so, why?

[55] **Mr Cooil:** I think it's important to note, when you compare trunk road agents or agencies in Wales with the Highways Agency in England, that the models aren't directly comparable. Much of what the Highways Agency—the functions the Highways Agency—currently undertakes are actually undertaken by Welsh Government themselves, and the move to move some of the planning functions, to centralise those in Wales, will increase that role of Welsh Government. If you were to compare with trunk road agents in Wales, we are something of a hybrid, in that we also undertake a lot of the contracting elements, in terms of managing delivery, managing supply chains, and delivering works on the ground. That element, within the Highways Agency model and the Transport Scotland model, would align with their service providers, of which they have 14 in England, and four in Scotland. They've been developed over many years to get to an optimum size in terms of the geographical coverage. So, if you're managing delivery on the ground, there is a limit to how far you can effectively manage, from a geographical perspective, the local supply chains that we try and favour within Wales, so, we feel that the current size of the agency areas are probably at that optimum size.

[56] **Mr Jones:** I would concur with David on that one. In terms of the previous evidence, I think the academics expressed an opinion of having a single authority. I felt that was aligned more to the highway authority function, which is Transport Scotland, as Dave said, and Highways England, and then with the Welsh Government function here in Wales. So, it wasn't really looking at the operations on the network. Geographically, then, the networks are different. If you look at the north and mid Wales network compared to the south Wales network, you've got the linear M4 corridor and you've got the A55, but there's a significantly greater proportion of single carriageway trunk roads in mid Wales, and you need to have that—to remind you, from a geographical perspective, it certainly makes sense to have—local knowledge. It does reflect. When you look at the four model in Scotland, and the 14 in England, I think two in Wales feels about right.

[57] **Sandy Mewies:** Thank you.

[58] **Darren Millar:** And the other issue that Sandy raised, the co-ordination between England and Wales? You've mentioned the statutory get-togethers of the utility companies and local authorities. What about any get-togethers between Wales and England?

09:00

[59] **Mr Cooil:** We border two maintaining agents within England—area 9 and area 10. We have periodic meetings with the Highways Agency and their contractors. In relation to the Posthouse hotel scheme on the A55 in England, we have worked closely with the Highways Agency and their contractor in trying to co-ordinate that scheme, but it is a very difficult and challenging scheme to deliver, given the high traffic volumes at that junction. So, it has caused problems, but we do liaise quite closely with the Highways Agency.

[60] **Darren Millar:** When you say that periodically you meet with them, how frequently?

[61] **Mr Cooil:** It's usually on a quarterly basis that we meet them.

[62] **Darren Millar:** So, you do meet with them on a quarterly basis. You've known that work's been in the pipeline, but still you've planned other work on the A55 network at the same time, which has been significant. Aled, you wanted to come in on that.

[63] **Aled Roberts:** Jest i ofyn cwestiwn **Aled Roberts:** I just wanted to ask a question

ar hynny. Roeddwn i dan yr argraff bod y Gweinidog wedi dweud bod y gwaith ar yr A55 yn y Posthouse wedi cael ei wneud heb unrhyw fath o drafod efo Llywodraeth Cymru. Felly, a oedd yna drafodaethau efo'r asiantaeth nad oedd y Gweinidog yn ymwybodol ohonynt?

about that. I was under the impression that the Minister had said that the work on the A55 on the Posthouse had been carried out without any discussion with the Welsh Government. So, were there discussions with the agent that the Minister was not aware of?

[64] A gaf i hefyd ofyn, i ddelio â phwynt Sandy Mewies, os ydym yn dod i'r casgliad y dylai'r dwy asiantaeth barhau, mae gennych bolisïau a chanllawiau gwahanol ar hyn o bryd—. Mae rhai contractwyr yn cwyno bod gofynion asiantaeth y gogledd a'r canolbarth yn wahanol i asiantaeth y de o ran iechyd a diogelwch, ac o ran eich polisïau chi ynglŷn â *cones* a phethau felly. Os ydym yn parhau â dwy asiantaeth, a yw'n bosib i chi wneud yn siŵr bod eich canllawiau chi a'ch polisïau chi o'r un ffurf?

May I also ask, dealing with Sandy Mewies's point, if we come to the conclusion that two agents should continue, you have different policies and guidelines at present—. Some contractors are complaining that the requirements of the agent in north and mid Wales are different from those of the agent in south Wales in terms of health and safety, and your policies with regard to cones, and so forth. If we continue to have two agents, is there a possibility that you can ensure that your guidelines and your policies are similar?

[65] **Mr Cooil:** I mean, a lot of what we do on the network is covered by national standards. So, there is a baseline set of standards that ensure—. Certainly from a traffic management perspective and a health and safety perspective, things have to be done in a consistent manner. In terms of managing the supply chain, I think Richard picked up on the point that our networks do vary quite considerably. In north Wales, we have around 240 km to 300 km of dual carriageway network and around 900 km of rural single carriageway network. In south Wales, it's more dominated by motorway and dual carriageway networks. So, the network type is quite different, and our supply chain requirements do differ slightly because of that.

[66] We do work quite closely with the South Wales Trunk Road Agent and we do endeavour to try to harmonise our approach. We're currently working on common service level agreements for contracted work. We're also working on common traffic management manuals to get consistency across the whole of Wales. So, we do work closely with the South Wales Trunk Road Agent, and we will continue to do that to ensure that appropriate levels of harmonisation are achieved.

[67] **Aled Roberts:** So, are they currently harmonised? Because I'm being told that you have different policies, different lane closure practices, et cetera, between one area and another.

[68] **Mr Cooil:** Things like lane closures would be covered, primarily, by the traffic signs manual—chapter 8 of the traffic signs manual—which is a national standard that we'd expect all our contractors to work to. So, without something a bit more specific—

[69] **Aled Roberts:** So, it might be interpretation.

[70] **Mr Cooil:** It could be interpretation. We'd need to see what the specific issue was to be able to comment further on that.

[71] **Mr Jones:** Again, I concur with that. It is a matter of the different networks that we manage. In terms of the flows, we're dealing, on the M4 between Cardiff and Newport, with in the region of 100,000 vehicles per day. So, the requirements under that standard are different in terms of, you know—. So, there will be some differences. But, again, in terms of

what Dave said, we are looking towards the future. We are conscious that it has been an evolving model in terms of the agency management, and it's something we are looking to work closer on in terms of the way we manage. We share a significant amount of data and procedures to try, obviously, to reduce the gaps that are between us. The models were different, almost to give Welsh Government an opportunity to review which parts of the models they liked for the future development of the agency model, but they are getting closer now. Subject to the outcome of the ministerial review, we have proposals to look at sharing procurement practices, operational practices and procedures to make sure that the supply chain in Wales, you know, feel that they understand where the differences are and we can minimise them as far as possible.

[72] Can I come back on an earlier point, please? In terms of the cross-border working, one point in terms of the road user we are hopeful that the new system will benefit is that it will link to the roadworks.org Elgin site. So, people planning their journeys from England will obviously—. They can go into the roadworks website and it will automatically take them to the Traffic Wales site and vice versa. So, they'll be able to look at continuity between England and Wales in terms of the roadworks planning.

[73] **Sandy Mewies:** It will be a great joy for us to know what's going on in Shropshire. *[Laughter.]*

[74] **Darren Millar:** Julie.

[75] **Julie Morgan:** Yes. Good morning. A number of our witnesses have said that it's very important that routine maintenance is carried out and that this is—instead of reactive maintenance. I just wondered if you could comment on the importance of routine maintenance.

[76] **Mr Cooil:** There are two aspects to routine maintenance. The way I've interpreted the comments from previous witnesses is that they're referring to routine, planned, what we'd call maintenance renewals or resurfacing type work, which tends to be our capital renewal programme. We also have routine cyclical operations: things like cleaning the drainage systems and cutting the grass. So, my interpretation of what they mean by 'routine' is those major maintenance renewal works. I think it is important that the timing of those interventions is done at the optimum time so that we strike the right balance between programmed maintenance renewal and the more expensive and more disruptive, reactive elements. But that does require funding decisions to be made. It needs a good understanding of the asset condition and the degree and speed that that asset is deteriorating at. So, it comes from a good approach to asset management to understand how your asset is performing, what its residual life is, and what is the optimum time to replace elements of that asset through resurfacing, and then trying to align the funding with that optimum timescale. It is quite difficult to achieve all of those at the same time, but we do our best within our funding availability to achieve that.

[77] **Julie Morgan:** You say that you do your best. How often are you not able to achieve what you want to achieve because of capital constraints?

[78] **Mr Cooil:** It's difficult. We submit—or historically submitted—fairly healthy bids to undertake that sort of work, but appreciate that, certainly during the recent recession, funding has been tight across the board and that there are conflicting priorities within Welsh Government as to where money is allocated. We have adapted to the way the funding comes to us so that we can actually respond quickly if funding is made available to us later in the year. Then, through our supply chains, we've developed a strategy that enables us to respond quickly and implement work within the period that that funding becomes available.

[79] **Julie Morgan:** So, with the financial constraints it has become more difficult to plan.

[80] **Mr Cooil:** It is more difficult to plan, and pitching the investment at the right level is key to achieving that.

[81] **Julie Morgan:** Right.

[82] **Mr Nutt:** Could I just add to that?

[83] **Darren Millar:** Yes, of course.

[84] **Mr Nutt:** I think the question is about the balance between reactive maintenance and planned maintenance. Clearly, the balance should fall within the planned maintenance element of it for all the reasons that Dave outlined, and I think Members here have raised issues around disruption, continuity and work on the network at inappropriate times, and all of that falls out of that sort of reactive position really. So, the balance should lie certainly in the planned maintenance element. Both Dave and we have got asset management plans, which do allow us to understand the condition of the infrastructure. I think it's a discussion and a debate about the allocation of that funding. The problem is that when you do get into a reactive situation, you have to react, and that almost dictates the way that you have to deal with particular issues at that moment in time—

[85] **Julie Morgan:** But are the reactive situations a result of the lack of the routine maintenance?

[86] **Mr Nutt:** I think that is almost by definition the case at the moment.

[87] **Julie Morgan:** So, is the balance with the routine maintenance, would you say?

[88] **Mr Nutt:** I think the balance at the moment is out of sync in the sense that we should have more planned maintenance undertaken, subject to the overall funding position. But then, when you have got a position where you're not undertaking the amount of planned maintenance you should, you will fall into an issue where you will get reactive maintenance, which, actually, is more expensive in the long run. So, finding that balance is quite a tricky position, as Dave's outlined in terms of the overall position that we're in at the moment.

[89] **Darren Millar:** In terms of that, can I just ask you about the deflectograph surveys? We heard from one witness that, obviously, the deflectograph surveys help you identify whether there's a maintenance issue that needs to be addressed, but they've shifted in terms of their frequency from three to five years. Why was that decision made? Who made it?

[90] **Mr Jones:** It's a Welsh Government policy decision. The deflectograph surveys are procured separately from the agency contracts, so we're provided with the information, which goes into our systems to help and assist in the prioritisation of schemes. Whilst I don't know the basis for the decision—it may be something that Welsh Government officials can assist you with—in terms of—

[91] **Darren Millar:** Do they not ask you for advice, though?

[92] **Mr Jones:** In terms of the assessment of the network, there are other tools that are used. There's also a balance between spending money on assessing and spending money on repairing. The key thing for me is that you've got a good balance in terms of understanding the condition of our network. Obviously, the transfer of the planning function to Welsh Government now is looking at strengthening the planning and the forward looking in terms of an all-Wales basis to look at prioritising based on need. That's a strong move moving forward as well.

[93] **Darren Millar:** Okay, but did you give advice to the Welsh Government when they were looking at that decision? Did they ask? Did they seek your opinion as to whether the frequency should be changed?

[94] **Mr Jones:** Yes. We work very closely in providing advice on those technical matters in terms of frequency—

[95] **Darren Millar:** And what was your advice?

[96] **Mr Jones:** In terms of the assessment, I mean, we have other tools, so I think the move to five years isn't as significant.

[97] **Darren Millar:** So, you weren't concerned about that. Is that the same view in north Wales?

