



March 2009
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Ambulance services in Wales – further update to the National Assembly for Wales’ Audit Committee



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I have prepared this report for presentation to the National Assembly under the Government of Wales Acts 1998 and 2006.

The Wales Audit Office study team that assisted me in preparing this report comprised Gill Lewis, Jackie Joyce, Lucy Evans, Martin Gibson and Rob Powell.

Jeremy Colman
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

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**Report presented by the Auditor General to the
National Assembly in March 2009**



Summary	6
Performance has dipped significantly across a range of measures since June 2008, as a result of a number of factors, of which growing problems arising from unacceptably long patient handovers at some accident and emergency departments are crucial	7
The improving trend in response time performance has not been sustained against a range of measures since June 2008	7
Significant regional variations remain with particularly serious problems in some localities	10
There have been particularly severe problems with turnaround times that have contributed directly to serious problems in a number of localities	10
Factors other than delays in turnaround have contributed to the deterioration in performance, particularly financial pressures, ongoing challenges matching supply and demand and the change to locality targets	15
It has taken longer than planned to achieve progress with three business cases, with others still unresolved, and further work is required to agree a strategic plan to inform investment in the Trust	16
It has taken much longer for the Assembly Government to agree the various business cases than the timescales presented to the Committee in the summer	16
The Assembly Government has recently approved the business case for Automatic Vehicle Location System and satellite navigation, both of which should significantly improve efficiency	16
Some business cases have not been approved	17
Further work is required to agree a strategic plan showing the interrelationships between the various capital investments for the Trust	18

Financial pressures remain a concern for the immediate and longer-term future 19

The Trust, Health Commission Wales and Assembly Government lack a shared view of the Trust's financial requirements from April 2008 to March 2009 19

The Trust is on target to deliver its 2008-09 break-even position forecast in the extant financial recovery plan but only through £4.7 million of unexpected and non-recurring savings and income in year 20

The Trust's future financial position is uncertain 21

Progress has been made on the HR and cultural agenda, although some aspects have been compromised as operational pressures have grown, and the slow pace of progress on these issues needs to be reversed through clearer prioritisation and focus on issues of culture, morale, staff management and development 22

There has been some progress with the HR agenda 22

Overall progress has been slow because of operational pressures and a lack of clear focus and prioritisation 24

Our ongoing work on unscheduled care suggests that the Trust stands to benefit significantly if it engages effectively with partners to successfully improve the wider system 27

Summary

- 1 On 21 October 2008, the Audit Committee (the Committee) published its report, Follow-up review of ambulance services in Wales¹. The Committee concluded that through the implementation of its modernisation plan, the Welsh Ambulance Services NHS Trust (the Trust) had made some good progress in addressing the very serious problems it faced but still needed to resolve significant internal and external challenges.
- 2 The Assembly Government published its response to the Committee's report on 1 December 2008, accepting all 10 of the Committee's recommendations². The Auditor General provided the Committee with advice on the recommendations on 14 January 2009, highlighting some issues where progress had been slower than expected, particularly in terms of approving capital business cases and resolving the Trust's financial position³. The advice also pointed out the reversal of the improving trend in ambulance performance since the Auditor General's second report of 24 June 2008.
- 3 Consequently, at its meeting of 21 January 2009, the Committee resolved to call witnesses for further examination.
- 4 This report sets out a number of areas which the Committee may wish to consider when taking evidence from the witnesses about the latest position of ambulance services in Wales at its meeting on 11 March 2009:
 - performance has dipped significantly across a range of measures since June 2008 as a result of a number of factors, of which growing problems arising from unacceptably long patient handovers at some accident and emergency departments are crucial;
 - it has taken longer than planned to achieve progress with three business cases, with others still unresolved, and further work is required to agree a strategic plan to inform investment in the Trust;
 - financial pressures remain a concern for the immediate and longer-term future;
 - progress has been made on the Human Resources (HR) and cultural agenda, although some aspects have been compromised as operational pressures have grown, and the slow pace of progress on these issues needs to be reversed through clearer prioritisation and focus on issues of culture, morale, staff management and development; and
 - our ongoing work on unscheduled care suggests that the Trust stands to benefit significantly if it engages effectively with partners to successfully improve the wider system.

1 <http://www.assemblywales.org/cr-ld7272-e.pdf>

2 <http://www.assemblywales.org/gen-ld7308-e.pdf>

3 http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-ac-home/bus-committees-third-ac-agendas/ac_3__01-09__p3__advice_from_the_auditor_general_for_wales.pdf?langoption=3&ttl=AC%283%29-01-09%20%3A%20Paper%203%20%3A



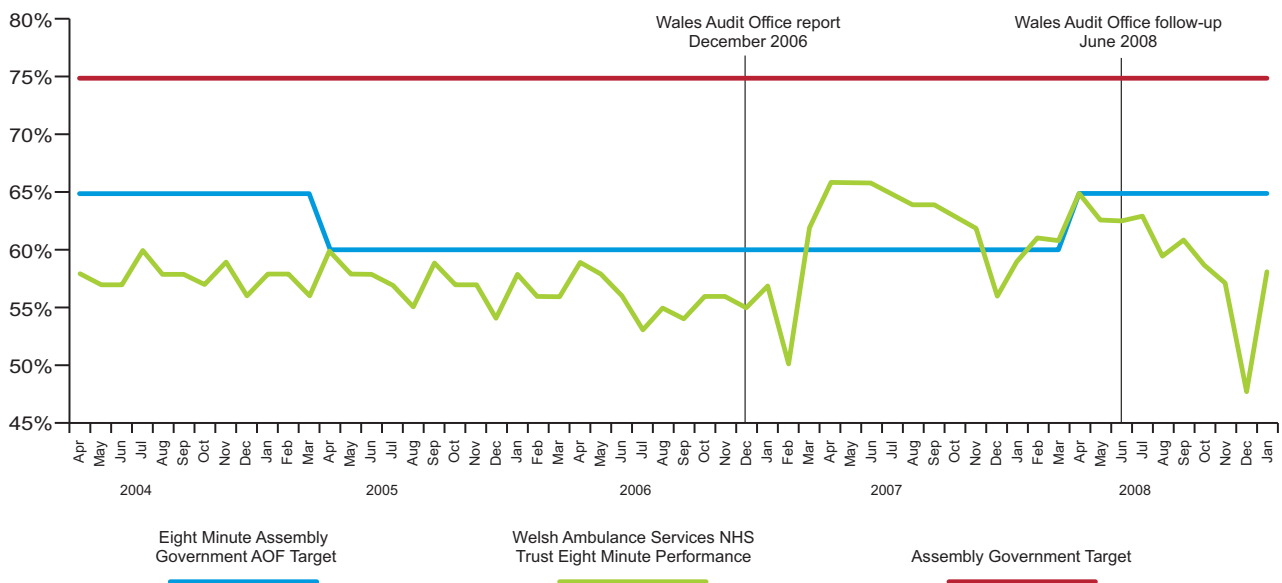
Performance has dipped significantly across a range of measures since June 2008, as a result of a number of factors, of which growing problems arising from unacceptably long patient handovers at some accident and emergency departments are crucial

The improving trend in response time performance has not been sustained against a range of measures since June 2008

1.1 The Auditor General’s report of June 2008 concluded that there had been general improvements in performance since the publication in December 2006 of the original inquiry report, but that issues of sustainability and equity remained. The report highlighted an improving performance trend across a wider suite of measures that went beyond the primary eight-minute response time target for Category ‘A’ immediately life-threatening calls.

1.2 Response times are more than an arbitrary target – they are derived from evidence of the response time required to deal with particular emergency medical conditions, such as coronary arrest, in a clinically effective way. **Figure 1** shows that there has been a downward trend in Category ‘A’ performance during 2008-09, which reversed the general improvements achieved since our original report of December 2006. Performance fell away during December 2008 with the Trust achieving only 47.6 per cent performance. However, there was an improvement in January 2009 when performance improved

Figure 1 – The percentage of Category ‘A’ calls receiving a response within eight minutes has fallen across Wales since May 2008



Source: Wales Audit Office analysis of Assembly Government data.

significantly to 57.8 per cent. The Trust has consistently failed to achieve its 65 per cent target.

1.3 Figure 2 shows that there has also been an equivalent downward trend in performance in terms of the Trust's response to Category 'A' calls within 10 minutes. Performance rose from 56.2 per cent in December 2008 to 66.9 per cent in January 2009.

