

Welsh Government



Rapid Review of Interim appointments to Executive posts at Betsi Cadwaladr University Health Board




Author:



Date:

FINAL - 20 June 2023



This report has been commissioned by the Welsh Government to provide it with an independent assessment of interim arrangements for executive posts at Betsi Cadwaladr University Health Board.

It is intended to assist the Welsh Government in further developing its Special Measures Intervention work at the Health Board [REDACTED]. The report is not to be relied upon by any third party.

The report has been prepared remotely and is based upon a review of the written and oral information provided to me by the Welsh Government and the Health Board between 17 May and 6 June 2023.

All views are my own, and I would like to thank all those Welsh Government, Audit Wales and NHS Wales officials who have assisted with this review.

[REDACTED]
June 2023



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SUMMARY and RECOMMENDATIONS

In May 2023, I was commissioned by the Health and Social Services Group within the Welsh Government to review the use of interim appointments for executive posts within Betsi Cadwaladr University Health Board (BCUHB).

I was asked to report my findings and to make recommendations to the Welsh Government. My terms of reference are at [Appendix 1](#).

For my fieldwork between 17 May and 6 June 2023, I performed document reviews and conducted interviews with relevant Welsh Government, NHS Wales and Audit Wales officials (listed in [Appendix 2](#)).

Key Findings

The **key findings** from this 'rapid review' are that:

- BCUHB's use of senior interims has expanded significantly over time, and its current levels of deployment are excessive and unsustainable.
- There is a history of previously weak controls over senior interim appointments within BCUHB; these controls have been poorly enforced and non-compliance / over-ride has occurred frequently.
- Tackling this problem effectively poses a significant cultural and behavioural challenge for BCUHB.
- BCUHB is making improvements to strengthen its processes and to ensure that these are enforced, but further work on both elements is needed.
- The scope for any rapid reduction in the number of interims holding executive posts is limited, due to a range of complex circumstances, but BCUHB's intention to do so as soon as possible is clear; continued Welsh Government support will be vital to achieve this.

Recommendations

From my analysis, I have developed the following **12 recommendations** for consideration by the Health and Social Services Group, Welsh Government and for the Betsi Cadwaladr University Health Board:

Enhancing Welsh Government guidance

- R1** Specific Welsh Government guidance is needed on senior interim appointments; this should be decoupled from the extant guidance on substantive executive and senior posts.

- R2** The guidance should include a statement of principles.
- R3** The guidance should specify clear expectations regarding process, maximum contract lengths and financial values.
- R4** Novel and / or contentious arrangements should require Welsh Government approval.

Strengthening BCUHB internal processes

- R5** The 'Interim Appointment Request' (IAR) e-form should be enhanced to include a robust business case justification, confirmation that budgetary cover exists, and fuller details of plans to fill the role on a substantive basis.
- R6** The revised draft Terms of Reference for the Remuneration and Terms of Service (RaTS) Committee require further amendment before Board approval.
- R7** The ongoing review of the BCUHB Corporate Risk Register needs to include an overhaul of the risks relating to use of senior interims.

Embedding a culture of compliance and improvement

- R8** A cultural shift within BCUHB is needed, so that deploying senior interims for extended periods at very high daily rates is no longer viewed as the default 'go to' option for vacancy management.
- R9** The ability to 'check and challenge' proposals and decisions via robust governance arrangements needs to be further strengthened.
- R10** BCUHB needs to secure greater value from its use of senior interims and ensure appropriate handovers are undertaken.
- R11** A review of the Health Board's plans for (i) workforce talent development, (ii) addressing the various second-tier capacity gaps and (iii) reducing the numbers of senior (non-executive) interim appointments should be undertaken by a CIPD-qualified professional.

Considering potential for wider application across NHS Wales

- R12** Welsh Government guidance on the use of senior interims, once developed (R1-R4 refer), should be issued to all NHS Wales bodies.

