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Pwyllgor Gwasanaethau Iechyd  
Arbenigol Cymru (PGIAC)

Welsh Health Specialised  
Services Committee (WHSSC)

# ANNUAL REPORT

2012/13

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## **MESSAGE FROM THE CHAIR AND DIRECTOR OF SPECIALISED AND TERTIARY SERVICES**

Welcome to the 2012/13 Annual Report for the Welsh Health Specialised Services Committee (WHSSC), which covers the period 01 April 2012 - 31 March 2013. This report outlines some of the achievements we have made this year. We hope you will find this report informative.

Our third year of operation has been very challenging and we have focused on putting in place a full commissioning model 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 2014 and beyond.

In September 2012 Dr Cerilan Rogers, Director of Specialised and Tertiary Services retired. We are extremely grateful to Cerilan for her contribution to the work of WHSSC and the NHS in Wales. As an interim arrangement, Mr Stephen Harray, was appointed as Interim Director of Specialised and Tertiary Services.

The report highlights key achievements during 2012/13 and looks forward to the key priorities for 2013/14.

As the Chair and Interim Director of Specialised Services, we are proud of the many achievements in 2012/13 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	Mr Stephen Harray, Interim Director of Specialised & Tertiary Services
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## 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 three sub-committees of the Joint Committee; Quality and Patient Safety, Integrated Governance and the all-Wales Individual Patient Funding Request Panel. In this financial year changes have been made to strengthen the Audit Committee arrangements with WHSSC becoming part of the Cwm Taf Audit Committee. There are currently two networks who report to the Joint Committee; Welsh Renal Clinical Network and Wales Neonatal Network and a number of advisory groups and partnership boards.

Membership of the Joint Committee and Sub Committees is shown in Annex (i).

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](http://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](mailto:Pamela.wenger@wales.nhs.uk) or 01443 443443 ext. 8131.

## **2. WHAT WE DO**

The Welsh Health Specialised Services Committee (WHSSC) commissions 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:

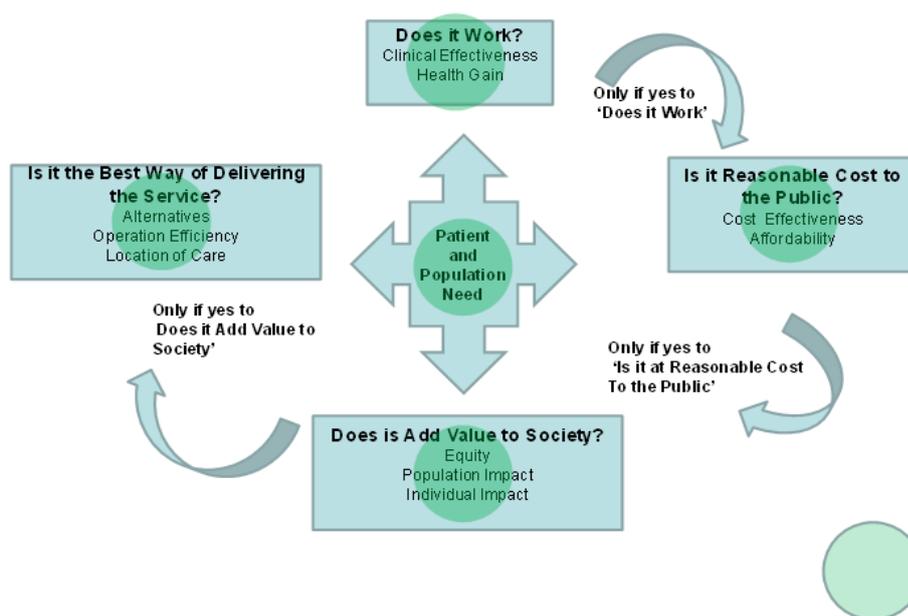
- Commission, including plan, procure and performance monitor Specialised Services delegated to WHSSC by the seven Local Health Boards in Wales;
- Develop, negotiate, agree, maintain and monitor contracts with providers of Specialised Services;
- Undertake reviews of Specialised Services and manage the 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 Evidence, Evaluation and Prioritisation Framework

In April 2011, the need for a more systematic and structured approach towards WHSSC resource allocation was agreed. The requirement for healthcare epidemiology, evidence evaluation and information analysis was highlighted and, as a result, in November 2011 the Epidemiology and Evidence Support Team (EEST) was established by WHSSC by the Medical Directorate to ensure:

- An evidence based decision making process in service and policy development and
- A robust process around service prioritisation

The assessment of evidence required a comprehensive approach which included impact assessment (including patient, public, organisational and financial) and the development of commissioning methods. The diagram below forms the basis of and summarises the evidence approach adopted.



### 2.1.1 Impact Assessment

The translation of the evidence analysis and recommendations into a commissioning tools required the development of the following products:

- clinical access policies;
- service specifications;
- explicit clinical outcome measures.