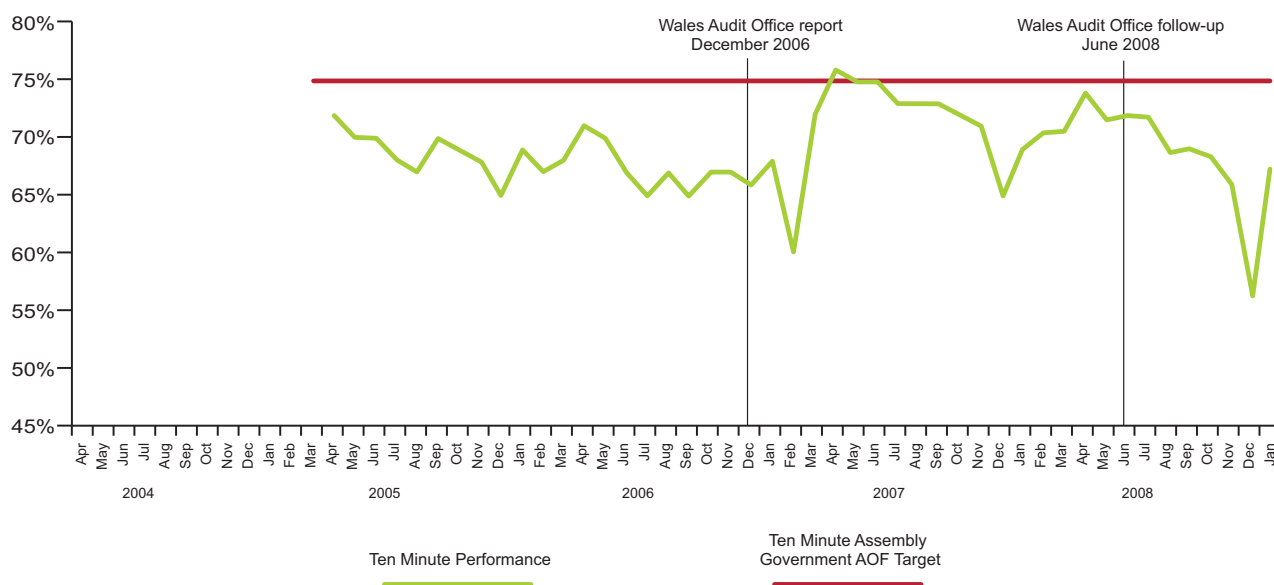
1.4 There have been significant variations in response times between the 22 Local Health Board (LHB) areas in Wales. Although a new target was in place from April 2008 whereby the Trust should respond to 60 per cent of Category 'A' calls within eight minutes in each of the 22 LHB areas in Wales, the Trust and its commissioner, Health Commission Wales (HCW), have been unable to resolve the funding of this new target. Figure 3 illustrates the variation between the highest and lowest monthly performance in each LHB area

between April and December 2008.

This shows that a number of LHB areas consistently experience performance above target, while others consistently experience performance levels beneath the target.

1.5 The Trust often provides an initial response through service models other than sending a double-crewed ambulance, for example by using single-crewed rapid response vehicles or community responders to reach people as quickly as possible. Such initial responses can only transport less serious patients to hospital and therefore require backup from a double-crewed ambulance able to transport higher acuity patients to hospital. Consequently, additional targets exist for the timeliness with which a fully equipped ambulance backs up the Trust's initial response, with variable timescales to provide backup according to whether the area is urban, rural or sparsely populated. Figure 4 shows that the improving trend in

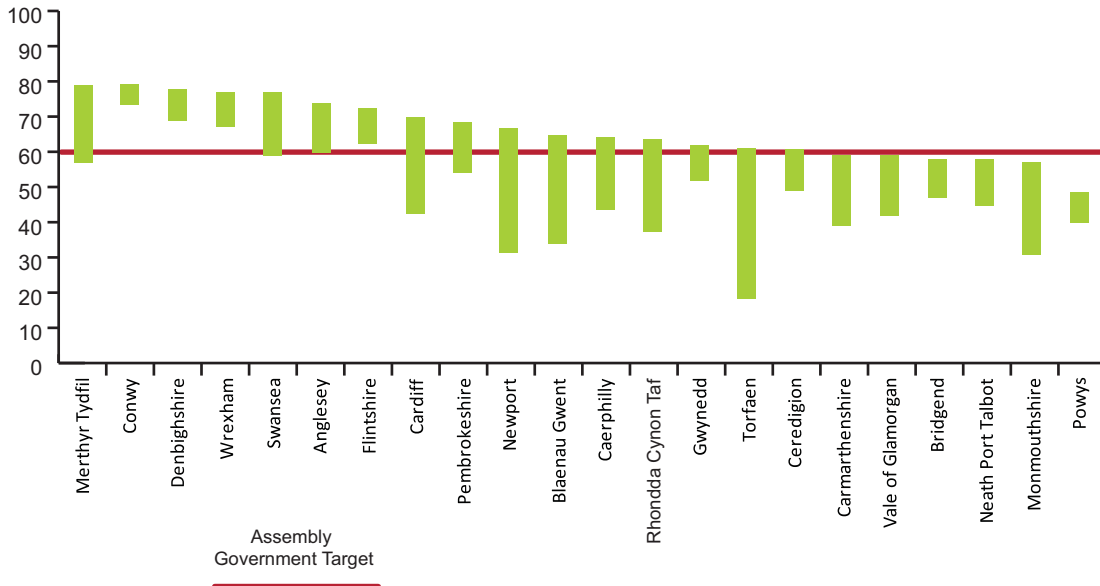
Figure 2 – The percentage of Category 'A' calls receiving a response within 10 minutes has fallen across Wales



Source: Wales Audit Office analysis of Assembly Government data April 2004-December 2008, January 2009 figure from the Trust.

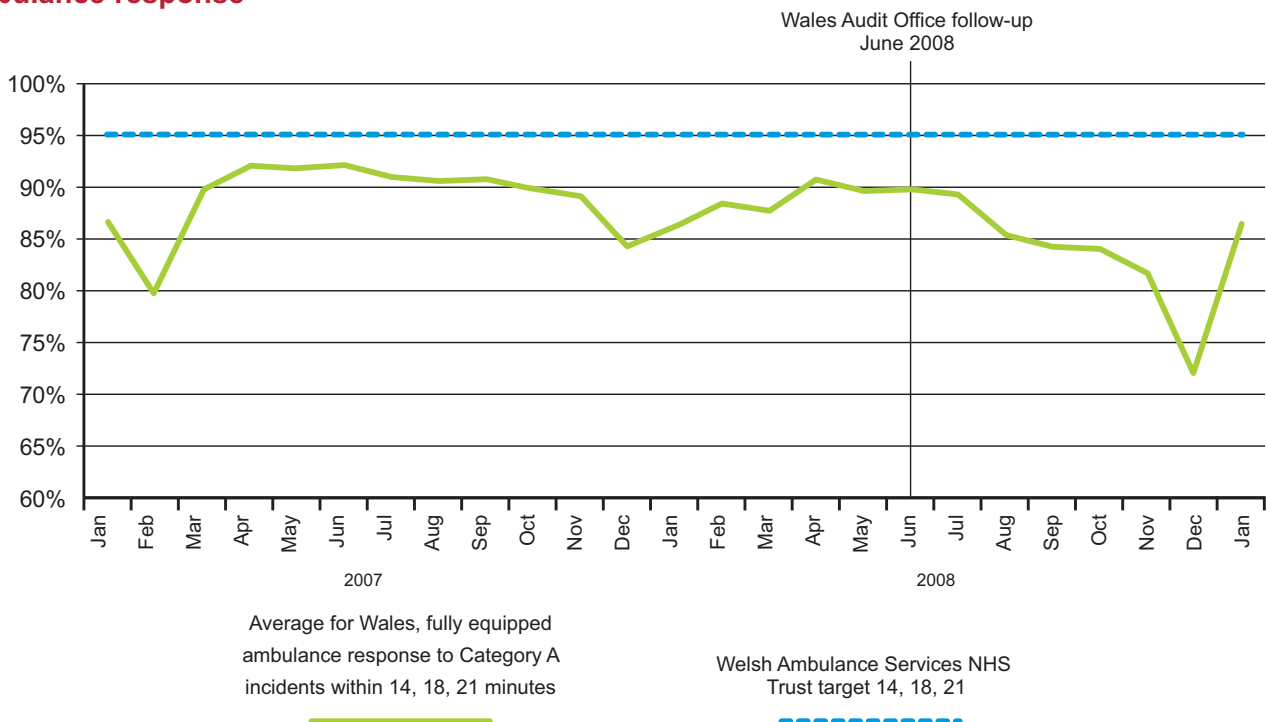


Figure 3 – Variation in between the highest and lowest monthly Category ‘A’ response time performance within eight minutes in each of the 22 LHB areas, April to December 2008



Source: Wales Audit Office analysis of Trust data.