[98] **Mr Cooil:** Yes. It's worth understanding that the deflectograph measures the structural integrity of the foundation, as it were, which is a much slower level of degradation. There are other techniques to measure the adequacy of the surface course—the skidding resistance, the safety and the ride quality—which tends to deteriorate more quickly. So, is not as dramatic as it might sound in terms of understanding the structural integrity of the pavement.

[99] **Darren Millar:** Thanks. Jocelyn Davies, and then I'm going to call Jenny.

[100] **Jocelyn Davies:** I wanted to ask about the end of the financial year. Perhaps I missed something. Perhaps you mentioned it before I came in. Does funding suddenly become available at the end of the financial year? I wonder whether it's more expensive to procure contractors in a period when they seem to have a glut of work, and there are shorter days and worse weather. Is it more expensive to have this work done in the window that you described?

[101] **Mr Cooil:** Yes, I think I'd agree with that. If there is late funding likely to be made available, it's usually around the end of October, early November that we get some indication. We start being asked to put forward schemes that we feel we can deliver before the year-end. Actual allocations tend to arrive around late December.

[102] **Jocelyn Davies:** So, this would be money underspent somewhere else?

[103] **Mr Cooil:** It's generally underspent, as I understand, from within other Welsh Government departments that is made available.

[104] **Jocelyn Davies:** I see. Sorry, were you going to say something there?

[105] **Mr Jones:** No, no.

[106] **Jocelyn Davies:** Is it more expensive to procure when contractors must have loads of work?

09:15

[107] **Mr Cooil:** Our supply chains have been established, particularly for things like resurfacing, through framework contracts. So, we're able to fix our costs based on an annual turnover of work, so we're not actually pricing work in December; the work's pre-priced as part of the framework. So, that gives us some surety that we're getting value for money in terms of the cost of the delivery. Where the cost may be a little higher is if we do saturate our

suppliers. Then we, on occasion, end up using our second-choice supplier through the framework, which may be at a slightly higher rate, though still pre-tendered rates. So, that would be where some additional costs may be accrued.

[108] **Mr Jones:** I think it's the specialist resources at that time of year. Where there's white lining or surfacing, there's obviously a demand from the local authorities as well as the strategic road network. We have a baseline budget, and the additional expenditure, really, may be as a response to the winter seasons. So, obviously you do find deterioration in the road network following a particularly severe winter, be that either temperature dictated—snow and ice—or from rainfall: water getting into the base layer. So, from our perspective, it's difficult to turn down that additional funding when you can address safety issues and look at increasing the life span of that surface layer.

[109] **Jocelyn Davies:** Yes, but I guess that if you could have surety that the money was coming, you would probably choose to spend it in a more even profile, rather than cramming it in at the end of the financial year. For drivers, you see, who're using the council-maintained roads as well as your roads, we stop in the winter. It seems as if everybody's trying to spend money at the end of the financial year, and drivers can feel a bit picked on.

[110] **Darren Millar:** Do you plan on the basis that you'll get an extra dollop of cash in the last couple of quarters of the financial year? Do you expect it on an annual basis? I mean, how regularly does it happen? Is it every year you get this extra dollop?

[111] **Mr Jones:** It hasn't happened every year. I would suggest, over the last 10 years, it's happened a large proportion of that time in terms of differing degrees of funding levels. The planning, really, is to have a flexible delivery system. As Dave mentioned, we have framework contracts that we can obviously call upon. They're flexible. We've got three framework contractors in south Wales, we have three framework consultants in south Wales, so in order to plan, in terms of resource allocation, systems are in place for that. We've also done work in terms of the flattening of the spend profile. We try and do as much as we can in the early part of the first two quarters of the year, which gives capacity, then, if you need to increase—you know, latterly. So, there is a general planning and awareness that we try to—

[112] **Darren Millar:** So you plan for that cycle of extra dollops towards the end of the year. What proportion, roughly, of your total income would need to be flexed? Is it 20 per cent over the agreed budget that you anticipate for the year? Thirty per cent? What is it? I'll bring you in next. I mean, what is it this year, for example?

[113] **Mr Cooil:** A little over 20 per cent would be—

[114] **Darren Millar:** So, about a fifth of your cash this coming year.

[115] **Mr Cooil:** On capital.

[116] **Darren Millar:** But you can't guarantee it, at about a fifth of your cash.

[117] **Mr Hughes:** It doesn't happen year on year. For example, last year, I think we spent in the region of about £5 million in the last quarter—or definitely after October—on it.

[118] **Darren Millar:** But it's significant, isn't it? In terms of the premium that Jocelyn mentioned, which you pay because you're going to the second or third contractor down the list, as it were, what would that be, roughly?

[119] **Mr Cooil:** In terms of the unit rates we apply, it wouldn't be a huge amount, because it's tendered through a competitive process, so even our second-choice contractor would still

be at a competitive rate. So, we're talking, without figures to hand—

[120] **Darren Millar:** Ten per cent more, or—?

[121] **Mr Cooil:** It would be less than 10 per cent of the unit rate level.

[122] **Darren Millar:** Okay. But there is that premium. Jocelyn, did you want to come back on that?

[123] **Jocelyn Davies:** No, thanks.

[124] **Darren Millar:** Jenny.

[125] **Jenny Rathbone:** I just wanted to go back to this noise abatement scheme on the A55. Was that something that you only received the cash for in October/November? Because otherwise, I'm wanting to know why you didn't start it in April.

[126] **Mr Cooil:** There was a design element to the scheme and a tendering process through the framework. So, there is a lead time. From when the money's been made available, there's still a lead time before we can undertake the work.

[127] **Jenny Rathbone:** So, the money was in the budget from 1 April.

[128] **Mr Hughes:** Early on in the year.

[129] **Mr Cooil:** Early on. It wouldn't necessarily have been 1 April; it may have been later on in April, possibly into May. By the time the scheme preparation, the tender period, is done, we're then running up to the summer embargo periods.

[130] **Jenny Rathbone:** How do you mean, summer embargo periods? Oh, because of the tourist season.

[131] **Mr Cooil:** We have embargos over the Whitsun week and for six weeks from late July to the end of August.

[132] **Jenny Rathbone:** Why is it not possible to have earlier discussions with the Government about their aspirations for what they hope to put into the budget for the current financial year, so that you can do all your design and planning? Then, you could get on with the job, because you know the money's coming as soon as it's confirmed. The budget for next year is confirmed by the Assembly fairly early on, so why is it not possible?

[133] **Mr Hughes:** I think this is where the two, three or five-year cycle of budgets would be beneficial, in that we would be able to plan significantly in the previous year to get work ready on the ground, to start that work, and actually deliver that work, from a works point of view, from 1 April.

[134] **Jenny Rathbone:** Okay, but how much of it is down to poor communications between the Welsh Government transport section about what they're planning to do and you, therefore, being able to—

[135] **Mr Cooil:** We would've submitted a bid for that piece of work in November of the previous financial year. That's when we would've identified the scheme.

[136] **Jenny Rathbone:** Why, then, is it not possible, once they give you the green light—?

[137] **Mr Cooil:** It's not until we actually have confirmation of funding that we can commit to a contract with all of our contractors, and that, invariably, is late April into May, before we actually get our capital budgets confirmed.

[138] **Jenny Rathbone:** Obviously, this is something we need to pursue with the Government, but, clearly, it just seems that the decision-making process takes far too long for planned works. So, more work could be done in the optimal season, in terms of the amount of light and snow and all the rest of it.

[139] **Mr Cooil:** If we had a two or three-year cycle for funding then, yes, we could certainly improve the way we deliver schemes in the early part of the financial year.

[140] **Jenny Rathbone:** Well, that might just bunch it all towards the end of the financial year of the third year. I'm trying to understand the processes, the communications, between the Welsh Government and you to actually plan things more in advance, so that there aren't surprises when the money suddenly arrives in your budget.

[141] **Mr Nutt:** I think we're talking about the multifunded year scenario here, and I think what we're really talking about is having some certainty, going forward, so that the preparatory work and all that lead-in position can be developed, so that there's some certainty that that, then, will go forward. I think a lot of the issues that you've quite rightly raised are, potentially, resolvable with a three to five-year programme, with certainty around funding and the development of schemes, so that the lead-in times become less and the programme planning becomes much more certain. So, I think a lot of that issue around the discussion and communication is about timing as much as anything, around this year-on-year funding and the commitment of that funding going forward. It's also expensive to develop these schemes, and a real aim would be to have schemes that are fully developed, waiting to be contracted, so that you're in a position to move forward. The more lead-in time you have, the better. So, that's where the potential lies, I think, in three and five-year programmes, really. I think that will answer a lot of the issues you've raised.

[142] **Darren Millar:** You've got certainty over your budget for the next financial year, now, have you? Have you? You're looking—. Not yet?

[143] **Mr Cooil:** No.

[144] **Darren Millar:** We're just a couple of weeks away from the start of it, but you don't have certainty over your financial budget. When do you expect to receive that?

[145] **Mr Hughes:** Prior to 1 April, but we've not received it yet.

[146] **Darren Millar:** So, you have no certainty over your budget, even though the start of the financial year is in a couple of weeks' time. That is incredible, isn't it? So, you're not going to—. How on earth do you manage to plan ahead?

[147] **Mr Nutt:** Chair, I think a lot of the issues that have been raised are relevant to that particular issue. Back-end-of-year issues, road-space issues and planning issues are all relevant to moving and committing to the budget, and the year-on-year position just exacerbates that whole issue.

[148] **Darren Millar:** Okay. I've got a couple of Members who want to come in on this point. Aled, then Jocelyn, and then I'm going to come to Sandy for the final question.

[149] **Aled Roberts:** Yn ystod tymor y **Aled Roberts:** During this Assembly term, Cynulliad yma, felly, a ydych chi wedi cael therefore, have you had any year when you

unrhyw flwyddyn pan nad ydych wedi haven't known by 1 April what your budget gwybod ar gyfer 1 Ebrill faint yw'ch cyllid will be for the next year? chi am y flwyddyn?

[150] **Mr Jones:** Just to clarify the question, so it's: is there any year when we haven't been advised before 1 April?

[151] **Aled Roberts:** During this Assembly term, have you ever been beyond 1 April before you've known what your budget is?

[152] **Mr Jones:** In technical terms, what we'd have through the process is we would have a discussion through the bid process and bid submission, but we'd have maybe an initial allocation or a baseline allocation normally by 1 April.

[153] **Aled Roberts:** 'Normally'. The question was: have you had any years when you haven't had the indicative allocation by 1 April?

[154] **Mr Jones:** Confirmed allocations in some years have been later than 1 April.

[155] **Darren Millar:** How many of those years?

[156] **Mr Jones:** I'd have to go back and check, to be honest.

[157] **Darren Millar:** And that would be the same for you. But, more often than not, it would be after 1 April that you have your firm allocation.

[158] **Mr Cooil:** [*Inaudible.*]—indication of an initial budget allocation and then, as we go into April/May, further allocations will become available, with further confirmation. So, it builds over two to three months.

[159] **Darren Millar:** Jocelyn.

[160] **Jocelyn Davies:** I just wondered how that interacted as well with political priorities, because, I mean, essentially, you know, which roads are going where are political decisions, aren't they, by the Minister?

[161] **Mr Cooil:** Yes. Certain schemes that we anticipate—. If we're already in contract, for example, the contract straddles into the next financial year. We have to assume that funding is fully committed for us to meet our contractual obligations. If there's a ministerial commitment, we'd expect that to be funded. So, we do, on occasions, have to assume that the funding will follow to avoid a blip in our delivery during April. If we don't do that, then we're working to an 11-month or 10-month programme, instead of a 12-month programme.

[162] **Darren Millar:** Okay. Sandy Mewies.

[163] **Sandy Mewies:** Well, the question I was going to ask was on the deflectograph survey, which has been answered thoroughly. But, on this issue, you do have—just to clarify the position—talks with the Welsh Government throughout the year, surely, on what schemes you're doing. So, it's not as though you suddenly say on 30 March, 'This is what we want'. That's not how it works, is it? So, you have a baseline indication, if not an indicative budget, of the nitty-gritty, I suppose. So, what's outside that, then? What are the sorts of things that fall outside that, which then fall outside the 1 April deadline?

[164] **Mr Cooil:** If it's not a committed scheme—something that's still in development—then, quite often, funding for those schemes will come later in the year. If it's a committed

scheme, money would be available earlier in the financial year.