Impact assessments were undertaken on each service using a standard template for consistency. From each impact assessment, the direct commissioning opportunities and related commissioning methods were identified. Each impact assessment covered the following:

- Evidence based policy statements, clinical access criteria and the development of clinical access policies;
- Epidemiology and population impact (condition, intervention/treatment/package of care, population at risk);
- Clinical and Quality (including outcome measures, harms, health benefits, monitoring and audit);
- Finance and Activity (expected impact on costs and activity, expected impact on providers and target increases/decreases in activity, expected impact on SLAs);
- Patient and Public (requirement for EQIA, consultation expected);

Each clinical service and intervention assessment were aligned to the IHI 'triple aim' objectives of minimising waste, harm and clinical variation where the variation could not be explained in on the basis of evidence.

### 2.1.2 Key Objectives Achieved

- Establishment of the Prioritisation Panel;

- Development of methods and techniques for evidence appraisal for assessing clinical and cost effectiveness
- 85 Evidence assessments undertaken of key services, interventions and packages of care with Prioritisation Panel recommendations;
- Impact assessments;
- Development of subsequent clinical access policies, service specifications and quality and outcome measures

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 commissioning 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.

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 Women's and Children's Services

Key achievements in 2012/13 include:

- Revise and update of the tertiary referral management system for paediatric services
- Support in the transfer in the management of the South Wales IVF service to ABMU HB
- All policies in the programme team have been updated onto the new template and finalised
- Development of quality indicators and scheduled audit days for a number of services within the programme team including CAMHS, Cochlear, IVF, Neonates, Cystic Fibrosis and Paediatric Cardiac services
- Cystic Fibrosis Review completed its work on the model of care and audit against standards.
- Update of the All Wales Neonatal Standards
- Capacity and Demand review of the Neonatal Network

### 2.2.2 Neurosciences & Complex Conditions

Key achievements in 2012/13 include:

- Development of a Service Specification for Posture and Mobility Services
- Introduction of new clinical gatekeeping arrangements for Neurosurgery
- Introduction of new clinical gatekeeping and contractual arrangements for Deep Brain Stimulation
- Commencement of waiting time reporting for the Posture and Mobility services

- Monthly information return implemented for Cardiff Neuropsychiatry Service

### 2.2.3 Cancer and Haematology Services

Key achievements in 2012/13 include:

- Implementation of National Standards for Sarcoma. Work will focus on an annual review and audit to inform the commissioning cycle.
- Work is ongoing to fully implement the Children and Young People's Cancer Standards across Wales.
- Review undertaken of access to thoracic surgery in South Wales, and a plan has been developed to improve access to thoracic surgery in South Wales and to increase the attendance of surgeons at MDT meetings in order to improve outcomes for lung cancer patients.
- Audit of liver cancer surgery at Cardiff and Vale UHB to assure WHSSC as commissioners that the current service is safe as a result of serious incident.
- Arrangements for Radiofrequency Ablation formalised at Aneurin Bevan Health Board.
- Evidence appraisal undertaken on 11 specialist treatments for cancer patients.

### *IBD/Haemophilia Service*

- A Psychologist and a Physiotherapist have been appointed to the Service in North Wales.
- Agreement reached to assess the North Wales service to provide quality assurance.
- Business case prepared by Cardiff & Vale UHB approved, for a Band 6 Physiotherapist, to be based at UHW.
- Swansea has a full and effective hepatology service

### 2.2.4 Cardiothoracic Services

Key achievements in 2012/13 include:

- Gatekeeping arrangements formalised for all cardiac referrals out of North Wales
- Gatekeeping arrangements for pulmonary hypertension/heart failure referrals from South West Wales
- Cardiac Surgery review and task and finish group established

#### 2.2.5 Renal Services

Key achievements in 2012/13:

- Opening of the permanent Dialysis Unit at Welshpool;
- Expansion of nocturnal home haemodialysis in South West Wales and initiation of service in North Wales
- Fourth National Audit Meeting where learning and best practice shared
- Agreement on national generic specification for unit haemodialysis services provided by the independent sector in Wales.

#### 2.2.6 Mental Health Services

Key achievements in 2012/13 include:

##### *Secure Mental Health Services*

- National Framework for all independent sector medium and low secure mental health and learning disability placements continues to release further significant savings including WHSSC funded services;
- Recruitment to Secure Services Contract Team completed;
- Highly positive feedback to WHSSC Joint Committee from external review of Procurement project by NHS Tayside Centre for Operational Effectiveness;
- Further improvements to secure services database and expansion of file sharing portal to include secure electronic transfer of patient data from High Secure services.

### *Gender Dysphoria Services*

- Completion of specialised gender identity services with final report and recommendations being published in June 2012.

## **3. GOVERNANCE AND QUALITY**

### **3.1 Quality Standards**

During the 2012/13 year, WHSSC has been actively involved in the establishment of specific high level indicators. This will provide the commissioners with assurances on the quality of the services we are currently commissioning from NHS Wales and England. The Head of Nursing & Quality is working with commissioners to ensure that both existing and newly commissioned services are being assessed and monitored for quality assurance.