Figure 4 – The Trust is getting further away from achieving its targets to provide a fully equipped ambulance response



Source: Wales Audit Office analysis of Trust data.

performance against these targets to back up the initial response with a fully equipped ambulance has also reversed since April 2008, and that the Trust has consistently failed to achieve its 95 per cent target.

Significant regional variations remain with particularly serious problems in some localities

1.6 Figure 1 highlighted the fall in performance in December 2008. Figure 5 shows the consequences in some localities. For example, in four of the five Gwent localities, only around one-third of patients received a response within eight minutes, with only 17.9 per cent of calls in Torfaen receiving a response within target. Figure 5 also highlights the significantly higher performance in North Wales than in the other parts of Wales.

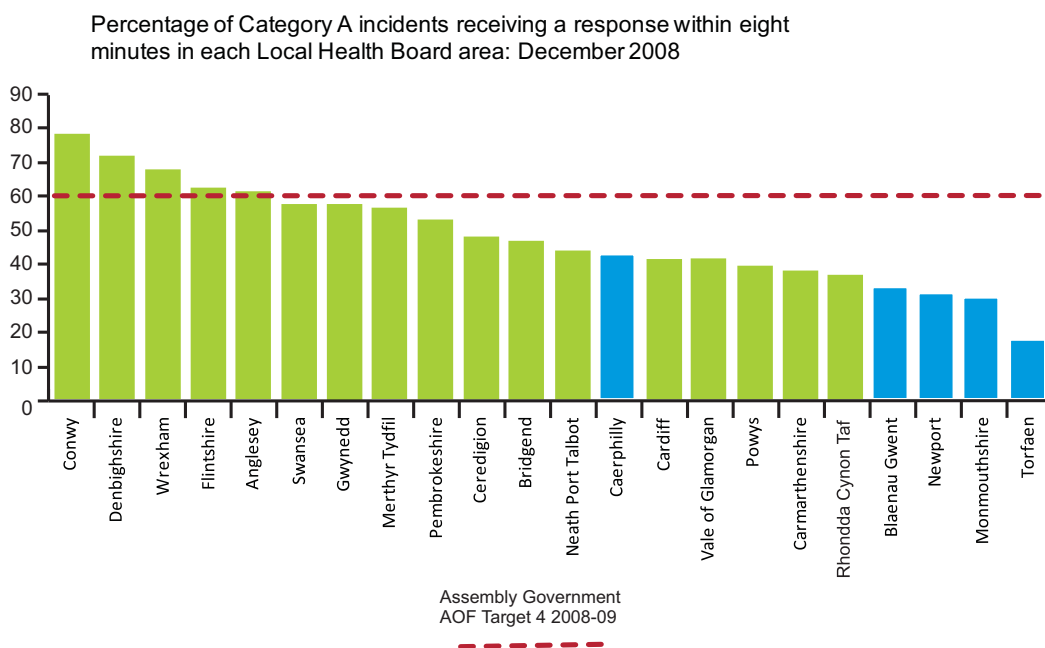
1.7 Figure 6 shows that in January 2009, the variability in performance between the

different localities reduced significantly with improved performance in all but two localities.

There have been particularly severe problems with turnaround times that have contributed directly to serious problems in a number of localities

1.8 The Trust has experienced long-term problems with time lost during the handover of patients at accident and emergency departments and turnaround of ambulance crews after handover. Turnaround relates to the time it takes from the ambulance arriving at hospital to the time it is clear to take the next call, while handovers measure the time it takes to hand the patient over to the care of hospital trust staff. Long turnarounds can arise because of system failures that manifest themselves at the Emergency Department, or because of inefficiencies in the working methods of the Trust. Recognising this, the new national target relating to patient

Figure 5 – Eight-minute response times varied significantly between localities during the dip in performance of December 2008



Source: Wales Audit Office analysis of Trust data. Highlighted columns show LHBs in the Gwent area.



Figure 6 – The variation between localities in the eight-minute response time performance reduced during January 2009

LHB	December 2008 (%)	January 2009 (%)	Change on month (%)
Torfaen	17.9	39.9	+22.0
Monmouthshire	30.5	50.6	+20.1
Blaenau Gwent	33.5	53.0	+19.5
Newport	31.2	49.8	+18.6
Cardiff	41.8	57.6	+15.8
RCT	37.2	52.5	+15.3
Caerphilly	43.2	56	+12.8
Carmarthenshire	38.8	51.6	+12.8
Swansea	58.3	70.6	+12.3
Merthyr Tydfil	56.7	65.7	+9.0
Vale of Glamorgan	41.6	49.5	+7.9
Bridgend	46.7	54.5	+7.8
Pembrokeshire	53.6	61.3	+7.7
Neath Port Talbot	44.7	50.8	+6.1
Wrexham	68.6	72.4	+3.8
Denbighshire	72.4	74.3	+1.9
Gwynedd	58.2	59.8	+1.6
Ceredigion	48.6	49.8	+1.2
Powys	39.8	40.2	+0.4
Flintshire	63.4	63.5	+0.1
Anglesey	61.9	60.9	-1.0
Conwy	78.4	74.3	-4.1

Source: Wales Audit Office analysis of Trust data.

handovers is intended to ensure the efficient and effective handover of patients from the Trust to Emergency Departments. The measurement and improvement of handover times is viewed as a more direct indicator of patient care, safety and experience.

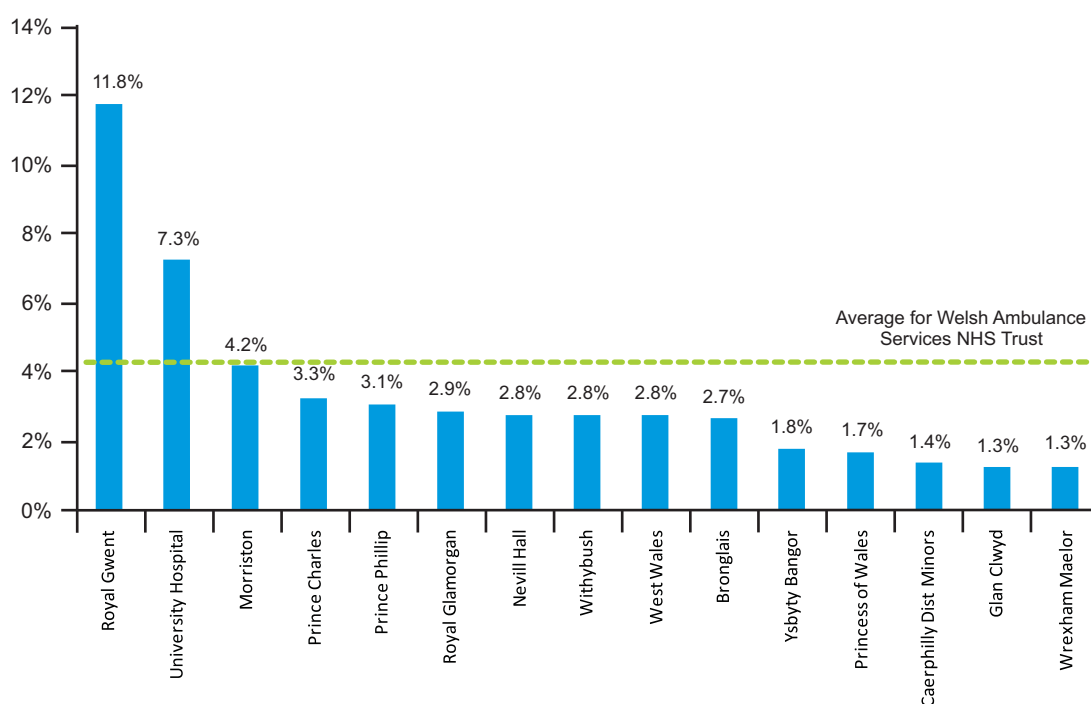
1.9 However, in the absence of robust data on handover times, the best available data is that collected by the Trust on turnarounds. Although the Assembly Government and Trust recognise that the data collection system for turnarounds is an imperfect way of measuring the problem, the data it provides is the most robust available measure of lost time. Both the Trust and Assembly Government recognise the importance of embedding the new data terminals in emergency departments, which are not currently operating effectively, so that there is robust measurement of patient handovers and ambulance turnarounds. The resolution of

these problems should provide a clearer view of the causes of the significant delays arising between ambulances and emergency departments, and we will be reporting on these issues shortly.

