

Joint Committee Extraordinary Public Meeting


Tue 10 January 2023, 09:00 - 10:00

TEAMS

Agenda

09:00 - 09:05
5 min

1. PRELIMINARY MATTERS

 0.0 JC Public Agenda10 Jan 2023.pdf (1 pages)

1.1. Welcome and Introductions

Oral Chair

1.2. Apologies for Absence

Oral Chair

1.3. Declarations of Interest



Oral Chair

09:05 - 10:00
55 min

2. ITEMS FOR CONSIDERATION AND/OR DECISION

2.1. Single Commissioner for Secure Mental Health Proposal

Att. Director of Mental Health

-  2.1 Single Commissioner for Secure Mental Health Services.pdf (7 pages)
-  2.1.1 Appendix 2 - Presentation Single MH Commissioner Model - Feedback from HBs.pdf (9 pages)

2.2. Audit Wales WHSSC Committee Governance Arrangements – Update

Att. Committee Secretary

-  2.2 Audit Wales WHSSC Committee Governance Arrangments update.pdf (9 pages)
-  2.2.1 Appendix 1 - Audit Wales WHSSC Governance Tracker - Dec 2022.pdf (29 pages)






2.3. Preparedness for the COVID-19 Public Inquiry

Att. Committee Secretary

-  2.3 Preparedness for COVID-19 Public Inquiry.pdf (5 pages)

2.4. Review of Financial Limits and Reporting

Att. Director of Finance

-  2.4 Review of Financial Limits and Reporting v2.pdf (11 pages)
 -  2.4.1 Appendix 1 - Review of Scheme of Delegation in Response to COVID 19 06-04-20.pdf (5 pages)
 -  2.4.2 Appendix 2 - Review of Scheme of Delegation in Response to COVID 19 19-10-20.pdf (5 pages)
 -  2.4.3 Appendix 3 - Scheme of Delegation New Proposed October 2022.pdf (8 pages)
 -  2.4.4 Appendix 4 - Copy of Authorisation matrix review October 2022.pdf (1 pages)
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10:00 - 10:00
0 min

3. CONCLUDING BUSINESS

3.1. Any Other Business

Oral

Chair

3.2. Date of Next Meeting (Scheduled)

Oral

Chair

17 January 2023 at 9.30hrs



WHSSC Extraordinary Joint Committee Meeting
held in public
Tuesday 10 January 2023
at 09:00 hrs

Microsoft Teams

ITEM	LEAD	PAPER / ORAL	TIME
1.0 PRELIMINARY MATTERS			
1.1 Welcome and Introductions	Chair	Oral	09:00
1.2 Apologies for Absence	Chair	Oral	- 09:05
1.3 Declarations of Interest	Chair	Oral	
2.ITEMS FOR CONSIDERATION AND/OR DECISION			
2.1 Single Commissioner for Secure Mental Health Proposal	Director of Mental Health	Att.	09:05 - 09:35
2.2 Audit Wales WHSSC Committee Governance Arrangements – Update	Committee Secretary	Att.	09:35 - 09:40
2.3 Preparedness for the COVID-19 Public Inquiry	Committee Secretary	Att.	09:40 - 09:45
2.4 Review of Financial Limits and Reporting	Director of Finance	Att.	09:45 - 09:55
3.CONCLUDING BUSINESS			
3.1 Any Other Business	Chair	Oral	
3.2 Date of Next Meeting (Scheduled) 17 January 2023 at 9.30hrs	Chair	Oral	09:55 - 10:00



Report Title	A Single Commissioner Model For Secure Mental Health Services in Wales			Agenda Item	2.1
Meeting Title	Joint Committee			Meeting Date	10/01/2023
FOI Status	Open/Public				
Author (Job title)	Director for Mental Health				
Executive Lead (Job title)	Director for Mental Health				
Purpose of the Report	The purpose of this report is to present the feedback received from Health Boards (HBs) on the options assessment for a single national organisation to commission integrated secure mental health services for Wales and request support for the recommended course of action to be given to Welsh Government (WG) to achieve a single commissioner for secure mental health services in Wales.				
Specific Action Required	RATIFY <input type="checkbox"/>	APPROVE <input type="checkbox"/>	SUPPORT <input checked="" type="checkbox"/>	ASSURE <input type="checkbox"/>	INFORM <input checked="" type="checkbox"/>

Recommendation(s):

Members are asked to:

- **Note** the report,
- **Note** the feedback received from the seven Health Boards (HBs) on the options assessment circulated by the WHSSC team,
- **Note** that six of the seven Health Boards (HBs) supported WHSSC as the single commissioner with one HB raising concerns regarding the need for a single commissioner,
- **Note** that feedback emphasised a number of issues which would need to be addressed to ensure successful implementation of the change; and
- **Support** the following recommendations going forward to Welsh Government:
 - That secure mental health services in Wales should be commissioned by WHSSC,
 - That a national programme of work, including representatives from Welsh Government, WHSSC and all the seven Health Boards (HBs) should be set up to manage the transfer of the commissioning of low secure services; and
 - That more detailed work needs be done to define the appropriate timescales but that the programme of work is unlikely to be completed before April 2024 at the earliest.

A SINGLE COMMISSIONER MODEL FOR SECURE MENTAL HEALTH SERVICES IN WALES

1.0 SITUATION

The purpose of this report is to present the feedback received from Health Boards (HBs) on the options assessment for a single national organisation to commission integrated secure mental health services for Wales and request support for the recommended course of action to be given to Welsh Government (WG) to achieve a single commissioner for secure mental health services in Wales.

2.0 BACKGROUND

The National Review of patients cared for in secure mental health hospitals, entitled “making days count” recommended that “Welsh Government, WHSSC and the Health Boards should consider the benefits of a single national organisation commissioning integrated secure services”.

This recommendation was based on “the commissioning organisational infrastructure in NHS Wales differs from the other areas of the UK, as NHS Wales low secure hospitals, are managed by Health Boards and not as part of an integrated pathway with medium and high secure hospitals. This fragmented approach also applies to the commissioning of placements external to NHS Wales, which is split nationally and locally dependent on the level of security. The report went on to say “the amalgamation of commissioning responsibilities within a single organisation may remove a significant impediment to the effective use of resources and improve, and possibly expedite, the patient’s journey through secure care”. Detailed evidence is provided in **Appendix 1**.

Further to the publication of the report, Tracey Breheny, the Deputy Director of Mental Health, Substance Misuse and Vulnerable Groups wrote to Health Board (HB) Chief Executives and to Dr Sian Lewis, Managing Director of WHSSC, suggesting that the WHSSC Joint Committee should provide the mechanism for the recommendation from the review to be considered and asked Dr Lewis to present a report to the Joint Committee to consider. Following consideration by the Joint Committee on the 8 November 2022 it was expected that a recommendation would be made to Welsh Government (WG) for their consideration.

It is important that the single commissioner system delivers improvements to the patients by improving flow through levels of security, ensuring patients’ needs are met by the right level of security, reducing delays in transfer, removing perverse incentives for change, taking a more strategic view of capacity across the secure services system.

3.0 ASSESSMENT

Further to the Joint Committee meeting on the 8 November 2022 HBs were requested to provide a response to the options assessment. All seven Health Boards submitted responses:

- Cardiff and Vale UHB
- Aneurin Bevan UHB
- Hywel Dda UHB
- Betsi Cadwaladr UHB
- Swansea Bay UHB
- Cwm Taf Morgannwg UHB
- Powys THB

A summary of the feedback received is presented at **Appendix 2** for consideration.

The following questions were asked:

1. Do you support the recommendation that the single commissioning organisation should be WHSSC?
2. Do you support another organisation as the single commissioner?
3. What are the particular challenges you see in moving to a single commissioning organisation?
4. What do you think would be the most realistic timescale for this change?
5. Are there any other issues which you think should be considered as part of the move towards a single commissioning organisation?

A summary of the feedback given in response to these questions is as follows:

- Six out of seven HBs are supportive of WHSSC being the organisation to commission the service with the other HB not supporting the single commissioner model. We note that the HB who do not support the single commissioner model have written directly to WG,
- Of the HBs who supported WHSSC as the single commissioner of secure services, two raised queries regarding the exclusion of the National Collaborative Commissioning Unit (NCCU),
- Key challenges outlined included processes and procedures, clarity on responsibilities of organisations, decision making and accountability, assurance of relationships with local services and ensuring retention of expertise, consideration of a “provider collaborative” approach, and financial contributions,
- Three organisations supported a start date of April 2024, two organisations suggested April 2025 (2 years), one organisation suggested 3 years, and one 3-5 years. One organisation identified the need for a detailed project plan outlining timescales; and
- Issues to be considered were overwhelmingly concerning communication and engagement ensuring a collaborative approach; the effect on HBs with their own LSU units; decision making, gatekeeping and HB

involvement in these; consideration of the pathway in its entirety; the effects of NHSE Provider Collaboratives and the Health and Care Act; and assurance of retaining care closer to home.

4.0 RECOMMENDATIONS

Members are asked to:

- **Note** the report,
- **Note** the feedback received from the seven Health Boards (HBs) on the options assessment circulated by the WHSSC team,
- **Note** that six of the seven Health Boards (HBs) supported WHSSC as the single commissioner with one HB raising concerns regarding the need for a single commissioner;
- **Note** that feedback emphasised a number of issues which would need to be addressed to ensure successful implementation of the change; and
- **Support** the following recommendations going forward to Welsh Government:
 - That secure mental health services in Wales should be commissioned by WHSSC,
 - That a national programme of work, including representatives from Welsh Government, WHSSC and all the seven Health Boards (HBs) should be set up to manage the transfer of the commissioning of low secure services; and
 - That more detailed work needs be done to define the appropriate timescales but that the programme of work is unlikely to be completed before April 2024 at the earliest.

Governance and Assurance	
Link to Strategic Objectives	
Strategic Objective(s)	Governance and Assurance Implementation of the Plan Choose an item.
Link to Integrated Commissioning Plan	Yes
Health and Care Standards	Timely Care Safe Care Effective Care
Principles of Prudent Healthcare	Only do what is needed Reduce inappropriate variation Choose an item.
NHS Delivery Framework Quadruple Aim	Wales has a higher value health and social care system that has demonstrated rapid improvement and innovation, enabled by data and focused on outcome Choose an item. Choose an item. Choose an item.
Organisational Implications	
Quality, Safety & Patient Experience	The National Review "Making Days Count" was commissioned to achieve greater understanding of the issues relating to secure mental health hospital care.
Finance/Resource Implications	Financial assessments will be considered for each option to include resource requirements and the possible efficiency savings. It also identifies a need to renegotiate contracts.
Population Health	-
Legal Implications (including equality & diversity, socio economic duty etc)	Supports compliance with the provisions of the Mental Health Act, The Mental Health (Wales) Measure 2010.
Long Term Implications (incl WBFG Act 2015)	Ensuring patients physical and mental well-being is maximised in which choices that will benefit future health.
Report History (Meeting/Date/ Summary of Outcome)	27 October 2022 – Management Group 6 September 2022 – Joint Committee 8 November 2022 – Joint Committee 15 December 2022 – Management Group
Appendices	Appendix 1 – Supporting evidence for the need to move to a single commissioner Appendix 2 - Slide presentation of feedback from HBs

Evidence for the need to move to one commissioner

- Secure services review demonstrated that whilst there are some differences between medium and low secure, there are many areas, such as patient presentations, environment, interventions and staffing models in which the differences are marginal. There are new models of care emerging for certain groups, such as female patients, which combine medium and low secure provision, and which aim to improve patient outcomes and experience and different commissioning responsibilities may be an impediment to this
- Studies have stated that secure care needs to be commissioned 'from end to end', rather than each part of the pathway being contracted separately (Centre for Mental Health. (2013). Briefing Note: Secure Care Services)
- Separate development of medium and low services hospitals and their separate commissioning arrangements have led to challenges as to their effectiveness (Dix, R. (2005). Psychiatric Intensive Care and Low Secure Units Past, Present and Future — Introducing the Journal of Psychiatric Intensive Care. Journal of Psychiatric Intensive Care, 1(1), 1-2)
- New models of commissioning in NHS England bring NHS and Independent sector secure hospitals, within a defined geographical area, into 'Provider Collaboratives' which aim to improve quality of care and outcomes, improve pathway cohesion and reduce transition, length of stay and out of area placements (NHS England. (2021). Working Together at Scale: guidance on provider Collaboratives.)
- A recent report in Scotland recognised that, as each health body in Scotland is responsible for medium and low secure services, this had led to 'disparity' of provision, 'inequality of access' and that services have become a 'collection of distinct services' rather than 'one integrated system where a system wide view of services, standards and resourcing can be achieved'. (Independent Review into the Delivery of Forensic Mental Health Services. (2021). <https://www.gov.scot/publications/independent-forensic-mental-health-review-final-report>)
- A previous report in Wales recommended that an 'Integrated Commissioning Framework' should be established for secure care and that this 'would be more likely to develop step down facilities' and 'remove

current incentives to place and retain patients at higher levels of security than required'(National Public Health Service For Wales. (2006). Needs Assessment On Medium Secure Units For Mentally Disordered Offenders. [https://www2.nphs.wales.nhs.uk/VulnerableAdultsDocs.nsf/\(\\$All\)/436C57E37F2904308025727900475EED/\\$File/medium%20secure%20final.pdf?OpenElement](https://www2.nphs.wales.nhs.uk/VulnerableAdultsDocs.nsf/($All)/436C57E37F2904308025727900475EED/$File/medium%20secure%20final.pdf?OpenElement))



GIG
CYMRU
NHS
WALES

Pwyllgor Gwasanaethau Iechyd
Arbenigol Cymru (PGIAC)
Welsh Health Specialised
Services Committee (WHSSC)

Single Commissioner Model

Summary of Engagement Responses from Health Boards

10th January 2023

Responses Received

- 7 Health Boards submitted responses:
 - Cardiff and Vale UHB
 - Aneurin Bevan UHB
 - Hywel Dda UHB
 - Betsi Cadwaladr UHB
 - Swansea Bay UHB
 - Cwm Taf Morgannwg UHB
 - Powys THB

Progress to Date

- Secure Services Review “Making Days Count” published with the recommendation:
 - Welsh Government, WHSSC and Health Boards should consider the benefits of a single national organisation commissioning integrated secure services.
 - Rationale: The commissioning organisational infrastructure in NHS Wales differs from other areas of the UK as NHS Wales low secure hospitals are managed by individual Health Boards and not as part of an integrated pathway with medium and high secure hospitals. This fragmented approach also applies to the commissioning of placements external to NHS Wales, which is split nationally and locally dependent on the level of security. The amalgamation of commissioning responsibilities within a single organisation may remove a significant impediment to the effective use of resources and improve, and possibly expedite, the patient’s journey through secure care.
- The Draft Secure Services Strategy for Mental Health was circulated for stakeholder feedback during May and June of 2022. One of the recommendations of this strategy is “The commissioning of secure care services to be consolidated and commissioned by one organisation for low, medium and high secure care for men and women, to be inclusive of those with a learning disability where secure requirements are relevant and it is appropriate to do so.” This recommendation was supported through stakeholder feedback with the caveat of thorough consideration to ensure local relationships remain.