DETAILED REPORT

Introduction

Previous consideration of this topic

1. In spring 2021, NHS Wales Audit and Assurance Services (BCUHB's internal auditors) conducted a review of BCUHB's compliance with its Standing Financial Instructions in respect of interim appointments to senior roles. Their April 2021 report provided only 'limited' assurance and made three 'high priority' recommendations for improvement to management.
2. On 23 February 2023, the Auditor General for Wales issued a report 'Betsi Cadwaladr University Health Board - Review of Board Effectiveness'¹. His report examined a wide range of issues, including (paragraphs 44 to 51) Executive Team and senior management capacity. That report also noted (paragraph 49) concerns that '*the appointment process for some senior interim appointments has not been fully compliant with Health Board policy*', but that it was beyond the scope of the Auditor General's review to examine those concerns in detail.
3. On 27 February 2023, the Minister for Health and Social Services announced that she had placed BCUHB back into 'Special Measures'. The Independent Members of the Board, including the Chair and Vice-Chair, stood down and were replaced by direct, interim appointees. Welsh Government officials have since worked closely with the new Board of BCUHB to support the development of a Special Measures Framework, and have agreed priority areas for action in three phases. Within the first of those phases is a commitment to conduct a rapid review of interim appointments to executive posts, and the terms of reference for this review are at [Appendix 1](#).
4. In light of the Auditor General's report, the newly appointed Interim Chair and the Interim Chief Executive commissioned BCUHB's internal auditors to conduct a review of the health board's arrangements for recruitment of substantive and interim executive and senior posts. The internal audit report, issued on 11 May 2023, again provided only a 'limited' assurance.
5. The internal auditors identified three 'key matters arising':

i. Overall compliance with [Welsh Government] requirements for the recruitment of [senior] posts is generally poor. Of concern is that none of the current Officer Members of the Board and Board level roles have received procurement training, mandated by the Chief Executive of NHS Wales.

¹ <https://www.audit.wales/publication/betsi-cadwaladr-university-health-board-review-board-effectiveness>

ii. There appears an over reliance on interim appointments who have been in post for a prolonged period of time, with extensions being the norm. We believe the process for managing and replacing interims is ineffective with an apparent lack of operational planning and management control.

iii. The Remuneration & Terms of Service Committee does not receive sufficient information relating to [...] senior appointments, and the compliance of these with Welsh Government instructions. This impacts on the ability of the Committee to provide advice to the Board, in line with its Terms of Reference.

6. I am grateful to the Head of Internal Audit, who has kindly provided me with access to the detailed working papers that support his latest internal audit report. From my review of that documentation and my discussions with [REDACTED] Internal Audit, I am satisfied that my own review is able to place reliance on the findings of the internal auditors and that I do not have to duplicate their work.
7. Furthermore, I fully concur with all three of the ‘key matters arising’ identified by the internal auditors, and I am satisfied that their conclusion of only ‘limited’ assurance is soundly based.
8. The latest internal audit report makes six ‘high priority’ recommendations to BCUHB management; all have been accepted and an action plan has been developed to implement them. That report has yet to be considered by BCUHB’s Audit & Risk Committee.

The scale of the issue

9. BCUHB’s use of interim appointments to senior non-clinical roles has increased significantly in recent years. That growth is broadly in line with the overall increase in its annual expenditure on all non-clinical agency staffing, which has risen from £4 million in 2019-20 to £8.46 million in 2022-23².
10. On 31 March 2022, BCUHB had 296 contracts in place for external appointments in excess of £245/day. 169 of these contracts (57 per cent) had been in place for at least 12 months, and 83 of them (28 per cent) had been in place for over three years³.
11. Against that backdrop, this review focusses on interim appointments to the BCUHB Executive Team. **Figure 1** illustrates the changes in composition of the Executive Team since 2019-20. Whilst some interim appointments to that team occurred prior to 2022-23, it is in the last 15 months in particular that these have become much more commonplace.
12. Notably, the current (7 June 2023) position is that three of the nine Executive Director posts (including that of the Chief Executive) are held by interim appointees, and that a

² Source = Month 12 data, BCUHB monthly monitoring returns to the Welsh Government

³ BCUHB Remuneration Report, 2021-22

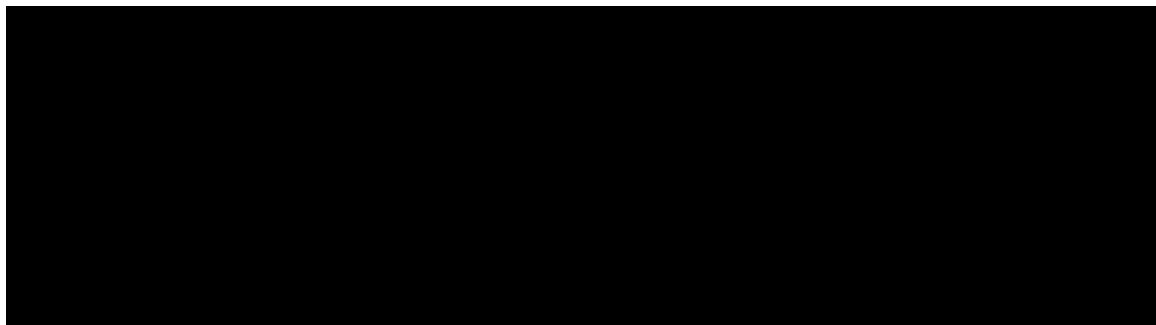
further post is currently vacant pending an interim appointment. One of the remaining five substantive appointees [REDACTED], with no cover arrangement currently in place). It is obviously neither desirable nor sustainable for less than half of an executive team to be comprised of substantive appointees.