[165] **Sandy Mewies:** Right, because Jenny Rathbone who raised the question was talking about, I think, a maintenance issue, but we've moved on slightly to schemes that are not committed to in the capital programme, which might be the reactive work, might it?

[166] **Mr Cooil:** Generally, capital schemes would be programme schemes.

[167] **Sandy Mewies:** They would be planned. Okay.

[168] **Mr Cooil:** Reactive work would be more likely to come from our revenue budgets.

[169] **Darren Millar:** William—. Sorry, you wanted to come in.

[170] **Mr Jones:** Can I clarify my earlier statement? With the formal bid submission, we have a number of budget expenditure lines that cover either capital renewal or improvement schemes, that type of thing, across a number of asset types. There's a formal bid submission process that goes in every October and then there will be a bid review meeting in January. The reason for the January meeting is that, if we do have additional capital towards the end of the quarter, some schemes that had been originally submitted for delivery in the first quarter of the following year, may have already been undertaken with additional capital.

09:30

[171] So, there is a little bit of movement around the formulating of our budget levels as a result of that. So, we will have a baseline allocation, it's just the variances as a result of where we'll be towards the end of the financial year in delivering schemes. That's the adjustment.

[172] **Sandy Mewies:** What you're saying it that a longer term funding programme would be useful, because you could level things.

[173] **Mr Jones:** It would soften the peaks, yes.

[174] **Sandy Mewies:** Okay.

[175] **Darren Millar:** William, you had one.

[176] **William Graham:** Yes, indeed. I appreciate the report is historic, but, clearly, one of the major challenges now is going to be Network Rail and co-ordination with them, which will affect so many communities down in south Wales. Are there any particular recommendations you'd like to make to the committee that would make that as seamless as possible?

[177] **Mr Jones:** So, the co-ordination with Network Rail and electrification—

[178] **William Graham:** Yes, it's already causing havoc in Cardiff. It'll cause havoc in every community where a railway bridge is going to be replaced.

[179] **Mr Nutt:** We've already had discussions with Network Rail and—

[180] **William Graham:** That wasn't my question. My question is: what recommendation would you make to the committee to make sure that it is as seamless as possible?

[181] **Mr Nutt:** I think there's one simple word, really; it's 'communication', isn't it? It's got to be communication. What will lead from that will be programming issues,

understanding and an ability to react and put in place measures to mitigate the works. There's no doubt, as you say, in south-west Wales and south Wales, there will be significant works undertaken that will have a significant impact on the network. The only way we can deal with that is with open communication with Network Rail and they must have open communication with us as well.

[182] **William Graham:** So, who would co-ordinate that communication? Who will be responsible for making sure that happens?

[183] **Mr Nutt:** Well, in the first instance, the discussions with Network Rail will be at local authority level, and that would widen out to all interested parties as we move forward. Network Rail has got a significant awareness-raising and communication strategy, as I understand, in place, but it will need to be a two-way issue and the agents will need to fully understand those issues and their effect on the network. I think we are in a position where that has started. The proof of the pudding will be in the eating, no doubt. But, the answer to this is a really well-rounded communication strategy between us all.

[184] **William Graham:** Thank you.

[185] **Darren Millar:** Just one final question in closing. You make reference in your submissions to the Welsh Government guidance, the Welsh transport planning and appraisal guidance, and some of the other guidance around traffic management. Can I ask you—just one-word answers will do—do you think that guidance needs to be updated? Would you welcome it being refreshed or updated?

[186] **Mr Jones:** There's currently work ongoing at the moment to update the maintenance manual, which sets the maintenance standard. That's currently under review as we speak. That's been useful. That allows us to look at the intervention levels—things I mentioned earlier on about assessment, whether we're over-assessing a network, and where we prioritise our funding and managing the risks. So, that's ongoing.

[187] **Darren Millar:** But, you'd welcome the other guidance being refreshed and updated, too, would you?

[188] **Mr Jones:** A lot of the guidance is set by the Department for Transport, so there's always an opportunity to look at interim advice, knowing that Welsh Government people regularly look and review that and provide updates as they come from the DfT.

[189] **Darren Millar:** So, they drive it, do they, in terms of updating it, the DfT, even for Wales?

[190] **Mr Jones:** It's a resource issue. Normally, that's the way it works with the devolved Governments in terms of standards. There is the central advice and then there is a regional view on that advice then.

[191] **Darren Millar:** Mr Cooil.

[192] **Mr Cooil:** Yes, I concur. The biggest change that's impacted the trunk road agencies are revisions to the trunk road maintenance manual; we will be operating to a new manual as of April this year. We're looking at opportunities for intelligence and risk-based adaptation of that manual to get best value for money from our maintenance regime.

[193] **Darren Millar:** On that note, that brings us to the end of our evidence session. Thank you very much, Ian Hughes, David Cooil, Gareth Nutt and Richard Jones. We look forward to receiving the further notes of information on the specific areas that we discussed earlier on, in

terms of co-ordination between local authority road closures and the works on the trunk road network. We're very grateful for the evidence session today. You'll receive a copy of the transcript from today's proceedings, and if there are any amendments that are required to that for factual accuracy, then please let the clerks know and we'll ensure that they are recorded. Thank you very much indeed.

09:35

**Trefniadau Llywodraethu Bwrdd Iechyd Lleol Prifysgol Betsi Cadwaladr:
Sesiwn Dystiolaeth 1
Governance Arrangements at Betsi Cadwaladr University Local Health Board:
Evidence session 1**

[194] **Darren Millar:** Okay. If I can move on then to item 4 on our agenda: governance arrangements at the Betsi Cadwaladr University Local Health Board, evidence session 1. I'd like to welcome to the table Professor Trevor Purt, chief executive, Betsi Cadwaladr university health board—welcome to you, Trevor; Dr Peter Higson, chair of the Betsi Cadwaladr university health board—welcome to you, Peter; and Geoff Lang, executive director of strategy, Betsi Cadwaladr university health board. Welcome to you all.

[195] I know that you're familiar with the workings of the Public Accounts Committee and, obviously, our session today is going to focus on receiving an update from you on the previous work that the committee has done in terms of the governance failures that were identified a couple of years back by the Wales Audit Office in their joint work with Healthcare Inspectorate Wales. And if I could just remind Members that this session must focus on the governance arrangements and not the ins and outs of any recent decisions, particularly those that may have been made by the board.

[196] Perhaps I can ask either the chair or the chief exec just to make a few opening remarks on where you're at, what progress you feel you've made, if there are any areas that you want to say that you hold your hands up and need to make further progress on, and then we'll go into questions from Members.

[197] **Dr Higson:** Thank you, Chair. If I start, and then I'll pass to Trevor to add. Since we were here in July, we've continued working to strengthen the governance of the board. We completed our review of the committee structure in the early autumn of last year and a new structure came into effect in January. We've now got an integrated governance approach, so we have an integrated governance committee, which below it has a finance and performance, quality, safety and experience, and also strategy, planning and partnerships sub-committees. The latter is a new one, and I think that we're one of only a few boards that have got this, but very much the focus there is on the planning of our own services, but also how we work in partnership and the partnership governance with people like local authorities.

[198] The new terms of reference for each committee were revised and agreed by the board in December. There's new membership in terms of just being clear who the members are, who aren't members and the director leads for each committee. Very much the focus is on developing a scrutiny function within those committees, so that it doesn't have to be done by the board itself—not overly—and also an integrated governance and assurance approach generally. So, it's trying to bring together various strands of governance under an integrated report to the board at each of its monthly meetings.

[199] Over the last summer, we recruited—as we said in July—committee advisers. We're the only board to have done this, and it is very much a trial for a year to see how it works. They started in September. There are 10 of them, and we are having quarterly reviews with

them and with the independent members about their effectiveness. My own opinion is that they're highly effective and that they bring additional expertise and capacity. I think, given the size of the health board, or any health board—10 independent members and myself—I think there is a stretch sometimes in terms of capacity. I'm very pleased with the progress made so far, and I know that independent member chairs are as well.

[200] Last autumn, we revised the reporting of information to the board, so we now have an integrated quality and performance report. It's about 80 per cent there to what we want, but it provides a much broader and a much more focused monthly view on performance generally and the quality of our services, and incorporates many things, such as the work we're doing on infection control, concerns, complaints et cetera, all into one place. That report is scrutinised before it gets to the board. We have a process where the sub-committees and the integrated governance committee do the detailed scrutiny, and then this integrated report comes to the board for a further test and to be received.

[201] We've now got a full-time board secretary. That role was reconfigured last autumn, and I'm pleased about that because that person now devotes their whole time to the board business. We've also continued with monthly board training and development days. I think, to be very clear to the committee, this is a programme of training the board is receiving, which we commissioned early last year, which was going to go on to the end of this year. This is a day a month and we've spent the first few sessions looking back at lessons learned: root-cause analysis of issues from the past; and, in recent months, now moving forward to focusing on developing board skills in terms of challenge, scrutiny, how that's done well, learning from best practice et cetera.

[202] I'll pause there, Chair, I think. There is more, but that gives a sort of snapshot. Just to sort of summarise it, we've probably made the progress we had wished—probably a bit slower than I would wish, but there was also the issue of recruiting new members to the executive team. Especially when it comes to board development days, one needs the board together to do that. I should add that we've also appointed a new independent member. We recruited for the local authority member, and councillor Bobby Feeley from Denbighshire was successful. She started at the beginning of March. We are currently in the process of recruiting for three of the 10 members as well. That will be concluded this week.

[203] **Darren Millar:** Okay, thank you, Peter. Did you want to add anything, Trevor, before we open this up to questions?

[204] **Professor Purt:** There are just a couple of things, if I could, Chair. I think the big issue for me has been the capacity and the capability issues that we touched on when we came last. The new operational structure is now largely in place. The new area directors that I talked to the committee around are appointed to take up their positions on 1 April. The third takes up their position on 1 May. The new director of secondary care takes up his position on 2 May. The PMO office—the performance management office that we put in—has been enormously successful, and that started to take traction in late summer. We've seen, for instance, things like a financial run rate improved by £5.5 million in-month over the last six months. We are seeing our performance improve.

[205] As Peter has touched on, we've now effectively recruited to a director of corporate services, and issues such as investigations and complaints handling have all moved into that. I think that one of the assurances that the committee wanted when we last met was around the historic backlog of complaints. We can confirm that that was cleared in 2014. Any current cases that we have that are overdue will be completed by September of this year. So, we've made some significant improvements. The investigation teams will now be led by the area teams, and we are introducing patient support services to deal with concerns within 72 hours. So, again, some major steps forward from where we were before.

[206] **Darren Millar:** Okay. Thank you for that. When HIW and the Wales Audit Office did their report two years ago they found that there was a breakdown in the working relationships between senior leaders in the health board and concerns over the way that information was being presented to the board. Obviously, when the Public Accounts Committee did its inquiry, we had major concerns that the board wasn't receiving information in good time to make decisions and that that information was not available in the public domain well before your board meetings—a week in advance of your board meetings, as should always be the case. There's been a lot of concern that this gap between the board and the ward, which was identified by Healthcare Inspectorate Wales and the Wales Audit Office, is still there. The recent decision making around maternity services in north Wales appears to have exposed that gap as being as big as it ever has been. Many people are saying that you've made the same mistakes that were made two years ago all over again. Has the board really learnt any lessons from the governance failures that were identified two years ago?

09:45

[207] And, I have to say, this committee had hoped that those things would be things of the past, and yet, like a scratched record, they appear to be repeating themselves. What do you have to say for yourselves as a board about those sorts of comments, which are being made not just by Members of the Assembly, but by others as well? Peter.

[208] **Dr Higson:** I think there is a distinction to be made between that particular instance of the decision about maternity, and the general approach, which I, certainly since being chair, have adopted, and which is a very much more open one. The information coming to the board has been clearly one of the things I've focused on, especially after the C. difficile issue, and we continue to take that as a separate item. So, working with Trevor, it's getting that flow—. What we're trying to make sure we've got is the trail from the front line all the way through in information terms to what the board receives. There's nothing, I feel, happening now that is of import that we don't know about. We are focusing on, we're scrutinising, we're challenging, we're aware of. So, I think in terms of the information flow, nothing's ever perfect, but I'm content that we have got that flow hugely better than it was, and also a focus on what matters by the board and digging into it through what I said about the scrutiny.

