

Shared Services Partnership Committee - July 2022

Thu 21 July 2022, 10:00 - 12:00

TEAMS



Agenda

10:00 - 10:20
20 min

1. Agenda

1.1. Welcome and Introductions

Tracy Myhill, Chair

1.2. Apologies for absence

Tracy Myhill, Chair

1.3. Declarations of Interest

Tracy Myhill, Chair

1.4. Draft minutes of meeting held on 19 May 2022

Tracy Myhill, Chair

 1.4 NWSSP Partnership Cttee Minutes - 2022. 05.pdf (9 pages)

1.5. Action Log

Tracy Myhill, Chair

 1.5 Action Log July 2022.pdf (2 pages)

1.6. Matters Arising

1.6.1. Procurement Update

Jonathan Irvine, Director Procurement Services

 1.6.1. National Operating Model - Deliverables and Measures July 2022.pdf (6 pages)

10:20 - 10:30
10 min

2. Chair/Managing Director's Reports

2.1. Chair's Report

Tracy Myhill, Chair

 2.1.1 Microsoft Enterprise Agreement Cover.pdf (3 pages)

 2.1.2 NWSSPC - Development Approach.pdf (5 pages)

2.2. Managing Director's Update

Neil Frow, Managing Director

 2.2 SSPC MD Update July 22.pdf (6 pages)

10:30 - 11:15
45 min

3. Items for Approval/Endorsement

3.1. Laundry Business Case

Neil Davies, Director, Specialist Estates /Carolyn Robinson, Consultant, SHP

- 3.1 All Wales Laundry OBC Approval July 2022 v2.0.pdf (6 pages)
- 3.1 140622 OBC North Wales Hub Final.pdf (116 pages)
- 3.1 140622 OBC South West Wales Hub Final.pdf (117 pages)

3.2. Patient Medical Record Accommodation Business Case

Andy Butler, Director of Finance & Corporate Services

- 3.2 PMR Accommodation Business Case Cover.pdf (4 pages)
- 3.2 PMR Accommodation Business Case.pdf (26 pages)

3.3. Annual Review 2021/22

Andy Butler, Director of Corporate and Finance Services

- 3.3 SSPC Annual Review cover.pdf (2 pages)

3.4. Audit Committee Terms of Reference

Peter Stephenson, Head of Finance & Business Development

- 3.4 Audit Committee Terms of Reference Cover.pdf (3 pages)
- 3.4 NWSSP Audit Committee Terms of Reference.pdf (11 pages)

11:15 - 11:45
30 min

4. Governance, Performance & Assurance

4.1. Finance Report

Andy Butler, Director of Finance & Corporate Services

- 4.1 SSPC Finance Report Cover.pdf (3 pages)
- 4.1 SSPC Finance Report June 22 FINAL.pdf (11 pages)

4.1.1. Audit Wales Management Letter

Andy Butler, Director of Finance & Corporate Services

- 4.1.1 NWSSP_Management_Letter_2021-22 NWSSP - final.pdf (10 pages)

4.1.2. Audit Wales Nationally Hosted IT Systems

Andy Butler, Director of Finance & Corporate Services

- 4.1.2 Nationally Hosted IT Systems Report FINAL 10 7 22.pdf (36 pages)

4.2. IMTP Q1 Update Report 2022/23

Helen Wilkinson, Planning & Business Change Manager

- 4.2 SSPC Q1 IMTP Report Final .pdf (15 pages)

4.3. Performance Report

Andy Butler, Director of Finance & Corporate Services

- 4.3 July 22 SSPC Performance Report Cover.pdf (2 pages)
- 4.3 SSPC Performance Report July 22.pdf (13 pages)


4.4. PMO Highlight Report

Andy Butler, Director of Finance & Corporate Services

 4.4 PMO Highlight Report July SSPC Final.pdf (28 pages)

4.5. People & OD Report


Gareth Hardacre, Director of People & OD

 4.5 POD Report June 2022.pdf (6 pages)

4.6. Corporate Risk Register

Peter Stephenson, Head of Finance & Business Development

 4.6 Corporate Risk Register July 2022.pdf (4 pages)

 4.6 Corporate Risk Register 20220715.pdf (3 pages)

4.7. Declarations of Interest

Peter Stephenson, Head of Finance & Business Development

 4.7 Declarations of Interest Update.pdf (6 pages)

11:45 - 11:55
10 min

5. Items for Information


5.1. Decarbonisation Action Plan Q1 Update 2022/23

Neil Davies, Director, Specialist Estates Services

 5.1 Decarbonisation Action Plan Progress Report July 2022.pdf (6 pages)

5.2. Final Annual Governance Statement 2021/22

Peter Stephenson, Head of Finance & Business Development

 5.2 FINAL Annual Governance Statement 2021-22.pdf (36 pages)

5.3. Health & Safety Annual Report 2021/22


Andy Butler, Director of Corporate and Finance Services

 5.3 HS Annual Review-compressed.pdf (65 pages)

5.4. Finance Monitoring Returns

Andy Butler, Director of Corporate and Finance Services

 5.4.1 Monitoring Return Commentary Month 2 NWSSP 2022-23.pdf (9 pages)

 5.4.2 Monitoring Return Commentary Month 3 NWSSP 2022-23.pdf (9 pages)

11:55 - 12:00
5 min

6. Any Other Business

12:00 - 12:00
0 min

7. Date and Time of Next Meeting

Thursday 22 September 10am (Teams)

NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE

MINUTES OF MEETING HELD THURSDAY 19th May 2022 10:00 – 12:00 Meeting held on TEAMS Part A - Public

ATTENDANCE	DESIGNATION	ORGANISATION
MEMBERS:		
Tracy Myhill (TM)	Chair	NWSSP
Neil Frow (NF)	Managing Director	NWSSP
Huw Thomas (HT) (until 11.50am)	Director of Finance	Hywel Dda UHB
Sue Hill (SH) (until 11.00am)	Director of Finance	BCUHB
Catherine Phillips (CP) (until 11.30am)	Director of Finance	C&V UHB
Claire Osmundsen-Little (COL) (until 10.30am)	Director of Finance	DHCW
Debbie Eyitayo (DE) (until 10.50am)	Director of Workforce & Organisational Development	Swansea Bay UHB
Cath O'Brien (CB)	Chief Operating Officer	Velindre
Chris Turley (CT)	Director of Finance	WAST
OTHER ATTENDEES:		
Helen Watkins (HW)	Deputy Director of Workforce & Organisational Development	CTMUHB
Chris Payne (CP)	Deputy Director of Finance	HEIW
Greg Chambers (GC)	Locality Finance & Performance Manager	Powys tHB
Julian Quirk (JQ)	Deputy Director of Workforce & Organisational Development	Swansea Bay UHB
Matt Denham-Jones (MDJ)	Deputy Director of Finance	Welsh Government
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Gareth Hardacre (GH)	Director of People & OD	NWSSP
Alison Ramsey (AR)	Director of Planning, Performance, and Informatics	NWSSP
Linsay Payne (LP)	Deputy Director of Finance & Corporate Services	NWSSP
Ruth Alcolado (RA)	Medical Director	NWSSP

Peter Stephenson(PS)	Head of Finance & Business Development	NWSSP
PRESENTERS:		
Chris Lewis (CL) (Item 2.1 only)	Environmental Management Advisor	NWSSP
Anthony Hayward (AH) (Item 2.2 only)	Assistant Director of Laundry Services	NWSSP
Andrew Evans (AE) (Item 3.1 only)	Director of Primary Care Services	NWSSP

Item		Action
1. STANDARD BUSINESS		
1.1	Welcome and Opening Remarks The Chair welcomed members to the May 2022 Shared Services Partnership Committee meeting.	
1.2	Apologies Apologies were received from: Sarah Simmonds – Director of Workforce & Organisational Development, ABUHB Hywel Daniel – Director of Workforce & Organisational Development, CTMUHB Rhiannon Beckett – Interim Director of Finance, HEIW Helen Bushell – Board Secretary, PHW Pete Hopgood – Director of Finance, Powys tHB Steve Ham – Chief Executive, Velindre University NHS Trust	
1.3	Declarations of Interest No declarations of interest were disclosed.	
1.4	Minutes of Previous Meeting Draft minutes of the meeting held on 24 th March 2022 were reviewed and accepted, subject to the following amendments: <ul style="list-style-type: none"> The minutes refer to an action to bring back a formal update to the May Committee on the Recruitment Modernisation Plan. This minute should have stated that a verbal update would be provided to the May Committee meeting There is also a reference to the Chair and Managing Director undertaking a programme of visits to NHS Wales organisations starting with Health Education and Improvement Wales. This should have been Digital Health Care Wales The Committee approved the proposed action to explore the provision of an all-Wales Lease Car Salary Sacrifice Service. 	PS