1.10 There were some signs of improvement in time lost from long turnarounds during the first half of the 2008 calendar year, where for most months the number of hours lost through turnarounds of over twenty minutes was lower than the equivalent months in 2007.

1.11 Nevertheless, the Trust calculated that it lost 29,200 hours in 2008 at Welsh hospitals beyond the 20-minute target the Trust set itself for crews to turn around and a further 3,100 hours at hospitals in England. Based on the Trust's calculation of a direct cost of £76 per hour, the estimated direct cost of these lost hours is over £2.4 million although there are much wider costs in terms of service

Figure 7 – The proportion of total ambulance turnarounds in 2008 that took more than one hour to complete



Source: Wales Audit Office analysis of data provided by the Trust.



effectiveness. Delays mean that the Trust draws crews in from adjoining localities to respond to incidents, distances increase and it becomes more difficult to achieve targets. If there is a reduction in the ability of the accident and emergency departments to receive patients from crews, which is often affected by problems at the hospital's 'back door', crews can experience further delays.

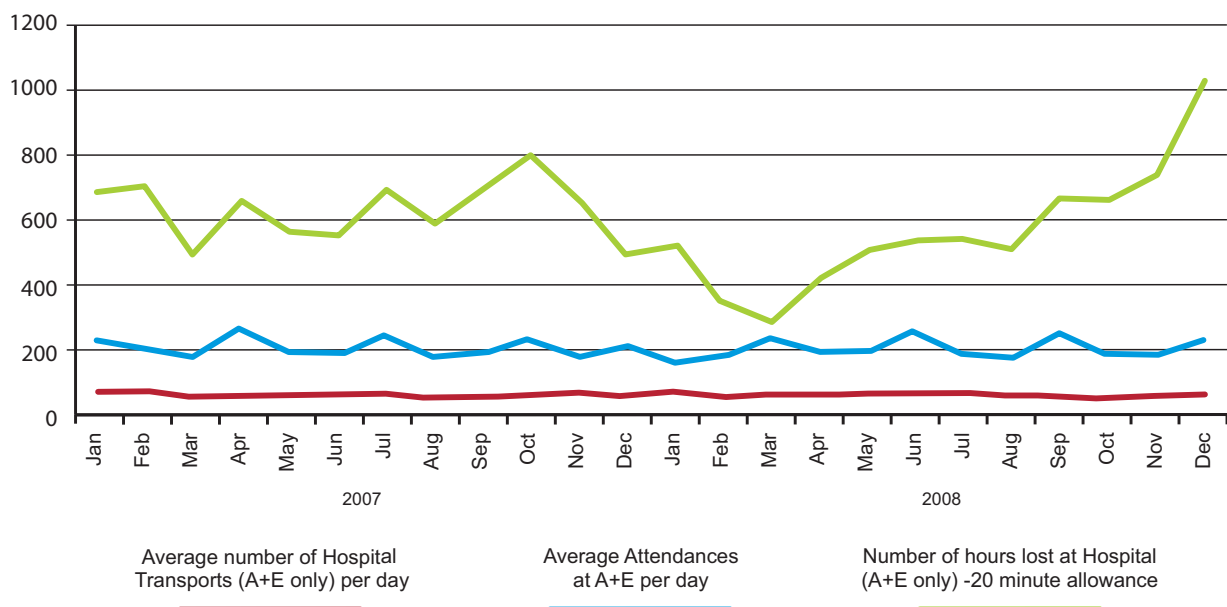
1.12 The total lost hours across Wales mask much more severe localised problems which have tended to present in the areas with the highest call volumes. Every ambulance delayed at hospital obviously represents one fewer ambulance available to respond to new emergency calls, which can have significant impacts on the Trust's ability to respond quickly. Localised problems tend to spread across the system when individual hospitals are struggling to cope with the number of patients attending their emergency unit, which can lead to the ambulance service coming to

a near halt. The Trust's deployment plans assume a call cycle of one hour from start to finish including a 20-minute turnaround at the hospital. In 2008, nearly 10,000 turnarounds – 4.3 per cent of all incidents – involved turnarounds that took one hour or more.

1.13 On days when significant numbers of ambulances are held outside hospitals' emergency units, there is little local cover available to meet need and ambulances have to be drawn in from surrounding areas. The time ambulances were delayed at the Royal Gwent Hospital during December 2008, for example, to a large extent explains the unacceptable performance in areas such as Torfaen.

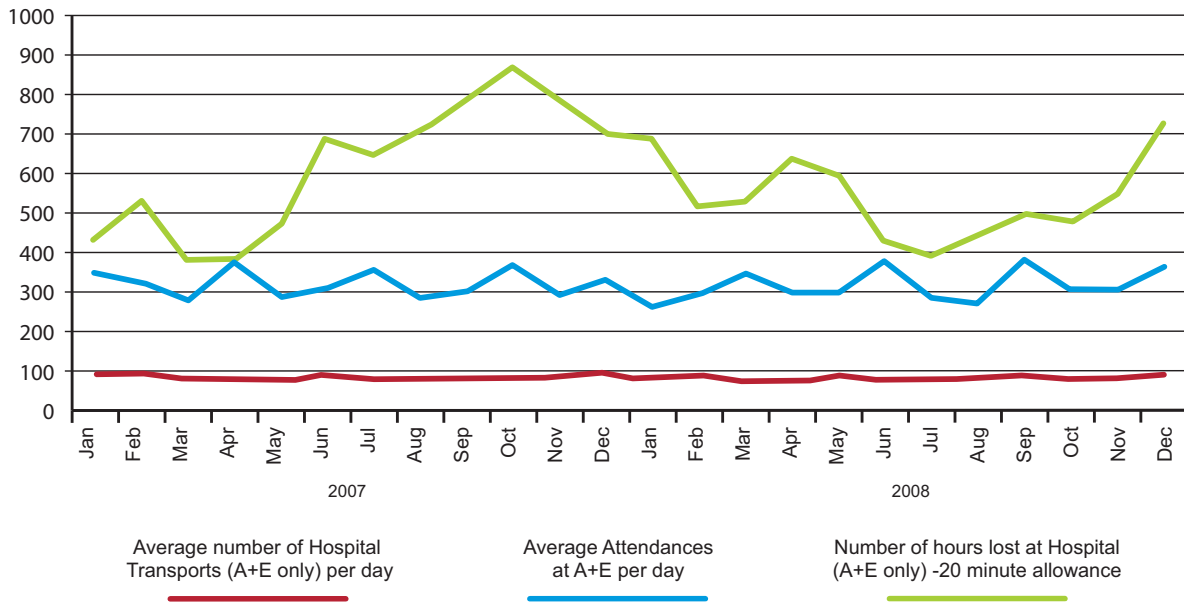
1.14 Figure 7 shows that during 2008 there were particular problems at the Royal Gwent Hospital, Newport, University Hospital of Wales (UHW), Cardiff and Neath Port Talbot Hospital.

Figure 8 – Trend analysis of the average number of patients transported by the Trust, lost ambulance hours and patient attendances at the emergency unit at the Royal Gwent Hospital, January 2007 to December 2008



Source: Wales Audit Office analysis of Trust and Assembly Government data.

Figure 9 – Trend analysis of the average number of patients transported by the Trust, lost ambulance hours and patient attendances at the emergency unit at the UHW, January 2007 to December 2008



Source: Wales Audit Office analysis of Trust and Assembly Government data.