13. The Board Secretary role is also currently held by an interim appointee.

Figure 1: Composition of BCUHB Executive Team staffing, 2019-20 to present day

POSITION	2019-20				2020-21				2021-22				2022-23				2023-24	Notes	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			Current
Chief Executive	Permanent			Interim	Permanent			Interim	Permanent				Permanent				Interim	1	
ED Finance & Performance	Permanent				Permanent				Permanent				Permanent				Interim	2	
ED Therapies & Health Sciences	Permanent				Permanent				Permanent				Permanent				Acting	3	
ED Workforce & OD	Permanent				Permanent				Permanent				Permanent				[REDACTED]	4	
Exec Medical Director	*	*	Permanent		Permanent				Permanent				Permanent				*		
ED Public Health	Permanent				Permanent				Permanent				Permanent						
ED Nursing & Midwifery	Interim	*	*	Permanent		*	*	Permanent		*	*	*	*	Permanent					
ED Integrated Clinical Delivery (created 1/4/22)	Permanent				Permanent				Permanent				*	*	*	*	[REDACTED]	5	
ED Primary & Comm Services (abolished 31/3/22)	Permanent				Permanent				Permanent				Abolished						
ED Transformation & Planning (created 1/4/22)	Permanent				Permanent				Permanent				Permanent					6	
ED Planning, Perf & Commissioning (abolished Aug 21)	Permanent				Permanent				Permanent				Abolished						
Board Secretary	Permanent			Interim	Permanent			Interim	Permanent				Permanent				Acting	7	

Permanent	=	Permanent appointment
Interim	=	Interim appointment (Agency / Secondment / Acting up)
*	=	Also designated as Deputy Chief Executive



The pros and cons of interim appointments

14. It is important to note that the use of interims, as a tool to help address organisational capability and / or capacity challenges, is not an intrinsically poor practice. They are commonplace in many large organisations (including health boards and NHS trusts) and

are often valuably deployed to cover short-term vacancies, pending substantive recruitment or the expiry of notice periods for appointees.

15. Interims can also be engaged on specific projects, especially if they possess specialist knowledge or skill sets not held by the organisation, and they are frequently used to add capacity in support of change management / organisational development programmes.
16. Interims are often engaged on a contractual basis, either directly or through specialist agencies. However, interim appointments can include 'acting up' arrangements, whereby junior staff are exposed to positions of greater responsibility, with appropriate support mechanisms such as mentoring. They can also be used for inward secondments or staff exchange opportunities.
17. But any extended use of interims - on a large scale and/or for protracted periods - can be highly problematic. When short-term interim engagements are frequently extended or rolled over, their use can become endemic. Unless carefully managed, interims can potentially be disruptive, reducing team cohesion and diluting both accountability and role clarity.
18. In instances where the interim option becomes the default method for handling senior vacancies, their excessive use can significantly constrain the ability of an organisation to develop its own talent pool, foster internal career development or have effective succession planning. 'Acting up' arrangements can create significant backfill challenges at lower grades for often already over-stretched teams. And contracted-in interim managers are often a very costly option - their skills come at a premium in the marketplace for experienced senior executives, and agency fees add further costs to their daily rates.
19. It is readily apparent that the use of interims by BCUHB has increasingly moved into these much more problematic areas over the past 15 months. This is neither desirable nor sustainable, and tackling this problem effectively will pose a significant cultural and behavioural challenge.
20. The scope for any rapid reduction in the number of interims within the BCUHB Executive Team is limited, due to a range of complex individual circumstances. However, it is apparent to me that both the Interim Chair and Interim Chief Executive intend to do all that they can to address and resolve these challenges as swiftly as possible. Continued support from the Welsh Government will be vital in assisting them to achieve this.
21. There will also be merit in some further review work being undertaken by others, looking beyond the remit of this review at the various second-tier capacity gaps⁴ and many other senior interim appointments currently in place across the health board.

⁴ The May 2023 iteration of the BCUHB Organisational Model shows multiple vacancies and interim / acting postholders amongst the direct reports to the various Executive Directors. For example, the Acting ED for Therapies and Health Sciences has six direct reports: only one is substantive; one is acting; and the other four posts are vacant.