Progress to Date

- This was approved by Joint Committee on 8th November and distributed to Health Boards for consideration with responses requested by 12th December 2022.
- These responses have been collated in this presentation to be taken back to Joint Committee on 10th January 2023 to inform a recommendation by Joint Committee to Welsh Government.
- Project Establishment – 2023/24 (TBC)
- Implementation April 2024 (TBC)

Options Assessment

	OPTION
A	Status Quo
B	WHSSC to become the Single Commissioner
C	National Collaborative Commissioning Unit (NCCU) to become the Single Commissioner
D	NHS Wales Health Collaborative (NWHC) to become the Single Commissioner
E	A newly formed Secure Services network to become the Single Commissioner
F	One of the seven HBs to become the Single Commissioner

- NCCU Exclusion

- Q: Can you clarify why NCCU have been excluded? We understood they had considerable expertise in the running of the MH Framework.
- A: We agree that NCCU have considerable expertise in this arena and we work with them closely. The reason that the NCCU was excluded was that they do not routinely report into a Joint Committee which is currently the governance arrangement used in Wales for commissioning organisations. We apologise if this sentence caused confusion.

Feedback from Health Boards

Question	BCUHB Response	C&VUHB Response	HUHB Response	ABUHB Response (Response provided in letter format)	Powys THB Response	CTMUHB Response	SBUHB Response
1. Do you support the recommendation that the single commissioning organisation should be WHSSC?	YES	YES	YES	ABUHB have been clear that they are not supportive of the Single Commissioner Model, therefore this question was not specifically answered, but concerns raised that NCCU are not shortlisted for consideration	YES On the basis that NWHC and a Secure Services Network do not possess the necessary governance framework experience or skills to commission NHS service and that the NCCU does not report to the EASC Joint Committee.	YES	YES
2. Do you support another organisation as the single commissioner?	NO	NO Supportive of WHSSC as the Commissioner Clarification needed on the rationale for excluding the NCCU from the options.	NO	Not stated	NO	NO	NO

Feedback from Health Boards

Question	BCUHB Response	C&VUHB Response	HDUHB Response	ABUHB Response (Response provided in letter format)	Powys THB	CTM UHB Response	SBUHB Response
3. What are the particular challenges you see in moving to a single commissioning organisation?	<ul style="list-style-type: none"> Care co-ordination 	<ul style="list-style-type: none"> Moving the interface/ commissioning responsibility to earlier in the pathway where there are currently more patients moving between low secure and locked rehab. Need to be really clear about the criteria for each level and the processes and timescales for handing over responsibility. 	<ul style="list-style-type: none"> Generally supports extending this to include LSU. what would this mean financially and for our own local LSU unit. Its unclear if the proposal would include NHS units or just private sector providers. How gatekeeping assessment and decision making process would work Would HB's retain overarching decision making for their own facilities? It may be difficult to agree consistent criteria for admission that works for all stakeholders The agreement of financial contributions from HBs may be a challenge, complicated by the NHS run provision provided by some HB's. we would want to see indicative finance contributions before confirming fully. 	<ul style="list-style-type: none"> A single commissioner could potentially make services less responsive to local need and be less accountable to the ABUHB population 	<ul style="list-style-type: none"> Ensuring a close working relationship with health board secondary care mental health teams to ensure that the step-up or step down arrangements for low secure do not become a source of friction Not losing the considerable expertise, knowledge and skill of the NCCU on secure mental health matters Ensuring swift appropriate admission and step-down arrangements and collaborative work across the pathway Financial risk sharing agreements not being accurate, or kept up to date or monitored closely enough. Timescales The context of unprecedented clinical and financial pressure. 	<ul style="list-style-type: none"> The benefits in this change would only be maximised with the introduction of 'Provider Collaboratives'. A single commissioner would experience similar difficulties with sourcing the correct pathway across NHS and Independent hospitals based upon their disparate location and ability to meet the acuity of patients. How would a single commissioner be resourced/financed? Disaggregation of resources from those currently commissioning secure services. Delayed access to secure services placing additional risk on non secure services. Less response to local need. The DToC risk would shift from within secure care to transfers between secure and Health Boards non secure care. The volume of patient affected would be significantly higher if Low Secure included – largest patient population in secure care. Increased disputes between Single Commissioner and individual Health Boards. Health Boards reluctance to release capacity in their own secure services for national use. 	<ul style="list-style-type: none"> Agreeing a baseline in activity and finances May add delays in obtaining approval on service developments as decisions will need to go through WHSSC's process instead of local approval/ governance routes Local service needs and strategic direction may be lost and WHSSC will need to put in place mechanisms to ensure this does not happen. Much more detail will need to be forthcoming in the future on the model of service and how it would be managed and implemented across Wales. Disentangling other commissioning arrangements – e.g. through the NCCU may cause some issues in relation to resource and different approaches to commissioning.

Feedback from Health Boards

Question	BCUHB Response	C&VUHB Response	HDUHB Response	ABUHB Response (Response provided in letter format)	Powys THB Response	CTMUHB Response	SBUHB Response
4. What do you think would be the most realistic timescale for this change?	April 2024	April 2025	April 2024	Not answered directly – request for project plan	3 years	3-5 year plan – would need to be matched with a review of the current secure provision to realise benefits.	2 years
5. Are there any other issues which you think should be considered as part of the move towards a single commissioning organisation?	<ul style="list-style-type: none"> Working with national collaborative is essential. Strong, clear communications and feedback mechanisms (regular updates). Engagement opportunities. 	Criteria and processes for step up and step down across commissioning responsibility will be the biggest challenge and it will be really important to ensure stakeholder coproduction and engagement in the development and implementation of these.	<p>1. There are a number of HBs with their own LSU units, will these units be included in this process and how will they be impacted</p> <p>2. Decision making/gatekeeping process for admissions. This needs to be transparent and involve the relevant HB representatives. There should also be an appeals process if the HB disagree with the decision</p> <p>3. Consideration of where people are placed. Currently the HB have no say on which MSU people are placed, this should not be the case and HBs should have some involvement in the decision making where possible.</p> <p>4. Monitoring and Review- Clear guidelines around the role and responsibility of each body.</p> <p>5. Financial contributions. Indicative contributions needs to be drafted for consideration before any final decision can be made to progress.</p>	<ul style="list-style-type: none"> Assurance is sought that a move to a single commissioner arrangement would continue to promote care closer to home as a fundamental principle. The care pathway for individuals in secure care needs to be considered holistically to ensure that step down and community services are able to support individuals appropriately. There are concerns that a single national commissioner will not be receptive and flexible to local needs and services. Assurance is needed that the process for accessing secure beds via a single commissioner is seamless and will not result in care pathway delays from acute admission wards. There are concerns about the impact a single commissioner arrangement will have on the ability for Health Boards to develop their own secure services. There is a high level skills and knowledge base within the Health Board related to secure services commissioning that will be lost with the transfer to a single commissioner arrangement. 	The benefits (or not) of a single commissioner should be considered in the context of changes in England arising from the Health and Care Act there. It is important that there is appropriate engagement and an opportunity to influence potential significant service change affecting patients from Wales also.	Current capacity and development of NHS services or Provider Collaboratives.	<ul style="list-style-type: none"> Future centralisation for the commissioning of secure services within Wales will need to explore not just the inpatient provision but the pathways out of inpatient settings and the forensic community services across Wales. The aim should be to care for patients as far down the pathway as possible, and there may therefore be a need to move resources around the system to enable this. Only focussing on the specialist element will mean that the totality of the pathway will be missed.

Summary of responses

- 6 out of 7 HBs are supportive of WHSSC being the organisation to commission the service with the other HB not supporting the single commissioner model
- 6 out of 7 HBs did not support a different commissioning organisation and therefore supported WHSSC to commission the service, however 2 of these did query NCCU not being shortlisted within the options assessment.
- Key challenges outlined included processes and procedures, clarity on responsibilities of organisations, decision making and accountability, assurance of relationships with local services and ensuring retention of expertise, consideration of a “provider collaborative” approach, and financial contributions
- 3 organisations agreed a start date of April 2024, 2 organisations agreed April 2025 (2 years), 1 organisation agreed 3 years, 1 organisation agreed 3-5 years, and 1 organisation requested a detailed project plan outlining timescales.
- Issues to be considered were overwhelmingly concerning communication and engagement ensuring a collaborative approach; the effect on HBs with their own LSU units; decision making, gatekeeping and HB involvement in these; consideration of the pathway in its entirety; the effects of NHSE Provider Collaboratives and the Health and Care Act; and assurance of retaining care closer to home.



Report Title	Audit Wales WHSSC Committee Governance Arrangements – Update		Agenda Item	2.2
Meeting Title	Joint Committee		Meeting Date	10/01/2023
FOI Status	Public			
Author (Job title)	Committee Secretary & Head of Corporate Services			
Executive Lead (Job title)	Committee Secretary & Head of Corporate Services			
Purpose of the Report	The purpose of this report is to provide an update on progress against the recommendations outlined in the Audit Wales WHSSC Committee Governance Arrangements report.			
Specific Action Required	RATIFY <input type="checkbox"/>	APPROVE <input type="checkbox"/>	SUPPORT <input type="checkbox"/>	ASSURE <input checked="" type="checkbox"/>
	INFORM <input checked="" type="checkbox"/>			

Recommendation(s)

Members are asked to:

- **Note** the report,
- **Note** the progress made against WHSSC management responses to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report,
- **Note** the progress made against the Welsh Government responses to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report,
- **Note** that a further update on progress will be brought to the May 2023 Joint Committee meeting, thereafter an update will be submitted to Audit Wales and to HB Audit Committees for assurance in June/July 2023.

AUDIT WALES WHSSC COMMITTEE GOVERNANCE ARRANGEMENTS – UPDATE

1.0 SITUATION

The purpose of this report is to provide an update on progress against the recommendations outlined in the Audit Wales WHSSC Committee Governance Arrangements report.

2.0 BACKGROUND

In 2015, the Good Governance Institute (GGI) and Healthcare Inspectorate Wales (HIW) undertook two separate governance reviews for WHSSC which highlighted issues with WHSSC's governance arrangements. The GGI highlighted concerns relating to decision making and conflicts of interest, and identified the need to improve senior level clinical input as well as the need to create a more independent organisation that is free to make strong and sometimes unpopular (to some) decisions in the best interest of the people of Wales. HIW) conducted a review of clinical governance and found that WHSSC was beginning to strengthen its clinical governance arrangements but needed to strengthen its approach for monitoring service quality and also improve clinical engagement.

Since then, considering the increasing service and financial pressures, and the potentially changing landscape of national collaborative commissioning and NHS Executive as set out in Welsh Government's "A Healthier Wales", the Auditor General for Wales felt it was timely to undertake a review WHSSC's governance arrangements.

The Audit Wales review into Committee Governance arrangements at WHSSC was undertaken between March and June 2020, however as a result of the COVID-19 pandemic, aspects of the review were paused, and re-commenced in July. A survey was issued to all Health Boards and the fieldwork was concluded in October 2020.

The scope of the work included interviews with officers and independent members at WHSSC, observations from attending Joint Committee and sub-committee meetings, feedback from questionnaires issued to Health Board Chief Executive and Chairs and a review of corporate documents.

The findings were published in May 2021 in the [Audit Wales Committee Governance Arrangements at WHSSC](#) report.

The report outlined 4 recommendations for WHSSC and the 3 recommendations for Welsh Government.

Progress is monitored by the CTMUHB Audit & Risk Committee (ARC) and the Integrated Governance Committee (IGC) on behalf of the Joint Committee. The

Joint Committee last received an update on the 18 January 2022, and the purpose of this report is provide an update on progress.

3.0 ASSESSMENT

3.1 WHSSC Management Response

The report outlined 4 recommendations for WHSSC and progress against the actions outlined within the management response have been monitored through the Integrated Governance Committee (IGC) and the CTMUHB Audit & Risk Committee (ARC).

The updated tracker document is presented at **Appendix 1** for assurance.

The majority of actions have been completed and there are only three areas of partial compliance on the following actions:

R3 In the short to medium term, the impact of COVID-19 presents a number of challenges. WHSSC should undertake a review and report analysis on: <ul style="list-style-type: none"> a. the backlog of waits for specialised services, b. potential impact and cost of managing hidden demand; and c. the financial consequences of services that were commissioned and under-delivered as a result of COVID-19 		
Audit Wales Recommendation		Progress update
R3b	In the short to medium term, the impact of COVID-19 presents a number of challenges. WHSSC should undertake a review and report analysis on backlog of waits and the impact of managing hidden demand and financial consequences	WHSSC have begun the process to advertise for an Associate Medical Director for Public Health via NHS jobs. Delays have been encountered with the process for advertising a clinical role and an agenda for change role in tandem and it is hoped the advert will go live in December 2023.
Audit Wales Recommendation		Progress update
R4 The current specialised services strategy was approved in 2012. WHSSC should develop and approve a new strategy during 2021		
R4a	Embrace New Innovations	On the 6 September 2022, the Joint Committee approved the overall approach to developing a ten year strategy for specialised services and provided feedback on the engagement and communications plan, themes and the stakeholder survey. The engagement process was undertaken between 20 September and 22 December 2022 with the aim of a draft strategy being presented to the

		Management Group in early 2023 prior to final approval by the Joint Committee in May 2023.
Audit Wales Recommendation		Progress update
R4b	Approach to Review of Services will be considered in strategy engagement	On the 6 September 2022, the Joint Committee approved the overall approach to developing a ten year strategy for specialised services and provided feedback on the engagement and communications plan, themes and the stakeholder survey. The engagement process was undertaken between 20 September and 22 December 2022 with the aim of a draft strategy being presented to the Management Group in early 2023 prior to final approval by the Joint Committee in May 2023.