1.15 Figure 8 shows that while attendances at the accident and emergency department and hospital transportations remained relatively stable, the number of lost ambulance hours outside the Royal Gwent Hospital more than trebled between March and December 2008, with a particular spike between November and December (1,018 hours were lost through turnarounds of over 20 minutes in December alone, up 38 per cent from the 740 hours lost in November), reversing the significant progress achieved between October 2007 and March 2008.

1.16 Figure 9 shows the equivalent analysis of UHW. The upward curve in lost ambulance hours reversed from its high point in October 2007 but the general downward trend reversed from July 2008 – since July, there has been a consistent increase in lost hours with a particularly severe spike in December 2008, where 727 hours were lost, up 33 per cent from the 547 hours lost in November.

1.17 From 1 April 2008, the Assembly Government set NHS organisations a new target to achieve a handover of patients within 15 minutes of the ambulance arriving at the emergency unit. New computer technology has been installed at all emergency units to record handovers. Recognising the seriousness of the problems with patient handovers, the risks associated with the new technologies and the general difficulties organisations face improving problems at the interface between them, as part of our wider suite of work on unscheduled care, we have undertaken a detailed review of patient handovers at accident and emergency departments. This project has involved Wales Audit Office staff observing handovers at all major Welsh hospitals. Our forthcoming report will set out our conclusions on the handover process and our recommendations for improving processes and the wider system of unscheduled care by achieving much more effective patient handovers.



Figure 10 – Sickness absence trends within the Trust

Period	Central and west (%)	North (%)	South (%)	Clinical directorate (%)	Trust (%)
December 2007	10	5.2	9.8	3.8	8.1
December 2008	8.6	5.4	9.8	2.9	7.4
2008 calendar year	8.6	4.9	7.6	2.8	6.9

Source: HR Performance Report, HR Committee 26 February 2009.

Factors other than delays in turnaround have contributed to the deterioration in performance, particularly financial pressures, ongoing challenges matching supply and demand and the change to locality targets

1.18 Long delays in turnarounds have played a significant role in the fall in performance since October 2008. However, they were not the only factor behind the worsening trend. The following factors have also been particularly significant:

- **staffing levels in South-East Wales** – a recent exercise to update the Trust’s demand analysis undertaken in December 2008 suggested the need to restore the Trust’s establishment in the south-east;
- **financial pressures** limit the amount of overtime the Trust can afford to cover shifts and recruit to fill vacancies against establishment in South-East Wales, given the £8.7 million pay savings expected by the current Service Efficiency and Change Plan;
- **the financial and performance consequences of increased demand** in December 2008 – the number of patients the Trust transported to major Welsh accident and emergency units rose by 8.5 per cent in December 2008

compared with activity in December 2007, to reach comfortably its highest level over the two-year period;

- an ongoing **rota review** which seeks to improve shift patterns and the matching of supply and demand – there are a variety of shift patterns in place in the three regions, and while many shift patterns were changed to achieve a better match with demand two years ago, some now need further work;
- although overall **sickness absence levels** are improving, they continue to be a major issue for the Trust especially in central and west and the south-east regions, with high levels of sickness in December 2008 contributing to problems with performance (**Figure 10**); and
- significant **discontinuity among executives** with key roles within the South-East Wales region; replacements have been provided through secondments to cover the Regional Director role which was not substantively filled for much of 2008 and the absence for a significant period of 2008 of the Deputy Chief Executive, who played a pivotal role within the region.

It has taken longer than planned to achieve progress with three business cases, with others still unresolved, and further work is required to agree a strategic plan to inform investment in the Trust

It has taken much longer for the Assembly Government to agree the various business cases than the timescales presented to the Committee in the summer

- 1.19** The Assembly Government has made a significant capital investment in the Trust, with £23.1 million invested in fleet; £55 million revenue invested over 12 years in the Ambulance Radio Re-procurement Project (ARRP) to improve the communications infrastructure; and £1.7 million to support the consolidation of the Mamhilad and Church Village Control rooms into the new Vantage Point House facility.
- 1.20** When she gave evidence to the Committee in July 2008, the then Head of NHS Wales, Mrs Ann Lloyd CBE, indicated that there would be a short timescale for the Assembly Government's consideration of the three capital business cases the Trust had then submitted, with the outcome having been expected in September 2008. The Assembly Government's response to the Committee's recommendations revealed the significant slippage relative to the timetable Mrs Lloyd outlined in July (Figure 11).

The Assembly Government has recently approved the business case for Automatic Vehicle Location System and satellite navigation, both of which should significantly improve efficiency

- 1.21** The Trust lagged significantly behind many English ambulance services as a result of its lack of basic technologies to locate precisely and direct its ambulances, in particular AVLS and satellite navigation. The Auditor General's original report of December 2006 highlighted the lack of such technologies and their detrimental impact on the efficiency and effectiveness of services. The Committee's report of October 2008 expressed concern about the slow speed with which the business cases for such technologies had been decided.
- 1.22** In February 2009, the Minister announced £4.8 million capital funding as well as support for capital charges to enable the Trust to invest in the required satellite navigation and AVLS systems. Despite the long time it has taken to agree the business case, given that the Auditor General and Committee clearly highlighted the negative impact of the lack of such systems in their reports of December 2006 and March 2007, it is welcome that the Trust may now proceed. The Trust expects the new technological equipment to be in use within six months of the contract being signed. The Assembly Government ascribes the time it took to approve the AVLS business case to the need to ensure that the significant capital investment presented good value for money, was affordable and had commissioner support.



Figure 11 – Business cases and their current status

Strategies and business cases	Date provided by the Trust to the Assembly Government	Status
Automatic Vehicle Location System (AVLS)	April 2008	Approved 22 December 2008
Vehicle Replacement Business Justification Case	February 2008	Not yet approved
Estates Strategic Outline Case	May 2008	Approval for the Trust to move to Outline Business Case for the Wrexham Resource Centre in December 2008. This will be used as a pilot to inform the wider decision about the Strategic Outline Case which has yet to be approved

Source: Wales Audit Office.

Some business cases have not been approved

1.23 Changing the Trust’s estate and fleet management through the development of a small number of large ‘make ready’ stations from which crews would start and finish their shifts was a central element of the Trust’s Time to Make a Difference modernisation plan of January 2007. The Auditor General’s letter of 14 January 2009 highlighted delays in the Assembly Government agreeing the Trust’s Strategic Outline Case for its estate. The letter also pointed out particular challenges arising from the delays in a collaborative development in Wrexham with the North Wales Fire and Rescue Service. The letter pointed out the potential risks for the collaborative venture and potentially detrimental impact for the local community and also value for money across more than one service.

1.24 These issues have now been at least partially resolved. In December 2008, the Minister approved a move to develop an Outline Business Case for the joint development in Wrexham, which now potentially involves the North Wales Police Authority. The Outline Business Case for Wrexham is to be developed by the end of April 2009. Because of the complexity and radical change involved in the Strategic Outline Case for estates, the Assembly Government has decided to use the Wrexham development as a pilot to inform the Minister’s eventual decision about whether to approve the wider Strategic Outline Case and the approach it sets out to changing the Trust’s estate.

1.25 The Committee’s previous report of October 2009 highlighted the positive impact of the Assembly Government’s £23.1 million investment in 151 vehicles. The Assembly Government is still considering the Trust’s vehicle replacement business case submitted by the Trust in February 2008 to replace the remaining leased Emergency Medical Service (EMS) and Patient Care Service vehicles and old owned vehicles with capital purchase. Following the Assembly Government’s

request in December 2008, the Trust provided a Fleet Strategy in January 2009. The Assembly Government has since requested more detailed plans from the Trust. These plans are to set out more clearly the wider strategic context for the annual investment of approximately £5 million set out in the business case, looking forward over five years in the context of wider issues such as changes in the NHS and the Trust's estate.

- 1.26** The Trust commissioned a benchmarking exercise in 2008 that highlighted that its vehicle and leasing maintenance costs were significantly higher than those of the South Western Ambulance Services NHS Trust and that this was a potential opportunity to achieve savings. The Trust reports that it is continuing to incur costs through the lack of progress with its vehicle replacement business case and fleet strategy. In particular, we understand that the existing lease arrangements are costing an additional £400,000 per annum compared with the cost of purchasing new vehicles and that the associated maintenance costs are at least £100,000 per annum with additional revenue pressures arising from lost staff time as a result of breakdowns.