22. From my analysis, based on document reviews and interviews with relevant officials, I have grouped my recommendations to the Welsh Government within **four themes**, each of which I address in turn in the remainder of this report:

- A. **Enhancing Welsh Government guidance**
- B. **Strengthening BCUHB internal processes**
- C. **Embedding a culture of compliance and improvement**
- D. **Considering potential for wider application across NHS Wales**

A. Enhancing Welsh Government guidance

23. The Welsh Government has previously issued guidance to all NHS Wales bodies on the topic of 'Governance in Recruitment', via letters issued on:

- 31 August 2017 (from the then Director General, Health and Social Services)
- 18 December 2018 (from the Director, Workforce & Organisational Development)
- 25 June 2021 (from the then Director General, Health and Social Services)

24. The 2017 letter was prompted by the adverse findings of an Audit Wales investigation⁵ into procurement and recruitment at another health board. It set out a range of governance procedures for Executive Director recruitment that the Welsh Government expected all NHS bodies to have in place.

25. The 2018 letter set out Welsh Government expectations regarding remuneration arrangements for executive and senior NHS posts, whilst the 2021 letter to all NHS Wales Chief Executives was essentially a restatement / reminder of the 2017 guidance.

26. The 2017 and 2021 letters each contained only a single reference to interim appointments and specified that, in these cases, arrangements should be discussed with the relevant Welsh Government head of profession. The 2018 letter made no specific reference.

27. I note that the letters each refer to the Welsh Government's 'expectations' of NHS Wales bodies, and of things that 'should' be done (including reporting to the Board).

28. In my experience the use of this type of language in formal guidance, though doubtless well-intentioned in its tone, can potentially create a degree of ambiguity and/or unintended discretion for the recipient. This is because the difference between an 'expectation' (i.e. in most circumstances) and a 'requirement' (i.e. in all circumstances); or between things an organisation 'should do', and things that it 'must do', can in practice be quite considerable.

⁵ <https://www.audit.wales/publication/audit-cardiff-and-vale-university-health-boards-contractual-relationships-rkc>

Recommendation 1:

Specific Welsh Government guidance is needed on senior interim appointments; this should be decoupled from the extant guidance on substantive executive and senior posts.

29. To ensure complete clarity for the future, BCUHB needs to be provided with specific Welsh Government guidance on interim executive and senior appointments. This is best done via a stand-alone document, as there are specific additional risks and issues that need to be considered when making interim (rather than substantive) appointments.

Recommendation 2:

The guidance should include a statement of principles.

30. In developing specific guidance, the Welsh Government should have regard to the format of its extant guidance to NHS bodies on Voluntary Early Release Schemes (VERS)⁶. That guidance helpfully includes a set of 'governing principles', as well as specific requirements. These include the need to (i.e. each NHS Wales body 'must')
- *Employ robust corporate governance principles*
 - *Be mindful of the need to show responsible use of public monies*
 - *Be able to demonstrate value for money*
31. A similar, but stronger set of governing principles could usefully be developed for interim executive and senior appointments. (For example, in the second bullet above: '*Be able to show...*' would be rather better than just '*Be mindful of the need to show...*').

Recommendation 3:

The guidance should specify clear expectations regarding process, maximum contract lengths and financial values.

32. To be effective, the guidance will need to be couched as a set of 'requirements', rather than simply as 'expectations', and be specific on certain elements, including the governance processes to be followed.
33. The guidance should, in particular, prescribe a maximum contract length for interim appointments. I suggest that a limit somewhere between four and six months may be appropriate for this. It should also specify a maximum contract value and a maximum daily rate for all interim appointments.
34. Proposals to exceed any of these time and cost parameters should be put to the Welsh Government for consideration prior to approval, with a robust explanation as to their particular necessity.

⁶ <https://www.nhsconfed.org/system/files/2021-05/Voluntary-Early-Release-Scheme-February-2021.pdf> - section 7

Recommendation 4:

Novel and / or contentious arrangements should require Welsh Government approval.

35. Using the same rationale as that set out in para 2.1.5 of 'Managing Welsh Public Money'⁷, any proposals for interim executive or senior appointments that set precedents, or which could be deemed as either 'novel' or 'potentially contentious', should be put to the Welsh Government for advice and / or prior approval. (This precautionary approach aligns with the standard requirements of the Accountable Officer letter of appointment.)
36. Such proposals would, for instance, include the redeployment of an interim executive to a different, lower-graded role within the health board.

