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Pwyllgor Gwasanaethau Iechyd
Arbenigol Cymru (PGIAC)

Welsh Health Specialised
Services Committee (WHSSC)

ANNUAL REPORT

2011/12

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MESSAGE FROM THE CHAIR AND DIRECTOR OF SPECIALISED AND TERTIARY SERVICES

Welcome to the 2011/12 Annual Report for the Welsh Health Specialised Services Committee (WHSSC), which covers the period 01 April 2011 - 31 March 2012. This report outlines some of the achievements we have made this year. We hope you will find this report informative.

Our second year of operation has been very challenging and we have focused on putting plans in place, to ensure equitable access to safe, effective and sustainable specialised services for the people of Wales, within the constraints of a challenging savings programme, and maintaining financial stability. In order to meet this challenge, we have had to consider carefully all the Specialised Services which we are responsible for planning on behalf of Local Health Boards. Whilst we have made progress in achieving some of the savings required, further work needs to take place to ensure these are delivered in 2012/13 and beyond.

The report highlights key achievements during 2011/12 and looks forward to the key priorities for 2012/13.

During 2011/12 notable achievements included :

- Implementation of Primary Percutaneous Coronary Intervention across South Wales for patients with ST Elevated Myocardial Infarction;
- Implementation of a Percutaneous Coronary Intervention service at Aneurin Bevan Health Board for patients with acute coronary syndromes;
- Development of complex device implantation at Betsi Cadwaladr University Health Board, enabling repatriation of activity from Liverpool Heart and Chest Hospital; for patients with arrhythmia or heart failure.

- Completion of the Cardiac Review
- Bringing services closer to homes for patients requiring treatment for Soft Tissue Sarcoma
- £600,000 forecast savings on the Mental Health Services as a result of the National Secure Services Procurement Project;
- Development of a revised strategy and specialised services policy for funding Enzyme Replacement Therapy in Wales;
- Completion of a review of In Vitro Fertilisation (IVF) services for South Wales, which will lead to the development of a single service across the area in October 2012;
- Establishment of new clinical gatekeeper arrangements for the management of referrals into Tier 4 eating disorders services, including revised policy and service specification;
- Opening of Llandrindod Wells Dialysis Unit;
- Start of building work, on the Welshpool Hospital site, for a new satellite dialysis unit;
- Implementation of the All Wales Policy for Individual Patient Funding Requests; and
- Conclusion of the Neurosciences Project which was established to deliver the next phase of implementation of the Axford Review.
- Opening of the new renal transplant unit in Cardiff significantly increasing transplantation rates.

As the Chair and Director of Specialised Services, we are proud of the many achievements in 2011/12 and thank all staff in Specialised Services and the Health Boards on their contribution.

Looking forward, the next year promises to bring even greater challenges. We, like all Health Boards and NHS Trusts, are being asked to make efficiency savings on an unprecedented scale. This will require us to do things very differently and be even more innovative in how we plan and secure Specialised Services. To achieve these savings we will be undertaking a thorough review of how, and where, we provide services.



Professor Mike Harmer,
Chair



Dr. Cerilan Rogers,
Director of Specialised &
Tertiary Services

1. ABOUT WELSH HEALTH SPECIALISED SERVICES

In 2010, the seven Local Health Boards in Wales established the Welsh Health Specialised Services Committee (WHSSC) to ensure that the population of the Wales has fair and equitable access to the full range of specialised services.

This followed a consultation on specialised services for Wales in 2009, which recommended improvements in how the NHS plans and secures specialised services. In establishing WHSSC to work on their behalf, the seven Local Health Boards (LHBs) recognised that the most efficient and effective way of planning these services was to work together to reduce duplication and ensure consistency.

Our Aim is to ensure that there is :

equitable access to safe, effective and sustainable specialist services for the people of Wales, as close to patients' homes as possible, within available resources

1.1 The Joint Committee

The Joint Committee is established as a Statutory Sub Committee of each of the Local Health Boards in Wales. It is led by an Independent Chair, appointed by the Minister for Health and Social Services, and membership is made up of three Independent Members, one of whom is the Vice Chair, the Chief Executives of the Local Health Boards, Associate Members and a number of Officers.

Whilst the Joint Committee acts on behalf of the seven LHBs in undertaking its functions, the responsibility of individual LHBs for their residents remains and they are therefore accountable to citizens and other stakeholders

for the provision of specialised and tertiary services.

1.2 Sub-committees

There are four sub-committees of WHSSC; Audit, Quality and Patient Safety, Integrated Governance and the Welsh Renal Clinical Network. The Chair of the Audit Committee is an Independent Member of the Joint Committee, the Quality and Patient Safety Committee is chaired by an Associate Member, the Integrated Governance Committee is chaired by the Chair of the Joint Committee and the Welsh Renal Clinical Network is chaired by the Lead Clinician for the Network, who is also an Associate Member of the Joint Committee.

Membership of the Joint Committee and Sub Committees is shown in Annex 1.

Formal meetings of the Joint Committee are held in public and are normally held quarterly. The agenda and papers are available on the website: www.whssc.wales.nhs.uk.

Further information regarding the Joint Committee meetings is available from:

Miss Pamela Wenger
Committee Secretary
Pamela.wenger@wales.nhs.uk or 01443 443443 ext. 8126.

2. WHAT WE DO

The Welsh Health Specialised Services Committee (WHSSC) plans, secures and monitors the quality of a range of Specialised Services.

Specialised services tend to be expensive, because of the nature of the treatments involved, and are a complex and costly element of services provided by the NHS. Particular aspects of specialised services, such as the relatively small number of specialised hospitals and the unpredictable nature of activity, require specific arrangements to make optimal use of scarce resources and mitigate risk through a process of collaboration. It is also important that we develop services experienced in treating patients with the rarest conditions, as it is only through ensuring this critical mass of patients (the smallest number that is considered safe and cost effective to treat by any individual or centre) that such services can be delivered.

Our role is to:

- Plan, procure and performance monitor Specialised Services;
- Develop, negotiate, agree, maintain and monitor contracts with providers of Specialised Services;
- Undertake reviews of Specialised Services and manage the introduction of drugs and new technologies;
- Coordinate a common approach to the commissioning of Specialised Services outside Wales;
- Manage the pooled budget for planning and securing Specialised Services and put financial risk sharing arrangements in place;
- Establish clear processes for the designation of specialised service providers and ensure ongoing clinical quality through a rolling programme of service review;
- Ensure a formal process of public and patient involvement underpins our work.

2.1 Access to advice

WHSSC requires access to clinical advice for both strategic and operational purposes. In addition, WHSSC's strategic work requires public health support.

A number of sources of advice are used including:

- Individual expert clinicians;
- National Specialist Advisory Group (NSAG) and Welsh Professional Advisory Committees;
- Professional bodies e.g. Royal Colleges, standing groups etc;
- Clinical leads/advisors for other planning structures e.g. networks and programme teams;
- LHB clinical directors;
- All Wales Medicines Strategy Group (AWMSG)/Welsh Medicines Partnership.

Links are also maintained with relevant bodies in England, such as the Advisory Group for National Specialised Services (AGNSS), the Specialised Commissioning Group Public Health Network and NHS National Services Scotland.

2.2 Planning Framework

WHSSC's planning framework has a number of key elements where clinical advice is utilised in particular its programme teams.

The clinical leads are a main conduit for advice to the programme teams, drawing on the sources mentioned above. They are assisted in this by the WHSSC Medical Director and the Epidemiology and Evidence Support Team.

During 2011 the need for a more structured input into the programme teams regarding healthcare epidemiology, evaluation and information analysis was highlighted and, as a result, in November 2011 an Epidemiology and

Evidence Support Team (EEST) was established by WHSSC to ensure evidence based decision making in service and policy development and service prioritisation and to provide assistance with the strategic planning of specialised services as well as Individual Patient Funding and specific service evaluation.