A range of site assessment visits is also being undertaken to assure ourselves of the quality of the facilities and the environment in which care is being delivered. This also provides us with an opportunity to discuss quality data and have an open dialogue with the provider on the high quality services that are being delivered.

The development of quality dashboards is a programme that is being implemented over the next 3 years and the Head Of Nursing will shortly present the first quality assurance dashboard to the WHSSC Board.

### **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.

The development of the All Wales patient experience framework has now concluded and is now available within NHS Wales. This will ensure a standardised approach towards the collection and monitoring of patient experience data across all health boards.

The Head of Nursing is the lead for patient experience within the organisation and is shortly to revise the strategy for patient and public engagement.

Developments over the next 12 months:

- Development of Gender Identity Partnership Board
- Specific patient experience data on IVF and Posture and Mobility Services have been collected
- Patient Experience data now being presented regularly as part of the routine audit days across programme teams
- WHSSC has a seat on the All Wales Patient Experience work stream and is reporting nationally on the work currently undertaken within specialised services

### **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.

Concerns regarding patients may be raised through a number of routes; by the individual, their relative, by an Assembly Member or Member of Parliament, or by the Community Health Council.

During the year 2012/13, 60 concerns (Putting Things Right) were raised. 54 enquiries regarding funding decisions (which were processed using concerns mechanisms) were also received.

In the year 2012/13, 19 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* (IPFR). During the year, an All Wales Specialised Services Panel has been established with representatives, at Director Level, from all Health Boards, a Lay representative is currently being sourced. The All Wales IPFR network continues to meet composed of representatives from across NHS Wales. A development session will shortly be held for those involved in IPFR, this will be an opportunity to share best practice and further develop our IPFR processes.

### **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 2012/13, WHSSC has processed 25 requests for information under the Act's 'general right of access'.

## 4. WELSH HEALTH SPECIALISED SERVICES SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

### 4.1 Statement of Comprehensive Net Expenditure for Year Ended 31<sup>st</sup> March 2013.

	2013 £000's	2012 £000's
Expenditure on Healthcare From Other Providers.	583,758	580,384
Administration Expenditure	3,328	3,267
	<hr/> 587,086	<hr/> 583,651
Less: Miscellaneous Income	<hr/> 587,086	<hr/> 583,651
Net Operating Costs For The Financial Year.	<hr/> 0	<hr/> 0

### 4.2 Statement of Financial Position as at 31 March 2013

	2013 £000's	2012 £000's
<b>CURRENT ASSETS</b>		
Trade and Other Receivables	5,713	5,736
Cash and Cash Equivalents	173	154
<b>Total Current Assets</b>	<hr/> <b>5,886</b>	<hr/> <b>5,890</b>
Trade and Other Payables	(17,728)	(17,732)
<b>Net current assets / (liabilities)</b>	<hr/> <b>(11,842)</b>	<hr/> <b>(11,842)</b>
Provisions	<hr/> 0	<hr/> 0
<b>TOTAL ASSETS EMPLOYED</b>	<hr/> <b>(11,842)</b>	<hr/> <b>(11,842)</b>

**FINANCED BY:**

General fund

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**(11,842) (11,842)**

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



Director of Finance

Interim Director of Specialised Services

Date: 5<sup>th</sup> June 2013

### 4.3 Statement of Cash flows for the year ended 31 March 2013

	<b>2012- 2013</b>	<b>2011- 2012</b>
	<b>£000</b>	<b>£000</b>
Net operating costs	0	0
Movements in working capital	19	(1,551)
Other Cash Flow Adjustments	0	0
<b>Net cash inflow from operating activities</b>	<b>19</b>	<b>(1,551)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	<b>19</b>	<b>(1,551)</b>
<b>Cash and cash equivalents at 1st April 2012</b>	<b>154</b>	<b>1,705</b>
<b>Cash and cash equivalents at 31st March 2013</b>	<b>173</b>	<b>154</b>

## **4.4 Director of Finance Report**

The summary financial statements for WHSSC have been incorporated into the financial accounts of the Cwm Taf Health Board, the host body responsible for WHSSC.

### **4.4.1 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 £587m.

### **4.4.2 Expenditure**

The operating costs of WHSSC are comprised mainly of the cost of procuring healthcare from providers of specialised health care. This accounts for £583.8m (99.4%) of all expenditure.

The majority of expenditure is with Welsh NHS providers with £301.5m provided by Health Boards and £146.0m provided by Welsh Trusts.

A significant value of services are provided by specialised NHS providers in England. This represents £109.2m of expenditure and is comprised of tertiary services provided in the cross border areas such as North West England for the Powys population, Birmingham for the Powys and South Wales population and Bristol for the South Wales population together with a range of highly specialised services provided across England on an all Wales basis.

Services are also provided by the Independent Sector and Voluntary Sector totalling £27.0m. 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.