Item		Action
	PS to update the minutes and action log for the above changes.	
1.5	<p>Action Log</p> <p>Subject to the need to add the action relating to the Lease Car Salary Sacrifice Scheme, all actions are complete, not yet due or on the agenda.</p> <p>The Chair did emphasise that she is expecting to see a paper on the Procurement Operating Model in July that explains the changes from a health organisation perspective.</p>	
1.6	<p><u>Matters Arising – Recruitment Update</u></p> <p>GH gave an update on the progress with the Recruitment Modernisation Action Plan following the deep dive on this topic in the March Committee.</p> <p>All organisations are now live on the latest version (3) of NHS Jobs. Progress has been made in letting the IT contract for the Pre-Employment Checks, but this has been slightly delayed as clarification is needed by the Home Office surrounding the cyber security requirements in the product specification. However, the deadline of September 2022, where either face-to-face checks are re-introduced or the IT solution is in place, should still be met.</p> <p>The Action Plan for revising specific recruitment processes is due to go to Workforce Directors on May 20th and includes the proposal to establish a senior Programme Board to oversee delivery of the Plan.</p> <p>Performance against the recruitment Key Performance Indicators is improving, despite there being no drop in the level of activity across NHS Wales.</p> <p>It has been agreed that a deep dive on Recruitment will be undertaken with the BCUHB Executive Board and the offer was made to do something similar with other NHS Wales organisations.</p> <p>The Committee NOTED the update.</p>	
2. Items for Approval/Endorsement		
2.1	<p>Decarbonisation Action Plan</p> <p>CL presented the Plan which had been formally submitted to Welsh Government on 31st March. The Committee had previously had the opportunity to review the plan in detail at its November 2021 meeting. Clarity was provided in terms of explaining that this was the inward-facing NWSSP plan and that NWSSP were substantially</p>	

Item		Action
	<p>involved in the production of the national plan which embraces the role that NWSSP plays in supporting NHS Wales organisations to achieve their own decarbonisation targets. Key actions in the internal facing plan include reducing the impact of our buildings, fleet, and new laundry service, as well as working with staff to help raise the profile of decarbonisation across the organisation.</p> <p>The Committee ENDORSED the Action Plan.</p>	
2.2	<p>Laundry Detergent Contract</p> <p>Anthony Hayward, Assistant Director of Laundry Services, attended the Committee to present a paper for endorsement and approval by the Committee. Following the transfer of laundry services to NWSSP from April 2021, there is now the opportunity to tender for laundry detergent on an all-Wales basis. This should provide opportunities for economies of scale compared to the current fragmented arrangements. However, the Laundry Service are also keen to include the provision of dosing pumps and a management information system into the contract which is anticipated to total £2m over a five-year period.</p> <p>The Committee ENDORSED the proposal and APPROVED the paper.</p>	
2.3	<p>Draft Annual Governance Statement 2021/22</p> <p>The Committee reviewed the draft Annual Governance Statement which will be taken to the NWSSP Audit Committee in July for formal approval. The statement is substantially complete, but the formal Head of Internal Audit Opinion is still to be received and the final energy consumption figures for the year are still being calculated. The Statement is a positive reflection on the past year and there are no significant matters of control weaknesses that need to be included. The final version of the Statement will be brought back to the July Partnership Committee for information.</p> <p>The Committee ENDORSED the Statement IN PRINCIPLE recognising that it was still draft, and that formal approval would be sought at the Audit Committee.</p>	
2.4	<p>Service Level Agreements 2022/23</p> <p>The Committee received the Service Level Agreements for the core service provided by NWSSP to NHS Wales for formal annual approval. The papers included the overarching Service Level Agreement and a cover paper detailing any amendments to the supporting schedules, none of which were significant. (The</p>	

Item		Action
	<p>schedules were provided separately to Committee members for information). It was however noted that the Procurement SLA would need to be brought back to the July Committee as it is to be further amended to reflect changes resulting from the implementation of the new Operating Model.</p> <p>The Committee APPROVED the SLAs for 2022/23 noting that the Procurement SLA is due to be further amended and resubmitted for approval.</p>	PS
2.5	<p>Salary Sacrifice – Staff Benefits</p> <p>The Committee was presented with a paper setting out the arrangements for the Home Electronics and Cycle to Work Staff Benefit Schemes. There are currently different arrangements in place across NHS Wales, with some schemes being operated by NWSSP on behalf of NHS Wales organisations and other schemes being operated and managed within health organisations. As well as potentially not providing optimal value-for-money, there is a risk that staff could fall below minimum wage rates due to being members of schemes administered by different organisations. The paper asked the Committee to approve a tender for a scheme to be administered by NWSSP that would cover home electronics and cycle to work schemes.</p> <p>The Committee ENDORSED the approach being taken by NWSSP in awarding a contract(s) for Home Electronics and Cycle to Work with an aim of having an All-Wales arrangement in place, centrally administered by NWSSP, which will be made available to all Health Board, Trusts and Special Health Authorities.</p>	
3. Deep Dive		
3.1	<p><u>Medical Examiner Service</u></p> <p>AE and RA jointly presented to the Committee on progress with the development of the Medical Examiner Service. The service is currently examining around 1000 deaths a month, with a target of 2500 by the time the service is launched on a statutory footing, which is now likely to be April 2023 at the earliest. To date, the service has been able to identify potential learning for Health Boards and Trusts in approximately 25% of cases reviewed, and it is considered that 10% of cases would benefit from a Stage 2 Mortality Review – these figures are consistent with what is being reported in England. There are however differences in the way that the service is operated in the two countries, and the nature of the set-up in Wales allows greater identification of local, regional, and national issues.</p>	

Item		Action
	<p>One of the key benefits of the service thus far is to give each family the opportunity to speak with a Medical Examiner Officer. This has been very well received and in many cases the families have expressed their gratitude for the care received by their family member from Health Boards and Trusts at the end of their life.</p> <p>To further successfully develop the service Health Boards and Trusts need to ensure timely notification of death, availability of clinical notes, and access to the relevant doctor to discuss the cause of death. The commitment from the service to Health Boards includes, that all deaths will be scrutinised by the autumn of this year; that there is effective communication on themes and trends; and that there should be effective monitoring of performance.</p> <p>In summary it was noted that the service is already making a positive contribution to patient safety, and that consultation is underway and/or planned with clinical colleagues to address any issues and to maximise the benefits.</p> <p>The Committee NOTED the presentation.</p>	
4. Chair/Managing Director's Report		
3.1	<p><u>Chair's Report</u></p> <p>The Chair updated the Committee on the activities that she had been involved with since the March meeting. These have included:</p> <ul style="list-style-type: none"> • Meeting with the Minister as part of the all-Wales Chairs' Group. It was helpful that the Minister had recently visited IP5 and consequently gained a good understanding of what NWSSP does and had been left with a positive impression of the organisation; • Attending her first NWSSP Audit Committee which again had been very positive; • Continuing to meet with senior NWSSP management, and in particular recently from Specialist Estates and the Temporary Medicines Unit, to gain a better understanding of what they do; • Attending the DHCW Board Development session in April where NWSSP received positive feedback; • Chairing the Welsh Risk Pool Committee; and • Arranging to attend the Velindre Trust Board at the end of June as part of their Board Development session. 	

Item		Action
	<p>Looking further forward the Chair is keen to hold a development session with the Committee, ideally in person for a half-day in the autumn and including other members of the NWSSP Senior Leadership Group. This could include a stock-take session on what works well and what doesn't work so well for the Committee; allow the Committee to better understand what NWSSP does, ensuring that it is aligned to NHS Wales's organisation priorities and also those of the Welsh Government; looking to the future in terms of which services it should provide; and assessing the current structure of the Committee and whether it needs wider (e.g. clinical) representation. A plan for how the session might work will be brought back to the July Committee.</p> <p>The Committee NOTED the Chair's Report.</p>	AR/PS
3.2	<p>Managing Director's Update</p> <p>The Managing Director presented his report, which included the following updates on key issues:</p> <ul style="list-style-type: none"> • Senior NWSSP management participated in the meeting with Welsh Government in early May to review the IMTP. The meeting was very positive, and the IMTP has been well-received with the Outcome Letter expected in June; • Work has been undertaken with colleagues from Welsh Government and Public Health Wales regarding the future plans for the recently vacated Lighthouse Laboratory at the IP5 facility. Within IP5, the Surgical Materials Testing Laboratory have had a new laboratory completed which will enable them to perform additional tests and to develop new testing regimes for medical devices, which they were unable to do at the existing Bridgend site; • Progress continues to be made in terms of the overarching Transforming Access to Medicine Outline Business Case, with a number of workshops held to consider site selection. There is on-going discussion with workforce colleagues and Chief Pharmacists regarding the Organisational Change Programme; and • The recent cyber security assessment, conducted as part of the NHS Wales Cyber Resilience Unit's work to implement the Network Information Security (NIS) Regulation in all health organisations in Wales, demonstrated that generally NWSSP is well protected from cyber-attacks. A formal project has been launched to address the key areas for improvement identified in the report's recommendations. One of the key tasks in the initial phase, a desktop exercise 	