In addition to the clinical leads and EEST, there are two networks, neonatal and renal, which have specific arrangements for clinical involvement.

The main focus of the planning framework is strategic. The response to operational issues, particularly those related to individuals, is led by the Medical Director, supported by programme team members as appropriate.

The work of the Welsh Health Specialised Services Committee is organised through several programme areas.

In the following we look back at some of the highlights of the last 12 months.

2.2.1 Cancer and Haematology Services

Key achievements in 2011/12 include:

- JACIE (Joint Accreditation Committee - International Society for Cellular Therapy (Europe) and European Group for Blood and Marrow Transplantation) accreditation of the Stem Cell Transplant Units at Cardiff and Swansea ensuring quality of care and standards for both the laboratory and clinical services provided;
- Increased in evidence base indications and activity for PET (positron emission tomography) activity for the diagnosis of lung, head and neck, colorectal, lymphoma and oesophageal cancer;

- Repatriation of soft tissue sarcoma surgical activity to local services at Cardiff and Swansea, bringing care closer to home for Welsh patients.

2.2.2 Cardiothoracic Services

Key achievements in 2011/12 include:

- Implementation of Primary Percutaneous Coronary Intervention across South Wales for patients with ST Elevated Myocardial Infarction;
- Implementation of a Percutaneous Coronary Intervention service at Aneurin Bevan Health Board for patients with acute coronary syndromes;
- Development of complex device implantation at Betsi Cadwaladr University Health Board, enabling repatriation of activity from Liverpool Heart and Chest Hospital;
- Implementation of a South Wales service to provide Transcatheter Aortic Valve Implantation for patients with severe aortic stenosis.

2.2.3 Mental Health Services

Key achievements in 2011/12 include:

Secure Mental Health Services

- National secure services procurement project completed and contract framework agreement established. Framework based on minimum quality standards and common inclusive pricing structure across NHS Wales for all independent sector medium and low secure mental health and learning disability placements;
- Significant savings realised on commencement of new contract on 1st February 2012 and full payback of invest to save funding;

- Procurement project gained national recognition winning public sector wide 'Procurement Initiative of the Year Award';
- Integration of WHSSC and Wales low secure databases complete allowing full access to Local Health Boards for all patients across secure pathway.

Specialised Mental Health Services

- Establishment of new clinical gatekeeper arrangements for the management of referrals into Tier 4 eating disorders services, including revised policy and service specification;
- Audit of Tier 4 eating disorder services;
- Implementation of new contract monitoring arrangements for Tier 4 Eating Disorder services and Perinatal Mental Health services;
- Completion of Specialised Gender Identity Services Project.

2.2.4 Neurosciences and Complex Conditions

Key achievements in 2011/12 include:

- Completion of baseline audit against the Quality Indicators for Wheelchair Services in Wales;
- Conclusion of the Neurosciences Project which was established to deliver the next phase of implementation of the Axford Review;
- Significant development with the BEST information system, to enable the reporting of the wheelchair waiting times from April 2012 onwards.

2.2.5 Renal Services

Key achievements in 2011/12:

- Opening of Llandrindod Wells Dialysis Unit in March 2012;

- Start of building work, on the Welshpool Hospital site, for a new satellite dialysis unit;
- Pilot Transport Project at St Woolos Hospital, Newport;
- Nocturnal Dialysis programme commenced in Swansea;
- Vascular Access for South East Wales meets Renal Association target for new patients;
- All Wales contract for Erythropoetin Stimulating Agents (ESAs) (drugs for management of Anaemia) negotiated;
- A review of all Renal Unit buildings in Wales conducted.

2.2.6 Unscheduled Care and Genetics Services

Key achievements in 2011/12 include:

- Delivery of improved and balanced response times and progress on the implementation of the Welsh Ambulance Service NHS Trust modernisation plan, to improve response times and service efficiency.

2.2.7 Women's and Children's Services

Key achievements in 2011/12 include:

- Developed a revised strategy and specialised services policy for funding Enzyme Replacement Therapy in Wales, which was agreed by the Joint Committee in September 2011;
- Undertook a review of In Vitro Fertilisation (IVF) services for South Wales, which will lead to the development of a single service across the area in October 2012;
- Revised the specialised services policy for cochlear implants;
- Revised the referral criteria for Tier 4 Children and Adolescent Mental Health Services (CAMHS) units in

Wales to be consistent across Wales and to reflect the change in Welsh Government policy regarding access for all children and young people under the 18 years of age.

3. GOVERNANCE AND QUALITY

3.1 Quality Standards

During 2011/12 work has begun in putting in place a set of corporate quality standards for the services planned through the Welsh Health Specialised Services Committee. It is envisaged that introduction of quality standards will assist with embedding the Standards for Health Services in Wales in WHSSC.

3.2 Patient and Public Engagement

The Welsh Health Specialised Services Committee is committed to ensuring high quality patient and public engagement (PPE) and that effective communication and involvement will be at the centre of service design.

During 2011/12, the Welsh Health Specialised Services Committee has been involved in a number of public and patient engagement activities including:

- Stakeholder and User Representation on Advisory Groups and Project Boards;
- Appointment of a number of Patient Representatives to support the work of Specialised Services; and
- Community Health Council representation on the Quality and Patient Safety Committee.

A strategy and delivery plan for 2012 to 2015 is being developed. This document will ensure that WHSSC involves stakeholders at all stages of planning Specialised Services, as well as being proactive in ensuring PPE activity is mainstreamed and embedded into all aspects of our work.

3.3 Concerns

WHSSC works with the Local Health Boards in the management of concerns to ensure that service users and patients who notify either the Local Health Board or the Welsh Health Specialised Services Committee, are provided with a prompt, systematic and consistent response.

Concerns received by WHSSC can be split into four categories; concerns raised regarding care and treatment, concerns raised regarding individual patient funding decisions, concerns raised regarding function of the Joint Committee, its staff or its performance and patient safety incidents.

During the year 2011/12, 8 concerns (Putting Things Right) were raised. 89% (8 out of 9) concerns were acknowledged within two working days. One concern was closed, prior to investigation, as consent to share information with the provider was not received from the person raising the concern.

In the year 2011/12, 10 patient safety incidents were reported by providers to Welsh Health Specialised Services. All the incidents have been investigated. Action has been taken in response to the incidents to ensure lessons are learned and risks are reduced.

3.4 Individual Patient Funding

Since September 2011, all Health Boards and WHSSC have adopted and been operating to the *All Wales Policy on Making Decisions on Individual Patient Funding Requests* (IFPR). During the year, an All Wales Specialised Services Panel has been established with representatives, at Director level, from all Health Boards, a Lay representative and an Independent Chair. An Ethics representative will join the Panel from April 2012.

3.5 Freedom of Information Act

Cwm Taf Local Health Board as the Host LHB is responsible for putting in place appropriate arrangements for complying with the Freedom of Information Act 2000.

During the period 2011/12, WHSSC has processed 18 requests for information under the Act's 'general right of access'.