[209] In terms of connection, there's a lot we're doing and a lot more we can do. We've increased our visibility as board members. Since I started, I have connection with front-line staff. I do my own walkabouts and visits informally. We have a programme of visits going on unannounced, with board members and directors. We have very much worked with the community health council, which generally we have a very good relationship with, and they are doing over 500 spot checks within the year now, looking at things like bugwatch, which is the casualty watch—their approach.

[210] I think there's been an enormous amount of engagement, as Trevor would say, with medical staff, et cetera, over looking at proposed changes. But, I think there are particular instances that we will learn from. My inclination is to have everything in the open, everything dealt with publicly, and, as you know, Chair, from a previous discussion of this, I think the approach we took on maternity I have reflected and would not do that the same way again. I need to say the paper was available to the board members a week in advance in compliance with our standing orders. The only difference with that one was that it wasn't made public until the time it was discussed.

[211] **Darren Millar:** You've accepted that you would have preferred to have gotten that into the public domain, but you haven't indicated how you intend to deal with this gulf between the front line and the board. Very clearly, that gulf has been widely exposed by the recent decision making on maternity services, where front-line staff were not informed of any

proposals to change service configuration until the day on which the board was actually meeting. Is that acceptable? Is it acceptable for a board to be making decisions without reflecting on the opinions and views of front-line staff and other key stakeholders? We know that the community health council have said that they were not aware of the situation; they had not been informed of the potential of a decision being made until a couple of working days before the decision was made. Is that acceptable, and what assurances can you give the PAC that that sort of decision making will not happen again?

[212] **Dr Higson:** If I can just comment before Trevor and Geoff come in, Chair, the concerns about obs and gynae maternity at Glan Clwyd are historic; they go back 10 years. In various reports, various concerns were raised, and various actions were taken by predecessor bodies et cetera. When I became chair, I had a briefing on it and it was clearly an area of concern. It went on to our risk register in the autumn of 2013 as an issue for us to keep focused on. And the efforts since then were to try and improve the situation in terms of where it was at that time. It had been discussed numerous times at board committees and quality and safety committees, and others. So, it's not as if this was not a known issue, and so the fact is that staff would have been aware, through talking, through their line management structure, that we did have concerns about that service. So, while the handling of that particular paper is, as you've raised it, a cause for concern, the issues themselves were not unknown and not unknown to staff.

[213] **Darren Millar:** So, why were they not discussed more widely with key stakeholders, elected representatives, community health councils and others before the matter was actually discussed at some length, with some firm proposal being presented to the board? Surely, they should contribute to the development of any proposal to deal with the problems that were identified. Mr Purt, do you want to comment?

[214] **Dr Higson:** If I may, Chair, I think, given the very public nature, these concerns have been aired, and there was an opportunity for people to contribute for at least a year before.

[215] **Darren Millar:** I'm sorry, Peter; you meet regularly with all north Wales Assembly Members who want to engage with the board. I'm a north Wales Assembly Member; there are others around the table here today. We had not had this issue flagged up with us as a matter of concern that needed to be addressed and dealt with. Every other key stakeholder that is contributing to the public debate— I don't want to get into whether services should change or not, but the decision-making process is clearly flawed, and you seem not to be accepting that. You seem not to be accepting that.

[216] **Dr Higson:** I'm accepting that the approach is not one I'd repeat.

[217] **Darren Millar:** Okay. But does that mean that things will change in the future in terms of engagement before decisions are being made?

[218] **Dr Higson:** Yes.

[219] **Darren Millar:** Trevor Purt, do you want to respond?

[220] **Professor Purt:** I wanted to make two or three observations, Chair. I think I would concur with Peter that this has been a well-known issue, in terms of the services in north Wales, for a long time. The clinical programme group were very keen on this now becoming resolved because of the urgent nature, as they perceived it. They had had significant conversations with front-line staff for a very long time, but there were little in the way of options that were put forward in terms of how this could be resolved. I think there is always an issue, and there are precedents set with other health boards, about how this is discussed and where it's discussed at the appropriate time, and we've had these conversations. There is

an issue about confidentiality and, actually, about briefings being made in a confidential way. I think the last thing that any of us wanted was for this to have been in a media situation where we wouldn't have been able to have put the reasons why succinctly, and the actions that were being taken succinctly, and the issues regarding the fact that this was a temporary move that would actually only last for a limited period of time.

[221] It was unfortunately leaked ahead of the board meeting, but I think that, certainly, one of the issues for the board was to be able to have that open discussion, in a public arena, based on what had been a long-standing issue. Peter's comment about 'we won't be doing it again in this way' is because part of what we're very anxious to do now, recognising that service changes are going to be a thing that north Wales actually has to address as we move forward, and in an open way, is that we want to kick off three months, at least, of absolutely ingrained engagement with our stakeholders, with our population and with our local government colleagues, that will probably end with a consultation in the autumn, so that we're not in this position again. What I've asked for is that anything that's likely to be perceived in the future as a need for urgent action is now put on the table, so that we can have that open, transparent conversation now.

[222] On that basis, we've actually been in discussion with Welsh Government about what our three-year plan needs to look like. And part of that, again, reflects back on the issues regarding one of the areas that previously the committee's been concerned about, in terms of whether we were in a position for a three-year plan. Clearly, I think that until we've had that wide conversation with our stakeholders, that clarity of understanding of our population of the challenges that we face, whether that be financial, whether that be recruitment or whether that be safe service models, is not going to be possible. And so, our discussions with Welsh Government will be deferred from some of that at the moment to look for a one-year plan whilst we go through a really focused engagement exercise, and very transparent, about all the pressures that this organisation faces, that will lead to, I suspect, a public consultation in the autumn.

[223] **Darren Millar:** Okay. Thank you for putting that on the record; it's much appreciated. Can I ask one final question, and then I'm going to open the floor to Members? On whose advice was the paper not published in the public domain seven days in advance, as has always been the case since your appointment as chair, Peter, apart from on that occasion?

[224] **Dr Higson:** There was a discussion between Trevor and me about the handling of it, so it was a mutual decision.

[225] **Darren Millar:** And you received advice, though, did you, from somewhere?

[226] **Professor Purt:** We sought advice and took information from what other health boards had done over the preceding 12 to 18 months.

[227] **Darren Millar:** And whose advice was it that that should be—

[228] **Professor Purt:** Both colleague chief execs and colleagues at Welsh Government.

[229] **Darren Millar:** Okay. Thank you. I'm going to open up the floor now. A number of Members want to come in on this issue. Aled, and then Sandy, and then I'm going to come to Jenny.

[230] **Aled Roberts:** Rwyf jest eisiau canolbwyntio ar y trefniadau llywodraethu, i ryw raddau, a'r ffaith eich bod yn cyfeirio at rheswm pam ddaru'r penderfyniad yma **Aled Roberts:** I just want to concentrate on the governance arrangements, to some extent, and the fact that you referred to the reason why this decision was made under emergency

gael ei wneud o dan drefniadau brys, gan esbonio mai diogelwch clinigol oedd y rheswm. Nawr, rwyf jest yn cwestiynu faint o drafod oedd yna wedi bod o fewn y bwrdd ynglŷn â'r sefyllfa, achos rwyf wedi mynd yn ôl drwy gofnodion y bwrdd ac nid wyf yn gweld unrhyw gofnod yn delio â'r ffordd roedd y bwrdd yn gweithredu yng Nglan Clwyd ar ôl derbyn adroddiad y coleg brenhinol yn Nhachwedd 2013. Rwyf hefyd yn poeni rhywfaint ynglŷn â chyfarfodydd y pwyllgor ansawdd a diogelwch, achos mae yna ddau gyfarfod o'r pwyllgor yna—un, rwy'n meddwl, yn mynd yn ôl i fis Gorffennaf 2014—lle, erbyn diwedd y cyfarfod, nid oedd digon o aelodau'n bresennol i gadarnhau'r cofnodion, felly mae'r cofnodion ar eich gwefan chi yn dal i fod mewn ffurf drafft. A hefyd, mae'r ffaith, ym mis Hydref, fod yr un pwyllgor, a oedd i fod i drafod y sefyllfa yng Nglan Clwyd—. Rwy'n credu mai sefyllfa ar eich gwefan chi ydy bod y cofnodion yn dal i'w cadarnhau, neu'n dal i'w paratoi.

[231] Felly, rwyf jest yn cwestiynu sut mae'r bwrdd, i ryw raddau, efo hyder yn y gyfundrefn, ac yn gofyn sut oedd y bwrdd yn cwestiynu'r uwch-reolwyr ar y camau a oedd wedi cael eu cymryd yng Nglan Clwyd, o ystyried, ar ôl hynny, bod adroddiad diweddar y coleg brenhinol, rwy'n meddwl ym mis Rhagfyr 2014, yn dweud bod nifer o'r argymhellion heb gael eu gweithredu gan yr uwch-reolwyr. Felly, rwyf jest yn cwestiynu sut mae'r bwrdd yn cael ei hunan mewn sefyllfa, erbyn mis Ionawr, neu fis Chwefror, lle mae'n rhaid i benderfyniad brys gael ei wneud, achos nid wyf yn gweld bod yna ddilyniant o ran y bwrdd i sicrhau bod yr uwch-reolwyr wedi bod yn mynd i'r afael â'r problemau a oedd wedi cael eu cydnabod yn yr adroddiad.

[232] **Dr Higson:** Fe wnaf ddechrau ar yr ateb ac fe wnaf ei roi yn Saesneg, gyda'ch caniatâd chi.

[233] I think, Chair, it would be helpful if we put a note in to the committee, going through the whole trail of meetings and evidence over the last 15 months plus. There were discussions in private sessions because of the nature of the Steele report and the royal college report, so there has been quite heavy scrutiny. I think I'd like to ask Trevor and Geoff to also say what we've done to try and improve the situation over the last year, but I think, because the published minutes don't have all the key audit trail there, we owe it to the committee to actually summarise that and send it in to you.

arrangements, explaining that clinical safety was the reason. Now, I just question how much discussion there was within the board about the situation, because I've gone back through the board minutes and I don't see any minute dealing with the way that the board was operating in Glan Clwyd, having received the report from the royal college in November 2013. I'm also somewhat concerned about the quality and safety committee meetings, because there are two meetings of that committee—one, I think, goes back to July 2014—where, by the end of the meeting, there were not enough members present to confirm the minutes, so the minutes on your website are still in draft form. And also, there's the fact that, in October, the same committee, which was meant to discuss the Glan Clwyd situation—. I think the position on your website is that the minutes are still to be confirmed, or still to be prepared.

So, I'm just questioning how the board, to some extent, can have confidence in the system, and would ask how the board was questioning the senior managers on the steps that were taken in Glan Clwyd, given that, following that, the recent report from the royal college, I think in December 2014, said that many of the recommendations had not been implemented by the senior managers. So, I just question how the board can get itself into a position, by January, or February, where an urgent decision has to be taken, because I don't see that there's follow through in terms of the board to ensure that senior managers had been tackling the problems that were acknowledged in the report.

Dr Higson: I'll start on the answer and I'll do it in English, with your consent.

[234] **Professor Purt:** I have a couple of very quick observations. I think it's helpful to separate the two decisions that the board were asked to make at its meeting. The first was whether—and that's the key one—we were able to sustain three obstetrics rotas across north Wales. I think only if the decision of the board at that time was that it couldn't was there then a conversation about which site would be temporarily reduced in its capacity.

10:00

[235] The decision on the issue regarding whether three rotas were sustainable was clearly linked to the issues regarding recruitment of locum doctors, and the fact that what was imminent was the change of a rota to a one in 11 rota. The vacancies that were currently being shown across the health board in terms of middle-grade doctors for obs and gynae, particularly the obs, across the three hospitals, ranged from in the middle 30 per cent to over 50 per cent, and the board had made a decision sometime previously that 25 per cent dependence on locum doctors would begin to run a risk of safety. That, to a large extent, was actually endorsed by the Bruce Keogh report following mid-Staffordshire, and again was reflected in Morecambe Bay. The issues were then compounded by the fact that one of the hospitals was also having an over 30 per cent gap within its first on-call for middle-grade doctors, the deanery had removed junior doctors from one of the sites and they were concentrated on two sites, and the third issue would be that a move to a one in 11 rota, which has been argued we could have tried to get the deanery to suspend further still, would have not aided in the recruitment of additional staff. The one in 11 rota would have taken us to a position where that gap would have expanded to 15 middle-grade vacancies—over 50 per cent of the middle grades within the obs service would have been locums.