Further work is required to agree a strategic plan showing the interrelationships between the various capital investments for the Trust

- 1.27** One of the reasons for the ongoing delay in resolving the estates and fleet strategies has been the fact that, as stated in its response to the Committee's report, the Assembly Government had asked the Trust to produce an over-arching, integrated strategic plan that sets out the inter-relationships between the various capital investments. Both of the Auditor General's and the Committee's reports on ambulance services in Wales have

highlighted the importance of rapidly addressing the historical lack of effective capital investment in the Trust. This issue was first reported by the Auditor General in December 2006.

- 1.28** The Trust has developed individual business cases on the basis of its programme plan to implement the Time to Make a Difference modernisation plan of January 2007. At the same time, the Trust produced a Strategic Outline Programme that addressed the financial, performance, resource and programme management implications of the range of schemes required to achieve the strategic change identified in Time to Make a Difference.
- 1.29** The Assembly Government has now asked the Trust to produce an updated overarching strategy that takes account of what has been achieved to date and how future planned investments in vehicles, ICT and the estate might influence the workforce, resource and performance assumptions, recognising the interdependence of the various investments.
- 1.30** The Trust is in the process of developing this integrated strategic document setting out its capital requirements for the next three to five years to update the original Strategic Outline Programme. This is intended to provide a more integrated overall approach to the wider investment needs across the Trust's estate, fleet and ICT but there will be a need to resolve rapidly a clear, long-term capital investment strategy for the Trust.



Financial pressures remain a concern for the immediate and longer-term future

The Trust, Health Commission Wales and Assembly Government lack a shared view of the Trust's financial requirements from April 2008 to March 2009

- 1.31** The Assembly Government set new response time targets for each LHB area from 1 April 2008 and expected these to be achievable within existing revenue resources. These equity targets required the Trust to respond to 60 per cent of Category 'A' calls within eight minutes in each LHB area. Given the very low call volumes in some of the LHB areas, the Trust considered that achieving these new targets would be unaffordable within its current level of resources and the savings expected as set out in its existing financial recovery plan. We reported these concerns to the Committee in June 2008, highlighting the Trust's estimate that it would cost an extra £9 million in 2008-09 to achieve the locality targets.
- 1.32** Although the Trust and its main commissioner, HCW, have subsequently been unable to reconcile fully their differing views about the level of additional funding required to achieve the new locality targets, HCW did agree to defer the annual £2 million cash releasing efficiency it requires of the Trust to support it in focusing on delivery and implementing its planned improvements. Nevertheless, as of 22 February, with some five weeks of the financial year remaining, the Trust had not agreed its Annual Operating Framework for 2008-09 on the basis that meeting the revised locality performance targets within existing resources and savings targets was unachievable. Given the very low call volumes in some of the LHB areas, the Trust considered that achieving these new targets would be unaffordable within its current level of resources and the savings expected as set out in its existing financial recovery plan and based on the previous national targets.
- 1.33** Negotiations between the Trust and HCW were complicated by the deterioration in the Trust's performance during 2008-09 and the cost pressures that arose during the year. In January, 2009 HCW determined that the Trust would be able to achieve the national targets in the last quarter of 2008-09 with an additional £600,000. HCW agreed to provide £300,000 'stabilisation' funding on the basis that the Trust would fund the other £300,000. It will be important for the Trust to consider carefully how to utilise the additional £300,000 to deliver sustainable improvements in performance.
- 1.34** Health Commission Wales and the Trust have been negotiating about the Trust's investment requirement, the scope for internal efficiencies, ongoing strategic changes to the model of delivering unscheduled care and the impact of turnaround times on performance. As a result of the difficulties the Trust and HCW have experienced in determining the performance levels that can be achieved for the level of resource inputs provided, they have jointly commissioned an external benchmarking exercise which consultants are currently undertaking with a view to reporting in mid-March. The review is intended to inform future discussions with HCW about the Trust's level of efficiency, ability to perform within its current level of resources and infrastructure and the level of funding required to achieve national performance standards.

1.35 When the Minister made her statement to Plenary to report the findings of the Trust Chairman's review of the Trust in July 2008, she said that she had asked her Director of Finance to review the financial position of the Trust. We understand that he reported his conclusions verbally to Mrs Lloyd, and that they broadly supported the conclusions of the Auditor General's previous reports.

The Trust is on target to deliver its 2008-09 break-even position forecast in the extant financial recovery plan but only through £4.7 million of unexpected and non-recurring savings and income in year

1.36 The Trust's extant financial recovery plan required it to make £17 million savings in 2008-09 to achieve a break-even position at year-end. The Trust is forecasting that a break-even position will be achieved, but only with the following non-recurring additional income and savings in year:

- £2.4 million savings as a result of national slippage on the ARRP;
- £0.3 million additional income from HCW to support achieving the national 65 per cent target for Category 'A' calls; and
- £2 million 'additional income' as a result of HCW not requesting their £2 million efficiency contribution as set out in the extant recovery plan.

1.37 The Trust's pay costs are significantly overspent compared with its payroll budget. The pay savings expected in the recovery plan were £8.7 million, based on meeting existing performance targets but not achieving the new locality targets. The Trust believed that the expected payroll savings reduced to £6.7 million when HCW did not request its £2 million efficiency contribution set out in the

recovery plan. In the event, the Trust has only achieved £3.6 million of pay savings, leaving a £3.1 million 'overspend'. The Trust attributes the pay overspend to three main issues:

- delays in capital investment preventing changes in working practices that could release efficiencies (for example, ICT investments allowing the more efficient deployment of crews and the release of leasing costs through the purchase of ambulances);
- the requirement at the end of the year to use overtime at enhanced rates to fill vacant positions which had not been filled because of the financial pressures facing the Trust; and
- as well as the opportunity costs of lost time arising from delays in turnaround at accident and emergency departments, in the 2008-09 financial year, the Trust has spent approximately £0.3 million placing operational supervisors in accident and emergency departments to manage turnarounds.

1.38 The Trust also incurred a total of £2.57 million non-pay costs in year that were not forecast in its agreed financial recovery plan as a result of the following:

- additional fuel costs for Trust fleet of £0.8 million – these were most acute during the first part of the financial year after which fuel prices returned to their pre-2008-09 level;
- although these costs should not have impacted on the EMS, additional fuel cost of ambulance car drivers of £0.8 million;
- additional lease costs of £0.4 million (paragraph 1.26);



- consistent with other NHS Trusts in Wales, no funding of pay award £0.23 million; and
- a reduction in the level of funding for the Wales Air Ambulance staffing of £0.34 million.

The Trust's future financial position is uncertain

- 1.39** Compounded by the lack of any agreement about the funding and performance of the Trust in the current financial year, the future financial position looks uncertain. From 2009-10, the recovery plan will include a recurring annual saving of £23 million, which represents 17 per cent of the Trust's annual £139 million income. £5 million of this annual efficiency saving is to contribute to HCW's own recovery plan. The outcome of the recently commissioned 'efficiency review' from external consultants will inform the future level of efficiency that can be expected of the Trust.
- 1.40** The Trust has also undertaken a number of benchmarking exercises to identify where further savings can be made. These benchmarking exercises have identified some key areas to pursue in respect of non-pay costs and potential shortfalls in income from its Patient Care Service. The Trust also needs to develop more effective rostering in the South-East Wales region to improve the way in which it matches supply and demand.

- 1.41** There are a number of potential areas on which the Trust should focus its attention to achieve efficiencies, such as further improving its matching of supply and demand, delivering ongoing reductions in sickness levels and playing its part in improving time lost because of long turnarounds. However, wider issues of capital investment and the deteriorating performance of the Trust also need to be resolved to release efficiencies. The realisation of longer-term efficiencies will need to focus on developing more efficient patient pathways and significantly improving the efficiency and effectiveness of patient handovers at emergency units.

Progress has been made on the HR and cultural agenda, although some aspects have been compromised as operational pressures have grown, and the slow pace of progress on these issues needs to be reversed through clearer prioritisation and focus on issues of culture, morale, staff management and development

1.42 The Auditor General's letter of advice to the Committee identified some concerns about the fact that the Assembly Government's response set out a number of actions to address the 'hard' aspects of tackling problems with HR and morale without necessarily recognising some of the 'softer' issues. The Auditor General's advice highlighted the importance of recognising how difficult it is to change longstanding organisational cultures, and the need for efforts to achieve such improvements to focus on the importance of day-to-day interactions between staff, working atmospheres and behaviours of all staff in turning around the organisation's culture.