WELSH HEALTH SPECIALISED SERVICES
SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2012

**Statement of Comprehensive Net Expenditure
for Year Ended 31st March 2012.**

	2012 £000's	2011 £000's
Expenditure on Healthcare From Other Providers.	580,384	592,527
Administration Expenditure	3,267	2,511
	583,651	595,038
Less: Miscellaneous Income	583,651	595,038
Net Operating Costs For The Financial Year.	0	0

Statement of Financial Position as at 31 March 2012

	2012 £000's	2011 £000's
CURRENT ASSETS		
Trade and Other Receivables	5,736	3,869
Cash and Cash Equivalents	154	1,705
Total Current Assets	5,890	5,574
Trade and Other Payables	(17,732)	(17,416)

Net current assets / (liabilities)	<u>(11,842)</u>	<u>(11,842)</u>
Provisions	<u>0</u>	<u>0</u>
TOTAL ASSETS EMPLOYED	<u>(11,842)</u>	<u>(11,842)</u>
FINANCED BY:		
General fund	<u>(11,842)</u>	<u>(11,842)</u>

Signed for and on behalf of the Welsh Health Specialised Services Committee



Director of Finance



Director of Specialised Services

Date : 6 June 2012

Statement of Cash flows for the year ended 31 March 2012

	2011-2012	2010-2011
	£000	£000
Net operating costs	0	0
Movements in working capital	(1,551)	1,692
Other Cash Flow Adjustments	0	0
Net cash outflow from operating activities	(1,551)	1,692
Net Increase/ (decrease) in cash and cash equivalents	(1,551)	1,692
Cash and cash equivalents at 1st April 2011	1,705	13
Cash and cash equivalents at 31st March 2012	154	1,705

Director of Finance Report

The Welsh Health Specialised Services Committee (WHSSC) is a Joint Committee of the Local Health Boards within NHS Wales, and is not a legal entity in its own right. The transactions and balances of WHSSC are instead consolidated within the annual financial statements of its host, Cwm Taf LHB.

The material reported within these summary financial statements on pages 17 to 19 has been disaggregated from the 2011-12 audited accounts of Cwm Taf LHB, which received an unqualified audit opinion from the Auditor General for Wales.

A copy of those accounts was laid before the National Assembly for Wales and can be obtained from:

Director of Finance
Cwm Taf LHB
Ynysmeurig House
Navigation Park
Abercynon
Mid Glamorgan
CF45 4SN

Income

WHSSC's income is received from Local Health Boards related to the relative usage of specialised services across Wales. Baseline levels of income have been determined by historic utilisation rates. All changes are subject to a comprehensive risk sharing agreement between Health Boards. Income for the year totalled £584m.

Expenditure

The operating costs of WHSSC are comprised mainly of the cost of procuring healthcare from providers of specialised health care. This accounts for £580.3m (99.44%) of all expenditure.

The majority of expenditure is with Welsh NHS providers with £301.7m provided by Health Boards and £142.9m provided by Welsh Trusts.

A significant value of services are provided by specialised NHS providers in England. This represents £108.3m of expenditure and is mainly comprised of tertiary services provided in the cross border areas such as North West England for the North Wales population, Birmingham for the Powys and South Wales population and Bristol for the South Wales population. In addition a range of highly specialised services are provided across England on an all Wales basis.

Services are also provided by the Independent Sector and Voluntary Sector totalling £27.4m. This expenditure predominantly relates to specialised mental health services (including medium secure forensic services, child and adolescent mental health services and eating disorder services) and renal dialysis services.

WHSSC operates with a small direct running cost overhead of £3.3m representing 0.6% of expenditure.