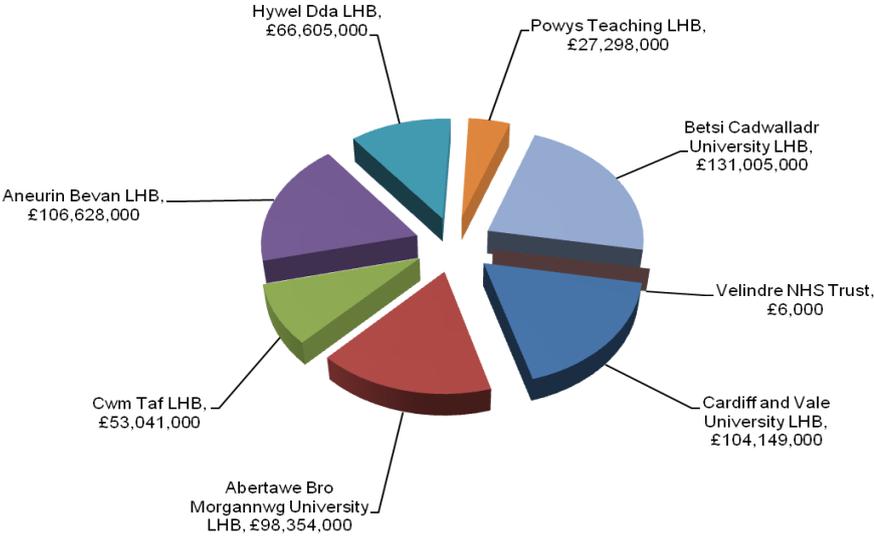
WHSSC operates with a small direct running cost overhead of £3.3m representing 0.6% of expenditure.

A handwritten signature in blue ink, appearing to read 'Stuart Davies', with a stylized flourish at the end.

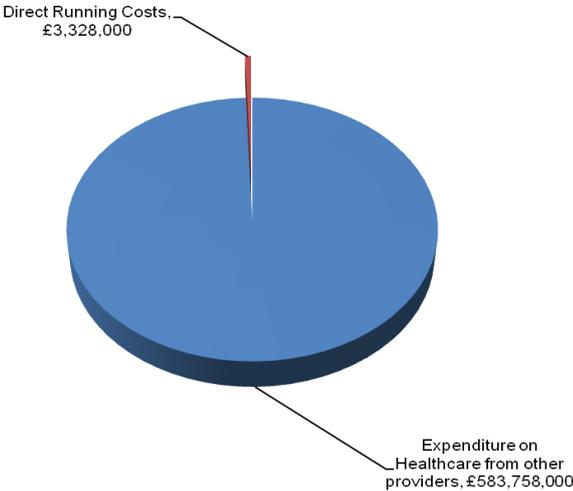
Stuart Davies  
Director of Finance

# 4.5 Analysis of Income and Expenditure

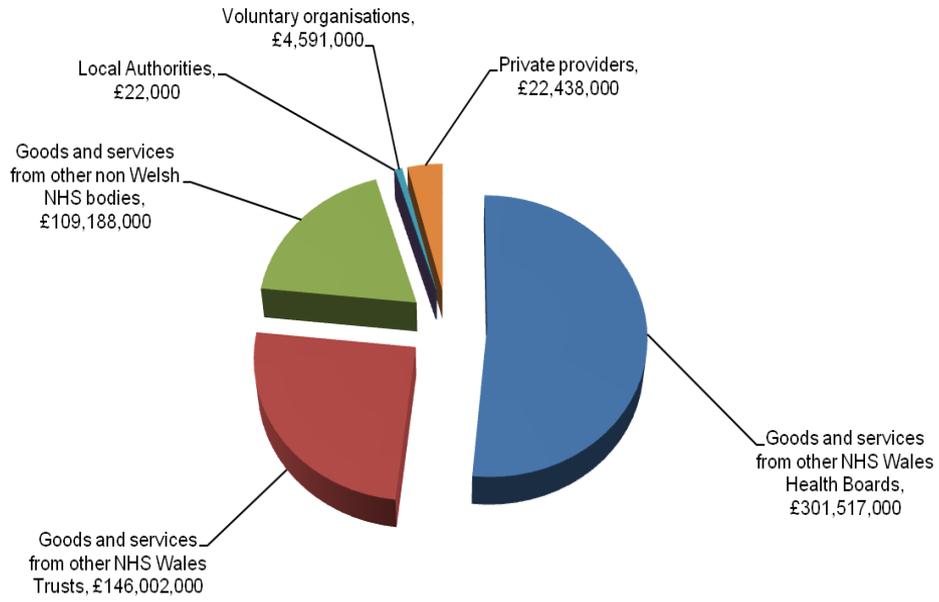
**The Main Source of Funding Comes From Health Boards and Totals £587,086 million**