B. Strengthening BCUHB internal processes

37. The BCUHB Remuneration and Terms of Service (RaTS) Committee took on the responsibility for oversight of senior interim appointments in April 2021; previously, this was undertaken by the Finance and Performance Committee. From my review of RaTS Committee papers and minutes since then, it is clear that the committee had sought during 2022 in particular to strengthen its 'grip' of this issue by requiring more detailed quarterly reports from the executive team.
38. These reports now include helpful trend information on the numbers of interim appointments, the results of ongoing efforts to convert some open-ended arrangements onto fixed term contract or temporary assignments, and a KPI figure for the average rate of pay for all interims (which had reduced from £692/day on 1 December 2022 to £588/day on 1 April 2023).
39. At its February 2023 meeting the RaTS Committee was provided with the results of a benchmarking review of senior non-clinical interim rates of pay. This concluded that, whilst a range of factors affected the rates agreed by BCUHB for its senior interim appointments, its rates of pay '*could be better aligned with the external market on a case by case basis*'.
40. Driven in part by the recommendations from the 2021 Internal Audit report (paragraph 1 above refers), improvements have also been made in recent months to BCUHB's internal control procedures for interim appointments. The relevant 'Standard Operating Procedure' was updated in October 2022, and the extent of compliance with this is being monitored and reported to both the Executive Team and to the RaTS Committee.
41. Since January 2023, any proposals for senior interim appointments where remuneration would be more than 20% above the relevant pay band are automatically refused, unless under '*exceptional circumstances*'. An 'Interim Appointment Request' (IAR) e-form has also been introduced to help enforce consistency of approach and compliance with requirements, as well as some process efficiencies via digital streamlining.

⁷ <https://www.gov.wales/sites/default/files/publications/2018-10/managing-welsh-public-money.pdf> - para 2.1.5

Recommendation 5:

The 'Interim Appointment Request' (IAR) e-form should be enhanced to include a robust business case justification, confirmation that budgetary cover exists, and fuller details of plans to fill the role on a substantive basis.

42. The introduction of the digitised version of the IAR form is a positive initiative, and it would benefit from some further enhancement. In particular, one question on the form asks for the '*Justification for requesting an interim appointment or interim contract extension*', but then only provides a blank free text box for the response. It would be helpful if the form could provide information on the breadth and depth of detail that is expected here, to support a robust justification of the business case and proposed course of action. The business case should include a specific confirmation that budgetary cover exists.
43. The IAR form should also include a requirement to demonstrate that alternatives to an external interim appointment (such as acting up or secondments) have already been considered, and ask for fuller details of plans (and intended timescales) to fill the post on a substantive basis.

Recommendation 6:

The revised draft Terms of Reference for the Remuneration and Terms of Service (RaTS) Committee require further amendment before Board approval.

44. The Terms of Reference for BCUHB's Remuneration & Terms of Service (RaTS) committee have recently been amended, and a draft of these was presented for consideration at the 25 May 2023 Board meeting. Recognising that this remained a work in progress, the Board simply noted the draft and it will consider a final version for approval at a future meeting.
45. Further amendments will be needed to the draft Terms of Reference before it can be approved. Most importantly, the prescribed composition of the committee needs to align with the requirements of the amended Intervention Order that was made by the Minister on 13 March 2023. This specifies that the committee must comprise the BCUHB Chair and Vice-Chair, non-officer members and the chief officer (i.e. the Interim Chief Executive). Section 6 of the current draft has the Chief Executive listed only as an attendee when invited, rather than as a full member of the committee.
46. The draft Terms of Reference also specify that the committee will be asked to approve '*interim appointments at Band 9 or above where the proposed pay point exceeds 20% of the top of the banding*'. Given the current circumstances, I suggest that this should be reconsidered and that, for the time being, RaTS approval should be sought for all proposed senior interim appointments that exceed the top of the relevant salary banding.
47. Finally (and of lesser importance), the circular reference in section 9 of the draft Terms of Reference, whereby the Committee Chair is required to alert the Board Chair to any issues requiring escalation, should be deleted.

Recommendation 7:

The ongoing review of the BCUHB Corporate Risk Register needs to include an overhaul of the risks relating to use of senior interims.

48. BCUHB's Corporate Risk Register currently contains the risk (CRR 22-24) of '*a potential gap in senior leadership capacity/ capability during transition to the new Operating Model*', with a current risk score of 15 (impact 3 x likelihood 5). A further risk (CRR 22-29) has recently been identified but is yet to be fully worked up or scored - this is the risk of '*a loss of corporate memory as a result of the departure of key staff during the transition to the Operating Model*'.
49. Whilst both of these risks are undoubtedly valid, the register does not currently contain any specific references to the inherent corporate risks posed by the current very high numbers of interim appointments across the health board, and especially within the Executive Team.
50. The Interim Chief Executive has recently commissioned an overhaul of the Corporate Risk Register. It will be important that the review addresses these inherent risks and that the updated register contains appropriate references to how they can best be mitigated.

C. Embedding a culture of compliance and improvement

Recommendation 8:

A cultural shift within BCUHB is needed, so that deploying senior interims for extended periods at very high daily rates is no longer viewed as the default 'go to' option for vacancy management.