[236] Some of our locums are long term. We have attempted to recruit them into those posts and they have wished to stay, for consultant posts, and, where they have applied for those, they haven't been successful. So, the first point that the board had to decide, on the recommendation of the clinical programme group, as well as our clinical executive, was whether we were able to sustain three rotas. The decision regarding the site was then a secondary issue, Mr Roberts, and the site was chosen, effectively, for, again, three reasons. One was the previous reports around the dysfunctionality of the team, and that actions had been taken by the executive at the time that hadn't fully addressed some of those issues, despite Aston team working being put in to try and bring the groups together. It also had the largest gaps in the rota, and, thirdly, it was the site where the deanery had removed, for quality of training issues, the trainees.

[237] **Aled Roberts:** Rwy'n derbyn y ffactorau rydych wedi cyfeirio atynt o ran eich penderfyniad ym mis Chwefror. Beth nad wyf yn derbyn yw absenoldeb unrhyw dystiolaeth ynglŷn â'r camau roedd yr uwch-reolwyr wedi cymryd rhwng mis Tachwedd 2013—. Nid oes dystiolaeth o fewn y cofnodion. A hefyd, beth rwy'n cwstionnu yw—. Rydych chi wedi cyfeirio yn eich datganiad agoriadol at y ffaith bod y pwyllgor diogelwch ac ansawdd wedi bod â rhyw fath o drosolwg o'r sefyllfa yng Nglan Clwyd. Wrth ystyried bod yna broblemau sensitif, nid oes hyd yn oed cyfeiriad mewn rhai o'r pwyllgorau at y ffaith bod—. Nid wyf yn dweud y dylai'r holl fanylion fod i'w gweld yn y cofnodion, ond byddwn yn

Aled Roberts: I accept the factors that you have referred to in terms of your decision in February. What I don't accept is the absence of any evidence about the steps that the senior management had taken between November 2013—. There is no evidence in the minutes. And I also question—. You have referred in your opening statement to the fact that the quality and safety committee had some kind of overview of the situation at Glan Clwyd. Bearing in mind that there were sensitive problems, there is no reference even in some of the committees to the fact that—. I'm not saying that all the details should be visible in the minutes, but I would have expected to see and have some kind of confidence that this had been discussed

disgwyl gweld a chael rhyw fath o hyder bod hyn wedi cael ei drafod yn y bwrdd ac yn y pwyllgor, ac os oeddech wedi cymryd camau i recriwtio bod yna gyfeiriad yn yr adroddiad eich bod yn creu un rota ar gyfer y tair safle, a bod yna ymgynghorwyr yn cael eu trosglwyddo o un safle i'r llall. Ac eto mae'r adroddiad ym mis Rhagfyr 2014 yn dweud nad oedd dim o hynny wedi cymryd lle.

among the board and at the committee, and that, if you had taken to steps to recruit, there was a reference in your report that you were going to create one rota for the three sites, and that consultants were being moved from one site to another. And yet the report in December 2014 had said that none of that had taken place.

[238] Felly, dyna beth rwy'n cwestiynu, nid y ffaith eich bod chi'n dod i sefyllfa ym mis Chwefror. Beth rwy'n cwestiynu y bore 'ma yw'r trefniadau llywodraethu o fewn y bwrdd a'r ffaith bod yr uwch-reolwyr yn cael eu cwestiynu ynglŷn a'r camau roedden nhw wedi eu cymryd cyn iddyn nhw ddod i'r sefyllfa yma ym mis Chwefror.

So, that is what I am questioning, not the fact that you had reached a position in February. What I am questioning this morning are the governance arrangements within the board and the fact that the senior management were being questioned about the steps that they had taken before they came to this position in February.

[239] **Mr Lang:** Perhaps I could just add a bit of detail to that. I think, as the chairman indicated, it would be helpful to give the committee a note on the actions that were being taken and where papers were presented. But, just to give assurance to the committee, for well over 12 months the executive nurse director and medical director have been working very closely with the leadership within that clinical programme group. There was a detailed plan pulled together of changes that needed to be made and improvements that needed to be made. There was a detailed register of risk around that, which was reported to the quality and safety committee. So, there is clear evidence of a lot of endeavour in terms of attempting to address those issues. As Trevor has indicated, the key confounding factor was the ability to recruit doctors and the decision to withdraw trainees, which actually placed even greater emphasis on the middle-grade doctor in that particular unit, which caused very significantly increased risk around the ability to staff those rotas. But that is something we can provide a note on that would set that out. Just to confirm, in terms of the board's work on this, the board, back in May 2013, agreed to expend additional resource and recruit additional doctors to deal with some of the deanery changes. The board considered the issue again in February 2014 and made a similar decision, and that was factored into the plans for 2014-15. Only as 2014-15 progressed were we able to see, as we moved towards the autumn period, those recruitment endeavours were not being successful and, indeed, the risks were growing and not diminishing, as we'd planned. But perhaps it would be helpful to give a paper that outlines that management action.

[240] **Darren Millar:** I think that would be very helpful. Aled.

[241] **Aled Roberts:** Cwestiwn olaf: a fyddai'n bosibl hefyd i'r nodyn yna gyfeirio at a oedd yr holl waith yma'n mynd rhagddo a'ch bod yn dod i'r casgliad, hwyrach, nad oedd y sefyllfa yng Nglan Clwyd yn cael ei hadfer, pam nad oedd gwaith paratoi o ran asesu risg o ran trosglwyddo'r gwasanaeth i'r ddau safle arall, yn cynnwys problemau ambiwlans a phroblemau gwasanaethau mamolaeth yn cael eu trosglwyddo o ogledd Powys i Wrecsam a chwestiynau ynglŷn â chapasiti? Pam nad oedd y gwaith hwnnw wedi dechrau cyn i chi gyrraedd y sefyllfa ar

Aled Roberts: A final question: would it also be possible for that note to refer to whether all this work was being carried out and you came to the conclusion, perhaps, that the situation at Glan Clwyd was not being restored, why then there was no preparatory work in terms of risk assessment in terms of transferring this service to the two other sites, including ambulance-related problems and problems with maternity services being moved from the north of Powys to Wrexham and questions about capacity? Why wasn't that work commenced before you reached the

10 Chwefror? Gwnaf ei adael yn fanna ar hyn o bryd. point on 10 February? I'll leave it there for now.

[242] **Professor Purt:** Two quick responses: the first is that there was a risk assessment, which has been done through the quality and safety issues and the corporate risk register, which, again, we can share and show. I think the other issue is clearly that what we wanted to establish was a decision, followed by an implementation process, and the implementation process would actually have a number of gateways that any move would have to go through. The chairman made it very clear, at the board meeting, that we couldn't move from a service that we were concerned about as being increasingly unsafe to one that actually was going to be riskier still. So, the gateway process was clearly one where the board wanted to ensure—and it's independently chaired—that all the risk issues, including the transportation issues, were fully addressed as part of that process. So, I think there is a debate to have that says: do you make the decision in principle first, followed by an implementation process, which takes you to a point in time, or do you do all of that work in advance of a decision being made? I think we clearly took the view that, actually, until the decision was made, it was inappropriate to have done a lot of that work. But, clearly, the board's decision was in principle, based on the ability to go through those gateways, and that was the debate we wanted to have in a much more open and transparent way.

[243] We've now received the paper this week from our consultants with an alternative, which we will obviously really work hard on to understand that it does provide us with an alternative way. We've already announced today that, actually, because of that, the implementation date of the sixth is going to move backwards, until we've gone through that particular process. So, we are endeavouring to show that, actually, if our clinicians come forward with an alternative, we are more than happy to look at it and go through that detail with them to see whether it is something that does provide us with an alternative.

[244] **Aled Roberts:** Will that implementation date for breast surgery then also be put back?

[245] **Professor Purt:** Everything will be moved in accordance.

[246] **Darren Millar:** Can I just ask for the record, if you've shifted that timeline on, and, obviously, it's very welcome that there's been some dialogue, do you feel as though an alternative would have been given to you as a board had you not made the decision in principle to make a conditional suspension of the consultant-led services at Glan Clwyd?

[247] **Professor Purt:** I think what's difficult, Chair, is that we have been asking for alternatives from our clinicians for a long time. The clinical programme group leadership have been asking for an alternative for a long time. I think that changes to the working practices, which are coming out of this, will be very helpful for us in the short, medium and the long term. So, I think, rather than be drawn on answering that specifically, I think it's pretty obvious that some of the pressure in the system now has actually taken us to that position.

[248] **Darren Millar:** Okay.

[249] **Dr Higson:** Just to add, Chair, I think that, as I said in my earlier remarks, we will, obviously, learn a lot from this particular experience. But I think it's also trying to get all our clinicians to recognise that we're not trying to do something—. We're trying to do our best, in terms of the population of north Wales, and they really need to work with us, and, sometimes, the status quo won't be tenable. Going forward, on the consultation—there's been a huge amount of internal consultation with clinicians over the last couple of years—that's going to get wide open now. I think I want to get to a place where the whole population, and elected

Members, share with us some of the dilemmas, some of the challenges, and try and work up solutions together on that. I think we have to accept that, in bringing together three large hospitals as part of the health board is bringing together three very different cultures, and I would add that I'm disappointed that more work hadn't been done in the first few years of the health board, getting those cultures to form into a common culture. So, I think we've got a whole—. But I think, to answer your question, I think what's happened recently has been very helpful, in an odd way.

[250] **Darren Millar:** Okay. Sandy Mewies.

[251] **Sandy Mewies:** Very odd way. Thank you. Good morning. I totally agree with the issues that Aled Roberts has raised. We're looking at BCULHB, but I think there are wider issues here that we are talking about, which seem to be endless. Because, in the first report that was done by the auditor general, and the health service inspectorate, it talked about the relationship between the chair and the chief executive, about managing business, and encouraging individual board members to influence the board's agenda and submit specific requests. It talked about the board developing an understanding of the respective roles of executive and independent board members, and, later on, we talk about the development of CPGs, and the control they take. So, this is ongoing. I mean, like most people here, I've got pages, pages, and pages of recommendations and what's being done about them.

[252] I think, when I talk about the wider issue, for me, it is always, and always has been, an issue of communication. Well, not only that: we have to look at the risk-adjusted mortality index rates, and those are clinical details, which need to be looked at differently. You're talking about looking at the board minutes. Now, I don't know whether Aled Roberts would agree with me, but, actually, looking at the website is a big ask. I wouldn't expect members of the public to do that, quite frankly. It is also true that the Steele and the Ockenden reports were available—heavily redacted, as they are now—in the past, so people reading them, as I did, would've been alarmed. Even though they're heavily redacted, you would've been alarmed at what was said: things like that clinicians, consultants, wouldn't cover in clinics, even though patients could be put into distress. Very disturbing to read that. So, I think having a timeline, for us, on what was happening before now would be good.

[253] I also think that what isn't considered again and again and again is the impact that these decisions have on the public. There's been huge distress and worry caused—you know, you don't need me to tell you: you've seen it—by people. There was a letter in one of the papers yesterday, I think, saying a woman had been dreading going into Glan Clwyd, but she'd been, and she'd found the service very good indeed. What a shame that that doubt is being created. You see, I can go back to the situation, and I can talk to you about, as you know, Flint Hospital. A decision was taken there some time ago, but actually explaining it to the public has been very, very poor. I've got a list of the letters that I've written here—I've got piles of them. And then I've written to you, asking you when the public, and not just individuals or groups, privately, would be told what was going on. I know, and you know, that there have been meetings between yourself and other board members with individuals. Have those conversations been minuted, and have they been explained to the board?

10:15

[254] I do not understand, still, why. When you take services away, one of the first things I said was, you've got to tell people how they're going to be replaced. This goes back to Professor Purt's point, doesn't it, about what comes first: the chicken or the egg? I'm tending to think that you have to have all your ducks in a row before you make the announcement, myself, but, once you've told people you're taking away services, you then, surely, have a duty to inform them as to what's happening.