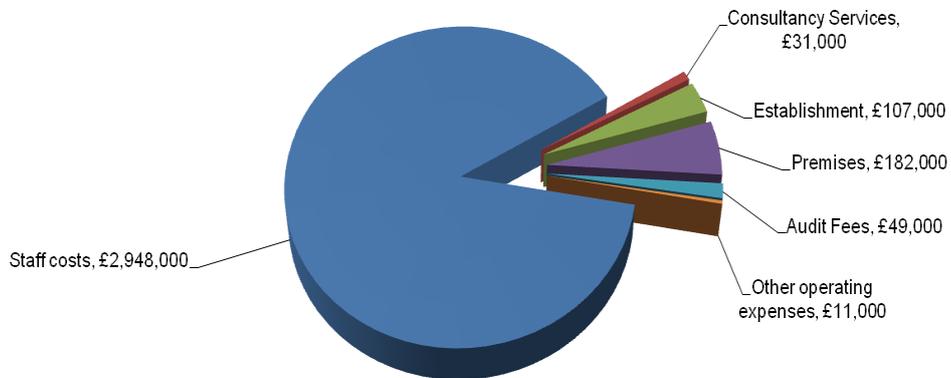
**The Operating Costs of WHSSC were £583,651 million**



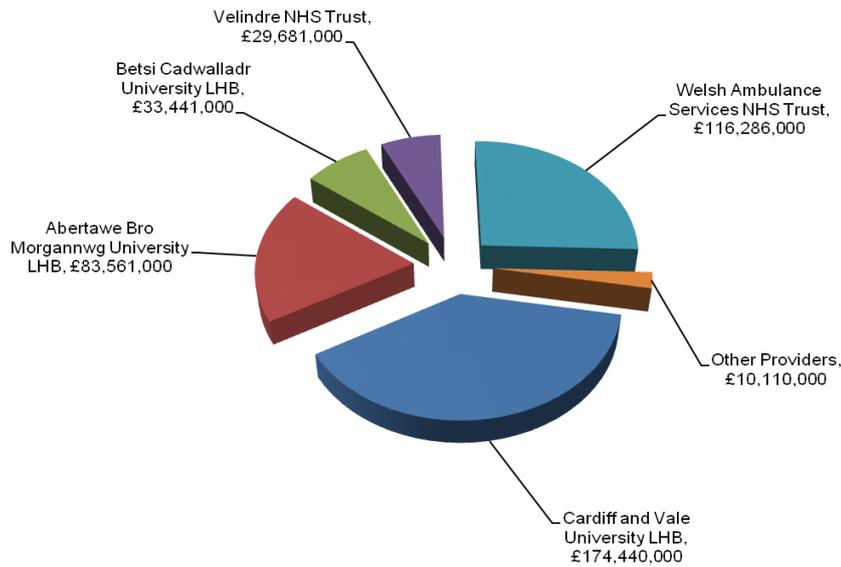
**Expenditure on Healthcare From Other Providers**



**Expenditure on Hospital and Community Health Services - Running Costs**



WHSSC Spent £447,519 on Specialist Services Provided Within Wales



## 5. LOOKING FORWARD TO 2013/14

During 2013/14 our focus will be on:

- Achievement of financial balance and financial stability for specialised services;
- Development of a robust commissioning plan for 2013/14
- Development and implementation of quality standards for specialised services;
- Progress the work to develop a collaborative commissioning model;
- On going work through the cardiac services implementation and review group;
- Review of business processes and existing governance structures; and
- Further progress towards equality of access to effective treatment through service reviews.

## 6. 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](http://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](mailto:WHSSC.generalenquiries@wales.nhs.uk)

Website: [www.WHSSC.wales.nhs.uk](http://www.WHSSC.wales.nhs.uk)

## **ANNEX (i): WELSH HEALTH SPECIALISED SERVICES COMMITTEE ANNUAL GOVERNANCE STATEMENT 2012/13**

### **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 1<sup>st</sup> 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 Interim 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 is

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 2012/13 are:

<b>Name</b>	<b>Role</b>	<b>Organisation</b>
Professor Mike Harmer	Chair	Welsh Health Specialised Services
Mr John Hill-Tout	Vice Chair	Independent Member, Cwm Taf LHB
Mrs Mary Burrows	Member	Chief Executive, Betsi Cadwaladr UHB
Mr Adam Cairns	Member (from July 2012)	Chief Executive, Cardiff and Vale UHB
Mr Andrew Cottom	Member	Chief Executive, Powys Teaching LHB
Dr Andrew Goodall	Member	Chief Executive, Aneurin Bevan LHB
Mr Paul Hollard	Member (until July 2012)	Interim Chief Executive, Cardiff and Vale UHB
Mr David Jenkins	Member	Independent Member, Aneurin Bevan LHB
Dr Lyndon Miles	Member	Independent Member, Betsi Cadwaladr UHB
Mr Trevor Purt	Member	Chief Executive, Hywel Dda LHB
Mr Paul Roberts	Member	Chief Executive, Abertawe Bro Morgannwg UHB
Mrs Allison Williams	Member	Chief Executive, Cwm Taf LHB
Dr Geoffrey Carroll	Officer Member	Medical Director, Welsh Health Specialised Services
Mr Stuart Davies	Officer Member	Director of Finance, Welsh Health Specialised Services
Mr Stephen HARRY	Officer Member (from September 2012)	Interim Director of Specialised and Tertiary Services, Welsh Health