Item		Action
	<p>based around a cyber incident, was carried out at the May Informal Senior Leadership Group.</p> <p>The Committee NOTED the Update Report.</p>	
5. Governance, Performance & Assurance		
5.1	<p>Finance Report</p> <p>AB reported that the 2021/22 outturn position and highlighted that a small surplus of £11k had been generated against total income of £870m. The DEL expenditure for the Welsh Risk Pool was £129.615m and the risk share agreement was invoked at the IMTP value of £16.495m. Additional Welsh Government risk pool funding of £4.861m was agreed above the core allocation and risk share funding to account for the additional cases settled in 2021/22. £17.018m capital funding was received in 2021/22 and fully utilised. £12.348m was spent in March 2022, including the purchase of Matrix House which completed on 30th March. AB highlighted that the reported financial outturn was still subject to external audit.</p> <p>The Committee were complimentary of the new style finance report</p> <p>The Committee NOTED the report.</p>	
5.2	<p>Performance</p> <p>AR reported that most KPIs are on track except for those relating to Recruitment Services, where the situation is improving due to the implementation of the Modernisation Plan, which was covered earlier on the agenda, but where there is still further progress to be made.</p> <p>The Committee NOTED the report.</p>	
5.3	<p>Project Management Office Update</p> <p>AR reported that of the 24 schemes being managed by the PMO, there is only one that is currently rated as red. This is the project for the replacement of the Student Awards System which is approaching end-of-life and with no option to extend the support contract arrangements beyond March 2023. The deadline to issue a tender for the procurement of a replacement system is 31st May, but currently there is no guarantee of funding for this from Welsh Government. The Chair asked for a more detailed update on progress with this project at the July Committee.</p>	GH

Item		Action
	The Committee NOTED the report.	
5.4	<p>People & OD Report</p> <p>GH reported that sickness absence rates remain at very low levels with an absence rate of 2.61% for March. Performance and Development Reviews and Statutory and Mandatory training results continue to improve although there is still room for further improvement. Part of the issue is in areas such as the Medical Examiner Service where staff may be on multiple contracts, but a solution is being sought for this. Headcount is increasing due mainly to the additional staff recruited as part of the Single Lead Employer Scheme.</p> <p>The Committee NOTED the report.</p>	
5.5	<p>Corporate Risk Register</p> <p>PS reported that there remain two red risks relating to the pressures currently being noted within the Employment Services Directorate, and particularly in Recruitment and Payroll Services, and the energy price increase. A new risk has been added relating to the Student Awards system, which was highlighted earlier in the Project Management Office Progress Report</p> <p>The Committee NOTED the Corporate Risk Register.</p>	
6. Items for Information		
	<p>The following items were provided for information only:</p> <ul style="list-style-type: none"> Transforming Access to Medicine Progress Report Information Governance Annual Report 2021/22 Audit Committee Highlight Report Quality and Safety Assurance Report Complaints Annual Report 2021/22 Finance Monitoring Returns (Months 12 and 1) 	
7. ANY OTHER BUSINESS		
7.1	There were no other items of business.	
<p align="center">DATE OF NEXT MEETING: Thursday, 21st July from 10:00-12:00 Via Teams</p>		

Item 1.5

ACTION LOG

SHARED SERVICES PARTNERSHIP COMMITTEE

UPDATE FOR 21 JULY 2022 MEETING

List No	Minute Ref	Date	AGREED ACTION	LEAD	TIMESCALE	STATUS JULY 2022
1.	2022/01/2.2	January 2022	Procurement National Operating Model A summary of the proposed changes to be produced for sharing with NHS Wales organisations.	Jl	July 2022	On Agenda Detailed paper brought back to the July SSPC.
2.	2022/01/3.1	January 2022	Integrated Medium Term Plan Management of assurance arrangements, including Counter-Fraud to be reviewed.	SC/AB	September 2022	Ongoing Arrangements being reviewed and reported to the Directors of Finance Group in August.
3.	2022/05/1.4	May 2022	Minutes of Previous Meeting <ul style="list-style-type: none"> The minutes refer to an action to bring back a formal update to the May Committee on the Recruitment Modernisation Plan. This minute should have stated that a verbal update would be provided to the May Committee meeting There is also a reference to the Chair and Managing Director undertaking a programme of visits to NHS Wales organisations starting with Health Education and Improvement Wales. This 	PS	July 2022	Completed Minutes Updated.

List No	Minute Ref	Date	AGREED ACTION	LEAD	TIMESCALE	STATUS JULY 2022
			should have been Digital Health Care Wales			
4.	2022/05/1.4	May 2022	Minutes of Previous Meeting The Committee approved the proposed action to explore the provision of an all-Wales Lease Car Salary Sacrifice Service.	AB	Nov 2022	On-Going A report will be brought back to the November Committee.
5.	2022/05/2.4	May 2022	Service Level Agreements It was however noted that the Procurement SLA would need to be brought back to the July Committee as it is to be further amended to reflect changes resulting from the implementation of the new Operating Model.	PS	July 2022	On-going The SLA will be amended following presentation to the Directors of Finance Group on 15 July and to the SSPC. Will be brought to the September SSPC for approval.
6.	2022/05/3.1	May 2022	Chair's Update report A plan for how the development session might work will be brought back to the July Committee.	AR	July 2022	On Agenda
7.	2022/05/5.3	May 2022	Programme Management Office Update The Chair asked for a more detailed update on progress with the Student Awards project at the July Committee.	GH	July 2022	On-going This item will be brought to the September meeting as the applications for the current intake will have been processed by then.

















National Operating Model for Procurement Deliverables & Measures

*Adding Value
Through Partnership,
Innovation and Excellence*




Deliverables.....

Extend “procurement footprint” within non-pay expenditure
More visible delivery of All Wales procurements at local level
Exploit opportunities for new regional and All Wales procurements
PfG Initiatives – decarbonisation; foundational economy; social value; adopt innovation
Integrate with National Distribution Centre and Scan4Safety programmes (Nationally Stocked Product Range development)
Maintain COVID response (ongoing against range of measures)
Utilise expert procurement resource more effectively
First steps.....baseline and agree KPIs and associated measures going forward

Proposed Measures - KPIs

IMTP Objective	Deliverable	Target	KPI	Apr	May	Jun
P02 Development of agreed national and local savings and reporting strategy with on-going delivery. Including financial and non-financial social, economic and environmental sustainability benefits.	Extend "procurement footprint"		Total Spend (£)	124,488,691	169,317,690	167,460,873
			No. of contract lines taken to market	19,848	28,389	20,702
			No. of National Contracts	7	17	10
			Value of National Contracts (£)	133,306,695	664,875,197	75,135,520
			No. of Local Contracts	90	48	38
			Value of Local Contracts (£)	8,442,093	1,390,033	2,045,682
			No. of Regional Contracts	320	312	223
			Value of Regional Contracts (£)	18,641,764	4,877,373	39,380,927
			No. of Direct Awards/mini competitions outside of Wales	23	16	10
			Value. of Direct Awards/mini competitions outside of Wales (£)	2,625,078	2,130,024	750,209
			No. of Pricing Agreement	37	44	20
			No. of non catalogue lines	19,378.00	27,969	20,411
			Value of non catalogue lines (£)	6,398,816	6,628,961	5,496,933
			Carriage/Freight expenditure (£)	829,869	769,894	609,826

Proposed Measures - KPIs


IMTP Objective	Deliverable	Target	KPI	Apr	May	Jun
P07 Modernise the warehousing and inventory management model for NHS Wales	Integrate with National Distribution Centre		No. of additional nationally stocked product lines	33	247	155
PO2 Development of agreed national and local savings and reporting strategy with on-going delivery. Including financial and non-financial social, economic and environmental sustainability benefits.	Visible delivery of AW/Regional/local procurements	£ 27 million	Cash Releasing Savings Delivery (£)	5,944,219	530,223	205,229
			Cost avoidance negotiated (£)	2,876,274	171,364	114,513
			Cost pressures (£)	3,107,349	3,675,200	3,402
P05 Delivery of agreed Foundational Economy workplan for NHS in respect of Procurement	PfG Initiatives	£ 10 million	Value of Expenditure within Foundational Economy (£)	3,225,743	2,548,463	3,447,910
P04 Delivery of Procurement contribution to the NHS Wales Decarbonisation Strategic Plan		Baseline 2021/22 = 940,000 tCO2e	Carbon footprint baselined and reduced (tCO2e)	45,331	108,623	63,721
P02 Development of agreed national and local savings and reporting strategy with on-going delivery. Including financial and non-financial social, economic and environmental sustainability benefits.		WiP	Outcomes/value based procurement activity (number of procurements and specific patient outcomes/experiences measures)	WiP	WiP	WiP