3.2 Welsh Government Management Response

The report outlined three recommendations for Welsh Government (WG) and progress against the WG management responses is monitored through discussions between the Chair, the WHSSC Managing Director and the Director General Health & Social Services/ NHS Wales Chief Executive.

The updated tracker document is presented at **Appendix 1** for assurance.

Recommendation 5 has been completed, and Recommendations 6 & 7 are categorised as partially completed. An update on progress is outlined below:

R6 Sub-regional and regional programme management	
This is linked to Recommendation 2 made to WHSSC in this report. When new regional or sub-regional specialised services are planned which are not the sole responsibility of WHSSC, ensure that effective multi- partner programme management arrangements are in place from concept through to completion (i.e. early in the development through to post-implementation benefits analysis).	
Letter from Dr Andrew Goodall to Adrian Crompton, 2 June 2021 stated: As you have highlighted, whilst some key service areas like major trauma have been developed successfully and with good collaboration across organisations, the timelines around such changes have been slow and often	<u>WG update received 27 September 2022</u> WHSSC received an update from WG advising that Audit Wales had written to the Director General Health and Social Services/ NHS Wales Chief Executive Health and Social Services Group to express the view that, at this stage, it was

<p>hampered by a lack of clarity on who is driving the process. I agree with your view that end-to-end programme management of such schemes, which are not within the sole remit of WHSSC, should be strengthened. The National Clinical Framework which we published on 22 March, sets out a vision for a health system that is co-ordinated centrally and delivered locally or through regional collaborations. Implementation will be taken forward through NHS planning and quality improvement approaches and our accountability arrangements with NHS bodies.</p>	<p>premature to consider the recommendations as closed and that they would like to keep them open and receive an update from WG in six months' time. WG have confirmed they are content to accept the suggestion and that WG will provide an update to Audit Wales in six months' time with a view, to closing the recommendations at that point.</p> <p>An update will be given to the Joint Committee on the 17 January 2023 and the final report will be presented in May 2023.</p>
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R7 Future governance and accountability arrangements for specialised services

A Healthier Wales included a commitment to review the WHSSC arrangements along with other national hosted and specialist advisory functions. COVID-19 has contributed to delays in taking forward that action. It is recommended that the Welsh Government set a revised timescale for the action and use the findings of this report to inform any further work looking at governance and accountability arrangements for commissioning specialised services as part of a wider consolidation of current national activity.

Letter from Dr Andrew Goodall to Adrian Crompton, 2 June 2021 stated:

A Healthier Wales committed to reviewing the WHSSC arrangements alongside other hosted national and specialised functions, in the context of the development of the NHS Executive function. The position of WHSSC within this landscape needs to be carefully considered. On the one hand, there are strengths in the current system whereby health boards, through the joint committee, retain overall responsibility for the commissioning of specialised services. This requires collaboration and mature discussion from both the commissioner and provider standpoint. However, I recognise the inherent risk of conflict of interest in this arrangement and note

WG update received 27 September 2022

WHSSC received an update from WG advising that Audit Wales had written to the Director General Health and Social Services/ NHS Wales Chief Executive Health and Social Services Group to express the view that, at this stage, it was premature to consider the recommendations as closed and that they would like to keep them open and receive an update from WG in six months' time. WG have confirmed they are content to accept the suggestion and that WG will provide an update to Audit Wales in six months' time with a view, to closing the recommendations at that point.

<p>the reference made in your report to the Good Governance Institute's report of 2015 which suggested a more national model may be appropriate.</p> <p>In my letter to health boards of 14 August 2019, I indicated that, as recommended by the Parliamentary Review, the governance and hosting arrangements for the existing Joint Committees would be streamlined and standardised. I also said that it was intended the NHS Executive would be become a member of the Joint Committees' Boards in order to ensure there is a stronger national focus to decision making. However, the thinking at the time was that the joint committee functions would not be subsumed into the NHS Executive function. We will continue to look at this as the NHS Executive function develops further and I will update you should there be any change to the direction of travel I indicated in 2019.</p>	<p>An update will be given to the Joint Committee on the 17 January 2023 and the final report will be presented in May 2023.</p>
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On the 22 August 2022 WHSSC were advised that the Director General Health and Social Services/NHS Wales Chief Executive Health and Social Services Group had written to Mark Isherwood, Chair of the PAPAC regarding recommendations 6 and 7 of the Audit Wales report into WHSSC Governance arrangements.

In relation to recommendation 7, the letter stated "that a review of the WHSSC arrangements along with other national hosted and specialist advisory functions should be undertaken. WG are in the process of setting up new piece of work to review the national commissioning arrangements in NHS Wales. The scope of this work and a timetable were currently being considered. However, we will be sure to take account of the recommendations as part of the rationale behind the work".

Having described the work that was now in progress, it was suggested that the recommendations from the Audit Wales report were completed. The letter was copied to Mr Adrian Crompton, the Auditor General for Wales for assurance. Discussion with WG on the 31 August 2022 confirmed that the recommendations could be categorised as completed.

Since then on the 27 September 2022 WHSSC received a further update from WG advising that Audit Wales had written to the Director General Health and

Social Services/ NHS Wales Chief Executive Health and Social Services Group to express the view that, at this stage, it was premature to consider the recommendations as closed and that they would like to keep them open and receive an update from WG in six months' time.

4.0 GOVERNANCE AND RISK

Audit Wales undertake an annual programme of independent external audits on NHS services, and NHS bodies are required to present a formal management response to the recommendations through a public report.

Audit Wales have confirmed they are content for the Joint Committee to receive an update on progress in January 2023 and that a further update will be given in May 2023. Thereafter an update will be submitted to Audit Wales and to HB Audit Committees for assurance in June/July 2023. This will ensure that all NHS bodies are able to maintain a line of sight on the progress being made, noting WHSSC's status as a Joint Committee of each HB in Wales.

5.0 RECOMMENDATIONS

Members are asked to:

- **Note** the report,
- **Note** the progress made against WHSSC management responses to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report,
- **Note** the progress made against the Welsh Government responses to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report,
- **Note** that a further update on progress will be brought to the May 2023 Joint Committee meeting, thereafter an update will be submitted to Audit Wales and to HB Audit Committees for assurance in June/July 2023.

Governance and Assurance	
Link to Strategic Objectives	
Link to Integrated Commissioning Plan	-
Health and Care Standards	Governance, Leadership and Accountability Safe Care Effective Care
Principles of Prudent Healthcare	Only do what is needed Reduce Inappropriate Variation
Institute for HealthCare Improvement Quadruple Aim	Improving Patient Experience (including quality and Satisfaction)
Organisational Implications	
Quality, Safety & Patient Experience	There are no direct impacts arising from this report. A strong governance framework as assessed by Internal Audit reports is essential to ensuring patients experience the greatest possible levels of safety and quality in the services commissioned by WHSSC. Informed decisions are more likely to impact favourably on the quality, safety and experience of patients and staff
Finance/Resource Implications	There are no direct impacts arising from this report.
Population Health	Ensuring a robust governance framework as documented and supported by Internal Audit will have a positive impact on the commissioning of specialised services.
Legal Implications (including equality & diversity, socio economic duty etc)	There may be an adverse effect on the organisation if arrangements are not put in place to ensure robust and detailed governance arrangements as determined through internal audit assessments.
Long Term Implications (incl WCFG Act 2015)	Ensuring a robust governance framework as documented and supported by Internal Audit will have a positive impact on the commissioning of specialised services.
Report History (Meeting/Date/ Summary of Outcome)	CDGB – 30 December 2022 CTMUHB Audit & Risk Committee: <ul style="list-style-type: none"> • 12 December 2022 • 24 October 2022 • 22 August 2022 • 23 June 2022 • 28 April 2022 • 24 February 2022 Integrated Governance Committee (IGC)

	<ul style="list-style-type: none"> 11 October 2022
Appendices	Appendix 1 - Update on the Audit Wales report on WHSSC Committee Governance Arrangements.

Recommendations from the Audit Wales Report Welsh Health Specialised Services Committee Governance Arrangements

Audit Tracker– Update **December 2022**

In May 2021, Audit Wales published the “Welsh Health Specialised Services Committee Governance Arrangements”¹ which found that the governance, management and planning arrangements at WHSSC have improved, however the impact of COVID-19 will require a clear strategy to recover key services and that the Welsh Government’s long-term model for health and social care ‘A Healthier Wales’, and the references made to WHSSC should be re-visited.

Audit Wales made a number of recommendations for both WHSSC and Welsh Government and the management response was presented to the Joint Committee on the 13 July 2021. Progress against actions to address the recommendations will be monitored through the Integrated Governance Committee (IGC).

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
Quality governance and management				
R1 Increase the focus on quality at the Joint Committee. This should ensure effective focus and discussion on the pace of improvement for those services in escalation and driving quality and outcome improvements for patients.				
a) We will include in our routine reports to Joint Committee (JC) on quality, performance and finance a section highlighting key areas of concern to promote effective focus and discussion.	Sept 2021	Director of Finance Director of Nursing & Quality Director of Planning	As a consequence of the COVID-19 pandemic the routine reports on activity, quality and financial performance presented to each Joint Committee (JC) meeting have evolved to include additional detailed analysis of the position and any key points to promote effective focus and discussion. For 2021 the position is very stable with an improving underspend position.	Completed

¹ [Welsh Health Specialised Services Committee Governance Arrangements \(audit.wales\)](https://audit.wales/Welsh-Health-Specialised-Services-Committee-Governance-Arrangements)



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>In addition, to ensure effective governance we have reviewed the structure of the committee report template for routine reports (including for quality, performance and finance) and have updated it to include a section on governance, quality and risk which specifically captures key areas of concern to promote effective focus and discussion. This ensures effective focus and discussion on the pace of improvement for those services in escalation and driving quality and outcome improvements for patients. This will be used from January 2022 onwards.</p> <p>The new template was considered by the Corporate Directors Group Board (CDGB) in September and in November 2021, and was considered by the Integrated Governance Committee (IGC) on the 12 October and will be approved by them on the 13 December 2021.</p> <p>The JC received a detailed presentation on "Recovery" at its meeting on the 7 September 2021 which focussed on quality, performance and finance and which highlighted key areas of risk and</p>	

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			concern. The presentation was also given to the Management Group (MG) sub committee on the 23 September 2021 for assurance.	
b) We will develop a revised suite of routine reports for JC that will include elements of the activity reporting, that we introduced during the pandemic, and will take into account the quality and outcome reporting that is currently being developed by Welsh Government (WG).	Mar 2022	Director of Finance Director of Nursing & Quality Director of Planning	As a consequence of the COVID-19 pandemic the routine reports on activity, quality and financial performance presented to each JC were reset to include more explicit, measurable intentions to measure achievement against. This includes detailed analysis of the position and any key points to promote effective focus and discussion. Detailed activity performance reports are prepared on a monthly basis and provide qualitative information and quantitative data to the JC and MG. The reports detail delivery by provider and specialty against historic performance and waiting times. Prospectively activity reports will also include performance compared to provider agreed recovery plans and waiting list profiles. A presentation dashboard format of the waiting times position has been agreed and details variation from agreed activity delivery, referral rates and overall waiting lists whenever possible.	Completed

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>The activity dashboard will evolve and align to the quality and outcome reporting that is currently being developed by Welsh Government (WG).</p> <p>The WHSSC Commissioning Assurance Framework (CAF) was considered by the JC in May 2021 and approved in <u>September 2021</u>. Assurance against the CAF is achieved through service specifications, Service Level Agreement (SLA) and performance monitoring through the Quality and Patient Safety Committee (QPS) and the Integrated Governance Committee (IGC).</p>	
c) We will encourage members of the JC to engage in consideration and discussion of key areas of concern that are highlighted.	Sept 2021	Chair of WHSSC	<p>The Joint Committee received a detailed presentation on "Recovery" at its meeting on the 7 September 2021 which focussed on quality, performance and finance and which highlighted key areas of risk and concern.</p> <p>The Recovery presentation encouraged wide-ranging discussion and it was agreed that structured highlight reports will be presented to the JC from November 2021 onwards.</p> <p>Following on from the recovery discussion WHSSC have requested further detailed plans from providers as</p>	Completed

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>additional detail was required from Health Board's (HBs) in some areas.</p> <p>As part of WHSSC's commitment to improving the effectiveness and efficiency of the Joint Committee and WHSSC we have embarked on a development programme, which included the JC participating in an equity workshop in May 2021, and there are plans for further development sessions to review the Integrated Commissioning Plan (ICP) and to revisit equity going forward.</p>	
d) We will include routinely at JC an invitation for an oral report to be delivered by, or on behalf of, the Chair of the WHSSC Quality & Patient Safety Committee (Q&PSC) based on the written report from the Chair of Q&PSC.	Sep 2021	Chair of WHSSC/ Committee Secretary	<p>Each JC meeting receives a Chairs assurance report from each of the sub-committees which provides an update on the business discussions of each sub-committee meeting. Each relevant chair is asked to present the Chairs report and to outline any salient points during the JC meeting.</p> <p>The Chair of WHSSC invites the Chair of the Quality & Patient Safety Committee (QPSC)/and or the Director of Nursing and Quality as Executive lead to provide a verbal update based on the written report at each JC meeting.</p>	Completed