<b>Name</b>	<b>Role</b>	<b>Organisation</b>
		Specialised Services
Dr Cerilan Rogers	Officer Member (until September 2012)	Director of Specialised and Tertiary Services, Welsh Health Specialised Services
Mr Simon Dean	Associate Member	Chief Executive, Velindre NHS Trust
Mrs Judith Paget	Associate Member (until October 2012)	Chief Operating Officer, Anuerin Bevan LHB and Chair of the All-Wales Neonatal Network Steering Group
Ms Ruth Treharne	Associate Member (from October 2012)	Director of Planning and Performance, Cwm Taf LHB and Chair of the All-Wales Neonatal Network Steering Group
Ms Karen Howell	Associate Member	Director of Primary, Community and Mental Health for Hywel Dda LHB and Chair of the Secure Services Delivery and Assurance Group
Mr Daniel Phillips	Associate Member	Director of Planning, WHSSC and Chair of the All-Wales Posture and Mobility Partnership Board
Mr Bob Hudson	Associate Member	Chief Executive, Public Health Wales
Mr Elwyn-Price Morris	Associate Member	Chief Executive, Welsh Ambulance NHS Trust
Professor Simon Smail	Associate Member	Non Executive Member of Public Health Wales and Chair of the Quality and Patient Safety Committee
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 5 sub-committees and 4 advisory groups in the discharge of functions:

- Audit Committee (of the host organisation)
- Individual Patient Funding Request (IPFR) Panel (WHSSC)
- Integrated Governance Committee
- Management Group
- Quality and Patient Safety Committee
- All Wales Posture and Mobility Service Partnership Board
- Wales Neonatal Network Steering Group
- Wales Secure Services Delivery Assurance Group
- Welsh Renal Clinical Network

The **Audit Committee** advises and assures 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.

During 2012/13 the Audit Committee arrangements were amended to strengthen assurance mechanisms. Following discussions on the structural issues of the WHSSC Audit Committee it was agreed that all WHSSC audit matters are integrated into the Cwm Taf Audit Committee. The responsibility transferred to the Cwm Taf Audit Committee following the January 2013 meeting. A legacy statement was presented to the Cwm Taf Audit Committee to ensure that they were aware of the specific issues relating to WHSSC.

The relevant officers from WHSSC are in attendance to for the WHSSC components of the Cwm Taf Audit Committee.

The **All Wales Individual Patient Funding Request (IPFR) Panel (WHSSC)** holds delegated Joint Committee authority to consider and make decisions on requests to fund NHS healthcare for patients who fall outside the range of services and treatments that a health board has agreed to routinely provide.

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

The **Management Group** is the specialised services commissioning operational body responsible for the implementation of the Specialised Services Strategy. The group underpins the commissioning of specialised services to ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales.

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 **All Wales Posture and Mobility Services Partnership Board** provides advise the Joint Committee on the scope and eligibility criteria for the Posture and Mobility Service, the specification for the Posture and Mobility Service and the Quality Standards and Key Performance Indicators.

The **Wales Neonatal Network Steering Group** advises the Joint Committee on issues regarding the development of neonatal services in Wales. The Steering Group ensures that

there is a co-ordinate approach to Neonatal care across Wales and that the benefits of working collaboratively are realised.

The **Wales Secure Services Delivery Assurance Group** advises the Joint Committee on issues regarding the development of secure mental health services for Wales. The group ensures that there is a co-ordinate approach to secure services across Wales and that the benefits of working collaboratively are realised.

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.

**1.3 Joint Committee and Sub-Committees meetings 2012/13**

The following table outlines dates of Board and Committee meetings held during 2012/13. Meetings where there was not quorum are highlighted in red.

Joint Committee/ Sub-Committee	2012/13					
Joint Committee	26-Jun	25-Sep	27-Nov	29-Jan	26-Mar	
WHSSC Audit	04-May	06-Jun	19-Jul	08-Oct	14-Jan	
Integrated Governance	26-Jul	22-Nov	26-Mar			

Quality & Safety	05-Jul	04-Oct	10-Jan			
Management Group	01-Oct	08-Nov	13-Dec	10-Jan	14-Feb	14-Mar

## **2. GOVERNANCE AND ACCOUNTABILITY FRAMEWORK**

In January 2013 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 2013 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.