Proposed Measures - KPIs

IMTP Objective	Target	Aim	KPI	Apr	May	Jun
P01 Delivery of agreed long term PPE & COVID Response Plan for Health & Social Care sites in Wales	Maintain COVID response	Various targets as per SLA and WG requirements for delivery	Vaccine programme rollout	Separate dashboards		
			PPE Warehousing			
			PPE Distribution			
P06 Introduction of Scan4Safety (S4S) as part of modernisation programme for Wales	Utilise expert procurement resource more effectively	£ 517,812	Standardisation opportunities presented to NHS Wales via Scan4Safety (S4S) Programme supported by National Distribution Centre (Nationally Stocked Product Range development) and Sourcing rationalisation (£)	150,320		
		330,000	Volume of requisitions via S4S	74,631		
		£ 30 million	Value of S4S transactions (£)	6,714,464		
P03 Realignment and integration of Procurement Services activity to deliver the objectives of the National Operating Model (NOM) at a local, regional and national level	Core P2P transactional KPIs	80%	Catalogue coverage (%)	82.4	81.2	81.4
		80%	No PO no pay (%)	85.6	89.8	90.9
		90%	Requisition turnaround (%)	92.8	89.3	94.6
		95%	Catalogue accuracy (%)	96.7	95.2	93.9
		80%	Invoice turnaround (%)	62.1	58.9	54.1
		83%	electronic invoicing (%)	98.6	98.4	98.5
		95%	PSPP non-NHS (%)	94.8	93.3	93
		65%	Non pay managed spend (%)	85.6	81.7	82.9
P07 Modernise the warehousing and inventory management model for NHS Wales	Core SCLT transactional KPIs (SLA)	97%	Efficiency First Pick (%)	0.996	0.9887	0.9885
		68%	Pathology Time on Vehicle (%)	0.852	0.85	0.852



*Adding Value
Through Partnership,
Innovation and Excellence*

 GIG CYMRU NHS WALES	Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: 2.1.1 21 July 2022
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

NHS Wales Microsoft Enterprise Agreement

ARWEINYDD: LEAD:	Andy Butler, Director of Finance & Corporate Services
AWDUR: AUTHOR:	Digital Health and Care Wales ("DHCW"), a Special Health Authority.
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler, Director of Finance & Corporate Services
MANYLION CYSWLLT: CONTACT DETAILS:	Andy.butler@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

This paper summarises the final contract negotiation status with the Microsoft Licences renegotiation with the financial implications for each Health Boards, Trusts and Special Health Authorities.

Llywodraethu/Governance

Amcanion: Objectives:	Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement
Tystiolaeth: Supporting evidence:	

Ymgynghoriad/Consultation :

All-Wales Licence Management Group
Directors of Finance Group

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE		ARNODI/ ENDORSE	✓	TRAFOD/ DISCUSS		NODI/ NOTE	
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Argymhelliad/ Recommendation	The attached paper has been subject to a Chair's Action where it has been approved out of Committee by the NWSSP Chair, Tracy Myhill, and the SSPC Vice-Chair, Huw Thomas, Director of Finance, Hywel Dda UHB, at the end of May. The Committee is asked to ENDORSE the approval given by the Chair and Vice-Chair.
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Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	Considered in the attached paper.
Iechyd Poblogaeth: Population Health:	No direct impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact.
Ariannol: Financial:	Considered in the attached paper.
Risg a Aswiriant: Risk and Assurance:	Considered in the attached paper.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	No direct impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open


1. BACKGROUND

The attached paper summarises the final contract negotiation status with the Microsoft Licences renegotiation with the financial implications for each Health Boards, Trusts and Special Health Authorities. The deadline for responding to the paper was 30th May 2022, which fell shortly after the last

meeting of the Committee. Due to the negotiations and ongoing clarifications which we now have, we were not in a position to bring the final paper to the last Committee. To meet the 30th May deadline, we therefore were required to ask the Chair and Vice-Chair of the Committee to approve the paper under a Chair's Action, which they both did at the end of May.

2. RECOMMENDATION

The Committee is asked to **ENDORSE** the approval given by the Chair and Vice-Chair of the Committee at the end of May 2022.

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:2.1.2 21 July 2022
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

Development of SSPC and members

ARWEINYDD: LEAD:	Tracy Myhill, Chair SSPC
AWDUR: AUTHOR:	Alison Ramsey Director of Planning, Performance and Informatics
SWYDDOG ADRODD: REPORTING OFFICER:	Tracy Myhill, Chair SSPC
MANYLION CYSWLLT: CONTACT DETAILS:	tracy.myhill@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

To present a range of options and secure support for development of the SSPC

Llywodraethu/Governance

Amcanion: Objectives:	Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement
Tystiolaeth: Supporting evidence:	

Ymgynghoriad/Consultation :

Discussions with SSPC members and NHS Wales Director peer groups.

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS	✓	NODI/ NOTE	
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Argymhelliad/ Recommendation	To consider the options in the paper and approve a way forward.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	Ensure that any future development session is accessible to all members.
Cyfreithiol: Legal:	None
Iechyd Poblogaeth: Population Health:	None
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	None
Ariannol: Financial:	Costs of running the session which may include external facilitation and facilities e.g., hire of room and refreshments
Risg a Aswiriant: Risk and Assurance:	
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	None
Deddf Rhyddid Gwybodaeth/ Freedom of Information	

1. BACKGROUND

At the May Shared Services Partnership Committee (SSPC), the Chair asked members to consider taking part in a development session, or series of development sessions to maximise the committee effectiveness.

The Director of Planning, Performance and Informatics agreed to pull together a summary proposal for the July SSPC meeting.

2. PROPOSED APPROACH

The themes and suggested options below draw on discussions with SSPC members earlier in the year when developing our IMTP for 2022-25, and several more recent conversations at peer-to-peer groups and with senior staff within SSPC and with SSPC members.

In summary three themes emerged:

- 1) Role as a member of the SSPC
- 2) How does NWSSP add value to the wider NHS in Wales
- 3) What is the longer-term strategy for NWSSP?

1. Role as a member of the SSPC

A few members highlighted that there is very limited induction into the role of being a member of the SSPC. Most members are asked to attend on behalf of their Chief Executive. We have seen some change in membership in the last two years, some newer members felt there was merit in forming a shared understanding of what is expected from you as members and what you can expect from us.

We have never considered the skill/knowledge mix amongst members which is something most other teams, boards, committees would do. As a committee, we have at no time considered our collective appetite for risk. It would be helpful to develop these two points further to ensure we work effectively as a committee with the shared goal of ensuring NWSSP continues to thrive, add value and deliver innovation and excellence.

To that end, not all members of the Senior Leadership Group attend formal SSPC meetings. Some senior staff may not be familiar to members and vice versa. Most felt it would be beneficial to open any future development sessions to include the wider Senior Leadership Group i.e., include Service Directors as well as Corporate Directors.

Attendance at SSPC meetings has been more consistent since moving to holding meetings via Teams. However, many felt that development sessions lend themselves more to a face-to-face environment, provided sufficient notice of the dates is given.

2. How does NWSSP add value to the wider NHS in Wales?

At recent SSPC meetings we have identified that our current approach to measuring performance is very traditional and based

on transactional Key Performance Indicators (KPIs). In response and in line with the NHS Wales Performance Management Framework 2022-23¹, we have started to develop a change in approach with the Senior Leadership Group.

We are moving towards a more balanced basket of quality and performance measures with a focus on outcomes. This should improve how we better evidence the impact of the work we do on population health and how NWSSP adds value to the wider NHS in Wales. This is something we would want to develop further with SSPC members to ensure we are delivering innovative and excellent services.

In turn, this may then lead to a refresh exercise of our existing Service Level Agreements. Whilst we have reviewed these annually, there has been limited appetite to change them to reflect how the services are run in 2022.

3. What is the longer-term strategy for NWSSP?

Most members felt that post COVID, and with a robust 3-year IMTP in place, a roadmap or strategy that sets out our shared longer-term goals for NWSSP is needed.

We need to consider whether NWSSP has future proofed our service to adapt to change and support the future demands of the NHS in Wales and local/regional plans.

There was general feeling that we should be growing our range of services. However, this is tempered by the need to also ensure we can continue to deliver excellence in our core services. The extent to which we have a collective view on the future roadmap comes back to the earlier points of how we work together as a committee with the shared goal of ensuring NWSSP continues to thrive adds value and delivers innovation and excellence and our appetite for risk.

Option 1

We run three half day sessions between September and December.

- Session 1 would focus on the role of the Committee member and begin to develop our appetite for risk.

¹ [nhs-wales-performance-framework-2022-2023.pdf \(gov.wales\)](https://gov.wales/nhs-wales-performance-framework-2022-2023.pdf)

- Session 2 then would build on the outcomes of Session 1 and look to develop a future Roadmap.
- Session 3 we consider the work on performance outcomes.

Option 2

We run a full day session between September and December covering the same topic areas as Sessions 1 and 2 above.


We then incorporate the work on performance outcomes into a further development session later in the operational year.

Facilitation

We do have the capability and capacity of using our own organisational development team and service improvement team to help facilitate these development sessions. However, a few members did also suggest the merit in considering using external facilitation, but there was no clear view in the discussions to date.

4. RECOMMENDATION

The Committee is asked to consider the options proposed in the paper and **APPROVE** a preferred way forward.

