

# Structured Assessment 2021 (Phase One) – Operational Planning Arrangements Cwm Taf Morgannwg University Health Board

Audit year: 2021

Date issued: May 2021

Document reference: 2364A2021-22.

This document has been prepared for the internal use of Cwm Taf Morgannwg University Health Board as part of work performed/to be performed in accordance with statutory functions.

The Auditor General has a wide range of audit and related functions, including auditing the accounts of Welsh NHS bodies, and reporting to the Senedd on the economy, efficiency, and effectiveness with which those organisations have used their resources. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

© Auditor General for Wales 2021

No liability is accepted by the Auditor General or the staff of the Wales Audit Office in relation to any member, director, officer, or other employee in their individual capacity, or to any third party in respect of this report.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

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

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

# Contents

Summary report	
About this report	4
Key messages	5
Recommendations	5
Detailed report	
Scope and coverage of the 2020-21 Quarters Three-Four Plan	7
Arrangements for developing operational plans	7
Arrangements for monitoring delivery of operational plans	9
<b>Appendices</b>	
Appendix 1 – management response to the audit recommendations	10

# Summary report

## About this report

- 1 This report sets out the findings from phase one of the Auditor General's 2021 Structured Assessment on the operational planning arrangements at Cwm Taf Morgannwg University Health Board (the Health Board). Our Structured Assessment is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2014.
- 2 Health bodies are required to submit a three-year Integrated Medium-Term Plan (IMTP) to the Welsh Government on an annual basis. In January 2020, health bodies submitted IMTPs, covering the period 2020–2023, for approval. However, the Welsh Government suspended the process for approving IMTPs to allow health bodies to focus on responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic.
- 3 The Minister for Health, Social Services and Sport set out shorter planning cycles for health bodies covering 2020-21. Guidance set out key considerations for planning, with the requirement for health bodies to produce a quarter one plan by 18 May 2020, a quarter two plan by 3 July 2020, and a combined plan covering quarters three and four by 19 October 2020.
- 4 The planning framework for quarters three and four 2020-21 covers the maintenance of effective and efficient operational planning arrangements in health bodies to guide their continuing response to the pandemic as well as responding to winter pressures and the implications of EU transition. Health bodies also need to continue to lay the foundations for effective recovery beyond 2020-21.
- 5 In our [2020 Structured Assessment report](#) we considered the Health Board's planning arrangements for developing the quarters one and two plans. This report considers the planning arrangements underpinning the development of the operational plan for quarters three and four of 2020-21.
- 6 Additionally, where we identify any further recommendations which the Health Board should consider when developing their Annual Operating Plan for 2021-22, we have brought these to the attention of the Health Board.

## Key messages

- 7 Overall, we found **the Health Board's operational planning processes are generally robust providing flexibility to respond to changing circumstances, however, opportunities exist to strengthen arrangements for monitoring and reporting on delivery of operational plans.**
- 8 The Health Boards Quarter 3-4 Operational Plan was submitted in line with the extension agreed with the Welsh Government. It satisfied the requirements of the Welsh Government national planning framework guidance and received the required Board scrutiny.
- 9 The Health Board has maintained its strong approach to operational planning as has been demonstrated in their previous IMTP processes. The Quarter 3-4 plan is a progression from its previous two quarterly plans and is built on robust demand and capacity information. The plans have the flexibility to respond to changing circumstances.
- 10 There are opportunities to strengthen the arrangements and processes for monitoring and reporting on delivery of operational plans. Currently there are no clear processes for reviewing progress on delivery of the priorities set out in the operational plan.

## Recommendations

- 11 Recommendations arising from this audit are detailed in **Exhibit 1**. The Health Board's management response to these recommendations is summarised in **Appendix 1**.

### Exhibit 1: 2021 recommendations

#### Recommendations

##### Targets and Milestones

- R1 During our 2021 Structured Assessment work we found that the Quarter 3-4 Plan did not set specific measurable targets and milestones. The Health Board should ensure annual plans identify clear targets and milestones and ensure effective reporting on progress, impact, and outcomes.

##### Independent Member scrutiny of delivery of operational plans

- R2 During our 2021 Structured Assessment work we found no scrutiny of the delivery of the quarterly plans by the Board or its committees. The Health

## Recommendations

---

Board should clarify responsibility for oversight at a strategic level for monitoring delivery of the 2021-22 Annual Plan.