[255] **Darren Millar:** Shall we let them just pick up on the—actually, I'll come back to you, Sandy—about communication first, and then—

[256] **Sandy Mewies:** I'm going to finish now. There was a meeting in November between someone from the board with a group of people, and I was told then that, on the Flint issue, you would be sending a leaflet out. I took that up again. You said in the newspapers, in December, that a leaflet would be going out, subject to the pressures on companies. I then wrote again to Professor Purt, asking when it was going to be delivered. Because, you know, people like me were getting information, people like you, Aled Roberts, were getting information, but the people who get the services weren't getting information. I had a response, saying that it was considered a positive thing to distribute it, and then you started briefing a list of stakeholders. I said again, 'Why are you telling politicians? It's in the public domain, obviously, so why aren't you telling other people?', and it wasn't until March, after all this time, that people knew what was going on. Now, what people are talking about here is the impact of another decision, which hasn't been clearly explained, and has caused great distress and worry to people. It seems to me, it's the same mistakes. I want to know how you shared this with your board. Have these other meetings been minuted? Where is the record of what's been said? What undertakings have been given?

[257] **Darren Millar:** Okay. Peter.

[258] **Dr Higson:** If I pick up the Flint issue, but I think we probably need to put this into a note to the committee in more detail, because it could be quite a long answer. I think, one of the issues I picked up when I became chair was the fact that decisions about changes in community hospital services, in particular, hadn't been well communicated. I had a meeting, in February 2014, with council members and some of the action group. We've got some notes of meetings, but we'll put that into a note to the committee. I think the important thing is trying to work with people in Flint. Geoff and I were at the town council last Monday, a week last Monday—

[259] **Darren Millar:** I'm sorry, can I ask you? You haven't been very specific about the situation in Flint. Just tell us more widely what you're doing to improve this communication with the public. Flint and the maternity service issues have both been good examples, case studies, if you like, in those failures.

[260] **Dr Higson:** Right. I'll let Trevor come in in a minute about this wider engagement. I think, I'm having to pick up pieces from previous situations, and I'm trying, as chair, to open that process up and involve people and engage people in those discussions. I feel we've got to a place—for example, with that leaflet—where we wanted to wait until we had a bit more certainty about the planning process et cetera, in terms of deadlines. It's now gone out publicly, about where we are with that development. We've also agreed to have a wider look at health needs of the Flint population, and Bagillt, as part of that work, now, going forward.

[261] **Sandy Mewies:** Including Well North?

[262] **Dr Higson:** Yes, Well North, which again we can put a note in about. It's a Manchester initiative, which is very helpful. I think, generally, again, the board is learning as we go along that we can do these things better. I think that, in terms of stakeholder briefing, in terms of public engagement, there's a step change now that the new executive team is in place, compared with how the board was before. I accept that there were weaknesses, and I, myself, have done as much as I feel I can—or more than I can—to try and address those, in terms of meeting people and being open to discussions, and also, appearing before town councils et cetera. So, yes, I think I agree that things could've been done better. We are learning. We will do them better, I can promise you.

[263] **Sandy Mewies:** I asked specifically whether the details of those meetings—and there were more than the one you've mentioned—

[264] **Dr Higson:** Oh, no, several meetings with the action group, yes.

[265] **Sandy Mewies:** Were they communicated to the board, and any undertakings that you gave? Well North only appeared on the scene about a month ago.

[266] **Dr Higson:** The decision made by the board to replace services in Flint has been followed through. I think this is now with the executives to implement, and I think some of those discussions we have been involved in as independent members, but there's not, in my view, a need to go back to the board with that because it is an operational implementation.

[267] **Darren Millar:** Trevor, can you tell us why there was such a different approach with Flint, where a leaflet took a long, long time to develop, compared with the maternity services, where a brochure was immediately available and distributed but which actually had a number of inaccuracies in it and which was rather unuseful then because of those inaccuracies? Why were they so very, very different? Given that the board has a director responsible for communications—

[268] **Professor Purt:** Well, I'd make two initial comments. One is the director's only been in post for a very short space of time and hasn't got a history around the Flint issue—and neither do I in terms of that, to a large extent. What I wanted to pick up particularly was Sandy's point about the wider communications going forward, and the really pertinent point you made about service change happening without anything in its place. It's clearly one of the areas that I touched on earlier about wanting to, from May through to August, have this very, very concentrated, very, very detailed engagement with our population. That's clearly to set the stall out about what we need to do, how they can help—stakeholders and the population alike—so they can be very clear about the options that the health board is facing, and to help shape that for the consultation.

[269] Now, I think the big advantage we have now, having agreed a transitional plan, which is what we'll put in for Welsh Government in terms of this year, is it doesn't slow down our investment around primary and community and out-of-hospital services. So, a lot of the areas that we've talked about before, about wanting to turn the organisation through 180 degrees will actually be getting traction and showing real benefit during the 12-month process. So, for instance, we're working with Wrexham council around three of their Communities First areas, where we can look to do things together. So, there'll be traction through the year that clearly shows the health board's intent to put services in a primary, community setting, and actually show the direction of travel before we start to move other services.

[270] Now, I am not an advocate, I have to say, of closing services and then saying, 'You're going to get jam tomorrow'. I don't think it works, I think it's disingenuous, and I think it actually leads to an element of distrust from our population.

[271] **Sandy Mewies:** So do I.

[272] **Professor Purt:** So, clearly, my perspective on it is that we will be investing first before services change. Does that mean services won't change? No, it doesn't, but what I want is to be in a position where, when we go out to consultation, we clearly have a series of options—maybe not even a preferred option—that actually means we can have that ongoing debate.

[273] **Darren Millar:** But, obviously, that's going to be a live discussion that is going to help shape the decision. Once a decision's been made, as it clearly had been in terms of Flint

hospital, you've got to communicate it to the public.

[274] **Professor Purt:** Yes, and there'll be a full communication plan that comes through that process. What I'm saying is that, until recently, we didn't have a comms team in place. We're recruiting to that at the moment. The director's been in place for three months, and—

[275] **Darren Millar:** So, who was responsible for that previously? I mean, surely you had someone responsible for the communications of the organisation. You were still sending press releases out and bits of information here and there—

[276] **Professor Purt:** Yes, but I touched earlier on the fact that there's a capacity and capability issue that we've had that's now being addressed. So, we are investing more within our capacity and our capability, particularly to address the points that Sandy's actually made about making sure that we're much more on the front foot about communicating in advance. Just as an example, we've got six drop-in sessions now that have been widely communicated for the obs and gynae work between now and 6 April, and three staff sessions. So, there will be six public sessions where individuals can just come in at specific times in the day, both evening and during the day, in different parts of our area where that can be accessed. We'll have teams there to talk to them about it.

[277] **Darren Millar:** Right, and what about ensuring the accuracy of information when it is communicated?

[278] **Professor Purt:** It needs to be accurate, Darren; there's no excuse.

[279] **Darren Millar:** So, why hasn't it been of late, particularly with such a controversial decision in terms of that maternity service issue? Why can't you ensure that things are accurate when they go into the public domain in terms of public communication?

[280] **Professor Purt:** They are being rechecked now.

[281] **Darren Millar:** Okay. But you accept there were inaccuracies in there, which have been unhelpful and further damaged the reputation of the board.

[282] **Professor Purt:** I would accept that they could be misinterpreted—the way in which they were put. I think there's an issue about having the language in a much more simplistic and straightforward way, and that's—

[283] **Darren Millar:** So, you don't accept it was inaccurate information.

[284] **Professor Purt:** Which specific bits are you alluding to?

[285] **Darren Millar:** Well, I didn't want to talk about specific bits, but you make reference in the glossy brochure that was published about a regional centre, for example, in one particular location, which of course is not the case. The board hasn't made a decision to establish a regional centre in any place.

[286] **Professor Purt:** But the sub-regional neonatal intensive care centre has actually been agreed.

[287] **Darren Millar:** Yes, but, of course, it didn't mention—. You weren't talking in that context; you were talking about a regional centre in terms of maternity services. That is what was in the board paper. That is what was in the glossy brochure, which, of course, was inaccurate.

[288] **Professor Purt:** What I accept is that we need to be clearer in terms of the language that we use.

[289] **Darren Millar:** Do you accept, Professor Purt, that the information, which was in that document, was inaccurate? Because, if you don't, then we have a problem, don't we?

[290] **Professor Purt:** It was open to—. It could have been clearer is what I'm saying, Chairman. The issues regarding the regional issue were meant to allude to the SuRNICC.

[291] **Darren Millar:** But it didn't say that, did it?

[292] **Professor Purt:** No.

[293] **Darren Millar:** It didn't say that, which was obviously very difficult for some people to swallow, and it further complicated the issue and caused even greater anxiety amongst members of the public and, indeed, your own staff as a board. I'm going to come to Jenny Rathbone. We need to move on. Jenny, and then it's Jocelyn.

[294] **Jenny Rathbone:** Okay. I'll try and be brief, and brief answers. The disconnect between the board and the ward, or the bringing together, is what I want to focus on. The Steele report was published in November 2013. So, the board saw it then. I'm clear from the paper you presented to your board in February—last month—that you had discussed the safety issues around the rotas, and then, in September, you discussed a two-site model. So, you've discussed all these issues. I suppose what I'm querying is why it's taken you so long to come to the decision that you've come to in February, and particularly around the clinical practice group asking the staff for alternatives to resolve the problems that you had and them not being forthcoming. That sounds extremely worrying to me.

[295] **Dr Higson:** I'll let Trevor come in in a second, but, I think, from my perspective, it's about trying to manage and mitigate risk in everything we do. We were aware of risks. The board, as Geoff had said, tried to mitigate through the actions Geoff outlined a few minutes ago how we might manage this risk, because I don't think any of us wanted to be in a place where we were not having three maternity centres in north Wales. So, the efforts—and there are action plans; they have been discussed, they have been followed through by the board—were the efforts for the executive to make to try to resolve, improve and strengthen the situation. But, it's about balancing those risks all the time. So, I think the decision wasn't made because we were still seeking to try to make sure that things could continue in a safe way. So, the process by late last year and early this year was that the advice in the paper that came to the board was that we can't hold that situation much longer. We can argue about that; we can discuss it, as we have. I think that, like many things, we are holding a risk, but we're trying to manage, mitigate and reduce it.

[296] **Jenny Rathbone:** So, you've identified the problem back in November 2013, and yet it's taken you this long to come to a decision, and you haven't got engagement from your staff, who are being asked for solutions.

[297] **Dr Higson:** As we've said earlier, I think that there's been a lot of discussion—I can't comment because I'm not the executive—within the executive, with the clinicians and with teams about the issues identified, and they go way before 2013. These are 10-year-old issues with maternity.

[298] **Jenny Rathbone:** Okay.

[299] **Dr Higson:** I think it's for Trevor and Geoff to comment, but I think we would be probably reiterating what we said before about the fact that there was engagement, and there

were opportunities for people to contribute and be part of trying to find sustainable solutions. Recent events may have brought that to a head, but certainly—

[300] **Jenny Rathbone:** So, the disconnect between the board and the ward is improved now that you have, obviously, a crisis.

10:30

[301] **Dr Higson:** I think the management structure the health board had did not help that connect between the board and the ward. That's gone; it's changed. That's part of the reason it's gone—not because of individuals, but because it didn't have that sufficient link. In terms of the work that Trevor's been doing as chief executive in terms of developing the 100 top leaders in the health board and getting much more engagement and buy-in, I think the whole structure of the board created and made worse any gaps, and, now that we're reconnecting the whole organisation, that will disappear.

[302] **Professor Purt:** I'll just make a couple of very quick, additional points. Peter's touched on the CPG issues and the fact that they were in constant conversation with the consultant and the rest of the team. What brought it to the board when it came to the board was the final set of adverts in November, which didn't allow us to recruit any middle-grade doctors. So, that's why the timeline has taken us, so the—. So, that was the last time we went out to advert, in November, and we didn't recruit one single middle-grade out of that.

[303] The issue I want to pick up on as to the ward-to-board issue relates to the things we're doing now. We've got a pilot site for iWantGreatCare at Wrexham Maelor. That evaluation report is showing some real buy-in now from our teams, and we want to roll that out across the rest of the three sites. I'm not really even waiting for the evaluation report. It's obviously going to give us what we need, so we're pushing on with that. There's a new nursing dashboard that's been put in in the last few months that's indicating a lot of the red flag areas now in advance, so that's coming through to board, and through the committee structures that Peter's changed. Whilst we talk about the IM and the executive team on walk-arounds, I think it's also fair to put on record that our community health council colleagues undertook over 500 unannounced visits last year, which more than any other health board, so some of our partners are working very closely with us to ensure that we can really get the quality of our service to the level that we need it.