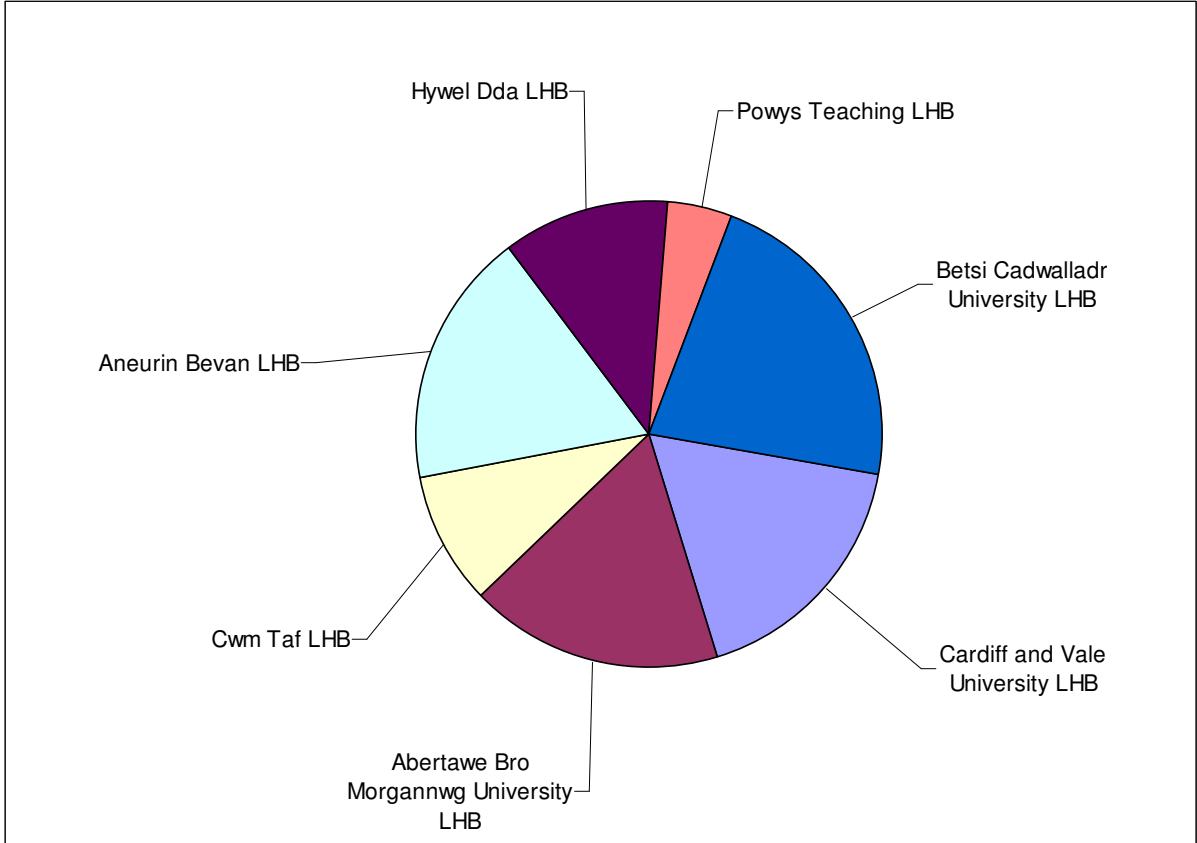


Stuart Davies
Director of Finance

Analysis of Income and Expenditure of Cwm Taf Health Board - WHSSC Activities

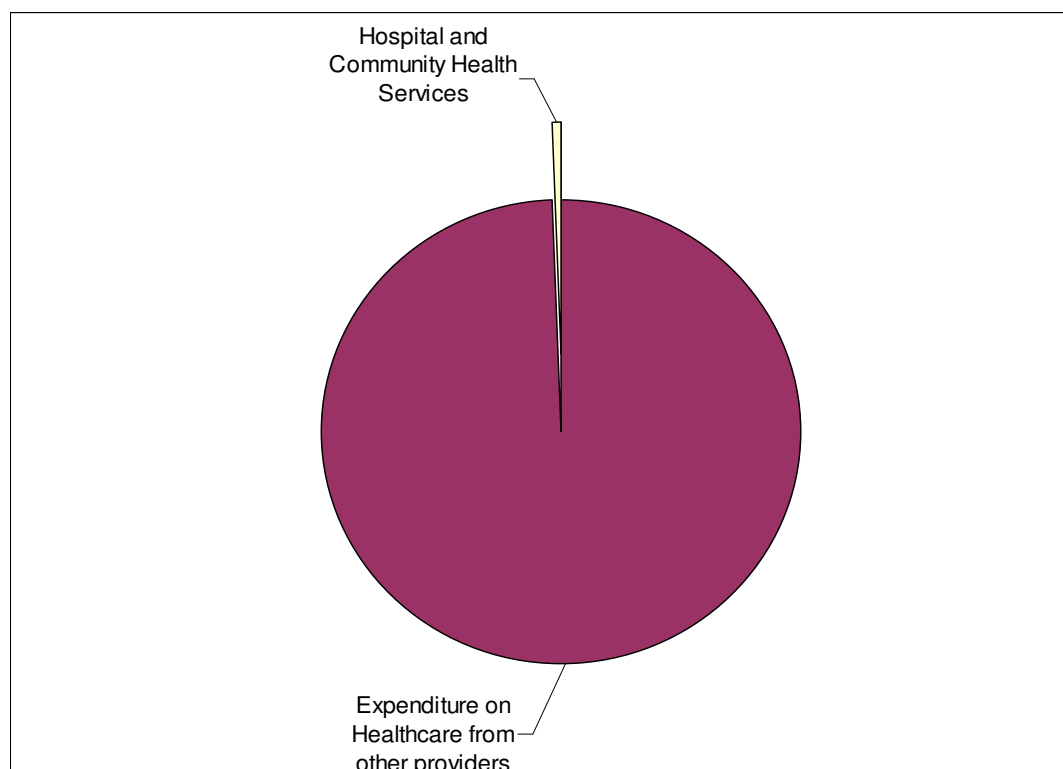
The main source of funding came from Health Boards totalling £583,648 million.

Income	£000	%
Cardiff and Vale University LHB	102,000	17.48%
Abertawe Bro Morgannwg University LHB	102,379	17.54%
Cwm Taf LHB	52,967	9.08%
Aneurin Bevan LHB	103,486	17.73%
Hywel Dda LHB	68,187	11.68%
Powys Teaching LHB	26,990	4.62%
Betsi Cadwaladr University LHB	127,639	21.87%
Total Income	583,648	100.00%
	£000	%



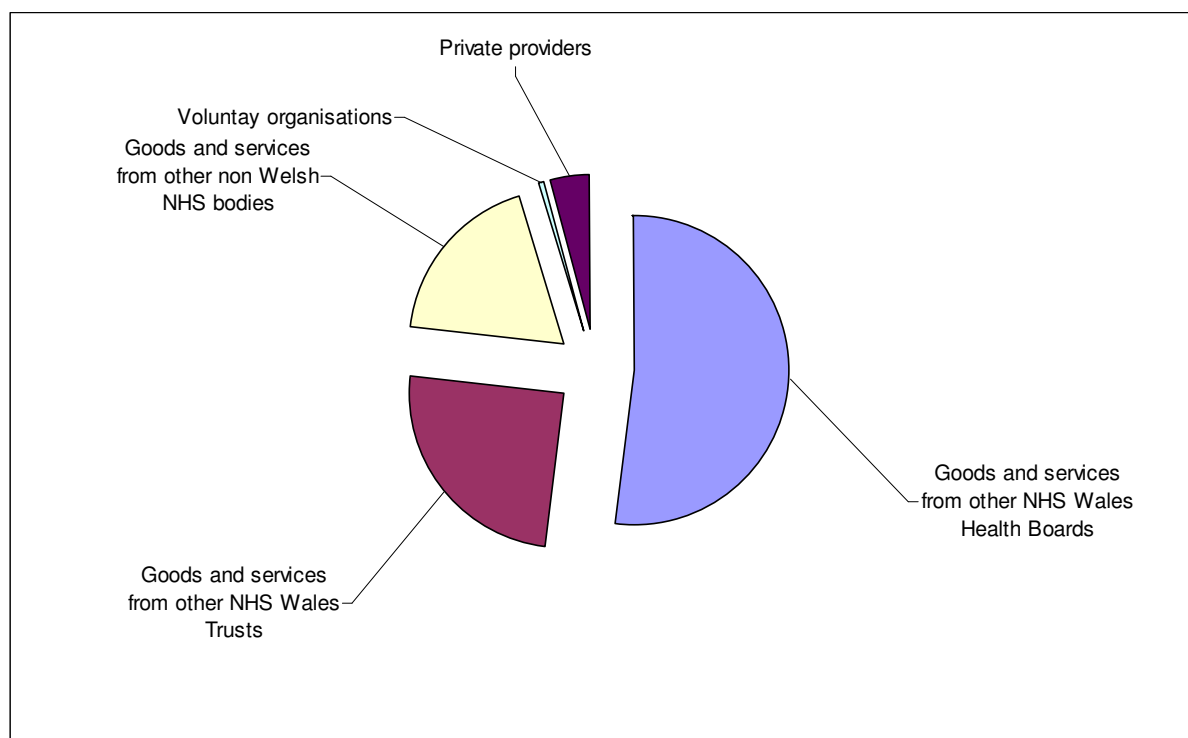
The operating costs of WHSSC were £583,651 million

Operating Expenses	£000	%
Primary Healthcare Services	-	0.00%
Expenditure on Healthcare from other providers	580,384	99.44%
Hospital and Community Health Services (Direct Running Costs)	3,267	0.56%
Total	583,651	100.00%



Analysis of Operating Expenditure

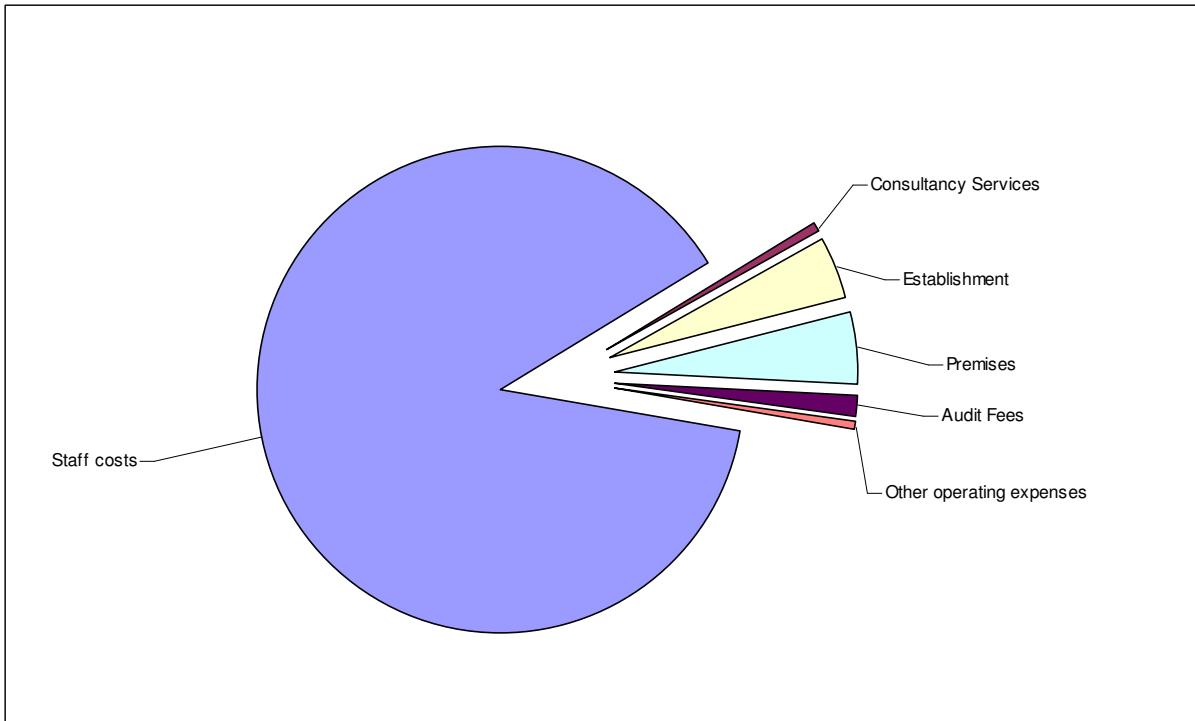
Expenditure on Healthcare from other providers	£000	%
Goods and services from other NHS Wales Health Boards	301,726	51.99%
Goods and services from other NHS Wales Trusts	142,911	24.62%
Goods and services from other non Welsh NHS bodies	108,395	18.68%
Voluntary organisations	3,668	0.63%
Private providers	23,684	4.08%