 GIG CYMRU NHS WALES	Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:2.2 21 July 2022
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<i>The report is not Exempt</i>
Teitl yr Adroddiad/Title of Report
Managing Director's Report

ARWEINYDD: LEAD:	Neil Frow – Managing Director
AWDUR: AUTHOR:	Peter Stephenson, Head of Finance & Business Development
SWYDDOG ADRODD: REPORTING OFFICER:	Neil Frow – Managing Director
MANYLION CYSWLLT: CONTACT DETAILS:	Neil.frow@wales.nhs.uk

Pwrpas yr Adroddiad: Purpose of the Report:
To provide the Committee with an update on NWSSP activities and issues since the last meeting in May.

Llywodraethu/Governance	
Amcanion: Objectives:	To ensure that NWSSP openly and transparently reports all issues and risks to the Committee.
Tystiolaeth: Supporting evidence:	N/a

Ymgynghoriad/Consultation :
Shared Services Partnership Committee

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS	✓	NODI/ NOTE	✓
Argymhelliad/ Recommendation	The Partnership Committee is to NOTE and DISCUSS the report.						

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	No direct impact.
Iechyd Poblogaeth: Population Health:	No direct impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact.
Ariannol: Financial:	No direct impact.
Risg a Aswiriant: Risk and Assurance:	This report provides an assurance that NWSSP risks are being identified and managed effectively.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf .
Gweithlu: Workforce:	No direct impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

Introduction

This paper provides an update into the key issues that have impacted upon, and the activities undertaken by, NWSSP, since the date of the last meeting in May.

IMTP

The NWSSP IMTP outcome letter from Welsh Government is expected shortly having been through the internal Welsh Government processes. In line with our own NWSSP IMTP reporting process the first quarterly IMTP update report is a separate item on today's agenda.

Joint Executive Team (JET)

The NWSSP Leadership Team recently met with Welsh Government colleagues as part of the normal JET process. The meeting was very positive with a particular focus on the quality and improving health outcomes aspects of the work within NWSSP, building on previous deep dives into areas such as the Medical Examiner Service, the Welsh Risk Pool and Putting Things Right. There was a continued focus on supporting the delivery of the agreed Ministerial priorities as well as areas such as finance, decarbonisation, the foundational economy and streamlining recruitment processes.

It was pleasing to note the positive recognition from WG colleagues with regard to the ongoing Covid response and the continued support for the Medicines Unit at IP5. The benefits of working across organisational boundaries and delivering a standardised approach was clearly an emerging theme in a number of the areas discussed.

The level of Capital funding was discussed at length as this still remains an issue for NWSSP especially given the additional 24% reduction in the discretionary funding provided this year. Welsh Government noted that no allowance had been made to capital following the transfer of the laundries to NWSSP.

Financial Position

The Month 3 financial position is a cumulative underspend of £1.338m after anticipating £0.943m of WG funding for the 1.25% NI increase, Covid recovery support costs and energy pressures. This funding can only be anticipated at risk at present – our financial position would have been £0.395m underspent without the assumption of this funding or any utilisation of centrally held reserves. The year-to-date position includes a number of non-recurrent savings that will not continue at the same level during the financial year. The position also does not reflect the claw back of £176k of funding from WG in respect of Matrix House as notified in July 2022. Directorates are currently reviewing budgets with a view to accelerating

initiatives to generate further benefits and savings to NHS Wales. The forecast outturn remains at break-even with the assumption of £4.822m of exceptional pressures funding from Welsh Government.

£10.277m Welsh Risk Pool expenditure has been incurred to 30th June 2022. A high-level review of cases due to settle in 2022/23 indicates that the £134.780m included in our IMTP remains within the forecast range we continue to anticipate at this early stage of the financial year. We continue to assume £25.345m will be funded under the Risk Share Agreement in 2022/23. The 2022/23 risk share apportionment has been revised to reflect the updated cost driver information from the 2021/22 outturn position. This has resulted in some sizeable changes to the contributions from organisations as a result of movements in the actual 2021/22 data. The updated shares are being reported to the Welsh Risk Pool Committee on 20th July 2022 and will be subsequently shared with Directors of Finance.

Our current Capital Expenditure Limit for 2022/23 is £1.473m. The NWSSP discretionary allocation for 2022/23 has been reduced by Welsh Government to £0.457m from £0.600m and the IP5 discretionary allocation reduced from £0.250m to £0.190m. Capital expenditure to Month 3 is £0.297m. A review of all discretionary capital funding requests is being undertaken which includes any capital funding requirements identified in the IMTP and any new requests flagged by our Services. Since the transfer of the All-Wales Laundry Service in 2021/22 we are experiencing increased pressure on our discretionary capital allocation as this was not increased following the transfer of the new Service.

Laundry

The Programme Business Case for the Laundry Service concluded that a total of three units would be required in the future to serve Wales as follows:

- A new build facility in South-West Wales to replace the laundries at Glangwili Hospital and Llansamlet;
- A new build facility in North Wales to replace Glan Clwyd Laundry;
- A refurbishment of Green Vale to upgrade the existing laundry facility and to allow closure of Church Village Laundry.

Following feedback the Welsh Government required the new facilities in South-West Wales and North Wales to proceed as Outline Business Cases, whereas the refurbishment at Greenvale is subject to a separate Business Justification Case. The two Outline Business Cases are included on today's agenda for the Committee approval.

Patient Medical Records (PMR) Programme

Also on today's agenda for the Committee's approval is a further business case to expand the PMR programme through the acquisition of another

warehouse on the Mamhilad estate via a 10-year lease. The PMR scheme supports the promotion of Primary Care through the freeing-up of space in GP Surgeries that can be utilised to expand the provision of clinical care. Records are held by NWSSP in a central location.

We currently provide medical records storage for 129 practices covering 34% of the population of Wales. In addition to records for living patients, we also provide storage for deceased patient's records, and are currently storing patient records associated with the Infected Blood Inquiry. There are currently an additional 64 Practices waiting to join the service. In addition to GP patient records, 318,000 records are being stored for patients linked to the Infected Blood Inquiry. Although a temporary arrangement, there is no known timescale for this arrangement to end.

We have identified further warehouse accommodation on the Mamhilad site which will enable us to expand the service. The business case for acquisition of the warehouse does identify a funding gap but this will be closed through a number of options.

Pharmacy Technical Services

NWSSP continue to work with the Chief Pharmacists Peer Group to develop the product ranges being developed through the medicines Unit in IP5. The validation of the new automated filling equipment is going well and should become available for use in the next few weeks. This innovative equipment will speed up the production process and allow the preparation of novel products such as systems to allow antibiotics to be given intravenously at home to support prompt discharge for patients who are medically fit for discharge but whose treatment is usually given in hospital.

Welsh Government have confirmed additional funding to support the medicines management agenda to improve NHS Wales access to new and innovative medicines and NWSSP are in the process of setting up a Medicines Value Unit to support developing innovative commercial access agreements with pharmaceutical companies whose medicines are approved by the National Institute for Health and Care Excellence (NICE) and the All-Wales Medicines Strategy Group (AWMSG) ensuring any future approach is cognisant of NHS Wales' commitment to a Value Based Healthcare approach.

Procurement and Pharmacy Technical Services are in the process of setting up this programme with colleagues from Welsh Government and across NHS Wales organisations. Under these arrangements the current national Procurement Pharmacist post will transfer to NWSSP from Swansea Bay UHB under TUPE arrangements and this will provide the opportunity for a longer term and more strategic focus on the service.

NWSSP are also working with Welsh Government to ensure the continued resilience by consolidating the pharmacy stores at our IP5 and Picketston

sites. This will ensure a single approach to the oversight, storage and deployment of medicines kept in reserve as emergency countermeasures and for response to future pandemics, allowing the disposal of the currently leased storage facility with associated savings.


Decarbonisation

The first quarterly progress report relating to our Decarbonisation action plan is on the agenda for information. We have now received the balance of the remaining electric vehicles for our Health Courier Service fleet, taking us up to a total of 30 electric vans. The electric HGV trial is still yet to commence due to technical difficulties at the national level although locally we have ensured that the required infrastructure to support the trial is now in place. Separately we are working in collaboration with NHS Scotland to review and evaluate our main NHS suppliers decarbonisation plans as part of the wider national programme arrangements.

Surgical Medical Testing Laboratory (SMTL)

The expansion of SMTL services within IP5 is going well, with the new equipment being validated and an expectation that additional testing facilities and methodology will be in place by August. The process of achieving full accreditation is also proceeding with UKAS United Kingdom Accreditation Service and SMTL are accredited to ISO/IEC 17025:2017 General requirements for the competence of testing and calibration laboratories. I am also pleased to confirm the appointment of Dr Gavin Hughes as the replacement for Pete Phillips as the Director of SMTL.