There has been some progress with the HR agenda

1.43 The majority – 95 out of 128 – of actions set out in the Staff Survey Action Plan had been completed according to a Board paper of November 2008. Staff now have named line managers. A minority of managers have now undertaken management development training under the Trust's Management Skills Learning Programme (MSLP), which it introduced from April 2008 following development with the staff side. The aim of the programme is to provide all managers with the key skills and knowledge to deal with people management issues which include:

- sickness absence management (31 per cent of managers have undertaken level 1 sickness absence e-training, while 34 per cent had undertaken level 2 sickness absence training); given the levels and trends in sickness absence across the Trust, training for all managers on sickness absence management is an important activity that the Trust needs to expedite;
- misconduct (11 per cent of managers have undertaken e-training in this area);
- performance management (eight per cent of managers have undertaken poor performance e-training);
- employee grievances (seven per cent of managers have undertaken e-training in this area); and
- personal development reviews (26 per cent of managers have undertaken level 2 personal development review e-training).

1.44 The Trust considers the extent and quality of the management development training undertaken as a major achievement given its starting position and the difficulties of releasing staff due to operational pressures. However, we identified some concerns about the accuracy and reliability of the data on both the total number of managers and the number of managers attending the training sessions.



Figure 12 – Extract from Integrated Performance Dashboard

Strategic Objective	KPI Number	Description	Trust Target
Effective Leadership	7	Ensure that all staff receive adequate management training	100%
Commitment to personal development	8	Ensure all staff receive an annual personal development review with line manager	100%
Staff satisfaction	9	Reduce the levels of bullying cases	-10%
	10	Reduce the levels of harassment cases	-10%
	11	Reduce the levels of grievance cases	-10%

Source: Trust Board February 2009

The Trust does not have a complete list of staff that require training and development through the MSLP. The Director of HR has similar concerns and has initiated an audit to identify the nature and extent of any data integrity issues, which will come to the Executive Management Group in March 2009.

1.45 The Trust has developed an Integrated Performance Dashboard which was reported to its Board for the first time in February 2009. There are five Key Performance Indicators (KPIs) two of which relate to performance appraisals and development plans with the other three relating to bullying, harassment and grievances (Figure 12). The Board recognised that at the time the KPIs were developed, data collection systems needed to change to enable effective reporting against these KPIs. The data in the required format will not be available until March 2009.

1.46 Our earlier reports identified problems arising from perceptions of a culture of bullying and harassment, identified through the 2007 staff survey. This led the Trust to commission the NHS Centre for Equality and Human Rights (CEHR) to undertake work to more fully

understand the nature and extent of the perceived problem. The CEHR reported to the Trust Board in September 2008.

1.47 In December 2008 the Executive Management Group considered an action plan to embed CEHR's 11 recommendations within the Trust. There is a draft letter which the Trust plans to send to all staff at their home address. This letter sets out the proposed development of a staff charter, scheduled for April 2009, which is seen as the catalyst for addressing some of the recommendations of the CEHR report. It also highlights the establishment of an Equality and Human Rights Steering Group (the Steering Group). The Steering Group has been established by the Board and is scheduled to hold its inaugural meeting by late February. The Steering Group is supported by a working group and will report to Board via the HR Committee. It will oversee equality and diversity, Welsh language and anti-bullying and harassment.

1.48 It has taken some time to draft the letter since the receipt of the CEHR report in September 2008. The letter was first drafted in December 2008 and was finally agreed by the Chief Executive on 6 February 2009. It will be issued at the end of February or beginning of March 2009. Some of the delay arose because the volume of work that the Trust was dealing with had made it hard to prioritise issues, the time required for a range of colleagues to comment on the draft and the staff side requesting the letter be delayed until an issue relating to a training event was resolved. The letter is seen as a key step in the process of staff engagement. When staff responses to the letter have been returned by 3 April 2009 the Trust will engage with staff to find out how they want to go about addressing the issues – this is intended to be a ‘doing with’ rather than a ‘doing to’ approach.

1.49 Other actions that have been taken include:

- following a meeting with the staff side in early December 2008, the Trust agreed to focus attention on recruitment, training and resourcing of shifts, alongside investing in the resolution of longstanding disciplinary cases and grievances;
- a draft communications good practice handbook has been produced and distributed;
- the first two sets of awards have been made under the staff award scheme in July and November 2008;
- the Chief Executive has conducted demand analysis workshops in all regions, and cover levels are being determined in partnership with staff with a view to developing and agreeing revised staff establishments and rotas;

- the Trust is developing its workforce planning systems and a Trust HR Strategy;
- a resource utilisation focus group has been established, working in partnership with the staff side, to address a number of staff concerns including shift allocation and booking annual leave; and
- the Trust is on course with its recruitment strategy and has agreed plans for the training and recruitment of additional EMS staff up to the summer of 2009.

Overall progress has been slow because of operational pressures and a lack of clear focus and prioritisation

1.50 The Trust’s progress with the HR agenda has been relatively slow. A key contributory factor has been the lack of a substantive Director of HR for much of the year. The full-time Director of HR took up post on 1 November 2008. The HR capacity of the Trust is further compromised by there being four vacancies among senior HR staff, two of whom are on maternity leave and two who left at the end of 2008. Recruitment is underway to replace these staff.

1.51 The Committee’s report of October 2008 found that the Trust’s progress in improving the quality and capacity of line management had been disappointing, given the impact of the poor quality of line management on the Trust in numerous ways. A lack of trust in managers had contributed to low staff morale, poor communication between the managers and their staff had resulted in some staff members feeling alienated by the change process. Due to operational pressures, the Trust has been unable to release staff and managers to train and conduct appraisals. This, alongside the lack of progress in introducing Clinical Team Leaders, has contributed to the failure to deliver staff appraisals.



Figure 13 – Clinical Team Leader position at February 2009

Region	Clinical Team Leaders required	Clinical Team Leaders in post	Paramedic supervisors	Clinical Team Leaders to be recruited
Central and west	55	9	43	3
North	32	21	45	13
South-east	43	4*	27	12
Total	130	34	115	28

* Interviewed but not yet in post

Source: Trust

1.52 The Assembly Government’s response indicated that all Band 6 Paramedic Supervisors would be replaced with the Clinical Team Leader role because the previous Paramedic Supervisors had an ill-defined role which led to difficulties including poor communication and remote line management. The Trust see the new Clinical Team Leader roles as critical as the new role will have very clear line management responsibilities, will be more local, managing small groups of a dozen or so staff as opposed to a more remote Paramedic Supervisor managing in excess of 50 paramedics. The Clinical Team Leaders will have responsibility for the development and assessment of the clinical practice of the paramedics within their team, as well as improving the Trust’s longstanding problems of communication.

1.53 Paragraphs 2.38 and 2.39 of the Auditor General’s report of June 2008 report highlighted that the development of the Clinical Team Leader role had been slow but said that the Trust was confident that it could be in place by October 2008. The Assembly Government’s response of 1 December 2008 stated that 30 Clinical Team Leaders had already been appointed and that the remaining Paramedic Supervisors would be slotted into the Clinical Team Leader posts

over the next two to three months. The staff side did not accept this approach and following negotiations with them, a new timeframe and approach has been established to deliver fully trained supervisory managers over the next 18 to 24 months.