# Detailed report

## Scope and coverage of the 2020-21 Quarters Three-Four Plan

- 12 Our work considered the scope and coverage of the Health Board's 2020-21 Quarters Three-Four Plan (the Quarters 3-4 Plan) in line with the Welsh Government planning guidance.
- 13 We found **the Quarter 3-4 Operational Plan was submitted in line with the extension agreed with the Welsh Government and it satisfied the requirements of the national planning framework.**
- 14 The Quarter 3-4 plan and supporting minimum dataset were submitted to the Welsh Government on the 23 October 2020 as a draft, pending approval by the Board. The submission was within the extended timeframe granted by Welsh Government. The Health Board needed the small (4-day) extension to complete the compilation of the minimum dataset, due to an outbreak of hospital acquired COVID-19 infections at the Royal Glamorgan Hospital. This meant that adjustments were needed to a number of assumptions made in relation to bed capacity and delivery of elective activity for the Quarter 3 / Quarter 4 period which delayed the submission of the minimum dataset.
- 15 Whilst the Health Board developed the Quarter 3-4 plan, it regularly informed the Board on progress and the reasons for the delay in submission through board briefing sessions and formal committee meetings. The Quarter 3-4 plan was discussed and approved at the public Board meeting on the 29 October 2020.
- 16 The Quarter 3-4 plan satisfied the requirements set out in the Welsh Government planning framework with assurance provided on the continuation of essential services. The resources needed to deliver the Quarter 3-4 plan are also clearly set out. The Quarter 3-4 plan demonstrates evolution from the previous quarterly plans and provides an update on delivery of the previous plan. The Quarter 3-4 plan addresses the four harms through its nine delivery workstreams.
- 17 The plan articulates high level statements of what the Health Board is working to deliver in the Quarter 3-4 plan but falls short of setting a range of specific measurable targets and milestones. The plan also does not set out clear arrangements for monitoring and reporting on progress at a strategic level.

## Arrangements for developing operational plans

- 18 Our work considered the Health Board's arrangements for developing the Quarters 3-4 Plan to support its ongoing response to COVID-19, maintain essential services and resume more routine services.
- 19 We found **the Health Board established a sound process to develop its Quarter 3-4 plan for 2020-21 with sufficient flexibility to respond to changing circumstances.**

- 20 The Quarters 3-4 Plan is a clear progression of the operational plans for quarters one and two and provides a summary of the progress made against actions set out in both plans. There has been no formal evaluation of the planning approach during the last year but there is evidence of developing confidence and reflections within the plans.
- 21 There are synergies between the quarterly plans and the Health Board's overall mission, vision, and wellbeing objectives. Resetting CTM remains the operating framework within which the Health Board is delivering the Quarter 3-4 plan with the nine executive-led workstreams aligned to its four strategic wellbeing objectives. Although there is no direct alignment between the quarterly plans and the IMTP, as part of developing the 2021-22 annual plan, the Health Board has reviewed the ongoing relevance of its IMTP priorities as part of its ongoing recovery post COVID-19. In terms of developing the 2021-22 plan the Health Board has revised its priorities that were set out in the 2020-23 IMTP.
- 22 In our 2020 Structured Assessment report we highlighted that the Executive team developed the Health Board's Quarter 1 and Quarter 2 operating plans. However, the Quarter 3-4 plan was developed from the bottom up with operational teams, more aligned to the Health Board's usual IMTP development process. The Quarter 3-4 plan was developed with the Integrated Locality Groups (ILGs) and the ILG business partners including finance, planning and workforce.
- 23 The Quarters 3-4 plan is underpinned by robust demand and capacity modelling with the recent appointment of a Chief Information Officer providing capacity and expertise in modelling and prediction charts. Information supporting demand and capacity modelling includes performance against the quarter one and two plans, demand for COVID and non-COVID services, workforce availability and other factors, such as COVID-19 guidance and social distancing requirements. Given the uncertainty over COVID-19 transmission rates, demand and capacity modelling is based on projections of community acquired COVID-19 infection rates to determine likely COVID and non-COVID demand and resource requirements. The Health Board is also looking to maximise additional capacity from the independent sector and to sustain virtual outpatient activity to strengthen the resilience of outpatient services in quarters 3 and 4. The Plan also sets out the key role of working with partners, such as neighbouring health boards, Local Authority colleagues and Public Health Wales colleagues.
- 24 There is evidence that the Health Board engaged with partners, such as the Community Health Council and the Stakeholder Reference Group. The Health Board also engaged its local authority partners in developing the plan and identifying the priorities although there are no identified delivery roles for local authority partners within the plan.
- 25 The Quarter 3-4 plan recognises the need for flexibility and agility in responding to changes in COVID-19 demand with the Health Board undertaking fortnightly reviews of its planning assumptions to ensure that it can flex capacity and minimise harm. The Health Board also continues to use their early warning indicators to