51. As illustrated by **Figure 1** and noted in paragraph 19 above, the very high levels of senior interim appointments by BCUHB over the past 15 months are both undesirable and unsustainable, and tackling this problem effectively will pose a significant cultural and behavioural challenge.
52. The changes already introduced by BCUHB to strengthen control processes, monitoring and oversight will undoubtedly assist in this, but ensuring compliance and taking robust enforcement action where appropriate will also be vitally important. The alleged⁸ ability of some senior leaders to have previously over-ridden or circumvented the control framework, citing exceptional circumstances, needs in future to be rigorously challenged and resisted - if necessary by the withdrawal of delegated authority.

⁸ Allegations regarding such instances at BCUHB have formed the basis of separate Investigating Officer reports and sit outside the scope of this review.

Recommendation 9:

The ability to 'check and challenge' proposals and decisions via robust governance arrangements needs to be further strengthened.

53. The BCUHB Remuneration & Terms of Service (RaTS) Committee took on the responsibility for oversight of senior interim appointments in April 2021; previously, this was undertaken by the Finance and Performance Committee. From my review of RaTS Committee papers and minutes since then, it is apparent that the committee has sought to strengthen its 'grip' of this issue by requiring more detailed quarterly reports from the executive team.
54. However, whilst progress has been made in terms of the volume and quality of information provided, the committee's ability to discharge its oversight role effectively has been hampered by the sheer number of instances of non-compliance with governance processes and procedures that have been brought to its attention.
55. It appears that whilst the committee has made repeated expressions of concern and exhortations for improvement, these have largely proven ineffective. I understand that this may have been, in part, because the Workforce & Organisational Development team lacked the necessary 'clout' to challenge decisions by senior colleagues to bypass controls and procedures on the grounds of apparent urgency or necessity.
56. Of particular concern has been the use of 'Chair's Action' procedures to handle interim appointment matters outside of the normal course of RaTS Committee business.
57. Notably, at its 14 December 2022 extraordinary meeting the committee was advised that interviews were being held for the post of [REDACTED]. The paper put to the committee stated that its approval would be sought for both the rate to be paid and the appointment term of the successful individual. However, a paper put to the 2 February 2023 meeting of the committee instead notes that the committee had agreed at its December meeting that the (then) Chair and the (then) Interim Chief Executive would '*initially approve*' the remuneration package. At its February meeting, the committee was then asked to give retrospective approval to the terms of that package - in essence a simple 'rubber stamping' of the decisions taken that denied the committee an opportunity to apply proper scrutiny.
58. I have been informed by the current Interim Chair that he does not intend to permit any items of health board business to be progressed via 'Chair's Action', and that he will instead arrange for extraordinary meetings of either the Board or the relevant committee to be convened as necessary. In my view this is a commendable stance, and one which will doubtless help to ensure robust scrutiny and transparent governance.

Recommendation 10:

BCUHB needs to secure greater value from its use of senior interims and ensure appropriate handovers are undertaken.

59. Whilst recognising that the deployment of senior interims is not intrinsically unsound, it is vital that BCUHB ensures that it is maximising the overall value obtained from (often very expensive) interim appointments.
60. Wherever possible, when tackling vacancy management issues, BCUHB should first look internally to see whether 'Acting up' arrangements (with appropriate support such as mentoring) can be put in place. These provide important opportunities to gain experience of more senior roles and can support longer-term career development and succession planning. The scope for inward secondments from other NHS bodies should also be explored.
61. In cases where an interim appointment is needed, either via an agency or through direct contracting, stronger arrangements are needed to ensure that appropriate knowledge and skills transfers from those interims to other members of BCUHB staff can be made effectively. This can help support wider workforce development and enable the organisation to be better placed in future to 'grow its own timber' and reduce its reliance on interims. I was told that often no suitable internal candidate for acting up into a senior role could be identified. If this was indeed the case, it does suggest a wider issue about talent development across the health board that merits some further professional consideration.
62. As noted in paragraph 21, further examination of the various second-tier capacity gaps and many other senior interim appointments currently in place across the health board should also be commissioned.

Recommendation 11:


A review of the Health Board's plans for (i) workforce talent development, (ii) addressing the various second-tier capacity gaps and (iii) reducing the numbers of senior (non-executive) interim appointments should be undertaken by a CIPD-qualified professional.

D. Considering the potential for wider application across NHS Wales

63. The Welsh Government has indicated to me that BCUHB's use of senior interims is very much an outlier across NHS Wales. However, other health boards and trusts do also engage senior interims from time to time, and so some of the recommendations in this review may well be of wider relevance.

Recommendation 12:

Welsh Government guidance on the use of senior interims, once developed (R1-R4 refer), should be issued to all NHS Wales bodies.