**Neil Frow,
Managing Director, NWSSP,
July 2022**

 GIG CYMRU NHS WALES Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: 3.1 21 July 2022
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

All Wales Laundry Programme:

South-West Wales Laundry Production Unit Outline Business Case and North Wales Laundry Production Unit Outline Business Case

ARWEINYDD: LEAD:	Neil Davies, Director, Specialist Estate Services
AWDUR: AUTHOR:	Lee Wyatt, Programme Director
SWYDDOG ADRODD: REPORTING OFFICER:	Neil Davies, Director, Specialist Estate Services
MANYLION CYSWLLT: CONTACT DETAILS:	Neil.davies4@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

To obtain Shared Services Partnership Committee approval for the South-West Wales Laundry Production Unit Outline Business Case and the North Wales Laundry Production Unit Outline Business Case.

Llywodraethu/Governance

Amcanion: Objectives:	Spending Objectives Refer to Page 4 (Both Outline Business Cases)
Tystiolaeth: Supporting evidence:	Refer to Outline Business Cases

Ymgynghoriad/Consultation :

As part of the original TUPE arrangements a full consultation process took place in partnership with staff across all laundry sites. Following the site selection exercise engagement sessions were undertaken to advise the workforce of the preferred site selection. This provided an opportunity for

the workforce at all sites to ask any questions. More sessions are planned at each stage of the programme.

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	
Argymhelliad/ Recommendation		The SSPC is asked to approve South-West Wales and North Wales Outline Business Cases					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	An Equality Impact Assessment was completed in partnership and was signed off on 3 rd May 2022
Cyfreithiol: Legal:	Legal and Risk Services have been engaged to advise on workforce arrangements re: TUPE etc, and to support the land purchase options.
Iechyd Poblogaeth: Population Health:	N/A
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	BS EN 14065 Textiles Laundry Process and Biocontamination Controls (2016); Welsh Health Technical Memorandum 01-04 Decontamination of linen for health and social care (2017).
Ariannol: Financial:	Refer to Outline Business Cases and Cover Report page 5
Risg a Aswiriant: Risk and Assurance:	Gateway Reviews: Strategic Assessment Gateway 0 (Green/Amber) Delivery Strategy Gateway 2 (Amber)
Safonau Iechyd a Gofal: Health & Care Standards:	2.1 Safe Care: Managing Risk and Promoting Health and Safety
Gweithlu: Workforce:	Refer to Outline Business Cases and Cover Report pages 4 and 5.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Outline Business Cases are public documents available on request

1. INTRODUCTION

An NHS Wales Laundry Programme Business Case (PBC) was endorsed by the Welsh Government in November 2020. The PBC recommended the establishment of an All-Wales laundry service managed by the NHS Wales Shared Services Partnership (NWSSP) and the transformation of the laundry infrastructure from the existing 5 Laundry Production Units (LPUs) to a 3-site model.

New build facilities would be provided in South-West Wales and North Wales and the existing Green Vale LPU in Gwent would be retained but upgraded.

The initial transition of the management of the existing LPUs to NWSSP has been completed.

The Welsh Government requested that transformation of the laundry infrastructure is managed through the traditional business case process for the new builds i.e., Outline Business Case (OBC) → Full Business Case (FBC), and through the truncated business case process i.e., Business Justification Case (BJC), for the Green Vale LPU upgrade.

This paper presents the South-West Wales and North Wales Outline Business Cases for approval.

Should Welsh Government approval be achieved, funds will be provided to NWSSP to develop the current plans to Full Business Case.

2. SUMMARY

2.1 Background

Following the introduction of best practice guidance BS EN 14065 Textiles Laundry Process and Biocontamination Controls (2016) the Welsh Government asked NWSSP to conduct a review of the 5 LPUs against this standard.

The review established that none of the laundries were compliant with these standards and guidance, with the main issues relating to deficiencies in the physical estate, including:

- Physical layout, specifically lack of separation between soiled and clean linen;
- Lack of, or substandard, ventilation systems resulting in the potential for cross contamination;
- Poor standard of existing equipment, and;
- General dilapidated condition of buildings, some of which are more than 30 years old and have an extensive backlog of maintenance work.

The outcome of the review led to emergency funding being made available by the Welsh Government to address some of the most immediate risks and a requirement on NWSSP to undertake a more detailed review of the laundry service.

The Welsh Government also subsequently approved the issue of Welsh Health Technical Memorandum 01-04 Decontamination of linen for health and social care

(2017) published to provide NHS Wales organisations with guidance on all aspects of the decontamination of linen in line with BS EN 14065.

The more detailed review culminated in the development of an NHS Wales Laundry PBC in July 2020 which was endorsed by the Welsh Government in November 2020.

The PBC concluded that the laundry service should be managed as an all-Wales service by NWSSP and a total of 3 LPUs would be required in the future as follows:

- A new build facility in South-West Wales to replace Glangwili Hospital LPU and Llansamlet LPU;
- A new build facility in North Wales to replace Glan Clwyd LPU;
- An upgrade of Green Vale LPU to allow closure of Church Village LPU.

The Welsh Government required the new facilities in South-West Wales and North Wales to proceed as OBCs, whereas the upgrade of Green Vale should be subject to a separate BJC.

2.2 Governance Arrangements

Neil Davies Director, NWSSP-Specialist Estates Services is the Senior Responsible Owner (SRO) and Lee Wyatt, Programme Director.

The SRO chairs the Laundry Programme Board which was established to oversee the transitional arrangements needed to transfer laundry management responsibilities from Health Boards to NWSSP and the transformation of the laundry infrastructure from 5 LPUs to 3.

In addition, a number of separate task teams have been established to support the programme including workforce, finance, estates, equipment etc.

The South-West Wales and North Wales OBCs were approved by the Laundry Programme Board on 22nd June 2022 and by the NWSSP Senior Leadership Group on 30th June 2022.

The NHS Wales Laundry Programme has been subject 2 Gateway Reviews

Strategic Assessment – Gateway 0 (Green/Amber)

Delivery Strategy – Gateway 2 (Amber)

In addition, the Programme has been reviewed by NWSSP-Audit Services.

2.3 Workforce

It has been recognised from the outset that the sensitive management of the workforce is a critical element of the NHS Laundry Programme. Consequently, workforce representatives are a permanent fixture of the Laundry Programme Board and working in collaboration with our union colleagues will continue to be a key feature of the Programme.

Regular updates are provided to all laundry staff, which since the transfer of the service to NWSSP is reinforced by face-to-face communication as part of the workforce integration strategy employed by NWSSP.

Gareth Hardacre, NWSSP's People and Organisational Development Director is a Laundry Board member and Gareth, and his team have worked closely with unions and the relevant Health Board workforce teams to agree innovative arrangements to protect staff during the transitional period prior to the move to the new/upgraded facilities.

This has included, for example, agreeing that laundry staff in Glangwilli and Church Village LPUs have the option not to TUPE transfer to NWSSP but remain employees of the Health Boards, retaining the right to apply for new opportunities that arise in the All-Wales laundry service whilst also being able to access opportunities at the local Health Board.

2.4 Outline Business Cases

The OBCs have now been completed with the main documents attached. Due the size of the documents, the full range of appendices are not attached but are available to review on request.

The OBCs have been developed in accordance with "The Five Case Model" which is the approach for developing business cases recommended by HM Treasury, the Welsh Government, and the UK Office of Government Commerce. It has been widely used across central government departments and public sector organisations over the last 10 years.

The constituent parts are:

- Strategic Case
- Economic Case
- Commercial case
- Financial case
- Management Case

Executive Summaries are available in both OBC's which highlight key aspects of each case and support a clear case for change.

Site	Laundry pieces per annum 2021/22	Capital cost £	Revenue Saving (per annum) £
South-West Wales Millstream Way	9,166,203*	32,798,000	1,337,000
North Wales Tir Llwyd Plot 5, Enterprise Park, Kimmel Bay	4,682,969*	29,197,000	368,000

- Existing LPU throughput

The SSPC might also wish to note that the current decarbonisation modelling undertaken on the outline design solutions indicates a reduction of 1,648 tonnes of carbon dioxide equivalent (tCO₂e) compared to the existing service. This does not factor in the potential of electric vehicle use, which is one of the future opportunities under consideration.

The Welsh Government require all new build solutions to achieve an Excellent standard against the British Research Establishment Environmental Assessment Model (BREEAM). Both OBCs currently achieve this standard.

3. RECOMMENDATION

The SSPC is asked to **APPROVE** South-West Wales and North Wales OBCs for onward submission to the Welsh Government.