In terms of accountability WHSSC has successfully implemented a change in the arrangements for Audit Committee. Following from its own self assessment the previous independent Audit Committee identified the need for change which was supported by the Joint Committee. The

change fully integrated the Audit Committee within the Cwm Taf Audit Committee process from January 2013, retaining a focus on WHSSC business by having meetings in two parts. A successful learning and familiarisation event was held with Cwm Taf Audit Committee members, later followed by a full meeting. The Audit Committee acts in compliance with the NHS Wales Audit Committee Handbook and reports to the WHSSC Joint Committee. These new arrangements represent a significant strengthening in respect of independent scrutiny of the planning of specialised services. The change will enable a full audit opinion on the whole of the resources managed by WHSSC and Cwm Taf, which will improve the level of assurance that the audit committee process can provide to the host body. The transition from models of Audit Committee has been smooth through the year ensuring the delivery of the full internal and external audit programme.

An Independent Member of the Joint Committee is a Member of the Cwm Taf Audit Committee. The Director of Finance and Committee Secretary and other members of WHSST (as required) attend the meetings.

The links with sub committees previously established through the Integrated Governance Committee continue. The Integrated Governance Committee 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; and
- 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 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.

A follow up review of corporate governance and risk management was undertaken by Internal Audit in November 2012. The conclusion of the review was that there is low risk in the system within WHSSC.

## **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.

## **4.4 Information Governance**

The Committee Secretary is the Lead Officer in relation to Information Governance for the WHSSC and an agreement has been made that the Medical Director for Cwm Taf will act as Caldicott Guardian with input and assurance from me. The Committee Secretary and I are members of the Cwm Taf Local Health Board Information Governance Group.

## 4.5 Counter Fraud

Cwm Taf LHB provides Counter Fraud services to WHSSC through the hosting agreement.

At each WHSSC Audit Committee there was a standing agenda item for a Counter Fraud update from the Local Counter Fraud Service. WHSSC has a responsibility to the members of the Joint Committee to ensure that, as far as possible, the risk of fraud being committed against WHSSC is minimised.

Services provided by the Cwm Taf Local Counter Fraud Service include:

- Collation and submission of WHSSC data for the bi-annual National Counter Fraud Initiative undertaken across the public sector in the UK.
- Annual counter fraud training sessions for WHSSC staff
- Annual Proactive Counter Fraud work plan and report to Audit Committee.
- Investigation of all fraudulent activities, both actual and potential, brought to the attention of the Counter Fraud Service.

During 2011/2012 concern was raised by the members of the Audit Committee that the level of counter fraud service available to WHSSC might be insufficient, that clarity was required regarding the level of provision available and whether the skills were available within Cwm Taf to undertake the work. Furthermore the Audit Committee was concerned that the Counter Fraud scrutiny was not appropriately targeted to the main areas of risk.

The WHSSC Audit Committee agreed that, as a commissioning organisation, WHSSC faced greater risks from being vulnerable to fraudulent activities undertaken by other commissioning organisations looking to improve their own finances and to organisations providing services to WHSSC.

WHSSC consulted with the Regional Counter Fraud Unit and with the UK NHS Protect agency. Neither agency was able to provide bespoke counter fraud services for the areas that WHSSC had highlighted as needing review. Both agencies suggested working with the Cwm Taf Local Counter Fraud Service to provide an annual audit plan that was more tailored to the needs of WHSSC.

Feed back from the WHSSC Audit Committee indicated that they were keen to know how much of the traditional counter fraud work has been undertaken for WHSSC, and also what steps are being taken to look at some WHSSC specific fraud risks that have been identified.

At the Audit Committee in October 2012 it was agreed that whilst an assessment of the commissioning activities had been undertaken internally by the organisation, Internal Audit would be commissioned to undertake further work as an independent body and to report back with their view of the position and their suggestions for further audit activity. The Audit Committee in January discussed the progress and noted that this was being taken forward by the Internal Auditors. The outcome of this work is awaited and should be reported to the first Audit Committee as part of the new arrangements.

## **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 Auditors summary of findings with regards to specific reviews undertaken within WHSSC are included in the Cwm Taf HB annual internal audit report for 2012/13 is awaited.

**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	3	3
3. Health Promotion, Protection and Improvement	N/A	N/A
4. Civil Contingency and Emergency Planning Arrangements	N/A	N/A
5. Citizen Engagement and Feedback	3	3
6. Participating in Quality Improvement Activities	3	3
7. Safe and Clinically Effective Care	3	3

<b>Standard</b>	<b>2010/2011 Maturity Scores</b>	<b>2011/2012 Maturity Scores</b>
8. Care Planning and Provision	3	3
9. Patient Information and Consent	3	3
10. Dignity and respect	See Cwm Taf LHB Assessment	See Cwm Taf LHB Assessment
11. Safeguarding Children and Safeguarding Vulnerable Adults	3	3 <sup>1</sup>
12. Environment	3	3
13. Infection Prevention and Control (IPC) and Decontamination	N/A	N/A
14. Nutrition	N/A	N/A
15. Medicines Management	N/A	N/A
16. Medical Devices, Equipment and Diagnostic Systems	N/A	N/A
17. Blood Management	N/A	N/A
18. Communicating Effectively	3	3
19. Information Management and Communications Technology	3	3
20. Records Management	3	3 <sup>2</sup>
21. Research, Development and Innovation	N/A	N/A
22. Managing Risk and Health and Safety	3	4
23. Dealing with concerns and managing incidents	3	4
24. Workforce Planning	3	3 <sup>3</sup>
25. Workforce Recruitment and Employment Practices	3	3 <sup>4</sup>
26. Workforce Training and Organisational	2	3 <sup>5</sup>

<sup>1</sup> The standard has elements which are covered through the hosting agreement with Cwm Taf LHB; therefore there is cross reference with the Cwm Taf LHB self assessment for the standard indicated.