Expenditure on Hospital and Community Health Services - Direct Running Costs

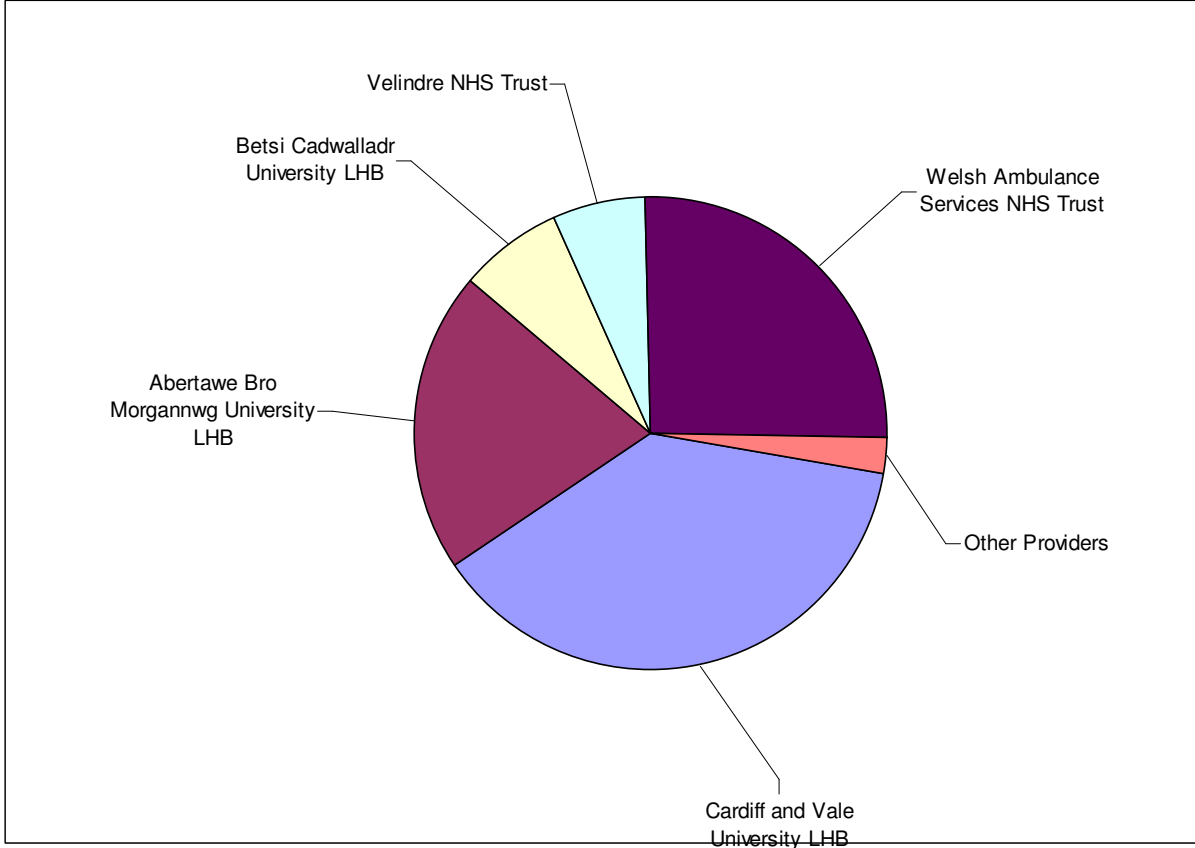
£000 %

Staff costs	2,893	88.55%
Consultancy Services	17	0.52%
Establishment	137	4.19%
Premises	155	4.74%
Audit Fees	49	1.50%
Other operating expenses	16	0.49%
Total	3,267	100.00%



WHSSC spent £444.637m on specialist services provided within Wales

Income	£000	%
Cardiff and Vale University LHB	168,409	37.88%
Abertawe Bro Morgannwg University LHB	91,189	20.51%
Betsi Cadwaladr University LHB	31,450	7.07%
Velindre NHS Trust	29,404	6.61%
Welsh Ambulance Services NHS Trust	113,470	25.52%
Other Providers	10,715	2.41%
Total	444,637	100.00%



LOOKING FORWARD TO 2012/13

During 2012/13 our focus will be on :

- Achievement of financial balance and financial stability for Specialised Services;
- On going work through the cardiac services review: the development of recommendations across a number of service areas to improve the effectiveness, quality and equity of provision of specialised cardiac services in Wales;
- Review of business processes and existing governance structures; and
- Further progress towards equality of access to effective treatment through service reviews.

TELL US WHAT YOU THINK

We welcome your views about our work, and any comments you may have about this annual report or our website www.whssc.wales.nhs.uk

You can contact us by:

Post: Mrs Cathie Steele
Corporate Governance Manager
Welsh Health Specialised Services
Unit 3a, Caerphilly Business Park
Van Road
Caerphilly
CF83 3ED

Email: WHSSC.generalenquiries@wales.nhs.uk

Website: www.WHSSC.wales.nhs.uk

WELSH HEALTH SPECIALISED SERVICES COMMITTEE
ANNUAL GOVERNANCE STATEMENT
2011/12

1. SCOPE OF RESPONSIBILITY

In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009 No.35), the Local Health Boards (LHBs) established a Joint Committee, which commenced on 1st April 2010, for the purpose of jointly exercising its Delegated Functions and providing the Relevant Services.

This followed a consultation on specialised services for Wales in 2009, which recommended improvements in how the NHS plans and secures specialised services. In establishing WHSSC and the Joint Committee to work on their behalf, the seven Local Health Boards (LHBs) recognised that the most efficient and effective way of planning these services was to work together to reduce duplication and ensure consistency.

Our Aim is to ensure that there is :

equitable access to safe, effective and sustainable specialist services for the people of Wales, as close to patients' homes as possible, within available resources

The Welsh Health Specialised Services Committee (WHSSC) (Wales) Regulations 2009 (SI 2009 No 3097) make provision for the constitution of the “Joint Committee” including its procedures and administrative arrangements.

The Joint Committee is a statutory committee established under sections 12 (1)(b) and (3), 13(2)(c), (3)(c) and (4)(c) and 203(9) and (10) of the Act. The LHBs are required to jointly exercise the Relevant Services.

Cwm Taf LHB identified host LHB. It provides administrative support for the running of WHSSC and has established the Welsh Health Specialised Services Team (WHSST) as per Direction 3(4), Regulation 3(1) (d) and the interpretation sections of both the Directions and the Regulations and the Joint Committee Standing Orders: Statutory Framework and Joint Committee Framework.

1.1 The Joint Committee

The Joint Committee has been established in accordance with the Directions and Regulations to enable the seven LHBs in NHS Wales to make collective decisions on the review, planning, procurement and performance monitoring of agreed specialised and tertiary services (Relevant Services) and in accordance with their defined Delegated Functions. The Joint Committee therefore comprises, and is established by, all the LHBs.

Whilst the Joint Committee acts on behalf of the seven LHBs in undertaking its functions, the responsibility of individual LHBs for their residents remains and they are therefore accountable

to citizens and other stakeholders for the provision of specialised and tertiary services.