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64. I recognise, of course, that BCUHB is the only NHS Wales body in special measures at present, and that it faces a unique set of challenges regarding the current composition of its Executive Team.
 65. However, I do think it would be helpful for Welsh Government guidance on the use of senior interims, once developed, to be issued to all NHS Wales bodies. A consistent approach, based on good practice, will be of benefit to all - and it is always better to help organisations to get things right first time.

APPENDIX 1 - TERMS OF REFERENCE

BETSI CADWALADR UNIVERSITY HEALTH BOARD: RAPID REVIEW OF INTERIM APPOINTMENTS TO EXECUTIVE POSTS

Issued: 15 May 2023

BACKGROUND

On 23 February 2023, Audit Wales published its review into Board Effectiveness within Betsi Cadwaladr UHB. This report highlighted issues relating to Executive Team and senior management capacity and capability, including significant churn and an over-reliance on interim roles for posts within the Executive Team and senior management structure.

The Audit Wales review noted that since 2019, there have been:

- four different individuals who have occupied the Chief Executive role, on either a substantive or interim basis, with the current post holder stepping into the interim role for the second time;
- four different Medical Directors;
- five other changes in the Executive Team personnel;
- changes in the role of the Board Secretary; and
- changes to operational portfolios of individual Executive Directors.

Currently, the roles of Chief Executive, Deputy Chief Executive, Chief Operating Officer, Executive Director of Finance, Executive Director of Workforce and Organisational Development, and Executive Director of Therapies and Health Science are all subject to interim arrangements.

Some members of the Executive Team who have stepped up into interim roles have done so alongside their substantive roles, and there is concern that they are now holding unsustainably large portfolios of responsibility. A review of Executive Team portfolios will commence shortly.

The Audit Wales report also raised concern that the appointment process for some very senior interim appointments has not been fully compliant with Health Board policy and procurement requirements and that the roles, responsibilities and authorities of such post holders must be clearly understood by all parties.

An internal audit report on recruitment of substantive and interim executive and senior posts within BCUHB found a number of areas of non-compliance and concluded there was limited assurance on the extent to which:

- the engagement and approval of appointments on Job Evaluation for Senior Posts (JESP) pay scales is in line with Welsh Government and Standing Orders requirements.
- the engagement of interim appointments is compliant with Standing Orders and associated governing documents for posts over the equivalent top step point Band 9 £109,475 (2022/23)
- the R&TS Committee is provided with sufficient information on recruitment of executive and senior posts to enable efficient oversight and compliance with their responsibilities within the Terms of Reference.

The significant churn and over-reliance on interim arrangements has created challenges in respect of capacity and continuity of executive leadership and pace of change and the Audit Wales report highlighted that urgent action is needed to move to a more stable and sustainable senior staffing model.

The recruitment process for a substantive Chief Executive is underway.

AIM AND OBJECTIVES

The aim of this review is to consider the current extent of interim arrangements for executive posts; understand the health board's plans, processes and timescales to regularise these posts to substantive appointments; and consider what guidelines or support may be required to assist the health board in ensuring consistency and compliance against health board and Welsh Government policies for future appointments to executive and senior posts.

Lines of enquiry should include:

1. Are the HB's interim appointment processes fit for purpose?
2. What is the current position regarding the HB's use of interim appointments – how many are there, what is the business rationale for each, is each appointment properly documented and process-compliant?
3. What rectification / regularisation of the current position is needed (case-by-case), and are appropriate plans in place to do this?

METHODOLOGY

The review will:

- consider the processes by which interim appointments have been made; and the extent to which these are clearly documented
- consider whether these processes are being consistently applied to ensure compliance with necessary policies and standing orders
- consider what plans and processes are in place to regularise interim arrangements to substantive appointments, including timescales

- consider the extent and appropriateness of record keeping to demonstrate rationale and due process when making interim arrangements
- involve discussions with Executive Team and senior management to gain insight into the effectiveness and manageability of the current interim arrangements
- seek clarity from the HB regarding its plans to address issues raised by Audit Wales and internal audit (further discussions may be required)
- require discussions with Welsh Government and alignment with standing orders and relevant policies
- require discussions with the R&TS Chair to discuss that committee's role and information needs in respect of interim appointments
- consider what guidelines may be required to improve the consistency and compliance for future handling of interim and substantive executive and senior appointments
- respond to requirements of special measures and the integrated Board.

TIMESCALE FOR COMPLETION

This rapid review will take up to 10 days over a 4-week period commencing on 17th May 2023.

An indicative report with headline findings should be provided within 10 working days of the review completion setting out clear recommendations with regard to the extent and appropriateness of current interim arrangements.