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
Programme Management				
R2 Implement clear programme management arrangements for the introduction of new commissioned services. This should include clear and explicit milestones which are set from concept through to completion (i.e. early in the development through to post implementation benefits analysis). Progress reporting against those milestones should then form part of reporting into the Joint Committee.				
a) Building Programme Management competency/capacity A number of new staff have recently joined WHSSC in senior positions in the planning team who bring with them strong programme and project management skills. There are 'lunch and learn' sessions planned to share this approach, and the use of common templates is embedding, it is anticipated that this approach will grow programme management competency and capacity within the organisation. The approach is already starting to embed in the way the planning team operates, with programme management approaches already applied to the two strategic pieces committed to through the 2021 ICP (namely paediatrics and mental health) and to the management of the CIAG prioritisation process. Common templates apply to highlight and exception reporting, risk logs and timelines/milestones.	Nov 2021	Director of Planning	We have built programme management capacity and competency and implemented programme management arrangements for the introduction of new commissioned services including: <ul style="list-style-type: none"> undertaking a recruitment exercise to appoint 3 dedicated Project Manager roles (2 generic PM roles and one to specifically support Traumatic Stress Wales (TSW)), The posts work as part of the PMO hosted within the planning directorate to share learning, skill and competencies, as well as integrating a project management approach across WHSSC, the PM roles will review our existing programme management methodology, and introduce new specific templates for project initiation, project highlight reports, risk assessments and project closure reports, 	Completed



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<ul style="list-style-type: none">develop a project management training package,provide project highlight updates to JC. <p>Programme Management arrangements are now in place for all new programmes of strategic work (e.g. Paediatrics and Mental Health).</p>	
b) Programme management on WHSSC commissioned services. Programme arrangements have previously been used for strategic service reviews and the development of the PET (positron Emission Therapy) business case. We will further develop this approach as outlined above, i.e. through a common approach to programme management across the organisation and to and the use of common templates. These will become the basis of reporting through programme structures and as necessary to Joint Committee.	Nov 2021	Director of Planning	We have built programme management capacity and competency and implemented programme management arrangements for the introduction of new commissioned services including: <ul style="list-style-type: none">the programme management arrangements for the All Wales Positron Emission Tomography (PET) Programme demonstrate how WHSSC has developed and strengthened its approach to programme management and the Programme Business Case (PBC) for the project was approved by HBs and endorsed by Welsh Government (WG) Ministers on the 25 August 2021. The All Wales PET Programme Board will utilise its governance structure and reporting arrangements to provide ongoing assurance on	Completed



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>progress and it is proposed that it reports into the JC going forward,</p> <ul style="list-style-type: none">• we have appointed 3 dedicated Project Manager roles. The posts work as part of the PMO hosted within the planning Directorate to share learning, skill and competencies, as well as integrating a project management approach across WHSSC,• the PM roles will review our existing programme management methodology, and introducing specific templates for project initiation, project highlight reports, risk assessments and project closure reports,• developing a project management training package,• providing project highlight updates to JC. <p>With increased project and programme management capacity and competency, this structured approach will be adopted consistently for all future major projects.</p>	

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
c) HB Commissioned Services – when services are not the sole responsibility of WHSSC, and where the senior responsible officer is outside of WHSSC, we will contribute to the programme arrangements, offering clarity about the role of WHSSC and the scope of the responsibilities it has within the programme. We will seek to deliver against any key milestones set, and report progress, risk and exception accordingly.	Oct 2021	Director of Planning	<p>We have built programme management capacity and competency and implemented programme management arrangements for the introduction of projects for new commissioned services. Each project has its own specific terms of reference outlining the purpose and scope of the project, and including the membership and roles and responsibilities.</p> <p>Where services are not the sole responsibility of WHSSC we ensure that the membership includes representatives from HBs, professional groups etc and that the project plan includes measurable milestones with regular reports on progress being presented to the reporting sponsor, for example the JC.</p>	Completed

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
Recovery Planning				
R3 In the short to medium term, the impact of COVID-19 presents a number of challenges. WHSSC should undertake a review and report analysis on: <ul style="list-style-type: none"> a. the backlog of waits for specialised services, how these will be managed whilst reducing patient harm. b. potential impact and cost of managing hidden demand. That being patients that did not present to primary or secondary care during the pandemic, with conditions potentially worsening. c. the financial consequences of services that were commissioned and under-delivered as a result of COVID-19, including the under-delivery of services commissioned from England. This should be used to inform contract negotiation. 				
a) Managing backlog of waits whilst reducing harm <ul style="list-style-type: none"> i. Introduction of real-time monitoring and reporting of waiting times to Management Group and Joint Committee ii. Review of recovery plans with Welsh provider Health Boards, iii. Regular Reset and Recovery meetings with services to monitor performance against plans. Significant variance from plans will be managed through the WHSSC escalation process iv. Introduction of the WHSSC Commissioner Assurance Framework (CAF), v. Workshop with Joint Committee members on how to deliver 'equity' in specialised services. Report shared with HBs and WG. 	<p>Sep 2021</p> <p>Jul 2021</p> <p>From Apr 2021</p> <p>In Place</p>	<p>Director of Finance</p> <p>Director of Nursing & Quality</p> <p>Director of Planning</p>	<ul style="list-style-type: none"> i. Real time monthly monitoring and reporting of waiting times are presented to the MG on a monthly basis and to each JC meeting through regular performance reports, which include trend analysis and information on comparisons to support effective performance management, ii. WHSSC have discussed recovery plans with Welsh providers through Service Level Agreement (SLA) meetings and received recovery positions from each of the Welsh providers of tertiary services. There was an initial delay in receiving the recovery plans, and some detail is still awaited, iii. WHSSC hold regular Reset and Recovery meetings with services 	Completed



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>to monitor performance against plans. A joint Executive to Executive meeting has been agreed between WHSSC, CVUHB, SBUHB and BCUHB, in order to discuss the welsh position across the plans and where necessary identify alternate pathways or welsh patients. Any Significant variance from plans will be managed through the WHSSC escalation process, discussed with the relevant provider and reported to the QPS Committee and the JC,</p> <p>iv. The final Commissioning Assurance Framework (CAF) was formally approved by the JC on the 7 September 2021 and is supported by a Performance Assurance Framework, Risk Management Strategy, Escalation Process and a Patient Engagement & Experience Framework,</p> <p>v. Following on from a discussion at JC in February 2021, as part of WHSSC's commitment to improving the effectiveness and efficiency of the Joint Committee and WHSSC we have embarked</p>	

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			on a development programme, which included the JC participating in an equity workshop in May 2021. The findings of the workshop were shared with HBs and Welsh Government.	
b) Potential impact and cost of managing hidden demand. i. Introduction of demand monitoring compared to historical levels for high volume specialties, findings to be reported to the WG Planned Care Board and HBs to inform non- WHSSC commissioned pathway development. ii. Appointment of an Associate Medical Director for Public Health to work with Health Board Directors of Public Health to assess impact.	In place Q3/Q4 2021-22 Dec 2023	Director of Finance Director of Nursing & Quality Director of Planning Medical Director	i. The introduction of demand monitoring comparing historical levels for high volume specialties is routinely undertaken and the findings are reported to the WG Planned Care Board and HBs to inform non- WHSSC commissioned pathway Development. Demand monitoring continuously features as part of the ICP process, board presentations to HBs and through strategic reviews highlighting variations in access using data systems, ii. On 2 September 2022 WHSSC have begun the process to advertise for an Associate Medical Director for Public Health via NHS jobs. Delays have been encountered with the process for advertising a clinical role and an agenda for change role in tandem and it is hoped the	Partially Completed

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			advert will go live in December 2023.	
c) Financial consequences of services that were commissioned and under-delivered as a result of COVID-19 i. This information is already captured through our contract monitoring process and compared against the national block contract framework implemented to maintain income stability through COVID-19. This will inform future planned baselines and contract negotiation, where the negotiation is within our control. WHSSC is working with contracted providers across Wales and England to establish their specialised recovery trajectories and where appropriate will secure recovery funding from WG to direct to providers for recovery performance if above established contracted baseline levels.	In Place	Director of Finance	Information pertaining to the financial consequences of services that were commissioned and under delivered as a consequence of COVID-19 are monitored through block contracts which remain in place during 2021-22 with the position reviewed for 2022-23. The planned position for 2022-23 will be return to cost and volume contracting to ensure full incentives to deliver commissioned volumes. WHSSC are fully participating in the English recovery incentive process with additional funding secured from Welsh Government.	Completed
d) Reporting Analysis We will review and analyse the business intelligence gathered from the actions outlined in points a, b and c above and use the real-time and historical data to inform our decision making on managing existing, and developing new specialised commissioned services. We will report our analysis and outcomes to	Sept 2021	Director of Finance Director of Nursing & Quality Director of Planning	We have reviewed and analysed the business intelligence gathered from real-time monitoring and reporting of waiting times, demand monitoring compared to historical levels for high volume specialties and contract monitoring and developed a full information	Completed

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
the Joint Committee, Welsh Government and the Management Group as appropriate.			reporting system which provides monthly updates on delivery against historic activity levels, delivery against recovery plans, referral levels against plan and waiting list positions. We report our analysis and outcomes to the JC, Welsh Government and the MG as appropriate.	
Specialised Services Strategy				
R4 The current specialised services strategy was approved in 2012. WHSSC should develop and approve a new strategy during 2021. This should: <ul style="list-style-type: none"> a. embrace new therapeutic and technological innovations, drive value, consider best practice commissioning models in place elsewhere, and drive a short, medium, and long-term approach for post pandemic recovery. b. be informed by a review of the extent of the wider services already commissioned by WHSSC, by developing a value-based service assessment to better inform commissioning intent and options for driving value and where necessary decommissioning. The review should assess services: <ul style="list-style-type: none"> • which do not demonstrate clinical efficacy or patient outcome (stop); • which should no longer be considered specialised and therefore could transfer to become core services of health boards (transfer); • where alternative interventions provide better outcome for the investment (change); currently commissioned, which should continue. 				
a. Embrace New Innovations i. We will continue to utilise our well-established horizon scanning process to identify new therapeutic and technological innovations, drive value and benchmark	Jul 2021	Managing Director Director of Finance	i. The dual processes of horizon scanning and prioritisation is firmly embedded in WHSSC's commissioning practice and has been applied successfully since	Partially Completed

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
<p>services against other commissioning models to support , short, medium, and long-term approach for post pandemic recovery,</p> <p>ii. We will continue to develop our relationship with NICE, AWMMSG and HTW in relation to the evaluation of new drugs and interventions,</p> <p>iii. We will engage with developments for digital and Artificial intelligence (AI),</p> <p>iv. We will continue our regular dialogue and knowledge sharing with the four nations' specialised services commissioners,</p> <p>v. We will continue to build upon our existing relationships with the Royal Colleges,</p> <p>vi. We will continue to develop our work on value-based commissioning,</p> <p>vii. We will develop a communication and engagement plan to support and inform the strategy.</p> <p>viii. As previously agreed with Joint Committee a stakeholder engagement exercise will be undertaken to gain insight on long-term ambitions and to inform how we shape and design our services for the future. This will inform the Specialised Services Strategy and the supporting the 3 year integrated commissioning plan.</p>	<p>Q3 2021- 22</p> <p>In Place</p> <p>Dec 2021</p> <p>Dec 2021</p>	<p>Director of Nursing & Quality</p> <p>Director of Planning</p>	<p>2016. The process helps ensure the NHS in Wales effectively commissions' new and innovative treatments that are both clinically and cost effective, and are made available in a timely manner. Horizon scanning identifies new interventions which may be suitable for funding, and prioritisation allows them to be ranked according to a set of pre-determined criteria, including clinical and cost effectiveness. This information when combined with information around demands from existing services and interventions will underpin and feed into the development of the WHSSC Integrated Commissioning Plan (ICP). A horizon scanning exercise was undertaken by the Medical Directorate between January and May 2021, which informed the new Interventions Prioritisation Panel on the 20 July 2021, and the Clinical Impact Advisory Group (CIAG) prioritisation day on the 3 August 2021,</p> <p>ii. WHSSC continues to develop its relationships including:</p> <p>a. Three members of the WHSS team are current members of</p>	



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>NICE appraisal committees (AC – TA committee A; ID – TA committee D; SD – HST committee). AC is also Chair of the NICE Welsh Health Network,</p> <p>b. WHSSC has a built a strong working relationship with HTW. A MoU was signed in 2018 (currently being updated) and WHSSC is represented on their Assessment Group, Appraisal Group and Stakeholder Forum. A joint proposal to support all Wales policy development of HTW guidance was supported by MG in June and the HTW Executive Board in July 2021. Funding for two posts (Project Manager and Admin) to support this work is now being sought from WG</p> <p>c. WHSSC also has a close working relationship with AWMSG, focused mainly on medicines management and horizon scanning. A MoU is now being developed between WHSSC and AWMSG to</p>	



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>formalise these links and to share knowledge and expertise. The appointment of a WHSSC Medicines Management Pharmacist (due to start January 2022) will further strengthen this partnership.</p> <p>iii. We continue to engage with developments for digital and Artificial intelligence (AI)</p> <p>iv. We continue to attend the four nations' specialised services commissioners meetings,</p> <p>v. We continue to build upon our existing relationships with the Royal Colleges,</p> <p>vi. We continue to develop our work on value-based commissioning,</p> <p>vii. We have developed a communication and engagement plan to support and inform the strategy which will be presented to the CDGB in January 2022,</p> <p>viii. It was previously agreed with Joint Committee that a stakeholder engagement exercise would be undertaken in December 2021/January 2022 to gain insight on long term ambitions and to inform how we shape and design our</p>	



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
	Sept 2022 March 2023		<p>services for the future. This would inform the Specialised Services Strategy which would be presented to the JC in January/March 2022. The timetable for this is however being revised in response to the system pressures related to the current wave of the pandemic and the letter from Judith Paget CEO of NHS Wales regarding use of the Options Framework and the necessity to step down non-essential activities.</p> <p>ix. A Project Manager (PM) has been employed on an interim basis to lead the work required to develop and agree the specialised services strategy. On the 6 September 2022 the Joint Committee approved the overall approach to developing a ten year strategy for specialised services and provided feedback on the engagement and communications plan, themes and the stakeholder survey. The engagement process was undertaken between 20 September and 22 December 2022 with the aim of a draft strategy being presented to the Management Group in early</p>	