NHS Wales Laundry Production Units Service Review

North Wales Hub

Outline Business Case

June 2022

Final

Version Control

Version	Date	Detail	Issued To
0.1	05/11/21	Draft 1 for review	NWSSP
0.2	22/12/21	Draft 2 for review	NWSSP
0.3	10/02/22	Interim Draft WIP	NWSSP
0.4	23/05/22	Interim Draft WIP	NWSSP
0.5	24/05/22	Interim Draft WIP	NWSSP
Final Draft	06/06/22	Final for Internal Review	NWSSP
Final Draft Revised	14/06/22	Revised for feedback	NWSSP

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1.0 Executive Summary

1.1 Introduction

NHS Wales Shared Services Partnership (NWSSP) conducted a review of the existing five Laundry Production Units (LPUs) in NHS Wales in line with best practice guidance (*BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system*), to determine the optimal solution for the delivery of the future service model. This was formalised in a Programme Business Case in July 2020 which was approved to continue to Outline Business Cases in November 2020. The PBC concluded that a total of three LPUs would be required in the future to serve Wales as follows:

- A new build facility in South West Wales to replace Glangwili Hospital LPU and Llansamlet LPU;
- A new build facility in North Wales to replace Glan Clwyd LPU;
- An expansion and refurbishment of Green Vale LPU to upgrade the existing laundry facility and to allow closure of Church Village LPU.

This Outline Business Case sets out the need for capital investment of £29.2 million in a new, purpose-built Laundry Production Unit to provide capacity to process all North Wales laundry volumes, to improve productivity and comply with relevant statutory requirements.

The new facility in South West Wales and refurbished facilities in South East Wales are the subject of two separate Business Cases.

1.2 Strategic Case

Until April 2021 LPUs were managed by individual Health Boards. Following the reviews it was recommended that centralised management arrangements should be implemented in order to maximise the benefits of implementing the new service model. As a consequence the All Wales Laundry Service (AWLS) was created in April 2021 under direct management of NWSSP. Three existing LPUs transferred to AWLS in April 2021 and the remaining two LPUs have been managed under a Service Level Agreement (SLA) since October 2021.

The Ysbyty Glan Clwyd (YGC) Laundry which currently serves North Wales was built in 1983 and is situated at the centre of the main Glan Clwyd Hospital site. A survey in 2017 found that the majority of the infrastructure within the Laundry was at either at the end of or past anticipated life. The facilities within YGC did not conform to BS EN 14065:2016 which was introduced by Welsh Government in the same year. This inability to comply with

regulatory standards increases the infection prevention and control risks and is the main driver for change.

The assessment for the Glan Clwyd site identified a requirement for £2.8m investment to address backlog maintenance and other six facet compliance. (See Nifes Report included in Appendix 1). Subsequently LTC Worldwide Consultancy undertook further site visits which identified additional issues relating to the roof and utilities supply at the Glan Clwyd site increasing the investment requirement for this site to £4.3m. There has been no significant investment since 2017.

1.2.1 Activity Levels

Between the five LPUs nearly 29 million items were processed during 2021/22, predominantly providing services across Wales to all NHS organisations. A very small proportion of items were processed for external customers. Pieces processed by Glan Clwyd LPU over recent years have remained stable with the exception of 2020/21 which shows a reduction relating to reduction in elective patient activity connected with COVID19.

Ysbyty Glan Clwyd				
2017/18	2018/19	2019/20	2020/21	2021/22
5,014,385	4,830,517	4,835,096	4,209,367	4,682,969

Table 1: Number of pieces processed per annum 2017/18 to 2021/22 (EFPMS data)

1.2.2 Case for Change

The main driver for the change is the introduction of the new guidance on the decontamination of linen, including:

- *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system*, which was introduced to provide management systems for the microbiological quality of laundry, and;
- Welsh Health Technical Memorandum 01-04 (WHTM01-04) published to provide NHS Wales organisations with guidance on all aspects of the decontamination of linen for health and social care settings in line with BS EN 14065:2016.

The 2017 review of the existing LPUs established that none of them were compliant with these standards and guidance, with the main issues relating to deficiencies in the physical estate, including:

- Physical layout, specifically lack of separation between soiled and clean linen;

-
- Lack of or substandard ventilation systems resulting in the potential for negative air pressure in the soiled linen area or positive air flow from the clean textiles area through the soiled textiles area with ventilation directly to the outside;
 - Poor standard of existing equipment, and;
 - General dilapidated condition of buildings, some of which are more than 30 years old and have an extensive backlog of maintenance work.

These deficiencies result in increased infection control risks along with significantly impacting on the health and wellbeing of the workforce due to poor working conditions.

These issues can only be addressed with significant capital investment and / or provision of new facilities.

The North Wales situation shares these drivers for change. In addition, the poor condition of the 39 year old facilities and the pressing need to release space on the Ysbyty Glan Clwyd site significantly increase the risks to business continuity and health and safety risks for Betsi Cadwalader University Health Board. There is therefore an urgent need to take immediate action.

1.2.3 Future Capacity

The existing LPUs appear to be operating below their potential optimum capacity. Any ability to increase utilisation is constrained by the age of existing equipment, plant and building fabric and the need to invest in them, and the limits posed by the total requirement for NHS laundry in Wales.

Clearly this increases the risk of major breakdowns which threaten the LPUs ability to deliver efficient and effective services. Regular breakdowns are now being experienced. This is causing a significant system resilience risk and may impact on Health Boards ability to deliver clinical services in the future as the situation worsens.

1.2.4 Value for Money

Large scale laundry services are capital investment heavy and require significant labour and maintenance resources. The 2021/22 total operating costs for all existing 5 LPUs were £11.4m with an average cost of £0.40 per item. The costs charged to Health Boards vary across NHS Wales between 30p and 51p, partly as a system of each LPU being historically independently managed. The intention is, upon the completion of the transformational programme, to develop an All Wales costing model where all customers will pay the same price for the same items.

A benchmarking exercise undertaken at PBC stage identified that the current costs from the LPUs were higher than external providers who recorded an average cost of 29 pence per item (these costs have increased by circa 20% as a result of rising energy and fuel costs and now stand at circa 36 pence per item). This has indicated that, provided there is appropriate investment in facilities and the workforce to re-engineer plant and production flows and provide plant and equipment with greater throughput per hour, thereby moving towards best practice in Wales could achieve significant value for money benefits.

1.2.5 Spending Objectives

The core spending objectives have been confirmed as:

Spending Objective:	
1	To minimise risk to patients, staff and the organisation by complying with the latest standards of decontamination of linen
2	To provide effective support to clinical services by delivering the highest quality linen service
3	To deliver an equitable service across NHS Wales and minimise variation between sites
4	To provide the highest quality service that offers the best value for money in terms of cost per unit
5	To provide appropriate level of capacity to meet changing demand and mitigate the risk of service failure

Table 2: Programme Spending Objectives

1.3 Economic Case

In accordance with the NHS Wales Infrastructure Investment Guidance and requirements of the HM Treasury Green Book (A Guide to Investment Appraisal in the Public Sector), the PBC described the options framework approach adopted by NWSSP to determine the longlist, shortlist and potential preferred way forward, which identified that *PBC Option 3: Deliver laundry services from 3 LPUs with centralised management arrangements*, was the option most likely to offer best value for money.

For North Wales it was determined that the current Glan Clwyd LPU is not suitable for development. Therefore, an option appraisal has been undertaken to identify the preferred site for the North Wales LPU.

1.3.1 Critical Success Factors

The critical success factors identified at PBC stage have been reviewed and determined relevant going forward:

Critical Success Factor	Description
Strategic Fit	Meets agreed spending objectives, related business needs and service requirements. Aligns with local and national strategic direction
Value for Money	Optimises public value in terms of potential costs, benefits, and risks.
Potential Achievability	Is likely to be deliverable. Matches the available skills required for successful delivery.
Supply Side Capacity and Capability	Matches the ability of service providers to deliver required services. Is likely to be attractive to the supply side.
Potential Affordability	Can be funded from available sources of finance.

Table 3: Critical Success Factors

1.3.2 Initial Site Search

An initial site search was undertaken by the Project Management Team in conjunction with NWSSP Special Estates Property Services to identify all available site options. This initial site search identified the following from what was a restricted number of suitable sites in North Wales. St Asaph (2 sites);

- Prestatyn (2 sites);
- Abergele (1 site);
- Bodelwyddan (1 site);
- Rhyl (2 sites).
-

These eight sites have formed the long list described in section 1.3.3:

1.3.3 Long List of Options

Location:	Owned by:	Comments	Status
St Asaph Business Park	Denbighshire County Council (10%) / WG (90%)	Business Park predominantly focused on office developments; potential obstacles with planning; engaging with WG and local council over development. Several potential plots	Carried forward to long list
Development Site, TA Centre Prestatyn LL19 7HA	Private Developer	Eliminated due to location / distance	Eliminated
Prestatyn Business Park, Prestatyn LL19 7HT	Private Developer	Eliminated due to location / distance	Eliminated
Development land, Abergele LL22 8LJ	Private Developer	Planning may be an issue	Eliminated
Phoenix House, Bodelwyddan LL18 5TY	Private Developer	No longer available	Eliminated
Development land, Vista, St Asaph Business Park LL17 0LL	Private Developer	Higher cost due to significant mark up by developer	Eliminated
Development land, Tir Llwyd Enterprise Park, Rhyl, LL18 5JZ	Conwy County Council	Number of plots available. Conwy County Council very positive about development	Carried forward to long list
Development land, Tir Llwyd Enterprise Park, Rhyl, LL18 5JZ	Private Developer	Higher cost due to private developer mark-up	Eliminated

Table 4: Long List of Options

1.3.4 Short List of Options

A number of the eight sites were discounted because of availability, high costs of land or other constraints. Business as Usual although discounted at PBC has been retained as a benchmark for the purposes of the economic appraisal. The resultant shortlist options were as follows:

Option 0	Business as Usual
Option 1	St Asaph Business Park: Plot C1c
Option 2	St Asaph Business Park: Plot C1b
Option 3	Tir Llwyd Plot 5, Enterprise Park, Kimmel Bay (including the potential for other sites becoming available).