<sup>2</sup> The standard has elements which are covered through the hosting agreement with Cwm Taf LHB; therefore there is cross reference with the Cwm Taf LHB self assessment for the standard indicated.

<sup>3</sup> The standard has elements which are covered through the hosting agreement with Cwm Taf LHB; therefore there is cross reference with the Cwm Taf LHB self assessment for the standard indicated.

<sup>4</sup> The standard has elements which are covered through the hosting agreement with Cwm Taf LHB; therefore there is cross reference with the Cwm Taf LHB self assessment for the standard indicated.

<b>Standard</b>	<b>2010/2011 Maturity Scores</b>	<b>2011/2012 Maturity Scores</b>
Development		

The full self assessment including the Governance and Accountability Module (see figure 2 for overview) has been independently scrutinised by 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						
<b>Governance and Accountability Module</b>	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			<b>3</b>			
Enabling Delivery			<b>3</b>			

<sup>5</sup> The standard has elements which are covered through the hosting agreement with Cwm Taf LHB; therefore there is cross reference with the Cwm Taf LHB self assessment for the standard indicated.

Delivering results achieving excellence			<b>3</b>		
Overall Maturity Level			<b>3</b>		

The final Internal Audit report following the review of WHSSC management of the Standards for Health Services In Wales was received on 15<sup>th</sup> May 2013. The conclusion of the review was that "The Board can take **reasonable assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with **low to moderate impact on residual risk** exposure until resolved."

## **6. SIGNIFICANT GOVERNANCE ISSUES**

I wish to highlight following matters that are considered significant and have presented challenges in 2012/13.

### **Commissioning of Welsh Ambulance Services NHS Trust**

In April 2012 it was agreed that the responsibility for the commissioning of the ambulance service would be undertaken by the seven local health boards and that WHSSC would only provide the vehicle for payment of the contract.

### **Business Framework and Dispute Resolution**

At the Joint Committee meeting held in January 2012 it was agreed there is a need to strengthen the business arrangements of the Committee, including clarification of the dispute resolution arrangements. A Business Framework, to be

read in conjunction with the Governance and Accountability Framework, was developed to ensure that Members of the Joint Committee have a clear understanding of the decision making processes.

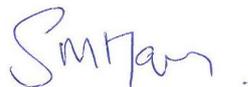
### **Commissioner/Provider Conflict at Joint Committee**

During the year the role of the Joint Committee has also been revisited to reduce provider/commissioner conflict and to ensure that the Commissioner responsibilities are clear to all members.

### **Becoming a Good Commissioning Organisation**

During 2012/13 the role of WHSSC as a commissioning organisation has been clarified. Work is underway to ensure that WHSSC has the infrastructure to be a good commissioner and that a clear commissioning model is in place. The commissioning model and learning within WHSSC will be shared Health Boards so that it can be utilised in primary and secondary care commissioning.

**Signed:**



**Dated: 29<sup>th</sup> May 2013**

**Interim Director of Specialised and Tertiary Services**

## **ANNEX (ii): SUB COMMITTEES OF THE JOINT COMMITTEE**

The Joint Committee has established the following sub committees:

- Quality and Patient Safety Committee
- Integrated Governance Committee

### **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 2012/13 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
- Mr Chris Roseblade, Clinical Representative and Associate Medical Director, Betsi Cadwaladr UHB
- Mrs Andrea Gristock, Clinical Representative, Cwm Taf LHB

- Dr Paul Hughes, Clinical Representative and Assistant Medical Director, Welsh Ambulance NHS Trust
- Dr Graham Shortland, Medical Director Representative and Medical Director, Cardiff and Vale UHB
- Mr Andrew Phillips, Clinical Representative and Director of Therapies Abertawe Bro Morgannwg UHB

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

- Mr Stephen Harray, Interim 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
- Mr David Wilmott, Head of Nursing and Quality
- 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 2012/13 was as follows:

- Professor Michael Harmer (*Chair*)
- Dr Mark Drayton, Lead of Neonatal Network Steering Group
- Mr John Hill-Tout, Independent Member and Chair of the Audit Committee
- Ms Karen Miles, Chair of the Secure Services Delivery Assurance Group
- Professor Simon Smail, Associate Member and Chair of the Quality and Safety Committee

- Professor John Williams, Chair of All Wales Clinical Renal Network

Mrs Cathie Steele, Corporate Governance Manager is in attendance at all meetings.