The Joint Committee is accountable for internal control. As Director of Specialised and Tertiary Services for the Joint Committee, I have the responsibility for maintaining a sound system of internal control that supports achievement of the Joint Committee's policies, aims and objectives and to report the adequacy of these arrangements to the Chief Executive of Cwm Taf Local Health Board. Under the terms of the establishment arrangements, Cwm Taf Health Board are deemed to be held harmless and have no additional financial liabilities beyond their own population.

The Joint Committee is supported by the Committee Secretary, who acts as the guardian of good governance within the Joint Committee.

The Joint Committee members in post during the financial year 2011/12 are:

Name	Role	Organisation
Professor Mike Harmer	Chair	Welsh Health Specialised Services
Dr Cerilan Rogers	Officer Member	Director of Specialised and Tertiary Services, Welsh Health Specialised Services
Dr Geoffrey Carroll	Officer Member	Medical Director, Welsh Health Specialised Services
Mr Stuart Davies	Officer Member	Director of Finance, Welsh Health Specialised Services
Mr David Jenkins	Independent Member	
Dr Andrew Goodall	Member	Chief Executive, Aneurin Bevan LHB
Mr Andrew Cottom	Member	Chief Executive, Powys Teaching LHB
Mr Elwyn-Price Morris	Associate Member	Chief Executive, Welsh

Name	Role	Organisation
		Ambulance NHS Trust
Mrs Mary Burrows	Member	Chief Executive, Betsi Cadwaladr UHB
Mr Geoff Lang	Member (from March 2012)	Acting Chief Executive, Betsi Cadwaladr UHB
Mrs Allison Williams	Member	Cwm Taf LHB
Mrs Jan Williams	Member (until March 2012)	Chief Executive, Cardiff and Vale UHB
Mr Paul Hollard	Member (from March 2012)	Interim Chief Executive, Cardiff and Vale UHB
Mr Bob Hudson	Associate Member	Chief Executive, Public Health Wales
Mr Trevor Purt	Member	Chief Executive, Hywel Dda LHB
Mr Simon Dean	Associate Member	Chief Executive, Velindre NHS Trust
Mrs Alex Howells	Member (until September 2011)	Interim Chief Executive, Abertawe Bro Morgannwg UHB
Mr Paul Roberts	Member (from September 2011)	Chief Executive, Abertawe Bro Morgannwg UHB
Mr John Hill-Tout	Independent Member	Chair of the Audit Committee
Professor Simon Smail	Associate Member	Chair of the Quality and Patient Safety Committee
Dr Lyndon Miles	Independent Member	
Professor John Williams	Associate Member	Chair of the Welsh Clinical Renal Network

In accordance with WHSSC Standing Order 3, the Joint Committee may and, where directed by the LHBs jointly or the Welsh Ministers must, appoint joint sub-Committees of the Joint Committee either to undertake specific functions on the Joint Committee's behalf or to provide advice and assurance to others (whether directly to the Joint Committee, or on behalf of the Joint Committee to each LHB Board and/or its other

committees).

1.2 Sub Committees and Advisory Groups

The Joint Committee has established 4 sub-Committees and 4 advisory groups in the discharge of functions:

- Integrated Governance Committee
- Audit Committee
- Quality and Safety Committee
- Welsh Clinical Renal Network
- Wales Neonatal Network Steering Group
- All Wales Posture and Mobility Service Partnership Board
- All Wales Individual Patient Funding Panel
- Wales Secure Services Delivery Assurance Group

The **Integrated Governance Committee** provides assurance to the Joint Committee that effective governance and scrutiny arrangements are in place across WHSSC activities.

The **Audit Committee** advises and assure the Joint Committee on whether effective arrangements are in place – through the design and operation of the Joint Committee’s assurance framework – to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Joint Committee’s Delegated Functions,

The **Quality and Patient Safety Committee** provides assurance to the Joint Committee in relation to the arrangements for safeguarding and improving the quality and safety of specialised healthcare services within the remit of the Joint Committee.

The **Welsh Renal Clinical Network** is a vehicle through which specialised renal services is planned and developed on an all Wales basis in an efficient, economical and integrated manner and will provide a single decision-making framework with clear remit, responsibility and accountability.

2. GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

In November 2011 the Joint Committee approved the revised Governance and Accountability Framework.

In accordance with regulation 12 of the Welsh Health Specialised Services Committee (Wales) Regulations 2009 ('the Regulations'), each Local Health Board ('LHB') in Wales must agree Standing Orders (SOs) for the regulation of the Welsh Health Specialised Services Committee's ("Joint Committee") proceedings and business. These Joint Committee Standing Orders (Joint Committee SOs) form a schedule to each LHB's own Standing Orders, and have effect as if incorporated within them. Together with the adoption of a scheme of decisions reserved to the Joint Committee; a scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Joint Committee.

These documents, together with a Memorandum of Agreement setting out the governance arrangements for the seven LHB and a hosting agreement between the Joint Committee and Cwm Taf LHB ("the Host LHB"), form the basis upon which the Joint Committee's governance and accountability framework is developed. Together with the adoption of a Values and

Standards of Behaviour framework this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

3. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts.

4. CAPACITY TO HANDLE RISK

I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aim and objectives and need to be satisfied that appropriate policies and strategies are in place and that systems are functioning effectively. The Joint Committee's sub committees have assisted me in providing these assurances and I am supported by the Head of Internal Audit's annual work, report and opinion on the effectiveness of our system of internal control.

An Independent Member of the Joint Committee chairs the Audit Committee and three other Independent Members from NHS Wales Boards are Members of the Audit Committee. The Director of Finance, Committee Secretary and other members of WHSST (as required) attend the meetings. The links with sub committees have been established by setting up an Integrated Governance Committee which is chaired by the Chair of the Joint Committee and the Members include the Chairs of the sub committees. The minutes of the Joint Committee are circulated to all LHBs and Trusts for reporting to their Boards and the Joint Committee and Integrated Governance Committee receives a copy of all the minutes to ensure that an integrated and efficient approach to risk management is maintained in the organisation.

4.1 The risk and assurance framework

Under the hosting agreement with Cwm Taf LHB, WHSSC complies with their Risk Management Strategy and Risk Assurance Framework, Risk Management Policy and Risk Assessment Procedure. The objective of the Risk Management Strategy and Risk Assurance Framework is to define a strategic direction for risk management, which provides a clear path on which all future risk management initiatives are based. The aim of the Risk Management Policy is to:

- ensure that the culture of risk management is effectively promoted to staff ensuring that they understand that the 'risk taker is the risk manager' and that risks are owned and managed appropriately;
- utilise the agreed approach to risk when developing and reviewing the Resource and Operational Plan;
- embed both the principles and mechanisms of risk management into the organisation;
- involve staff at all levels in the process;

- revitalise its approach to risk management, including health and safety.

Risk Management is embedded in the activities of WHSSC through a number of processes. The Corporate Risk Register is informed by risks identified at a Programme Team, Corporate and Executive level. Each risk is allocated to an appropriate committee for assurance and monitoring purposes, i.e. Joint Committee, Audit Committee, Quality and Patient Safety Committee, Wales Clinical Renal Network and the Cwm Taf Corporate Risk Committee. The risk register is received by the sub-committees as a standing agenda item. Key risk issues are highlighted to the Joint Committee through the sub-committee chairs report. The Corporate Governance Manager is also a member of the Cwm Taf Corporate Risk Committee.

During 2011/12 an audit of the risk management systems and processes has taken place. The Head of Internal Audit has identified the risk management system of controls and procedures in place as low risk and therefore giving significant assurance.