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			2023 prior to final approval by the Joint Committee in May 2023.	
b. Approach to Review of Services will be considered in strategy engagement i. The draft strategy will consider our approach to the review of the existing portfolio of commissioned services and undertake a value based services assessment to assess if existing services are still categorised as specialised, ii. We will continue to undertake our annual prioritisation panel with HB's to assess new specialised services that could be commissioned, iii. We will continue to undertake a process of continuous horizon scanning to identify potential new and emerging services and drugs, and to focus on existing and new hyper-specialised services, iv. WHSSC will investigate opportunities for strengthening its information function through internal re-organisation and investment. This will include the development of an outcome manager post to support both the WHSSC strategic approach to outcome measurement as well as a feasibility analysis of currently	Sept 2021 March 2022 Sept 2022 March 2023	Director of Finance Director of Nursing & Quality Director of Planning	The draft new specialised services strategy: It was previously agreed with Joint Committee a stakeholder engagement exercise would be undertaken in December 2021/January 2022 to gain insight on long term ambitions and to inform how we shape and design our services for the future. This would inform the Specialised Services Strategy which would be presented to the JC in January/March 2022. The timetable for this is however being revised in response to the system pressures related to the current wave of the pandemic and the letter from Judith Paget, CEO of NHS Wales regarding use of the Options Framework and the necessity to step down non-essential activities. A Project Manager (PM) has been employed on an interim basis to lead the work required to develop and agree the specialised services strategy. On the 6 September 2022 the Joint Committee approved the overall	Partially Completed



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
available tools. We will pursue our planned investment to utilise the SAIL database with a view to assessing the population impact of services in a number of pilot areas. As previously agreed with the Joint Committee a stakeholder engagement exercise will be undertaken to gain insight from our stakeholders on long term ambitions and to inform how we shape and design our services for the future. This will inform transferring commissioned services into and out of the WHSSC portfolio to meet stakeholder and patient demand.			<p>approach to developing a ten year strategy for specialised services and provided feedback on the engagement and communications plan, themes and the stakeholder survey. The engagement process was undertaken between 20 September and 22 December 2022 with the aim of a draft strategy being presented to the Management Group in early 2023 prior to final approval by the Joint Committee in May 2023.</p> <p>i. On the 28 September 2021 the WHSSC executive team met with Improvement Cymru (IC) to discuss and explore potential options for them to support WHSSC in developing its new specialist services strategy and WHSSC agreed to hold a Quality Improvement workshop facilitated by IC in January 2022 and to develop improvement and audit days with nursing teams with a view to undertaking our own internal competency assessment to drive improvement, and considered predictive modelling for interventions, and international collaborative networks,</p>	



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>ii. WHSSC are required to agree annually those services that should be planned on a national basis and those that should be planned locally (section 1.1.4 WHSSC SO's), to support this, following a discussion at the JC 7 September 2021 a workshop was held with the MG on the 25 November 2021 to evaluate the commissioning of services. MG members were requested to submit expressions of interest to evaluate specific commissioned services in order to evaluate the merits of the service being commissioned locally at HB level or through WHSSC.</p> <p>iii. A recovery workshop was held with the MG on the 16 December 2021 to discuss recovery Planning and Quality and Outcome Improvement for Patients. A second recovery workshop was held with the Joint Committee on the 12 July 2022 at their request to discuss HB recovery plans and trajectories. At their request, a follow up deep dive into paediatrics was given to the Joint Committee on the 6 September 2022, and further recovery update session on the 8 November 2022.</p>	



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>iv. The annual prioritisation panel with HB's to assess new specialised services that could be commissioned was held on the 20 July 2021,</p> <p>v. The process of continuous horizon scanning to identify potential new and emerging services and drugs, and to focus on existing and new hyper-specialised services was undertaken between January and May 2021 and informed the prioritisation panel on the 20 July 2021,</p> <p>vi. We have investigated opportunities for strengthening our information function through internal re-organisation and investment and have strengthened the staffing model of the information function to enable more timely information. The WHSSC staffing structure has been reviewed to include a senior outcomes commissioner to design outcome systems and monitor and report outcomes.</p>	
Welsh Government Recommendation - Independent member recruitment				

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
R5 Review the options to recruit and retain WHSSC independent members. This should include considering measures to expand the range of NHS bodies that WHSSC members can be drawn from, and remuneration for undertaking the role				
<p>Letter from Dr Andrew Goodall to Adrian Crompton, 2 June 2021 stated:</p> <p>I am aware there have been challenges in securing nominations from health boards to undertake the independent member role at WHSSC. My officials have been looking at options in relation to recruitment, remuneration and retention of independent members and I am currently considering their advice before the matter is raised with the Minister. There are a number of options, some of which could be achieved relatively simply and others which would require changes to the legislation. I will write to you again when we have a clear way forward.</p>			<p><u>WG update received 15 March 2022</u></p> <p>The Chair of WHSSC and the Committee Secretary have met with WG officials on a monthly basis since June 2021 to progress the IM remuneration discussions.</p> <p>A report was presented to the Joint Committee on the 18 January 2022 and they approved the proposal to transition to a fair and open selection process for appointing WHSSC IMs through advertising the vacancies through the HB Chairs and the Board Secretaries, with eligibility confined to existing HB IMs, approved that the existing arrangements for appointing a CTM audit lead IM, could transition to advertising for an Audit/Finance IM through a fair and open selection process through advertising the vacancy through the HB Chairs and the Board Secretaries, and approved the suggested proposals to remunerate WHSSC IMs including the requirement for a review following the recruitment process.</p>	Completed



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>A letter was received from Welsh Government on the 15 March 2022 advising that the Director General/CEO NHS Wales had written to the Senedd's Public Accounts & Public Administration Committee (PAPAC) and the Auditor General for Wales to report progress on the IM remuneration recommendation and to inform them that they consider Recommendation 5 to be completed following the Joint Committee meeting on the 18 January 2022 during which the Committee agreed to all the proposed arrangements including:</p> <ul style="list-style-type: none">• A recruitment process which will seek written expressions of interest from HB independent members via their Chairs. A concise candidates pack and selection panel process will be developed to support this arrangement and to assist candidates,• The WHSSC independent member who leads on audit and financial issues may be drawn from any of the HB's, not just the host body as is currently the case,	

Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<ul style="list-style-type: none"> Existing WHSSC members will be remunerated from 1 April 2022, HB's will meet the costs of the additional remuneration via an uplift to the WHSSC Direct Running Costs (DRC) budget, agreed by the JC on the 18 January 2022; and The transition to the selection process for new members will start in June 2022 with the appointment of the audit lead first (from autumn 2022) and the remaining two members from April 2023 to align with the tenure of the existing WHSSC independent members. 	
Welsh Government Recommendation - Sub-regional and regional programme management				
R6 This is linked to Recommendation 2 made to WHSSC in this report. When new regional or sub-regional specialised services are planned which are not the sole responsibility of WHSSC, ensure that effective multi- partner programme management arrangements are in place from concept through to completion (i.e. early in the development through to post-implementation benefits analysis).				
Letter from Dr Andrew Goodall to Adrian Crompton, 2 June 2021 stated: As you have highlighted, whilst some key service areas like major trauma have been developed successfully and with good collaboration across organisations, the timelines around such changes have been slow and often hampered by a lack			<u>WG update received 22 August 2022</u> Letter received from the Director General Health and Social Services/ NHS Wales Chief Executive Health and Social Services Group advising that she had written to Mark Isherwood, Chair of the PAPAC regarding recommendations	Partially Completed



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
of clarity on who is driving the process. I agree with your view that end-to-end programme management of such schemes, which are not within the sole remit of WHSSC, should be strengthened. The National Clinical Framework which we published on 22 March, sets out a vision for a health system that is co-ordinated centrally and delivered locally or through regional collaborations. Implementation will be taken forward through NHS planning and quality improvement approaches and our accountability arrangements with NHS bodies.			<p>6 and 7 of the Audit Wales report into WHSSC Governance arrangements.</p> <p>In relation to recommendation 7, the letter stated "that a review of the WHSSC arrangements along with other national hosted and specialist advisory functions should be undertaken. WG are in the process of setting up new piece of work to review the national commissioning arrangements in NHS Wales. The scope of this work and a timetable were currently being considered. However, we will be sure to take account of the recommendations as part of the rationale behind the work".</p> <p>Having described the work that was now in progress, it was suggested that the recommendations from the Audit Wales report were now completed. The letter was copied to Mr Adrian Crompton, the Auditor General for Wales for assurance. Discussion with WG on the 31 August 2022 confirmed that the recommendations could be categorised as completed.</p> <p><u>WG update received 27 September 2022</u></p>	



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
			<p>WHSSC received a further update from WG advising that Audit Wales had written to the Director General Health and Social Services/ NHS Wales Chief Executive Health and Social Services Group to express the view that, at this stage, it was premature to consider the recommendations as closed and that they would like to keep them open and receive an update from WG in six months' time. WG have confirmed they are content to accept the suggestion and that WG will provide an update to Audit Wales in six months' time with a view, to closing the recommendations at that point.</p> <p>An update will be given to the Joint Committee on the 17 January 2023 and the final report will be presented in May 2023.</p>	
Welsh Government Recommendation - Future governance and accountability arrangements for specialised services				
<p>R7 A Healthier Wales included a commitment to review the WHSSC arrangements along with other national hosted and specialist advisory functions. COVID-19 has contributed to delays in taking forward that action. It is recommended that the Welsh Government set a revised timescale for the action and use the findings of this report to inform any further work looking at governance and accountability arrangements for commissioning specialised services as part of a wider consolidation of current national activity.</p>				
Letter from Dr Andrew Goodall to Adrian Crompton, 2 June 2021 stated:			<u>WG update received 22 August 2022</u>	Partially Completed



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
<p>A Healthier Wales committed to reviewing the WHSSC arrangements alongside other hosted national and specialised functions, in the context of the development of the NHS Executive function. The position of WHSSC within this landscape needs to be carefully considered. On the one hand, there are strengths in the current system whereby health boards, through the joint committee, retain overall responsibility for the commissioning of specialised services. This requires collaboration and mature discussion from both the commissioner and provider standpoint. However, I recognise the inherent risk of conflict of interest in this arrangement and note the reference made in your report to the Good Governance Institute's report of 2015 which suggested a more national model may be appropriate.</p> <p>In my letter to health boards of 14 August 2019, I indicated that, as recommended by the Parliamentary Review, the governance and hosting arrangements for the existing Joint Committees would be streamlined and standardised. I also said that it was intended the NHS Executive would become a member of the Joint Committees' Boards in order to</p>			<p>Letter received from the Director General Health and Social Services/ NHS Wales Chief Executive Health and Social Services Group advising that she had written to Mark Isherwood, Chair of the PAPAC regarding recommendations 6 and 7 of the Audit Wales report into WHSSC Governance arrangements.</p> <p>In relation to recommendation 7, the letter stated "that a review of the WHSSC arrangements along with other national hosted and specialist advisory functions should be undertaken. WG are in the process of setting up new piece of work to review the national commissioning arrangements in NHS Wales. The scope of this work and a timetable were currently being considered. However, we will be sure to take account of these recommendations as part of the rationale behind the work".</p> <p>Having described the work that was in progress, it was suggested that the recommendations from the Audit Wales report were now completed. The letter was copied to Mr Adrian Crompton, the Auditor General for Wales for assurance. Discussion with WG on the</p>	



Response/ Action	Target Date	Exec Lead	Progress/Comments December 2022	RAG
ensure there is a stronger national focus to decision making. However, the thinking at the time was that the joint committee functions would not be subsumed into the NHS Executive function. We will continue to look at this as the NHS Executive function develops further and I will update you should there be any change to the direction of travel I indicated in 2019.			<p>31 August 2022 confirmed that the recommendations could be categorised as completed.</p> <p><u>WG update received 27 September 2022</u></p> <p>WHSSC received a further update from WG advising that Audit Wales had written to the Director General Health and Social Services/ NHS Wales Chief Executive Health and Social Services Group to express the view that, at this stage, it was premature to consider the recommendations as closed and that they would like to keep them open and receive an update from WG in six months' time. WG have confirmed they are content to accept the suggestion and that WG will provide an update to Audit Wales in six months' time with a view, to closing the recommendations at that point.</p> <p>An update will be given to the Joint Committee on the 17 January 2023 and the final report will be presented in May 2023.</p>	



Report Title	Preparedness for the COVID-19 Public Inquiry		Agenda Item	2.3	
Meeting Title	Joint Committee		Meeting Date	10/01/2023	
FOI Status	Open/Public				
Author (Job title)	Kevin Smith, Chartered Governance Professional				
Executive Lead (Job title)	Jacqueline Evans, Committee Secretary				
Purpose of the Report	The purpose of this report is to update the Joint Committee on WHSSC’s preparedness for the COVID-19 Public Inquiry.				
Specific Action Required	RATIFY <input type="checkbox"/>	APPROVE <input type="checkbox"/>	SUPPORT <input type="checkbox"/>	ASSURE <input type="checkbox"/>	INFORM <input checked="" type="checkbox"/>

Recommendation(s)

Members are asked to:

- **Note** the information presented within the report.

PREPAREDNESS FOR THE COVID-19 PUBLIC INQUIRY

1.0 SITUATION

The purpose of this report is to update the Joint Committee on WHSSC's preparedness for the COVID-19 (C-19) Public Inquiry.

2.0 BACKGROUND

The C-19 pandemic, which began early in 2020, has been one of the greatest challenges of its kind faced by the nation and the NHS; a challenge that resulted in unprecedented levels of healthcare demand and that called for an unparalleled response from the NHS.

On 12 May 2021, the Prime Minister announced his intention to commission an independent Public Inquiry into the C-19 pandemic enabling the UK government to discharge its obligations and examine the actions it took to respond to the pandemic and to learn every possible lesson for the future.

On 15 December 2021, the Rt. Hon Baroness Heather Hallett DBE was appointed as Chair of the forthcoming Public Inquiry with a view to work on the Inquiry commencing in spring 2022. The Inquiry was established under the Inquiries Act 2005, with full powers, including the power to compel the production of documents and to summon witnesses to give evidence on oath.