KEY PERSONNEL

The review will be led by:

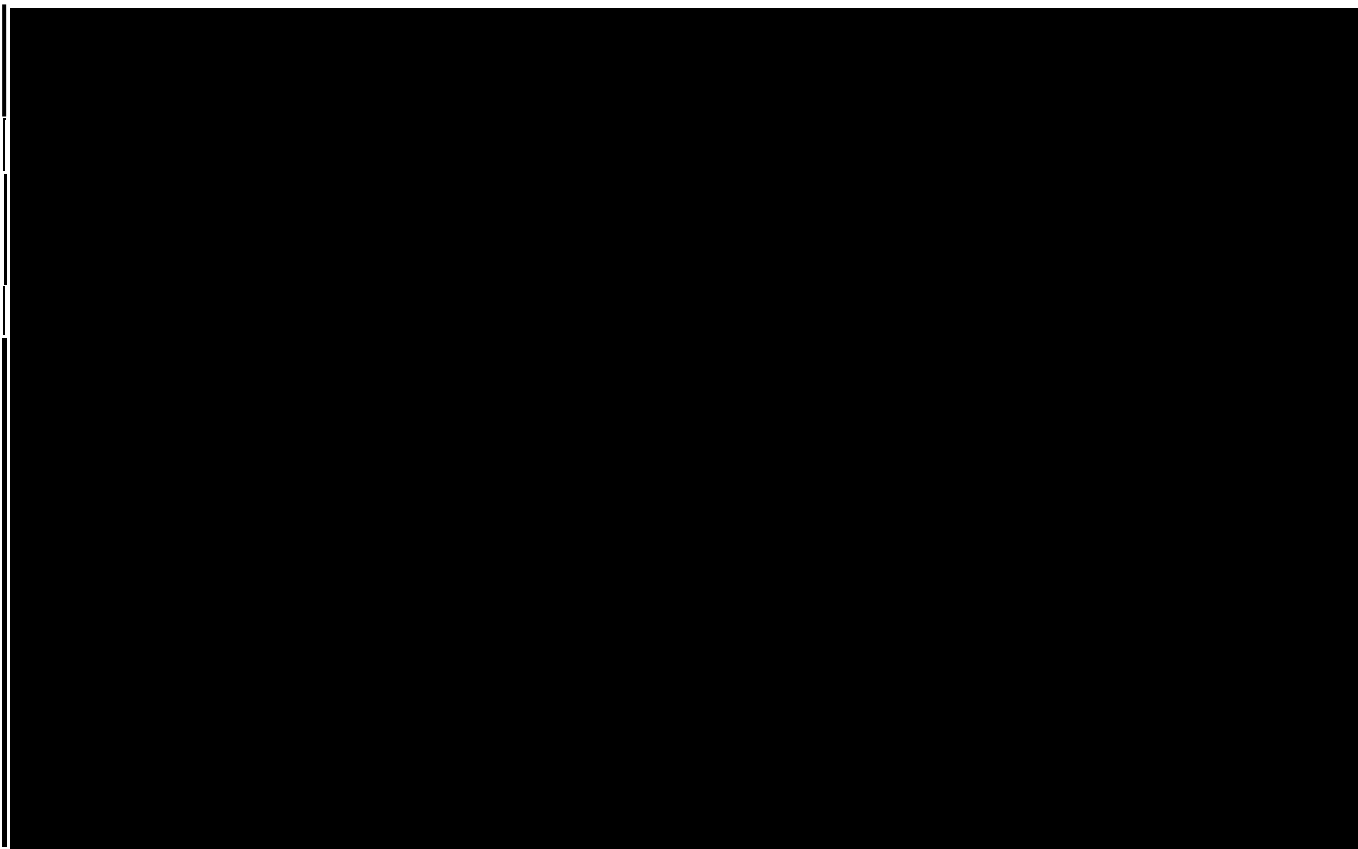
- [REDACTED]
- The nominated health board contact for this review will be [REDACTED]
- The Welsh Government SRO will be [REDACTED] – Deputy Director, Performance and Escalation

Escalation of Issues

Any safety and governance issues or concerns, should be escalated as they emerge, to the Board of BCUHB and WG. The review team do not have a responsibility to determine potential breaching of professional regulatory standards or performance issues. If any information is to arise which might lead to such concern, this will be escalated via the Welsh Government Escalation team through agreed pathways and a feedback process developed to ensure that the concern has been properly assessed and a decision on the actions required has been made. Consideration in the pathways should be given to external notification where a statutory requirement, in extreme circumstances, may be required.

APPENDIX 2 - LIST OF INTERVIEWEES

The following people have contributed to the evidence base for this report:



The author is also most grateful to [REDACTED] (BCUHB) for her assistance and support throughout the review.

Note: The health board's nominated 'key contact' for this review was [REDACTED]