4.2 Equality and Diversity

WHSSC follows the policies and procedures of the Cwm Taf Local Health Board, as the Host LHB. All staff have access to the Intranet where these are available. The Hosting Agreement includes provision for specific support around Equality and Diversity and the WHSSC has been working with the Equality Officer in the LHB and the NHS Wales Equality Unit to look at ways of integrating equality and diversity issues into our work. The Corporate Governance Manager is a member of the Equality Group within Cwm Taf and therefore any issues are integrated into this process.

4.3 Public and Patient Engagement

The Joint Committee is committed to effective involvement of stakeholders in the way that services are planned and secured. Each of the Programme Teams has mechanisms in place to engage with stakeholders, a representative of the Community Health Council is a Member of the Quality and Patient Safety Committee.

The Committee Secretary is the lead for Public and Patient Engagement. A Patient and Public Engagement Strategy has been developed and this is currently going through consultation and ratification processes.

4.4 Information Governance

The Committee Secretary is the Lead Officer in relation to Information Governance for the WHSSC and the Director of Specialised and Tertiary Services is the Caldicott Guardian. Both officers are members of the Cwm Taf Local Health Board Information Governance Group.

4.5 Counter Fraud

Counter Fraud support is incorporated within the hosting agreement with Cwm Taf Local Health Board. Under this agreement WHSSC has access to an appropriately accredited Local Counter Fraud Specialist who reports to the WHSSC Audit Committee.

At the end of each financial year NHS organisations are required to make a declaration of the anti fraud work they have completed. Using the information captured on the Qualitative Assessment declaration an assessment of counter fraud arrangements is made by NHS Protect.

From the information and supporting evidence provided, the Cwm Taf Local Counter Fraud Service received a final assessment as a rating 2, which indicates strong proactive work and that adequate investment is given to be effective in undertaking counter fraud activities.

Counter Fraud training sessions have been provided for WHSSC staff and an internal fraud risk assessment of commissioning activities was prepared and presented to the WHSSC Audit Committee.

Under the terms of the National Fraud Initiative WHSSC payment and payroll data has been submitted for cross matching against other UK public sector agencies. No relevant matches were reported for investigation.

5. REVIEW OF EFFECTIVENESS

I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within WHSSC who have responsibility for the development and maintenance of the internal control

framework, and comments made by external auditors in their audit letter and other reports.

The internal audit service in undertaking an independent review concluded in their annual report that:

“There is a generally sound system of internal control, designed to meet the organisation’s objectives, and that controls are generally being applied consistently. However, some weaknesses in the design and inconsistent application of controls, puts the achievement of particular objectives at risk.

Using the terminology set out in the Department of Health guidance to Heads of Internal Audit, this opinion would equate to “**Significant Assurance**”.

5.1 Standards for Health Services in Wales: Doing Well, Doing Better

The annual self assessment of performance against the 26 Standards for Health Services has assisted with the review of effectiveness.

The self-assessment of maturity against each standard is provided in Figure 1. For information regarding the maturity score see

<http://www.nhswalesgovernance.com/display/Home.aspx?a=483&s=2&m=130&d=0&p=404>

Figure 1

Standard	2010/2011 Maturity Scores	2011/2012 Maturity Scores
1. Governance and Accountability	3	3
2 Equality, diversity and human rights	Not individually assessed – development year	3
3. Health Promotion, Protection and Improvement	Not individually assessed – development year	N/A
4. Civil Contingency and Emergency Planning Arrangements	Not individually assessed – development year	N/A
5. Citizen Engagement and Feedback	Not individually assessed – development year	3
6. Participating in Quality Improvement Activities	Not individually assessed – development year	3
7. Safe and Clinically Effective Care	Not individually assessed – development year	3
8. Care Planning and Provision	Not individually assessed – development year	3
9. Patient Information and Consent	Not individually assessed – development year	3
10. Dignity and respect	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 2)
11. Safeguarding Children and Safeguarding Vulnerable Adults	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 3)
12. Environment	Not individually assessed –	3

Standard	2010/2011 Maturity Scores	2011/2012 Maturity Scores
	development year	
13. Infection Prevention and Control (IPC) and Decontamination	Not individually assessed – development year	N/A
14. Nutrition	Not individually assessed – development year	N/A
15. Medicines Management	Not individually assessed – development year	N/A
16. Medical Devices, Equipment and Diagnostic Systems	Not individually assessed – development year	N/A
17. Blood Management	Not individually assessed – development year	N/A
18. Communicating Effectively	Not individually assessed – development year	3
19. Information Management and Communications Technology	Not individually assessed – development year	3
20. Records Management	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 3)
21. Research, Development and Innovation	Not individually assessed – development year	N/A
22. Managing Risk and Health and Safety	Not individually assessed – development year	3
23. Dealing with concerns and managing incidents	Not individually assessed – development year	3
24. Workforce Planning	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 3)
25. Workforce Recruitment and Employment	Not individually assessed –	See Cwm Taf LHB

Standard	2010/2011 Maturity Scores	2011/2012 Maturity Scores
Practices	development year	Assessment (WHSSC draft score 3)
26. Workforce Training and Organisational Development	Not individually assessed – development year	See Cwm Taf LHB Assessment (WHSSC draft score 2)

The assessment of the Governance and Accountability Module (see figure 2 for overview) has been independently scrutinised by the Integrated Governance Committee. The full self assessment was also available to the members of the Integrated Governance Committee. Whilst the maturity scores appear to suggest that there have been no improvements since last year, the members of the Integrated Governance Committee concurred that improvements have been achieved in many areas. However, this cannot be evidenced yet as being fully sustainable and embedded across the whole organisation.

Figure 2

Welsh Health Specialised Services Committee					
Governance and Accountability Module	do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business.	can demonstrate sustained good practice and innovation that is shared throughout the organisation / business, and which others can learn from.
Setting the Direction			x		
Enabling Delivery			x		

Delivering results achieving excellence			x		
Overall Maturity Level			x		

The internal audit service in undertaking an independent review concluded that:

“In 2011/12, the WHSSC has improved the scrutiny process around the G&A module. The self assessment was considered initially at the March 2012 Integrated Governance Committee meeting, where required updates were identified. The revised document will be approved by the Joint Committee prior to June 2012.

At the time of our fieldwork, WHSSC were in the process of finalising their assessment of performance against standards 2-26. This represents an improvement on the prior year, where this performance was not assessed. For future years, WHSSC are developing a process to involve staff throughout the organisation in the assessment of performance to help embed the standards into the organisation.

Monitoring of performance against the identified improvement priorities will be undertaken through the existing structures for monitoring progress against the corporate and operational work plans. Whilst this process was not fully operational during 2011/12, the design of the process is considered to be good practice. ”

6. SIGNIFICANT GOVERNANCE ISSUES

I wish to highlight following matters that are considered significant and have presented challenges in 2011/12.

Counter Fraud

WHSSC continues to work with Cwm Taf Local Health Board to ensure that robust governance and Counter Fraud arrangements are in place for all hosted services in order to provide adequate assurance that all appropriate and necessary controls are in place and are working effectively.

In particular pressure on Local Counter Fraud services has been felt most keenly during 2011-2012, reducing the time available for WHSSC specific prevention and fraud proofing activities.

WHSSC has attempted to mitigate this risk by requesting further assistance from NHS Protect in preparing a Counter Fraud risk assessment and ongoing Counter Fraud plan.

While NHS Protect has been unable to provide direct assistance to the Cwm Taf Local Counter Fraud service, further advice and guidance regarding ongoing Counter Fraud planning was provided.

While advice was being sought from NHS Protect, WHSSC undertook its own internal Counter Fraud risk assessment of commissioning activities and the results of this assessment were provided to the WHSSC Audit Committee.

Audit Committee Structure

The Audit Committee has had concerns over the last 18 months regarding the existing structural arrangements which have been in place since the introduction of WHSSC in 2010. A number of areas have been highlighted for improvement and these are part of the ongoing discussions that have taken place at Audit Committee and following a workshop held in February 2012. A report to the Chair of the Joint Committee has been submitted which proposes a change in the model from 2012/13.