The First Minister for Wales has continued to support a UK-wide approach to an Inquiry that includes Welsh chapters; however, opposition parties, bereaved families and campaign groups have called for a Wales specific Inquiry given that the NHS is devolved in Wales. Commentators continue to suggest it is unlikely that there will be a separate Welsh Inquiry (although a separate Scottish Inquiry has been established).

The Terms of Reference (ToR) for the Inquiry were set on 28 June 2022. Their scope was sufficient to enable the Inquiry to have a broad reach.

Whilst the ToR state that the Inquiry will produce its reports (including interim reports) and any recommendations in a timely manner, commentators have observed that previous inquiries with a similar scope have taken years from start to finish. There is however a continuing view that Baroness Hallett will be keen to demonstrate pace.

The Inquiry is taking a modular approach to its investigations. Module 1 opened on 21 July 2022 and focused on examining the resilience and preparedness of the UK for the pandemic. Module 2 opened on 31 August 2022 and focused on core political and administrative governance and decision-

making by the UK government and the devolved governments. Module 3 opened on 9 November 2022 and will investigate the impact of C-19, and governmental and societal responses to it, on healthcare systems, including on patients, hospital and other healthcare workers and staff – as such this is likely to be very relevant to NHS organisations.

The Inquiry invited organisations to apply for Core Participant status for each module and accordingly set out timetables for any such applications. Amongst other things Core Participants will have the right to make opening and closing statements at any hearing, have the right to suggest lines of questioning to be pursued by Counsel, and have the right to apply to the Inquiry to ask questions of witnesses during a hearing.

3.0 ASSESSMENT

3.1 C-19 Governance

In autumn 2021 WHSSC commenced a project to prepare for the Public Inquiry (the Project); the Project recognised that WHSSC's role in the pandemic was very different to that of the local Health Boards (HBs) and its preparations should reflect this. Decisions regarding the Project are taken by the WHSSC Managing Director and the Senior Responsible Officer (SRO) for the Project is Jacqueline Evans, Committee Secretary and Head of Corporate Services.

3.2 Records Management

The main activity of the Project has been the creation of a C-19 structured archive, which includes a timeline of key decisions taken by WHSSC (including the Welsh Renal Clinical Network, now known as the Welsh Kidney Network).

3.3 Welsh Government Request to Ensure Records are Available

We learned that the Director of Governance and Ethics, Welsh Government (WG), wrote an open letter to Welsh Public Bodies on 3 March 2022 principally asking them to take steps to ensure themselves that they will be able to provide relevant records, information and data to the Inquiry if requested.

3.4 All Wales Co-ordinated Approach

A report was taken to the NHS Wales Leadership Board on 29 March 2022 that recognised the merit in having assurance of a more co-ordinated approach across Welsh NHS organisations, in part to allow sharing of best practice and enabling consistency of use of evidence and data; but also to avoid an unnecessary level of duplication. It was proposed that this would be achieved by SROs coming together on a regular basis in a working group convened by WG in the first instance. As such WHSSC representatives have participated, when invited, to both WG and Welsh NHS events regarding the Inquiry.

3.5 Legal Representation

WHSSC has maintained contact with NWSSP Legal & Risk Services (L&RS) in relation to preparation for the Inquiry since summer 2021 and in December 2022 formally engaged L&RS as its legal representative for the Inquiry.

3.6 Core Participant Status and Request for Information

It was not felt necessary or appropriate for WHSSC to apply for Core Participant status in respect of Modules 1, 2 or 3 but was recognised that WHSSC may be required to respond to written enquiries and/or provide relevant documents to the Inquiry in due course. During December 2022, L&RS advised WHSSC that a letter from the Inquiry team informally seeking information pertinent to Module 3 was likely to be received imminently with a January 2023 response deadline – at the date of writing this report, the letter has not yet been received but work has begun on a draft response based on our understanding of the likely content.

4.0 RECOMMENDATIONS

Members are asked to:

- **Note** the information presented within the report.

Governance and Assurance	
Link to Strategic Objectives	
Strategic Objective(s)	Governance and Assurance Choose an item. Choose an item.
Link to Integrated Commissioning Plan	-
Health and Care Standards	Governance, Leadership and Accountability Choose an item. Choose an item.
Principles of Prudent Healthcare	Public & professionals are equal partners through co-production Care for Those with the greatest health need first Choose an item.
Institute for HealthCare Improvement Triple Aim	Improving Health of Populations Improving Patient Experience (including quality and Satisfaction) Choose an item.
Organisational Implications	
Quality, Safety & Patient Experience	To be a well-governed organisation with high standards of assurance, responsive to members and stakeholders in transforming services to improve patient outcomes and to be in a position to respond to any request for information from the Inquiry.
Finance/Resource Implications	No impact in this area was identified.
Population Health	Not applicable
Legal Implications (including equality & diversity, socio economic duty etc)	There may be an adverse effect on the organisation if there are no arrangements in place respond to request for information from the Inquiry.
Long Term Implications (incl WCFG Act 2015)	Not applicable.
Report History (Meeting/Date/ Summary of Outcome)	30 December 2022 - CDGB 10 May 2022 – Joint Committee
Appendices	-



Report Title	Review of Financial Limits and Reporting	Agenda Item	2.4		
Meeting Title	Joint Committee	Meeting Date	10/01/2023		
FOI Status	Open				
Author (Job title)	Director of Finance				
Executive Lead (Job title)	Director of Finance				
Purpose of the Report	The purpose of this report is to request that the increased financial delegation limits introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19 pandemic are approved as new permanent limits.				
Specific Action Required	RATIFY <input type="checkbox"/>	APPROVE <input checked="" type="checkbox"/>	SUPPORT <input type="checkbox"/>	ASSURE <input checked="" type="checkbox"/>	INFORM <input checked="" type="checkbox"/>
Recommendation(s): Members are asked to: <ul style="list-style-type: none">• Note the report,• Note the rationale for the increase in financial delegation limits as a consequence of the COVID-19 pandemic,• Approve the updated financial authorisation matrix, which includes the increased financial delegation limits introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19,• Approve the updated process for the current SFI requirement for Joint Committee "approval" of non-contract cases above defined limits for annual and anticipated lifetime cost, to be replaced by an assurance report to Joint Committee and the CTMUHB Audit & Risk Committee (ARC) notifying of all approvals above the defined limit and Chairs action to reflect the need for timely approval action,• Note that the Standing Financial Instructions (SFI's), and the scheme of delegation will be updated to reflect the changes; and• Note that the updated scheme of delegation and the financial matrix will be appended to the SFI's for completeness.					

REVIEW OF FINANCIAL LIMITS AND REPORTING

1.0 SITUATION

The purpose of this report is to request that the increased financial delegation limits introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19 pandemic are approved as new permanent limits.

2.0 BACKGROUND

On 30 March 2020, Dr Andrew Goodall issued a letter to all LHB Chief Executives, entitled "COVID 19 - Decision Making and Financial Guidance". In this, and its subsequent appendix, he laid out his expectations for organisations regarding maintaining standards of financial governance while responding to the COVID 19 outbreak.

Included in these documents were the requirements to ensure that cash continued to flow to providers of front line services, both within NHS Wales, and through cross border payments to providers in NHS England.

However, he also stressed that this did not remove or reduce the need for sound financial stewardship of public money or the need to ensure proper authorisation and recording of financial commitments.

On the 30 March 2021 the executives discussed proposed additions and variations to the financial limits. On the 31 March 2021, the updated authorisation matrix was approved in tandem with the WHSSC COVID-19 Response plan which outlined the business continuity arrangements for the effective operation of WHSSC during the COVID-19 pandemic, including finance and a Standing Operating Procedure (SOP) for the IPFR panel process. It was also agreed that the arrangements would be reviewed at the end of the pandemic.

On 6 April 2020, the Audit and Risk Committee (ARC) were asked to consider a number of urgent governance changes to the scheme of delegation to allow WHSSC to put in place a resilient chain of command suitable for the developing pandemic – see **Appendix 1**. At the time, these measures were only intended to last for 6 months. Recognising the continued need to ensure a robust financial chain of command, with layers of cross cover, the ARC agreed that the interim arrangement could be extended until the end of March 2021 see **Appendix 2**.

This time period has since elapsed and the situation extended far beyond the initial 6 months it was hoped the pandemic would last.

The NHS are now in the recovery phase of the COVID-19 pandemic and this report requests that consideration be given to now adopting the interim financial limits

as a new permanent change to ensure business continuity and so that WHSSC can continue to operate effectively. In addition, there is a need to consider the new high-level categories of expenditure relating to new therapies, e.g. Advanced Therapy Medicinal Products (ATMP's) and Vertex CF modulators.

Welsh Government (WG) published updated model Standing Orders (SO's) and Standing Financial Instructions (SFI's) for WHSSC in 2021 and a Chairs action was taken on the 21 June 2021 to recommend variation to elements of the Governance and Accountability Framework for onward approval by the seven LHBs, the Joint Committee ratified the decision at its meeting in 13 July 2021.

The financial environment for specialised services has changed significantly since the inception of WHSSC with the advent of very high cost drugs including one-off ATMPs and other complex packages of care. These are no longer exceptional and the majority are mandated with no choice but to provide following NICE/AWTTTC approval. It is therefore appropriate to consider the impact of these changes on the financial limits and which matters need to be escalated for Joint Committee "approval" and what this approval should mean in practice given the context of the need for timely access to patient care.

The proposed changes set out in this report try to deliver a balance between continuing to ensure appropriate governance and accountability and recognition of the significantly higher unit costs associated with some specialised services packages of care and the need for these to be signed off on an urgent basis. The recommendations recognise that in most cases there is little discretion in many of these packages given existing NICE mandates. In order to provide a counter-balance the proposed changes include the requirement for a new accountability report to Joint Committee and ARC which summarises all approvals above designated limits. In addition, the requirement for Joint Committee approval is recommended to be discharged by Chairs action which is more in line with the practice used in Health Boards (HBs) regarding urgent matters and formalisation of some contracts.

3.0 ASSESSMENT

3.1 Scheme of Delegation - Financial Limits

3.1.1 Delegated Financial Limits

The scheme of delegation was introduced in 2015, was reviewed in 2016 and was last approved in October 2019 and is presented at **Appendix 3**. The document has not been updated since the COVID-19 pandemic and was not updated when the SO's and SFI's were updated and approved by the Joint Committee in July 2021. Therefore, there is a requirement to update the document and have the financial limits formally approved by the ARC in October 2022.

The interim changes made to the financial limits due to COVID-19 are outlined in table 1 below:

Table 1 - Interim changes made to the financial limits due to COVID-19

Purpose	Designation	Original Limit	New Limit (since April 2020)
In relation to approval of regular payments under Long Term Agreement contracts the following delegated limits continue to be required to ensure no disruption to contract payments to providers.	WHSSC Director of Planning	£NIL	£1m
	WHSSC Assistant Director of Finance	£NIL	£750k
	WHSSC Assistant Director of Planning	£NIL	£750k
In relation to approval of payments of non-contract and emergency activity invoices, to continue to ensure continuity of cash flow.	WHSSC Director of Planning	£300k	£300k
	WHSSC Director of Nursing	£50k	£50k
	WHSSC Assistant Director of Planning	£NIL	£50k
In relation to approval of invoices and payments relating the running costs of WHSSC and for maintaining Unit G1, The Willowford.	WHSSC Corporate Governance Manager	£7,500	£10,000

Previously, the bulk of these authorisations fell to the WHSSC Managing Director and the WHSSC Director of Finance as Tier 1 and Tier 2 directors under the original Scheme of Delegation. This made WHSSC particularly vulnerable to any extended absence of either, and more so at a time when it remains vitally important to maintain cash flow to our providers.

The extension of these provisions, which were previously approved by committee, were intended to allow for cross cover during the 6 month period until 31 March 2021.

As the interim time period elapsed, and the pandemic and associated disruption to services continued much longer than anticipated, it is proposed that the revised financial limits outlined above are adopted into the new matrix which is presented at **Appendix 4** for approval.

3.1.2 Individual NHS patient treatment charges outside of LTAs and SLAs

Individual Patient Packages

The current WHSSC scheme of delegation states that the financial approval required for individual NHS patient treatment charges outside of LTAs and SLAs concerning one off treatment costs are as follows:

Threshold	Authorisation
>£750,000	Joint Committee
<£750,000 Level 1	Lead Director
<£750,000 Level 2	Director of Finance
<£300,000	Level 3 Directors

Therefore, currently any approved IPFR treatment exceeding £750,000 needs to be reported to the Joint Committee.

Lifetime costs

The current WHSSC scheme of delegation also states that the financial approval required for individual NHS patient treatment charges outside of LTAs and SLAs for lifetime costs are as follows:

Threshold	Authorisation
>£1,000,000	Joint Committee
<£1,000,000	Level 1 - Lead Director
<£1,000,000	Level 2 - Director of Finance
<£300,000	Level 3 Directors

Therefore, any approved IPFR treatment exceeding £1,000,000 needs to be reported to the Joint Committee.

Linked to this WG wrote to HBs on 7 November 2022 advising that Contracts over £1 million, which have already gained Welsh Government consent under a Framework agreement and where subsequent call-off arrangements agreed with different suppliers are invoked, do not need further consent from Welsh Government. The revision introduced above will be included formally in the next version of the model Standing Financial Instructions published by WG.

In practice when WHSSC approves a high cost drug/therapy package it is normally via the normal NHS specialist who will have framework contracts in place with pharmaceutical providers rather than any direct contract with the independent sector.

<p>Individual NHS patient treatment charges outside of LTAs and SLAs</p> <p>Agreement to fund treatment:</p> <p>i. Individual Patient Packages</p> <p>ii. Lifetime Costs</p>	<p>>£1,000,000 – Included in ARC & JC assurance report >£1,000,000 Level 1 – Lead Director <£1,000,000 Level 2 – Director of Finance <£500,000 Level 3 Directors</p> <p>>£1,000,000 – Included in ARC & JC assurance report >£1,000,000 Level 1 – Lead Director <£1,000,000 Level 2 – Director of Finance <£500,000 Level 3 Directors</p>
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There is further rationale for this proposed delegated authority set out in the next section.