[304] **Jenny Rathbone:** Okay. My final question is around complaints handling. Your director of corporate services is in charge of complaints. When you get a complaint from a patient or their relatives, what happens to the records of the patient at that point?

[305] **Professor Purt:** Depending on what the complaint is, there's now an investigation team that no longer sits within the clinical directorate. They're actually managed now—or they do sit—via the director of corporate services, so that we have a clear difference between vested interests in this. Clearly, as I've said, the investigation and the complaints issues have been dealt with in terms of historical issues, and anything that's behind will be dealt with this year. The investigation teams in the future will move into the area teams, so there's a real clear understanding of the locality issues, and I'm expecting the area directors to particularly work closely with the area Assembly Members in that much closer relationship. The other thing that we're putting in is what's called a patient advice and liaison service, which means each of the hospital sites will have a team of individuals that people can go to rather than actually have a formal complaint. Now, where that's been put in in other parts of Wales you've seen the complaints profile dip by 35 per cent. Most people don't want to complain. Most people want a signpost or to understand what the issues are. So, that PAL service will be put in in the next six months.

[306] **Jenny Rathbone:** That sounds excellent. My specific question is: what happens to patient notes when there's a complaint? The Steele report said that the patient notes were disappearing.

[307] **Professor Purt:** No, they're instantly pulled by the complaints team.

[308] **Jenny Rathbone:** Thank you.

[309] **Darren Millar:** And that team is empowered to require responses from clinicians, because that was a barrier as well, wasn't it?

[310] **Professor Purt:** Correct. And we're setting up different clinicians from different areas, so, if the complaint's in one area, there's another clinician from a different area that will undertake it.

[311] **Darren Millar:** Jocelyn Davies.

[312] **Jocelyn Davies:** It was culture change that I was concerned about, Chair, because we heard a lot at the beginning about the structural changes that you've made, but, of course, the original report also mentioned this issue of culture, and I hope you can give me some evidence that there's been cultural change, because I notice, Mr Higson, the language that you use—and I like the way that you express yourself—in relation to, for example, when I, Jenny Rathbone and the Chair raised the issue of the lack of consultation with the staff, you talked about a dialogue and finding a solution together. Mr Purt, of course, said that there was very little being offered by the staff by way of a solution—two entirely different ways of looking at the same issue.

[313] You also said you like to learn from complaints and mistakes; Mr Purt said the length of time to deal with the complaint has been reduced. We didn't hear anything about learning from complaints that people make. So, I have to say that I still have concerns about the culture. Can you give me some evidence that the culture is changing, and how will you recognise when it has changed?

[314] **Dr Higson:** That could be a very long answer, but I'll try and keep it very focused.

[315] **Jocelyn Davies:** Yes, but you've got that in mind.

[316] **Dr Higson:** I think the important thing for me—. The test for me is what people like yourselves as elected members, people I meet, staff I meet, start giving me different feedback. I think that, for me, is the most important evidence. I will occasionally drop in unannounced, and quite frequently. I try to spend about a day a week visiting our various sites and teams. It's a challenge, but I try and do it. I get more from that in terms of picking up how the culture is beginning to change. I detect it is, but I think also culture in the NHS has always been a question. I think it's a tension that we have to manage, but I think that—. I'm also encouraging all our independent members to do the same, because we're there to act as a weather vane as well, sometimes, to pick up on what we hear from the executives. Given my background, I'm a great believer that we need to triangulate evidence. We don't always believe what we hear from executives.

[317] **Jocelyn Davies:** When you said that you pick up on what you hear from the executives, did you have any concerns when Mr Purt said—I think it was three times, but at least twice—that the information in that leaflet had been misinterpreted rather than that it had been miscommunicated? Did you have any concerns, because I did, and I didn't even see the leaflet?

[318] **Dr Higson:** I can't recall the content of the leaflet myself. I will discuss it with Trevor afterwards.

[319] **Jocelyn Davies:** But it was possible for there to be more than one meaning attributed to it.

[320] **Dr Higson:** Absolutely.

[321] **Jocelyn Davies:** Mr Purt says, therefore, Mr Millar misinterpreted it. I thought, maybe, it was miscommunicated. He's shaking his head now.

[322] **Dr Higson:** We will look at it again after this meeting and we'll do a note for the committee on that. I think also, as chair and chief executive, these are unique, if you like, marriages—they're a difficult but also a very productive relationship. I think the important thing, and I think the benefit, is that we have different styles but we often arrive at the same conclusion separately. But, I think it's a relationship where we have to be close and discuss, and we speak more or less every day, but not cosy, because there is a formality in it as well. So, I think, a bit like all relationships, you are always working at it, but I think the difference in style can be quite productive sometimes because we challenge each other as well.

[323] **Jocelyn Davies:** They're certainly different styles.

[324] **Darren Millar:** Anything else to follow up on?

[325] **Jocelyn Davies:** I don't know if Mr Purt wants to answer some of those questions.

[326] **Darren Millar:** Did you want to comment?

[327] **Mr Purt:** Well, I'm sorry if it came across that I was disagreeing with the Chairman. What I was attempting to say was I think it was a mistake that we worded a document in a way that actually was open to a misunderstanding, rather than that the Chairman had misunderstood it. So, I think I want to just get that record.

[328] I think the issue about cultural change is one of the biggest challenges that the NHS always has. When you think of the churn that there's been in terms of organisations in the NHS in Wales over the last 10 years, I think we are still bringing together competing cultures and I think that, historically, it's quite difficult, when you've actually got three old acute organisations that actually had historically competed with each other, to bring a unified, cohesive culture where they work as one hospital over three sites. I think what I see as a significant improvement in the time I've been here is the willingness of clinicians in many areas to stand forward and actually have those open debates with us.

[329] The other thing for me is I think we've seen a major step forward in terms of our relationship with local government, which was historically an Achilles heel for the organisation. I meet regularly, as does the chairman, with both the leaders and the chief executives. I recently attended a full council meeting briefing in Denbighshire, and that's the second or the third one of those that I've done, where I've been able to have that open conversation with councillors about exactly what the priorities for the health board are, and I've found those very welcoming and very straightforward. So, I think I am detecting, certainly, from what was a difficult relationship, I think, between the health board and local government at the time of the last consultation, a sea change in terms of how that's moved forward.

[330] **Jocelyn Davies:** And learning from complaints?

[331] **Professor Purt:** Obviously, for insight again, it's a slip. The whole reason for complaints isn't just to actually deal with individuals who may have been harmed or upset; it's to make sure it doesn't happen again. So, cascading the learning through, not just in that hospital, but actually in terms of the whole of our structure, is crucially important. And the new—. Whilst structures aren't in their own right the be-all and end-all, the fact that we're moving away from the somewhat unwieldy CPG to one that's much more traditional in terms of clinical directors, and hospital directors, I think, will be much easier to ensure that learning is actually encompassed, and, more importantly, embedded. And the issue about putting complaints in the corporate services department is to link it with litigation, to link it with the Welsh risk pool, so that we're getting that triangulation of ensuring that that learning is actually being picked up, and actually worked with.

[332] **Jocelyn Davies:** Okay. Thank you.

[333] **Darren Millar:** Julie Morgan.

[334] **Julie Morgan:** Thank you. I wanted to return to the culture of the board, and how it's operating. I think, Peter, when you did your introduction, you said that you're receiving an integrated quality and performance report at every board meeting. You said you were 80 per cent there; what's the 20 per cent that you need to do?

[335] **Dr Higson:** It's the content of the report. I mean, the last two or three pages are still under development. I raised this in our March meeting, and was assured that that would be there by April. So, it's really the roundness of the report. The information is appearing elsewhere in our committees, but it's bringing it together into that one place. So, it's just getting those last few bits in. I mean, one of the areas I—. I want to see a triangulation and a connection between our performance, our money, and our staff, and staffing issues such as sickness absence, et cetera, and workforce planning generally. This is part of that welding together, which has not been apparent in the past. We have a higher-than-average sickness absence rate, and we have hotspots and pockets in that respect, and it's just making sure that we keep, as a board, trying to get that breadth of all the responsibilities we've got. Because some of those things will act as, if you like—. They will be indicators—indicators that something is not quite right. If you've got a very high sickness absence rate in one particular area, something else might be wrong there as well. So, it's helping the board just focus, and shine the light on those dark corners where things may need to be—

[336] **Julie Morgan:** So you are confident that you are on track to get that report, where everything can be seen together?

[337] **Dr Higson:** Yes.

[338] **Julie Morgan:** And what about the performance of the individual board members? Do you feel that they are all fully engaged? Have there been attendance rate developments and opportunities? What's been the attendance rate at those sorts of events?

[339] **Dr Higson:** Very happy to put a note in about that. But, yes; I meet with them every month, which wasn't happening before. I do appraisals twice a year—I think they had an annual appraisal before. Part of that process is looking at individual development needs and opportunities. We've got this programme of board training and development going on, which has included individual sessions with the trainer for independent members. We have got recruiting for three independent members at the present. But very much the focus for me is not about—. Board development is not a sort of day out; it's a very focused, hard-working day, in which people are learning to do things differently, develop skills, and challenge. Because, I think, we're not clinical experts, as board members, but we need expertise in scrutiny, and that's what I'm really focusing on.

[340] **Julie Morgan:** And how many of those days have you had?

[341] **Dr Higson:** We've had a day a month since April last year.

[342] **Julie Morgan:** And what, on average, has been the attendance? Has everybody come to each one?

[343] **Dr Higson:** It's about—. Depending on holidays, and there are one or two board members who've not been too well in the last year, so there's been an issue there, but not to be avoided, but I think about 80 per cent or 90 per cent attendance. And, also, the trainer will follow up with those who weren't present, through phone calls and meetings, to brief them, and to bring them up to speed, and to focus as well. So, even if people aren't there, there is a follow up for them. It's a very rigorous programme. It's one I'd recommend to other boards.

[344] **Julie Morgan:** Right. Thank you.

[345] **Darren Millar:** In order to promote healthy engagement, do you publish the attendance rates, et cetera, on your website, as a board, or is that something you'd consider doing?

10:45

[346] **Dr Higson:** Consider doing, yes. Chair, we're one of the few boards that actually publish all our public committee papers, as well.

[347] **Professor Purt:** I just wanted to add something on the 80 per cent to 20 per cent issue. Just, again, so there's no misunderstanding: the 20 per cent is under development. The vast majority of those are local targets. So, I think we're the first health board that's actually moved into a series of locally defined targets that board members want to see being reported back. So, it could be things like elective caesarean rates, it could be around teenage pregnancy or it could be around childhood obesity. So, it's agreeing some of the public health issues that aren't part of the tier 1 issues, so that we can get a much more rounded view of our population and how it's improving.

[348] **Darren Millar:** Okay. Mike Hedges.

[349] **Mike Hedges:** One thing that concerned me in the past was when we were told that the budget was set, it was sent out and then individual people started wanting to negotiate from it afterwards. Could you tell me: has the budget been set this year? Has it now been agreed with all budget holders that that's the money they're going to have? My third question is: is there a problem that the three major hospitals haven't actually accepted they're part of Betsi Cadwaladr? An awful lot of people who are working there and an awful lot of the people who use them as their local hospital still think of Wrexham Maelor or Ysbyty Gwynedd or Glan Clwyd as the hospital, that that's their employer and that you're remote from them.

[350] **Dr Higson:** If I take the last point and then pass to Trevor and Geoff. Just to say that the budget for 2015-16 is going through the finance and performance sub-committees this month and coming to the board at next Tuesday's public session. Am I right on that?

[351] **Professor Purt:** Yes.