The Terms of Reference of the Audit Committee are based on the NHS Wales Model Terms of Reference and designed for statutory organisations. The learning from the first two years of operation has made it clear that the Audit Committee is unable to fully undertake this role and therefore some changes will need to be made.

The fact that there is an intention to review the Terms of Reference of WHSSC in this coming September, when the organisation will have been in existence for two years, makes this an appropriate time for the Committee to bring forward these recommendations for a change in the model.

I will ensure that, through robust management and accountability frameworks, significant internal control problems do not occur in the future. However, if such situations do arise, swift and robust action will be taken, to manage the event and to ensure that learning is spread throughout the WHSSC.

A handwritten signature in black ink, appearing to read 'Cerys Rogers', with a stylized, cursive script.

Director of Specialised and Tertiary Services

Dated: 6th June, 2012.

Governance Statement - Disclosures

To enable the Welsh Government to prepare a consolidated Governance Statement all organisations should as a minimum include the disclosures for the following mandatory items:

1. The organisation uses the Doing Well, Doing Better: Standards for Health Services in Wales as its framework for gaining assurance on its ability to fulfil its aims and objectives for the delivery of safe, high quality health services. This involves self assessment of performance against the standards across all activities and at all levels throughout the organisation,

As part of this process, WHSSC has completed the Governance & Accountability assessment module and has;

- o openly assessed its performance using the maturity matrix
- o plans in place to achieve the improvement actions identified within clearly defined timescales proportionate to the risk

This process has been subject to independent internal assurance by the organisation's Head of Internal Audit.

	Welsh Health Specialised Services Committee				
Governance and Accountability Module	do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business.	can demonstrate sustained good practice and innovation that is shared throughout the organisation/ business, and which others can learn from.
Setting the Direction			x		
Enabling			x		

Delivery					
Delivering results achieving excellence			x		
Overall Maturity Level			x		

2. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

3. As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place, through the hosting agreement with Cwm Taf LHB, to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

4. Cwm Taf LHB as host to WHSSC has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the climate change Act and the Adaptation Reporting requirements are complied with.

LOOKING FORWARD TO 2012/13

During 2012/13 our focus will be on :

- Achievement of financial balance
- Implementation of the Cardiac Review
- Review of business processes and governance structures

TELL US WHAT YOU THINK

We welcome your views about our work, and any comments you may have about this annual report. Please visit our website www.whssc.wales.nhs.uk

SUB COMMITTEES OF THE JOINT COMMITTEE

The Joint Committee has established four sub committees and these include :

- Audit Committee
- Quality and Patient Safety Committee
- Integrated Governance Committee
- All Wales Clinical Renal Network

Audit Committee

The purpose of the Audit Committee is to advise and assure the Joint Committee on whether effective arrangements are in place through the design and operation of the Joint Committee's assurance framework. Where appropriate, the Audit Committee will advise the Joint Committee on where, and how, its assurance framework may be strengthened and developed further.

The Membership of the Audit Committee for the period 2011/12 was as follows:

- Mr John Hill-Tout (Chair) – Independent Member on the Joint Committee and also Member of the Cwm Taf Health Board;
- Mr Gareth Jones – Member of Audit Committee and also Member of Powys Local Health Board;
- Mr Paul Griffiths – Member of Audit Committee and also Member of Velindre NHS Trust; and
- Professor Howard Young, Member of Audit Committee and Member of Cardiff and Vale ULHB.

The following Members are in attendance at Audit Committee Meetings :

- Miss Pam Wenger, Committee Secretary
- Mr Stuart Davies, Director of Finance
- Mr Stephen Harray, Board Secretary/Corporate Director Cwm Taf LHB

- Mr David Lewis, Deputy Chief Executive/Director of Finance Cwm Taf LHB;
- Internal Auditors
- External Auditors

Quality and Patient Safety Committee

The purpose of the Quality and Patient Safety Sub Committee is to provide:

- Evidence based and timely advice to the Joint Committee to assist it in discharging its functions and meeting its responsibilities with regard to the quality and safety of healthcare; and
- Assurance to the Joint Committee in relation to the arrangements for safeguarding and improving the quality and safety of specialised healthcare services within the remit of the Joint Committee.

The Membership of the Quality and Patient Safety Committee for the period 2011/12 was as follows:

- Professor Simon Smail (*Chair*), Associate Member of the Joint Committee and Independent Member, Public Health Wales
- Professor Michael Williams , Vice Chair of the Quality and Patient Safety Committee and Independent Member on Abertawe Bro Morgannwg UHB
- Mr John Morgan, Independent Member and Independent Member on the Welsh Ambulance NHS Trust
- Mrs Andrea Gristock, Clinical Director Representative and Assistant Director of Nursing, Cwm Taf LHB
- Dr Paul Hughes, Clinical Director Representative and Assistant Medical Director, Betsi Cadwaladr UHB
- Dr Graham Shortland, Clinical Director Representative and Medical Director, Cardiff and Vale UHB
- Mr Andrew Phillips, Clinical Director Representative and Director of Therapies Abertawe Bro Morgannwg UHB

During the year there has been a change in Membership from Betsi Cadwaladr UHB. Mr Chris Roseblade replaced Dr Paul Hughes in September 2011. Dr Paul Hughes continued to be a Clinical Director representative for the Welsh Ambulance NHS Trust.

The following Members are in attendance at Quality and Patient Safety Committee Meetings:

- Dr Cerilan Rogers, Director of Specialised and Tertiary Services
- Dr Geoffrey Carroll, Medical Director
- Dr Ashraf Mikail, Clinical Governance Lead, All Wales Clinical Renal Network
- Mrs Cathie Steele, Corporate Governance Manager
- Miss Pam Wenger, Committee Secretary
- Mrs Judith White, Lead Nurse
- Mr Byron Grubb, Community Health Council Representative

Integrated Governance Committee

The purpose of the Integrated Governance Committee is to scrutinise evidence and information brought before it in relation to activities and potential risks which impact on the services provided and provide assurance to the Joint Committee that effective governance and scrutiny arrangements are in place across.

The Membership of the Integrated Governance Committee for the period 2011/12 was as follows:

- Professor Michael *Harmer* (*Chair*)
- Mr John Hill-Tout, Independent Member and Chair of the Audit Committee
- Professor Simon Smail, Associate Member and Chair of the Quality and Safety Committee
- Professor John Williams, Chair of All Wales Clinical Renal Network

Miss Pam Wenger, Committee Secretary is in attendance at all meetings.

All Wales Clinical Renal Network

The Welsh Renal Clinical Network is a vehicle through which specialised renal services can be planned and developed on an all Wales basis in an efficient, economical and integrated manner, and will provide a single decision-making framework with clear remit, responsibility and accountability.

The Membership of the All Wales Renal Clinical Network Committee for the period 2011/12 was as follows:

- Professor John Williams, Lead Renal Advisor for Welsh Assembly Government (*Chair*)
- Dr Richard Moore, Renal Network Lead Clinician (South Wales)
- Dr Peter Drew, Renal Network Lead Clinician (North Wales)
- Dr Kieran Donovan, Network Clinical lead for Information and Planning;
- Dr Ashraf Mikail, Network Lead for Clinical Governance / Quality and Safety;
- Prof Paul Dummer, Independent Member
- Ms Chrissie Hayes, LHB CEO representatives;
- Mr Steve Armstrong, Patients and Carer representative
- Mr Don Brown, Patients and Carer representative
- Mr Bill Morgan, Patients and Carer representative
- A Community Health Council Representative

There are also a wide number of members that are also in attendance at the meetings.