3.2 New High Cost Services

3.2.1 Advanced Therapy Medicinal Products (ATMPs)

To date all ATMPs licensed for use in the UK have been appraised by NICE using either their technology appraisal¹ (TA) or highly specialised technologies² (HST) guidance

The introduction of ATMPs has undoubtedly created new opportunities for providing new curative treatments. However, the scale of the financial challenge potentially presents a major financial risk to NHS Wales over the next five to ten years. The scale of the ATMP's has increased with an average minimum of £350k, however some are in excess of £2 million all of which are NICE approved. Consideration needs to be given to whether these high value transactions need to be covered in the financial limits matrix and whether they need to be reported to the Joint Committee.

There are also policy issues to be considered including the level at which is willing to fund these new treatments, the methods of evaluation, the need to challenge how these treatments are priced by the pharmaceutical industry and what prioritisation trade-offs the NHS is willing to make in order to implement.

There are significant uncertainties in terms of the pace of new approvals and the numbers of patients that may benefit from treatment. The current pipeline is heavily concentrated on rarer diseases but may broaden over time with further financial and service risks associated with this.

¹ <https://www.nice.org.uk/about/what-we-do/our-programmes/nice-guidance/nice-technology-appraisal-guidance>

² <https://www.nice.org.uk/about/what-we-do/our-programmes/nice-guidance/nice-highly-specialised-technologies-guidance>

Therefore, the scheme of delegation has been updated to cover this.

3.2.2 Home Parenteral Nutrition (HPN)

The value of HPN requests has been increasing steadily and new cases now typically cost in excess £100k per annum due to nursing costs and additional drugs being included in packages of care. The expected duration of HPN will vary from up to a year for cases awaiting surgical intervention to lifelong 30-50 years for chronic intestinal failure patients. This long-term group would now routinely trigger a Joint Committee “approval” as the limits are currently written.

3.2.3 Cystic Fibrosis Modulating Drugs

In 2020, the WG agreed a confidential commercial patient access scheme with Vertex Pharmaceuticals which widened the access to Cystic Fibrosis triple therapy drugs. As these therapies have not yet been appraised through NICE patients who meet the policy criteria are automatically initiated on the treatment. Although the funding is ultimately covered by WG allocation the WHSSC expenditure with CF providers is now greater than £40m per annum.

Quarterly provider invoices will now regularly exceed £2m which triggers the current CTM CEO approval threshold.

3.2.4 Blueteq

In 2018, the Joint Committee agreed that WHSSC could procure Blueteq for us across NHS Wales. The Blueteq High Cost Drugs (HCD) software programme was procured for NHS Wales by WHSSC and Welsh Government in 2018 to initially support the implementation of ATMPs commissioned by WHSSC. The system allows NHS Wales to procure, prescribe and manage the ever increasing complexities associated with high cost therapies. The scope evolved to include all high cost drugs commissioned by WHSSC, HBs and Velindre NHS University Trust (VUNHT).

Following an initial pilot phase which tested the system in 2021 WHSSC purchased the BlueTeq system for both WHSSC and the HBs and it offers significant financial advantages for the commissioning of high cost drugs and has led to improvement in managing the procurement process, budgeting for drug delivery and provides a more efficient service to patients, Commissioners and providers.

The individual annual costs of drugs that are automatically approved via the Blueteq system vary from as low as £20,000 per annum up to £500,000 per annum for high cost drugs and potentially up to £2m for one-off new ATMPs. When the decision was taken to implement Blueteq one of the agreed benefits of the system was that the system would automate the process of approval. This meant that as long as the access criteria was met as detailed in the policy (consistent with NICE/AWTTTC mandated approvals) and documented by the consultant the approval would be automatic and there would be no requirement for WHSSC officials to sign-off individual cases. This created a potential conflict

with the requirements of financial limits. The Blueteq system can be enabled to include a requirement for the commissioner to prior approve on a drug by drug basis based on a trigger annual unit cost limit. The system also includes automatic review requirements on a defined period basis with a maximum review period of 1 year – hence it could be argued that there is no contractual commitment to continue beyond 1 year as continuation would be dependent on successful defined outcomes. Consideration needs to be given as to how to apply lifetime limits to drugs on Blueteq given the built in review requirements.

Whilst the approval process is within the Blueteq process, currently there is no process for reporting to the Joint Committee. The scheme of delegation has been updated to cover this.

3.2.5 Welsh Kidney Network (WKN) – Financial Limits

The recent Welsh Kidney Network (WKN) (previously known as the Welsh Renal Clinical Network (WRCN)) governance review indicated that the Joint Committee had not agreed financial delegated authority for the WRCN. Under the SO's, where the Joint Committee does not explicitly agree delegated powers, the Joint Committee retains all authority in such matters. In the absence of a clear scheme of delegation by the Joint Committee, it could be perceived that the WKN has been taking action and making decisions without the explicit agreement of the Joint Committee.

Therefore, there is a need to agree a scheme of delegation for the WKN and agree which matters it wishes to reserve to itself to include executive officer responsibilities and financial delegation limits. This should explicitly include staff and non-staff costs. The scheme of delegation has been updated to cover this.

4.0 NEXT STEPS

4.1 Introduction of a Financial Assurance Report for ARC & JC

Section 8.0.2 of the Standing Orders stipulates that the Joint Committee shall ensure that its assurance arrangements are operating effectively, advised by the Joint Committee's Audit Committee. Critical to this is Financial Assurance, which cannot be measured only by WHSSC's main financial performance report (presented to JC and MG) and requires further information in order to assess the control environment in place; the risk assessment and management process; and the control activities. Therefore, it is proposed that a financial assurance report is presented to the ARC to fulfil this requirement and provide assurance on high cost expenditure incurred by WHSSC. The first report will be presented in early 2023.

5.0 RECOMMENDATIONS

Members are asked to:

- **Note** the report,
- **Note** the rationale for the increase in financial delegation limits as a consequence of the COVID-19 pandemic,
- **Approve** the updated financial authorisation matrix, which includes the increased financial delegation limits introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19,
- **Approve** the updated process for the current SFI requirement for Joint Committee “approval” of non-contract cases above defined limits for annual and anticipated lifetime cost, to be replaced by an assurance report to Joint Committee and CTMUHB Audit & Risk Committee (ARC) notifying of all approvals above the defined limit and Chairs action to ensure timely approval,
- **Note** that the Standing Financial Instructions (SFI’s), and the scheme of delegation will be updated to reflect the changes; and
- **Note** that the updated scheme of delegation and the financial matrix will be appended to the SFI’s for completeness.

Governance and Assurance

Link to Strategic Objectives

Strategic Objective(s)	Governance and Assurance Choose an item. Choose an item.
Link to Integrated Commissioning Plan	Yes
Health and Care Standards	Governance, Leadership and Accountability Choose an item. Choose an item.
Principles of Prudent Healthcare	Reduce inappropriate variation Choose an item. Choose an item.
NHS Delivery Framework Quadruple Aim	People in Wales have improved health and well-being with better prevention and self-management Choose an item. Choose an item. Choose an item.
Organisational Implications	
Quality, Safety & Patient Experience	A strong financial governance framework is essential to ensuring patients experience the greatest possible levels of safety and quality in the services commissioned by WHSSC. Informed decisions within the environment of a clear financial governance framework are more likely to impact favourably on the quality, safety and experience of patients and staff.
Finance/Resource Implications	The WHSSC Standing Financial Instructions (SFI's) outline the financial scheme of delegation, non-pay expenditure limits and accountability arrangements.
Population Health	There are no specific population health implications related to the activity outlined in this report.
Legal Implications (including equality & diversity, socio economic duty etc)	<p>The WHSSC Standing Orders (SO's), and SFIs specify certain key responsibilities of the Lead Director, the Director of Finance and other officers. In accordance with the SO's, the schedule of matters reserved to the Joint Committee (point 4) includes any variation, amendment and approval to the Boards of the Local Health Boards:</p> <ul style="list-style-type: none"> • WHSSC SOs • WHSSC SFIs • Schedule of matters reserved to the Joint Committee • Scheme of delegation to sub-Committees and others; and • Scheme of delegation to officers. <p>In accordance with any directions set by the Welsh Ministers.</p>

	Point 31 states that the Joint Committee has delegated Approval of individual contracts (other than NHS contracts) above the limit delegated to the Lead Director set out in the WHSSC SFIs.
Long Term Implications (incl WBFG Act 2015)	WHSSC is committed to considering the long-term impact of its decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.
Report History (Meeting/Date/ Summary of Outcome)	<p>6 April 2020 – ARC approved temporary increased limits and an extension to 31 March 2020</p> <p>24 October 2022 – ARC requested that JC review and consider approving the proposal.</p> <p>30 December 2022 – CDGB supported</p>
Appendices	<p>Appendix 1 – ARC Report – April 2020</p> <p>Appendix 2 – ARC Report – October 2020</p> <p>Appendix 3 – Proposed Scheme of Delegation</p> <p>Appendix 4 – Matrix of Authorisation Limits</p>



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Pwyllgor Gwasanaethau Iechyd
Arbenigol Cymru (PGIAC)
Welsh Health Specialised
Services Committee (WHSSC)

		Agenda Item	
Meeting Title	Audit Committee	Meeting Date	06/04/2020
Report Title	Review of Scheme of Delegation in Response to COVID 19		
Author (Job title)	Financial Accountant		
Executive Lead (Job title)	Director of Finance	Public / In Committee	In Committee

Purpose	In light of the communication received from Dr Andrew Goodall on Financial Decision during COVID 19 and to address the need for a robust delegated authority structure within WHSSC during this time.		
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RATIFY <input type="checkbox"/>	APPROVE <input checked="" type="checkbox"/>	SUPPORT <input checked="" type="checkbox"/>	ASSURE <input type="checkbox"/>	INFORM <input type="checkbox"/>
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Sub Group /Committee	Audit Committee	Meeting Date	06/04/2020
	Choose an item.	Meeting Date	Click here to enter a date.

Recommendation(s)	<p>Members are asked to:</p> <ul style="list-style-type: none"> Approve the changes to the WHSSC Scheme of Delegation in response to COVID 19. 		
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Considerations within the report (tick as appropriate)

Strategic Objective(s)	YES	NO	Link to Integrated Commissioning Plan	YES	NO	Health and Care Standards	YES	NO
							✓	
Principles of Prudent Healthcare	YES	NO	Institute for HealthCare Improvement Triple Aim	YES	NO	Quality, Safety & Patient Experience	YES	NO
							✓	
Resources Implications	YES	NO	Risk and Assurance	YES	NO	Evidence Base	YES	NO
	✓			✓				
Equality and Diversity	YES	NO	Population Health	YES	NO	Legal Implications	YES	NO
							✓	

1.0 Situation

The NHS response to COVID 19 will rely on a continued and secure cash flow to allow services to purchase essential supplies and to keep staff paid.

WHSSC's monthly contract payments now total approximately £55m to other NHS Wales organisations, £10m to providers in NHS England and a further £6m of non contract referrals and mental health placements.

Providers will be relying on these payments being made on time each month and in order to ensure that delays are held to a minimum the WHSSC directors have undertaken a review of the WHSSC Scheme of Delegation, creating new authorised limits and increasing some existing ones.

2.0 Background

On 30th March 2020, Dr Andrew Goodall issued a letter to all LHB Chief Executives, entitled "COVID 19 - Decision Making and Financial Guidance"

In this and its subsequent appendix he laid out his expectations for organisations regarding maintaining standards of financial governance while responding to the COVID 19 outbreak.

Included in these documents are the requirements to ensure that cash continues to flow to providers of front line services, both within NHS Wales, and through cross border payments to providers in NHS England.

The importance of continued cash flow extends beyond allowing providers to secure supplies of drugs, medical consumables and equipment but to also ensuring there is adequate money in provider bank accounts to continue to cover payroll commitments. As such, at this time, a continued and reliable cash flow will be vital to maintaining services.

However, he also stresses that this does not remove or reduce the need for sound financial stewardship of public money or the need to ensure proper authorisation and recording of financial commitments.

In light of this, and recognising the need to ensure a robust financial chain of command, with layers of cross cover, within WHSSC over the coming months, the WHSSC directors in their meeting on the 30th March 2020, have proposed the following changes and additions to the scheme of delegation.

3.0 Assessment

1. In relation to approval of regular payments under Long Term Agreement contracts the following delegated limits are required to ensure no disruption to contract payments to providers.

WHSSC Director of Planning	£1m
WHSSC Assistant Director of Finance	£750k
WHSSC Assistant Director of Planning	£750k

2. In relation to approval of payments of non contract and emergency activity invoices, to ensure continuity of cash flow.

WHSSC Director of Planning	£300k
WHSSC Nurse Director	£50k
WHSSC Assistant Director of Planning	£50k

3. In relation to approval of invoices and payments relating the running costs of WHSSC and for maintaining Unit G1, The Willowford.

WHSSC Corporate Governance Manager increase from £7,500 to £10,000

Currently the bulk of such authorisations falls to the WHSSC Managing Director and the WHSSC Director of Finance as Tier 1 and Tier 2 directors under the existing Scheme of Delegation. This makes WHSSC particularly vulnerable to any extended absence of either, and more so at a time when it is vitally important to maintain cash flow to our providers.

These changes are intended to allow for cross cover during the next 6 months and will be reviewed for continued suitability after that time.

4.0 Recommendations

Members are asked to:

- **Approve** the changes to the WHSSC Scheme of Delegation in response to COVID 19.