[352] **Dr Higson:** In terms of the culture, I think the challenge for Betsi Cadwaladr is that—I'm using my words very carefully but very deliberately—Betsi Cadwaladr, as a name,

is irrelevant. What's important is the localism and the feeling of ownership and connection people have with their local hospital and their local services, generally. What we need, though, is to manage that service across north Wales in a way that, for patients, it's still local, but, for staff, it's about moving them to places where they need to be to provide that local service. I think that's the challenge. As Trevor said, remember the old regime of purchaser/provider; these hospitals were set up as trusts in the 1990s and they were competing with each other to get money from the health authority. The cultures took root, and I think it's going to take a lot longer to get rid of those cultures and get back to collaboration. There's a lot of medical rivalry. That we're actively managing, but it's clearly—. We will get there, but the important thing is for people to still feel it's a local service. I don't think people in Holyhead are much fussed what happens in Chirk; they are focused on what happens in Holyhead and Bangor. The challenge for the board is to be very local and not try and force everything, which I've made very clear is not going to be the case, into a one-size-fits-all Betsi Cadwaladr version of the world.

[353] **Mike Hedges:** I was going to say that's probably not unique to you. I think it's probably true of all the other health boards, where a lot of hospitals got merged together. The other question you didn't answer—

[354] **Dr Higson:** I was going to pass that on.

[355] **Mike Hedges:** The budget will be set on Tuesday. Will that be a budget that people will have to live with or will they be coming back and saying, 'I've had my initial budget, I'm not happy with it, so can we now start negotiating?'

[356] **Dr Higson:** The latter isn't on the table. There's no negotiation. I'll pass, because I did say I'd pass to Trevor.

[357] **Professor Purt:** You answered it, chairman. I think, clearly, baseline reporting is where we've moved to. Clearly, there will be fixed budgets. There will be expected performance against those budgets. Since the escalation in the summer, as I said, we've seen £5.5 million in-month run rate reduction because of the grip that's now being put in by the PMO. Last month, we saw, actually, an in-month surplus. So, I think that's come an enormous way from where we were in the summer, when, unfortunately, I had to write to the director general explaining that I didn't think we were going, on our current trajectory, to actually have a balanced position. So, I think that that grip will run through into next year. There's a clear expectation, both within my finance team and within the budget holders, that they will be held into account.

[358] **Darren Millar:** Can I just ask a little bit further about that? The Welsh Government has been assisting you, hasn't it, in terms of turning the financial situation around? There's been other intervention, as well, that the committee has been advised of. We know that Ann Lloyd was commissioned to undertake a piece of work by the board, at the request of the Welsh Government. Was that Welsh-Government-commissioned work or was it board-commissioned work?

[359] **Dr Higson:** Welsh-Government-commissioned work, but with Ann Lloyd reporting to me.

[360] **Darren Millar:** Okay, and when is that—? Has that piece of work been completed, because it was an awful long time ago that it was started?

[361] **Dr Higson:** It was started in December, so it's three and a bit months ago. It aimed to be finished in January, but ran into February because of commitments and diaries and everything. Ann's report is due to be presented to me this week or early next week and it will

then be shared with Trevor and Andrew Goodall, DG at Welsh Government, and then more widely and will be published.

[362] **Darren Millar:** It will be published in the public domain.

[363] **Dr Higson:** Yes.

[364] **Darren Millar:** And there'll be some—. I mean, we'll challenge the Welsh Government over any lessons that might be applicable to other boards as well, as part of the process, but you're confident that that intervention from the Welsh Government has been sufficient and at an appropriate level that is helping you to turn around, certainly, the financial performance. What about the other aspects of your performance, which appear to be slipping? You've talked, Professor Purt, about the performance management office; you know, what about the waiting times? What about your performance against emergency department targets? What about your performance on a whole host of other tier 1 indicators that appear to be all over the place at the moment, and getting worse?

[365] **Dr Higson:** Can I just answer one bit before passing to Trevor? Just to be clear that the report is a diagnostic report from Ann Lloyd, and there'll be a discussion with Welsh Government about what further support they—on the basis of it—may be able to offer us in helping with turnaround.

[366] **Darren Millar:** But it will have recommendations in there in terms of possible intervention or assistance et cetera. Yes, okay.

[367] **Dr Higson:** I also need to put on record that I've seen a draft and, obviously, I've commented on factual issues but not on opinion or content, and Ann Lloyd has put a very valuable but very different perspective to the board, looking at how we work and, generally, issues we face, but it's also broadly complementary with the work done by the Wales Audit Office in terms of structured assessment.

[368] **Darren Millar:** Okay.

[369] **Professor Purt:** In terms of the general performance issues, Chair, I'm happy to follow this up with a report, if that would be helpful for the committee. While, like a lot of things, it's a curate's egg, I think that there are some elements where we're doing incredibly well. I think that our immunisations and vaccinations issues and our smoking cessations are probably the best in Wales. Our stroke is the most improved—we're the best in Wales on two of the bundles and the second best on two others. We've seen a 25 per cent reduction in the last month on our 12-hour waits in A&E and we have the least escalation in ambulance handover delays. We are seeing our referral to treatment waiting times reduced—we're going to be 1,000 below where we once predicted we were going to be. We'll have achieved no 52-week waits and we expect to have the diagnostic target achieved as well. Cancer has been very good for us on 31 day; we did achieve the 62-day target prior to Christmas—it has slipped because of some issues regarding urology cancer, which is, again, common across Wales. And in terms of RAMI, we're in the middle of the pack, from being, at one stage, an outlier.

[370] **Darren Millar:** I think, what I'm asking is: the performance management office is not just focused on finance, is it?

[371] **Professor Purt:** Absolutely not.

[372] **Darren Millar:** Okay. We need some assurance on that.

[373] **Professor Purt:** It's driving those improvements as well.

[374] **Darren Millar:** Okay, and you'll send us a further note on that. Aled, you wanted to come in.

[375] **Aled Roberts:** Roeddwn i'n mynd i ofyn cwestiwn ar adroddiad Ann Lloyd, ond mae hynny wedi cael ei ateb. Rwy'n gobeithio bod yr uned perfformiad yma—. Mae'n rhaid imi ddweud mai fy mhrofiad i o lywodraeth leol oedd bod yna dueddiad, hwyrach, i rai unedau newid y ffordd mae ystadegau'n cael eu casglu—a ddim, mewn rhai achosion, i wella perfformiad. Mae yna achosion lle mae yna bobl yn aros dros 70 wythnos ar gyfer clinigau poen ac ati. Mae yna batrymau eraill lle maen nhw'n cael un apwyntiad, jest er mwyn i'r ystadegau newid yn hytrach na'u bod nhw'n cael unrhyw fath o ateb i'w problemau. Rwy'n gobeithio na fyddwch chi'n mynd ar ôl gwella ystadegau. Beth mae cleifion eisiau ydy atebion i'w problemau.

Aled Roberts: I was going to ask a question on Ann Lloyd's report, but that's been answered. I do hope that the performance unit—. I have to say that my experience, from local government is that there is a tendency for some units to change the way in which statistics are collated—and not, in some cases, to improve performance. There are cases of people waiting over 70 weeks for pain clinics and so on. There are other patterns where they get one appointment, just so that the statistics can change rather than for them to have any kind of solution to their problem. I hope that you won't go after massaging statistics. What patients want is solutions to their problems.

[376] A gaf i hefyd awgrymu—? Rydych chi'n dweud eich bod chi—. Rwy'n cyfaddef bod y sefyllfa'n llawer iawn mwy tryloyw nag yr oedd o dan yr hen fwrdd—mae'n rhaid imi ddweud hynny; hwyrach y byddai'n rhywbeth i chi ei ystyried—and a ddylech chi drafod materion ynglŷn â diogelwch ac ansawdd efo Aelodau Cynulliad—bydded hynny ar sail rhyw fath o drafodaeth gyfrinachol. Achos nid wyf yn meddwl bod y rhan fwyaf ohonom yn ymwybodol o rai o'r materion rydych chi wedi codi. Buaswn i'n cytuno â Sandy Mewies; mae'n anodd iawn i ni ystyried a, hwyrach, gyda'r holl adroddiadau a phethau, y buasai'n bwynt i chi ddweud wrthym ni bod yna *delivery units* sy'n edrych ar broblemau, hwyrach, i drafod pa fath o ymyrraeth sy'n cymryd lle o fewn y bwrdd yn ystod eich trafodaethau chi efo Aelodau Cynulliad lleol.

Could I also suggest—? You say that you—. I do admit that the situation is a lot more transparent than it was under the previous board—I have to say that; maybe, it would be something for you to consider—but should you discuss issues on quality and safety with Assembly Members—whether that's on the basis of some kind of confidential meeting. Because I don't think that the majority of us are aware of some of the issues that you've raised. I would agree with Sandy Mewies; it is difficult for us to consider and, maybe, with all the reports and things, it might be a point for you to tell us that there is a delivery unit looking at problems, and maybe we could discuss what kind of intervention is taking place within the board during your discussions with local Assembly Members.

[377] **Darren Millar:** Can I just ask one final question on the three-year plan? As Members understood it, a three-year plan—a draft plan—had been submitted to the Welsh Government at the tail end of last year or beginning of this year for consideration. You've suggested, Professor Purt, that the focus is going to be on a 12-month plan, effectively, in the short term, over the next 12 months, working up and developing in collaboration with different stakeholders a more detailed three-year plan that is going to be more robust. Was that as a suggestion of the Welsh Government in their response to the first draft of your plan, or—. I mean, how have you arrived at that position?

[378] **Professor Purt:** I think it's—[*Inaudible.*]—obviously through the three-year process

how we would get to a balanced position; also, some of the issues that were reflecting back around the very point that Mr Roberts has just raised in terms of the quality and safety issues. I think our conversations with Welsh Government have clearly taken us both to the same position, which means to do that effectively, we need to have a much more detailed conversation with our population and our stakeholders so that there's a real engagement process around that.

[379] Our three-year plan will still actually be going in in the sense of a document covering the direction of travel, where we're going to focus and the issues around primary and community involvement and investment. But what it won't talk about is significant service change in secondary care, because we haven't been through a consultation that's actually discussed that. So, and I think quite rightly, there needs to be maybe a move where we step back from this for 12 months to enable us to have that detailed conversation with you and with all Assembly Members in north Wales and with our population and local authorities, which can then take us to a point where we can have that open consultation around what do service models look like.

[380] **Darren Millar:** And the draft three-year plan that was submitted earlier this year, we can find copies of that in your board papers, et cetera, can we, or—. How—

[381] **Professor Purt:** At this stage, it's a draft document that was—

[382] **Darren Millar:** It must've been discussed by your board.

[383] **Mr Higson:** Yes, and there's been a lot of board input to it. There have been some development days, Chair. I think, the question is: is it a plan the board has approved? No, not yet. The board had the same views as Trevor's expressed the Welsh Government had and it is one of we're playing catch-up, and I'm hugely concerned about the fact that we haven't got this to a place it should be, because the points made in the Healthcare Inspectorate Wales and Wales Audit Office report two years ago about not having that direction and vision doesn't help with recruiting people and it doesn't help with stabilising. It resonates with what Trevor said about putting new models of services in place before you stand down the old models.

[384] So, I think that the difficulty we've got at the moment is that the plan is not a plan the board feels is in a fit state to actually start going public with. We're working on what will go public in May onwards, as part of what Trevor said, and that is the plan then.

[385] **Darren Millar:** But, nevertheless, the board did decide to submit a draft three-year plan earlier in-year to request sign off.

[386] **Mr Higson:** Well, there was a period of iteration; we've not submitted anything. We've actually submitted a plan for comment; we've not formally agreed any plan for submission.

[387] **Darren Millar:** Okay, fine. On that note, that brings us to the end of the evidence session. Thank you, Peter Higson, Trevor Purt and Geoff Lang for your attendance today. You'll be sent a copy of the transcript of the proceedings from today's evidence session. If there are any inaccuracies, feel free to comment and we will ensure that they are corrected. We look forward to receiving the additional information that you've suggested you can make available to us in due course. Thank you very much, indeed.

10:59

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r
Cyfarfod**
**Motion under Standing Order 17.42 to Resolve to Exclude the Public from the
Meeting**

Cynnig:

bod y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog 17.42(vi).

Motion:

that the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).

*Cynigiwyd y cynnig.
Motion moved.*

[388] **Darren Millar:** Item 5 is moving the motion under Standing Order 17.42 to resolve to exclude the public from the remainder of our meeting. Does any Member object? There are no objections, so we'll go into private session.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10:59.
The public part of the meeting ended at 10:59.*