enable them to prepare for a sudden surge in COVID-19 cases. An update to the Quality and Safety Committee in January 2021 outlined reasons for deviation from the Quarter 3-4 plan due to COVID-19 demand.

## Arrangements for monitoring delivery of operational plans

- 26 Our work considered the Health Board's arrangements for monitoring and reporting on the delivery of the Quarters 3-4 Plan.
- 27 We found **opportunities to strengthen strategic monitoring and reporting of delivery of the operational plans.**
- 28 Operationally, the Executive Management Team and the 'Resetting CTM Management Team'<sup>1</sup> receive reports on progress against the nine delivery workstreams. At a strategic level, the Planning, Performance and Finance Committee is responsible for scrutinising delivery of the Health Board's IMTP. Given the IMTP process for 2020–2023 was suspended in March 2020, the Board did not delegate responsibility to the Committee for scrutinising delivery of the quarterly plans.
- 29 The Health Board currently lacks a clear framework for strategic oversight and scrutiny of delivery of the Quarter 3-4 plan. The Quarter 3-4 plan sets out a series of actions or commitments rather than does not set out measurable targets. However, there is no clear summary of progress against the actions set out. Some actions, such as conducting [potential] harm reviews for all patients waiting more than 104 days for a cancer diagnosis or treatment and numbers of patients clinically prioritised to receive treatment by the 31 March 2021, could be included in the Integrated Performance Dashboard that the Board continues to receive.
- 30 The lack of measurable targets and the availability of this information makes it difficult for the Board or its committees to appropriately scrutinise delivery of the plan routinely or be assured as to whether progress is in line with the expected milestones. Neither the Board or its committees have received formal reports on delivery and the board report planned for September 2020 did not materialise. The Health Board will need to ensure there are effective arrangements for the oversight and scrutiny of the 2021-22 annual plan.

<sup>1</sup> Resetting CTM is name of the operating framework within which the Health Board has set out the steps being taken to manage services during this period.

# Appendix 1

## Management response to the audit recommendations

### Exhibit 1: management response

Recommendation	Management response	Completion date	Responsible officer
<p><b>Targets and Milestones</b> R1 During our 2021 Structured Assessment work we found that the Quarter 3-4 Plan did not set specific measurable targets and milestones. The Health Board should ensure annual plans identify clear targets and milestones and ensure effective reporting on progress, impact, and outcomes.</p>	<p>The draft Plan set out the overarching targets for the year and work in quarter 1 will refine and set clear milestones by quarter.</p> <p>Scrutiny of the progress, impact and outcomes of the Plan will continue to be through the Planning, Performance and Finance committee.</p>	July 2021	Director of Strategic Planning, Performance and Partnerships (Interim)

Recommendation	Management response	Completion date	Responsible officer
<p><b>Independent Member scrutiny of delivery of operational plans</b></p> <p>R2 During our 2021 Structured Assessment work we found no scrutiny of the delivery of the quarterly plans by the Board or its committees. The Health Board should clarify responsibility for oversight at a strategic level for monitoring delivery of the 2021-22 Annual Plan.</p>	<p>The Planning, Performance and Finance committee, remains the key committee for overseeing the development and monitoring delivery at a strategic level of the Annual Plan 2021/22. Formal quarterly scrutiny of delivery against the milestones (R1) will be built in to the forward work programme of the committee, commencing following approval of the Plan.</p>	<p>Complete</p>	



Audit Wales  
24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.