5.0 Appendices / Annexes

Link to Healthcare Objectives	
Strategic Objective(s)	Governance and Assurance Choose an item. Choose an item.
Link to Integrated Commissioning Plan	None
Health and Care Standards	Governance, Leadership and Accountability Choose an item. Choose an item.
Principles of Prudent Healthcare	Public & professionals are equal partners through co-production Choose an item. Choose an item.
Institute for HealthCare Improvement Triple Aim	Reducing the per capita cost of health care Improving Patient Experience (including quality and Satisfaction) Choose an item.
Organisational Implications	
Quality, Safety & Patient Experience	A strong financial governance framework is essential to ensuring patients experience the greatest possible levels of safety and quality in the services commissioned by WHSSC Informed decisions within the environment of a clear financial governance framework are more likely to impact favourably on the quality, safety and experience of patients and staff.
Resources Implications	None
Risk and Assurance	Delays in obtaining authorising signatures could place WHSSC in breach of its PSPP targets and could result in arbitration proceedings though Welsh Government. Delays relating to LTA payments could be considered a breach in the payment terms contained within LTA agreements.
Evidence Base	Invoices received and payments made over 18 months. WHSSC financial limits policy, Standing Financial Instructions and Financial Control Procedures.
Equality and Diversity	No Impact.
Population Health	No Impact.
Legal Implications	Delays in obtaining authorising signatures could place WHSSC in breach of its PSPP targets and could result in arbitration proceedings though Welsh Government. Delays

	relating to LTA payments could be considered a breach in the payment terms contained within LTA agreements.	
Report History:		
Presented at:	Date	Brief Summary of Outcome
Choose an item.		
Choose an item.		



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Pwyllgor Gwasanaethau Iechyd
Arbenigol Cymru (PGIAC)
Welsh Health Specialised
Services Committee (WHSSC)

		Agenda Item	
Meeting Title	Audit Committee	Meeting Date	19/10/2020
Report Title	Review of Scheme of Delegation in Response to COVID 19		
Author (Job title)	Financial Accountant		
Executive Lead (Job title)	Director of Finance	Public / In Committee	In Committee

Purpose	To review the COVID 19 governance response measures as approved by committee on 6 th April 2020, and to request approval for an extension of those measures to continue to 31 st March 2021.			
RATIFY <input type="checkbox"/>	APPROVE <input checked="" type="checkbox"/>	SUPPORT <input checked="" type="checkbox"/>	ASSURE <input type="checkbox"/>	INFORM <input type="checkbox"/>

Sub Group /Committee	Audit Committee	Meeting Date	19/10/2020
	Choose an item.	Meeting Date	Click here to enter a date.

Recommendation(s)	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Approve an extension of the COVID 19 governance arrangements as previously agreed by committee.
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Considerations within the report (tick as appropriate)								
Strategic Objective(s)	YES	NO	Link to Integrated Commissioning Plan	YES	NO	Health and Care Standards	YES	NO
							✓	
Principles of Prudent Healthcare	YES	NO	Institute for HealthCare Improvement Triple Aim	YES	NO	Quality, Safety & Patient Experience	YES	NO
							✓	
Resources Implications	YES	NO	Risk and Assurance	YES	NO	Evidence Base	YES	NO
	✓			✓				
Equality and Diversity	YES	NO	Population Health	YES	NO	Legal Implications	YES	NO
							✓	

1.0 Situation

On 4th April 2020, committee members were asked to consider a number of urgent governance changes to allow WHSSC to put in place a resilient chain of command suitable for the developing pandemic. At the time these measures were only intended to last for 6 months. This time period has now come to an end. Wales is currently facing a second wave of COVID infections with the associated disruption to services, and this situation is likely to extend far beyond the initial 6 months it was hoped the pandemic would last.

2.0 Background

On 30th March 2020, Dr Andrew Goodall issued a letter to all LHB Chief Executives, entitled "COVID 19 - Decision Making and Financial Guidance"

In this, and its subsequent appendix, he laid out his expectations for organisations regarding maintaining standards of financial governance while responding to the COVID 19 outbreak.

Included in these documents were the requirements to ensure that cash continued to flow to providers of front line services, both within NHS Wales, and through cross border payments to providers in NHS England.

The importance of continued cash flow extends beyond allowing providers to secure supplies of drugs, medical consumables and equipment but to also ensuring there is adequate money in provider bank accounts to continue to cover payroll commitments. As such, a continued and reliable cash flow remains vital to maintaining services.

However, he also stressed that this did not remove or reduce the need for sound financial stewardship of public money or the need to ensure proper authorisation and recording of financial commitments.

Recognising the continued need to ensure a robust financial chain of command, with layers of cross cover, members are asked to consider an extension to the end of March 2021 of the following delegated authorities.

3.0 Assessment

1. In relation to approval of regular payments under Long Term Agreement contracts the following delegated limits continue to be required to ensure no disruption to contract payments to providers.

WHSSC Director of Planning	£1m
WHSSC Assistant Director of Finance	£750k
WHSSC Assistant Director of Planning	£750k

2. In relation to approval of payments of non contract and emergency activity invoices, to continue to ensure continuity of cash flow.

WHSSC Director of Planning	£300k
WHSSC Nurse Director	£50k
WHSSC Assistant Director of Planning	£50k

3. In relation to approval of invoices and payments relating the running costs of WHSSC and for maintaining Unit G1, The Willowford.

WHSSC Corporate Governance Manager increase from £7,500 to £10,000

Previously, the bulk of these authorisations fell to the WHSSC Managing Director and the WHSSC Director of Finance as Tier 1 and Tier 2 directors under the original Scheme of Delegation. This made WHSSC particularly vulnerable to any extended absence of either, and more so at a time when it remains vitally important to maintain cash flow to our providers.

The extension of these provisions, which were previously approved by committee, would be intended to allow for cross cover during the next 6 month period to last until 31st March 2021. It is intended that these provisions will be reviewed again for the 2021-2022 financial year if appropriate.

4.0 Recommendations

Members are asked to:

- **Approve** an extension of the COVID 19 governance arrangements as previously agreed by committee on 4th April 2020.

5.0 Appendices / Annexes

Link to Healthcare Objectives	
Strategic Objective(s)	Governance and Assurance Choose an item. Choose an item.
Link to Integrated Commissioning Plan	None
Health and Care Standards	Governance, Leadership and Accountability Choose an item. Choose an item.
Principles of Prudent Healthcare	Public & professionals are equal partners through co-production Choose an item. Choose an item.
Institute for HealthCare Improvement Triple Aim	Reducing the per capita cost of health care Improving Patient Experience (including quality and Satisfaction) Choose an item.
Organisational Implications	
Quality, Safety & Patient Experience	A strong financial governance framework is essential to ensuring patients experience the greatest possible levels of safety and quality in the services commissioned by WHSSC Informed decisions within the environment of a clear financial governance framework are more likely to impact favourably on the quality, safety and experience of patients and staff.
Resources Implications	None
Risk and Assurance	Delays in obtaining authorising signatures could place WHSSC in breach of its PSPP targets and could result in arbitration proceedings though Welsh Government. Delays relating to LTA payments could be considered a breach in the payment terms contained within LTA agreements.
Evidence Base	Invoices received and payments made over 18 months. WHSSC financial limits policy, Standing Financial Instructions and Financial Control Procedures.
Equality and Diversity	No Impact.
Population Health	No Impact.
Legal Implications	Delays in obtaining authorising signatures could place WHSSC in breach of its PSPP targets and could result in arbitration proceedings though Welsh Government. Delays

	relating to LTA payments could be considered a breach in the payment terms contained within LTA agreements.	
Report History:		
Presented at:	Date	Brief Summary of Outcome
Choose an item.		
Choose an item.		

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1. Budget delegation and virements
2. Banking arrangements
3. Income, fees and charges
4. Procurement and contracts for good and services
5. Contracts for Health Care Services
6. Pay expenditure
7. Non Pay expenditure
8. Losses and special payments
9. IM&T
10. Retention of Records

Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

1. Budget delegation and virements

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	Delegation of the management of a budget to permit the performance of a defined range of activities	6.2.1	Lead Director	Director of Finance
B	All budget holders are required to sign up to their allocated budgets at the start of the financial year.	6.1.4	Budget holders	All budget holders
C	Delegation to include the authority to exercise virement and budget transfers	6.2.1	Lead Director	See C1below

		Delegated to:	Signed off by:
A1	Delegation of the management of defined Revenue budgets to budget holders: i. Direct Running Costs	i. Committee Secretary	i. Committee Secretary to £20,000 ii. Director of Finance to £50,000

C1-Approval of variation of budgets, including authority to vire

Delegated Authority	Between budget lines	Capital to revenue & vice versa
Between directorates	Director of Finance	Not allowed
Budget transfers between Reserves and Delegated budgets	Director of Finance	

Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

2. Banking arrangements

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
A	<p>The Director of Finance of the Host LHB will prepare detailed instructions on the operation of bank accounts which must include:</p> <ul style="list-style-type: none"> i. The conditions under which bank accounts is to be operated ii. Those authorised to sign cheques or other orders drawn on the LHB accounts 	9.1.1	Director of Finance of the Host LHB	As per Host LHB SFI's

3. Income, fees and charges.

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority Delegated to
A	Fees and Charges- The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges , other than those determined by the Welsh ministers or by statute	10.1.2	Director of Finance	Financial Accountant
B	Debt recovery- The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.	10.1.4	Director of Finance	Financial Accountant

	Fees and Charges:	Authority Delegated to
A1	<p>Risk Sharing Funding</p> <ul style="list-style-type: none"> i. Approval and Signing of the Risk Sharing Agreements and Annual Financial Plan 	<ul style="list-style-type: none"> i. Joint Committee ii. WHSSC Management Group

Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

4. Procurement and contracts for good and services

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	Maintaining detailed policies and procedures for procurement, tendering and contracting	11.1.4	Host LHB	As per Host LHB SFI's

5. Contracts for Health Care Services

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority Delegated to
A	The Lead Director is responsible for ensuring the LHB enters into suitable Health Care Agreements or individual patient commissioning agreements where appropriate.	12.1.1	Lead Director on behalf of the Joint Committee	Director of Finance
B	The Lead Director will need to ensure that regular reports are provided to the Joint Committee detailing performance and associated financial implications of all health care agreements	12.3.1	Lead Director	Director of Finance

	Agreements for the purchase of services	Authority delegated to
A1	Long Term Agreements with other NHS bodies <ul style="list-style-type: none"> i. Approval and Signing of the Long Term Agreement ii. Variations to the Agreement 	Level 1 – Lead Director – Unlimited in accordance with delegated authority Level 2 – Director of Finance – Unlimited in accordance with delegated authority

Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

A4	Individual NHS patient treatment charges outside of LTAs and SLAs Agreement to fund treatment: <ul style="list-style-type: none"> i. Individual Patient Packages ii. Lifetime Costs 	<ul style="list-style-type: none"> >£1,000,000 – Included in ARC & JC assurance report >£1,000,000 Level 1 – Lead Director <£1,000,000 Level 2 – Director of Finance <£500,000 Level 3 Directors <ul style="list-style-type: none"> >£1,000,000 – Included in ARC & JC assurance report >£1,000,000 Level 1 – Lead Director <£1,000,000 Level 2 – Director of Finance <£500,000 Level 3 Directors
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6. Pay expenditure

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	All appointments or recruitments	13.1.2	Host LHB	Committee Secretary

7. Non Pay expenditure

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	The Lead Director will approve the level of non pay expenditure and operational scheme of delegation and authorisation to budget holders the scheme of delegation	SFI 14.1.0	Lead Director	Director of Finance
B	The Director of Finance will advise the board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders should be sought.	14.3.1	Director of Finance	Financial Accountant

Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

8. Losses and special payments

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
B	Losses and Special payments			
	<ul style="list-style-type: none"> Ensuring procedural instructions on the recording of and accounting for losses and special payments are in place; and that all losses and special payments cases are properly managed in accordance with the guidance set out in the Assembly Government's Manual for Accounts. 	16.1.2	Director of Finance	Financial Accountant
	<ul style="list-style-type: none"> Ensure all financial aspects of losses and special payments cases are properly registered and maintained on the centralised Losses and Special Payments Register and that 'case write off' action is recorded on the system. 	16.1.6	Director of Finance	Financial Accountant
	<ul style="list-style-type: none"> The Audit Committee shall approve the writing off of losses or the making of special payments within delegated limits determined by Welsh Ministers and as set out in Schedule 3 of the SOs. 	16.1.7	Audit committee	See Below
	<ul style="list-style-type: none"> Ensure that all losses and special payments are reported to the Audit Committee at every meeting 	16.1.11	Director of Finance	Financial Accountant

Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

B1	<p>Approve losses, write-offs and compensation payments due to:</p> <ul style="list-style-type: none"> i. losses of cash (theft, fraud, etc) ii. damage to buildings, fittings, furniture and equipment and property in stores and in use due to culpable cause (theft, fraud, arson) iii. extra contractual payments to contractors; iv. ex-gratia payments to patients and staff for loss of personal effects v. fruitless payments including abandoned capital schemes vi. ex-gratia payments - voluntary release payments to staff vii. bad debts and claims abandoned <ul style="list-style-type: none"> - <£10,000 - £10,000 to £50,000 - No delegated approval over £50,000 – WG approval required 	<ul style="list-style-type: none"> i to iv Lead Director (within delegated limits issued by Welsh Government - £50,000) v. Lead Director (delegated limits - £250,000) vi. Remuneration Committee (within delegated limits issued by Welsh Government - £50,000) vii. Director of Finance (to £10,000) and Lead Director (£10,000 to £50,000).
B2	<p>Approve compensation payments made under legal obligation:</p> <ul style="list-style-type: none"> • Personal injury claims <ul style="list-style-type: none"> i. up to £20,000 ii. £20,000 to £50,000 iii. Over £50,000 • Employment matters 	<ul style="list-style-type: none"> • Personal injury- On receipt of legal advice to pay <ul style="list-style-type: none"> i. Committee Secretary ii. Director of Finance iii. Lead Director (within delegated limits issued by Welsh Government - £1million) • Employment matters Lead Director (with advice from Committee Secretary)
B3	<p>Approve compensation payments made without legal obligation</p>	<ul style="list-style-type: none"> • Lead Director (within delegated limits issued by Welsh Government - £50,000)

Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

9. IM&T

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
A	The Director of IM&T has specific responsibilities within this Section which need to be reviewed to determine if any formal delegation is required.	17.1.1	Host LHB	As per Host LHB SFI

10. Retention of Records

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
A	The Lead Director shall be responsible for maintaining archives for all records required to be retained in accordance with Welsh Ministers guidance.	18.1.1	Lead Director	<ul style="list-style-type: none">Committee Secretary