1.54 However, the current position suggests that the Trust’s earlier confidence about the rapid pace with which it could introduce the Clinical Team Leader role was misplaced. Figure 13 shows that progress remains extremely disappointing, which arose from differences of opinion about how the new posts should be filled and contractual problems:

- the Trust has filled only 26 per cent of Clinical Team Leader posts, mainly in North Wales;
- the pay protection offered to existing paramedic supervisors was one reason why they may not have applied for the Clinical Team Leader roles. The Trust will recruit to 28 Clinical Team Leader posts and will train the existing paramedic supervisors to fill the remaining 68 Clinical Team Leader roles;
- affordability has been a key issue in appointing over 100 staff to Band 6 posts; and

- the Trust's Ministerial Action Plan states that Clinical Team Leader appointments be progressed as a priority up to a maximum of 126, rather than 130, positions due to present financial constraints.
- 1.55** Although the Trust has made some progress in terms of management development activity (see paragraph 1.43), clearly there remains a long way to go to develop fully effective management arrangements. While managers are now undertaking management development activities, there remain many managers who have not participated in the various specific management development activities that comprise the MSLP. There has also been limited progress with implementing the Trust's management capability and capacity strategy, particularly because of the significant discontinuity at executive level during the second half of 2008. The HR Director has commissioned an audit into the actual position, which is due to report to the Executive Management Group in March 2009.
- 1.56** Recognising the challenges it faces in terms of management capacity, the Trust has commenced a management review which is likely to lead to structural changes. A small team comprising the Chief Executive, HR Director and two non-executives is running the review and hopes to conclude the evidence gathering in February with a view to reporting to the Chairman and non-executive directors on 25 March. If the report is agreed, there will be a consultation process lasting one and a half months, before the implementation of any agreed changes. The review team has collected evidence from all directorates and the staff side.
- 1.57** Through an ongoing audit, the Trust is trying to gain an accurate picture of the extent to which personal development reviews have taken place. The Trust has an electronic system (e-KSF) which people are not using consistently to record when personal development reviews have been carried out. This makes it impossible to say how many staff have had personal development reviews and have personal development plans or to measure the Trust's progress against the targets⁴ to implement a robust personal development review process. As a temporary measure each directorate is required to audit its own rates of completing personal development reviews and associated personal development planning.

⁴ Source: Welsh Assembly Government Committee Report (3)-08-R10. All non-operational staff should have a personal development plan following a personal development review by 31 December 2008; 50 per cent of operational staff should be completed by 31 March 2009; control staff should be completed by 31 March 2009; and Regional Directors to be completed by 30 November 2008.



Our ongoing work on unscheduled care suggests that the Trust stands to benefit significantly if it engages effectively with partners to successfully improve the wider system

- 1.58** Ambulance services are part of a much wider system, and many of the potential improvements will arise from improvements in this wider system. The issue of excessive turnaround times have a disproportionate impact on ambulance services and materially affect the ability of the Trust to meet its targets and provide an effective service for the citizens of Wales. Consequently, steps NHS partners are taking in the various localities to implement the Assembly Government's Delivering Emergency Care Services strategy to improve unscheduled care in Wales are absolutely central to the improvement of ambulance services. It is vital that the Trust engages effectively and proactively at both a national and local level.
- 1.59** Through its involvement in local and national initiatives to modernise unscheduled care, the Trust has identified the following key priority areas which should integrate with the local development plans which the new LHBs will be submitting:
- the ability for the Trust to refer directly to GPs, community services and social care to avoid Emergency Department admissions;
 - the ability for ambulances to deliver patients directly to specialist units, bypassing emergency departments using care co-ordination strategies;
 - contributing to the development of a National Single Point of Access for unscheduled care;
 - leading on the development of a National Directory of Services to assist in care co-ordination;
 - modernising the service delivery model to move towards a seven day clinical working model and exploring alternative ways of working;
 - contributing to the development of the top 10 common unscheduled care condition care pathways as well as integrating with chronic condition management developments; and
 - contributing to the development of the common transaction documents and integrated data collection systems.
- 1.60** There has been progress on some key deliverables, in particular:
- The integration of NHS Direct Wales within the Trust's Control Rooms has had an impact in utilising more appropriate responses for patients who contact the Trust with non-urgent and non-life threatening conditions (Category 'C'). The development of an alternative model for the management of low acuity 999 calls in collaboration with the Assembly Government has enabled more appropriate clinical outcomes for patients, releasing valuable EMS resources into the community.
 - There is an ongoing review of the Trust's prioritisation system Advanced Medical Priority Dispatch System to which the Trust attributes a significant reduction in Category 'A' classifications.

- The professional education of registered ambulance paramedics increasingly focuses on roles, responsibilities and scope of professional practice. With greater emphasis on treating the patient at the right time, in the right place and by the right person, the changing focus of paramedic education offers the potential to avoid costly and unnecessary admissions to emergency departments.
 - There is ongoing work with the health communities on the appropriate conveyance of patients to minor injury units which the Trust anticipates will increase the availability of ambulance crews within the localities.
 - There is ongoing collaboration with Out of Hours providers in the Gwent health community to gain clinical advice regarding patient care and follow-up to provide patients with more timely and proportionate access to treatment.
 - The co location of the Trust, NHS Direct and Gwent Out of Hours provision in Vantage Point House in Cwmbran has provided the opportunity for all three services to work more closely together and may provide valuable lessons for the further integration of the unscheduled care system.
- 1.61** Our forthcoming reports on unscheduled care will highlight some of these key links and interdependencies which we hope will help to place the problems with ambulance services in their wider context of the whole system of health and social care. The project is looking at a range of issues on a modular basis to understand how effectively the whole system of unscheduled care currently operates and how it might improve to deliver better results for the people of Wales when they require unscheduled care. **Figure 14** shows the reports we intend to produce.
- 1.62** One of the key areas relates to the way in which citizens understand and assess unscheduled care performance. At the moment, there are measures of very specific elements of unscheduled care which do not necessarily explain the whole system in a way that is congruent with the care pathways experienced by patients and service users. Consequently, and understandably given the public interest in improving the performance of the Trust, it is judged each month against a single measure of its performance without recognising the impact on its capacity of wider systemic problems within the NHS and social care in Wales.
- 1.63** The Assembly Government has initiated an ‘intelligent targets’ project in which the Trust will participate. The Assembly Government’s response to the Committee’s report of October 2009 stated that there is a recognition that a great deal of 999 calls, citing a ‘rough estimate’ of 60 per cent, could be more appropriately measured by clinical targets which are not purely time based but include a minimum time to definitive care/the right level of care. The project will seek to better understand and measure demand.
- 1.64** While ambulance response times are quite rightly a key focus because of their significance to saving patients’ lives in life-threatening emergencies, there are other measures of how effectively the wider unscheduled care system functions. One key challenge will be to design the wider system in such a way as to reduce demand for Category ‘A’ responses by developing more effective triage, a wider range of services and care pathways to avoid unnecessary transportation to hospital by ambulance, and by recognising the results patients need from an ambulance service in the context of the much wider system of unscheduled care. It would be extremely helpful if the intelligent target setting project developed a wider suite



Figure 14 – Modules of the Wales Audit Office study of unscheduled care

Module	Main question	Estimated publication
Patient handovers at hospital emergency departments	Is the handover of patients by ambulance crews to hospital emergency departments being managed effectively while safeguarding patient care?	Spring
NHS Direct	Is NHS Direct Wales a valuable part of the unscheduled care system in Wales?	Summer
Out-of-hours services	Are out-of-hours services contributing effectively to the system of unscheduled care?	Autumn
Whole systems module	Does the unscheduled care system in Wales function effectively from the citizen's perspective?	Autumn

of indicators which will allow the performance of the Trust to be judged not only in the context of the wider unscheduled care system (for example, by recognising its dependence on the performance of the wider hospital system) but also across the full range of its activities.

1.65 The core group for the 'intelligent targets' project met in January 2009 and is considering the development of quality measures across the unscheduled care pathway that will enable organisations to be judged across a broader range of measures. The development of such targets should consider not only the performance of one part of the system (ambulance response times) but also a much wider measure of the results the population of Wales needs from the unscheduled care system which, in general, will need to be delivered by a range of organisations in partnership as results at the population level can rarely be delivered by a single organisation. Recognition of such interdependencies and strong leadership from the Assembly Government to deliver a new and more effectively co-ordinated approach to unscheduled care, could be the catalyst that enables the Ambulance Trust to deliver much needed improvements in ambulance services for the people of Wales.

1.66 Wider improvements in the unscheduled care system could offer the Trust opportunities to provide a wider range of mobile unscheduled care services within Welsh communities. The Trust's financial forecasts included plans to 'sell' additional services to LHBs but the expected level of income has been scaled back from £500,000 per annum to £60,000 per annum, with agreements in place with only two LHBs – Powys and Cardiff.

1.67 The Committee also recommended that the Assembly Government include the Trust more fully in the spatial planning process, which will have obvious impacts for the Trust by shaping the road network in Wales. The Committee recommended that the Trust become involved in the six area strategy groups that have been established. The Assembly Government's response to the Committee's fifth recommendation clearly accepted the need to engage the Trust more effectively in spatial planning, although was somewhat light on detail.