These sites were then appraised at a multi-disciplinary workshop to RAG rate the options against 19 site selection criteria.

The RAG rating used assigned 'green' as being above expectations, 'amber' as borderline and 'red' as unsuitable. Whilst no red rating was assigned to the individual selection criteria against any of the three options, an overall red rating was assigned to the St Asaph sites on the basis of the number of ambers assigned and the level of uncertainty attributable to the availability of the sites. In particular, despite regular liaison with WG on whether these plots would be available, WG was not able to confirm availability due to ongoing issue resolution between Denbighshire Council, WG and developer.

For the purposes of the economic appraisal scores were applied to the RAG rating with each of the plots being allocated a score of 1 for a green rating against the selection criteria (except purchase costs) as shown in the following table. This determined that development of the plot at Tir Llwyd for the North Wales LPU was the preferred option from a non-financial perspective. The summary scores are shown in the following table.

	St Asaph	St Asaph	Tir Llwyd
Criteria	Plot C1c	Plot C1b	Plots
Total Score	10	10	13
Rank	2	3	1
Variance to preferred	-23%	-23%	0%

Table 5: Non-Financial Appraisal Scores (Site Selection)

1.3.5 Economic Appraisal

The economic appraisal has been based on a generic economic model (GEM) basis:

- The economic model has been run for 30 years;
- Using 2021/22 revenue cost basis;
- A discount rate of 3.5% has been applied.

A financial preferred option is identified but given the only clear differential is the site selection, the key driver for the preferred option is the suitability of the site.

1.3.5.1 Capital Costs

The capital and revenue costs for the shortlisted options are included in the following tables.

	Capital costs £'000s		
	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Works Costs	13,605	13,605	12,474
Design Fees	2,534	2,534	2,517
Non-Works	988	966	841
Equipment	6484	6484	6,484
Planning Contingencies	2,361	2,359	2,300
Sub Total	25,973	25,948	24,617
VAT	4,835	4,830	4,581
Total (Approval)	30,807	30,778	29,197

Table 6: Capital Costs for shortlisted options

The works cost for the options have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. For comparative purposes against the capital costs included in the PBC an adjustment has also been made using BCIS PUBSEC index of 250.

1.3.5.2 Revenue Costs

The revenue costs for all options shown in the following table as at 2021/22 levels, were considered to be the same regardless of site (excluding land costs which are included in the capital costs).

	Revenue Costs £000's			
	Baseline 2021/2022	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Pay	1,356	927	927	927
Non Pay				
Direct Processing Costs	426	426	426	426
Transport	135	188	188	188
Utilities	462	470	470	470
Overheads	18	18	18	18
Total Non-Pay	1,041	1,103	1,103	1,103
Total Costs	2,398	2,030	2,030	2,030
Revenue (Saving) Cost		(368)	(368)	(368)

Table 7: Revenue Costs

For the purpose of the economic model revenue risks would be the same for all options and will therefore be considered at FBC stage. The source for the assessment of the utility and transport costs was the Carbon Review undertaken by Archus.

The following table shows that Option 3 is the preferred option on the financial basis but purely due to the capital costs and the difference is very small including risk. For detailed analysis see Generic Economic Model in Appendix 3.

	Economic Model £000s		
Costs NPC	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Capital Costs inc. Lifecycle	27,114	27,092	25,936
Revenue Costs	42,815	42,815	42,815
Total NPC Excl. Risk	69,929	69,907	68,751
NPC Risk	2,168	2,166	4,009

	Economic Model £000s		
Costs NPC	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Total NPC incl. Risk	72,097	72,097	70,863
EAC	3,428	3,427	3,370
Financial Rank All Options	3	2	1
Margin All Options	-1.7%	-1.7%	0.0%
NPC Switch Value	663	686	(686)

Table 8: Economic Analysis for Shortlisted Options

1.3.5.3 Financial Sensitivity Analysis

Sensitivity analysis has been undertaken to see how much change would be required for the financial assumptions to change for the preferred option in terms of revenue and capital costs. Given that all sites costs are at similar levels the sensitivity required on financial grounds to change the preferred option is very small.

There is a risk that the value engineering included in option 3 would change the preferred option if it is not realised. This would cause a shift of NPC switch value to 1.6% as highlighted in the following table.

	Economic Sensitivity £'000s		
	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Capital Costs	2.4%	2.5%	-2.6%
Revenue Costs	1.5%	1.6%	-1.6%
NPC Change Needed	663	686	(686)

Table 9: Economic Sensitivity

1.3.5.4 Selecting the Preferred Option

For the purposes of the economic appraisal, a non-financial scoring system has been adopted to reflect the process for determining the relative suitability of the short listed sites. Each option has been given a point for a green ranking across each of the 19 criteria. The impact of which is shown in the following table and reflects that Option 3 has the best fit for the North laundry.

The results of the option appraisal suggested that the options should be ranked in relation to the value for money each offers as shown in the following table with option 3 being 30% preferable to the other two options.

	Combined Appraisal Impact £'000s		
	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Weighted Non-Financial Scores	10.0	10.0	13.0
Non-Financial Ranking	2	2	1
Margin Preferred			30%
EAC Impact of Options	3247.9	3426.9	3370.2
Economic Ranking	3	2	1
Benefit Points per EAC	0.003	0.003	0.004
Combined Ranking	3	2	1
Difference (%)	(24.4%)	(24.3%)	0.0%

Table 10: Combined Appraisal Impact

1.4 Commercial Case

1.4.1 Procurement Strategy

1.4.1.1 Design and Construction

Use of the NWSSP Building for Wales framework is mandatory for a construction programme of this size. There were four suppliers plus one reserve bidder available for the category. A competitive tendering process was undertaken, with progress during the EOI / Tendering process being:

- Wilmott Dixon and IHP declined to tender prior to ITT publication;
- ITT published; BAM, Tilbury Douglas and Kier invited to tender;
- Kier withdrew from the process 24/03/21.

The bids received from BAM and Tilbury Douglas were reviewed to ascertain the financial submissions and both bidders were interviewed. The process concluded that the best value bid was that offered by Tilbury Douglas.

1.4.1.2 Other Advisors / Suppliers

Formal approved procurement processes were followed, resulting in the following appointments:

- Project Management: Gleeds;
- Cost Advisor: Gleeds Cost Management Ltd;
- Laundry Advisor: LTC Worldwide;
- Business Case Author: Strategic Healthcare Planning;
- Transport and Carbon Assessment: Square Gain Ltd in partnership with Archus Ltd.

Seven laundry equipment suppliers were invited to Express an Interest in the project based on their extensive experience in both the UK and abroad. Following Stage 1 and Stage 2 Invitation to Tender (ITT) procedures, three laundry equipment suppliers have submitted priced proposals and equipment layouts for the production area to inform Stage 2 design. These companies will be invited to rebid to enable a preferred supplier to be identified during RIBA Stage 3, who will assist in the detailed design process and will contribute to the technical design in RIBA Stage 4. This will also enable equipment requirements and supporting plant to be accurately specified and costed.

The companies are:

- Girbau;
- Jensen;
- Kannegiesser

The process for equipment procurement is outlined in the following diagram. For further details see Section 5.1.4.

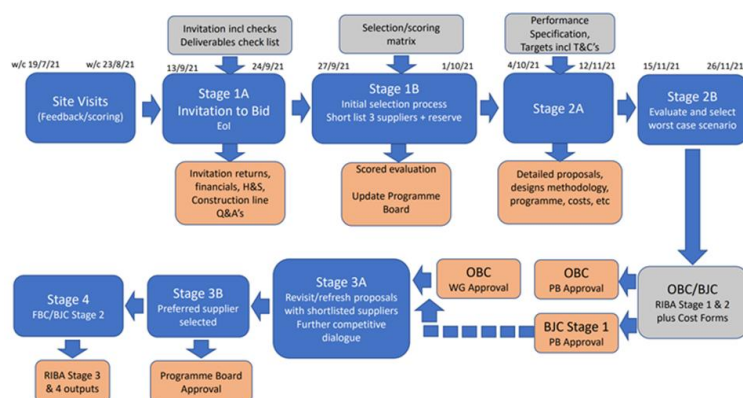


Figure 1: Process Map for Equipment

The proposal is to build a new, purpose built laundry of 2,760m² on a new site on the Tir Llwyd Enterprise Park at Kinmel Bay, Rhyl, North Wales.

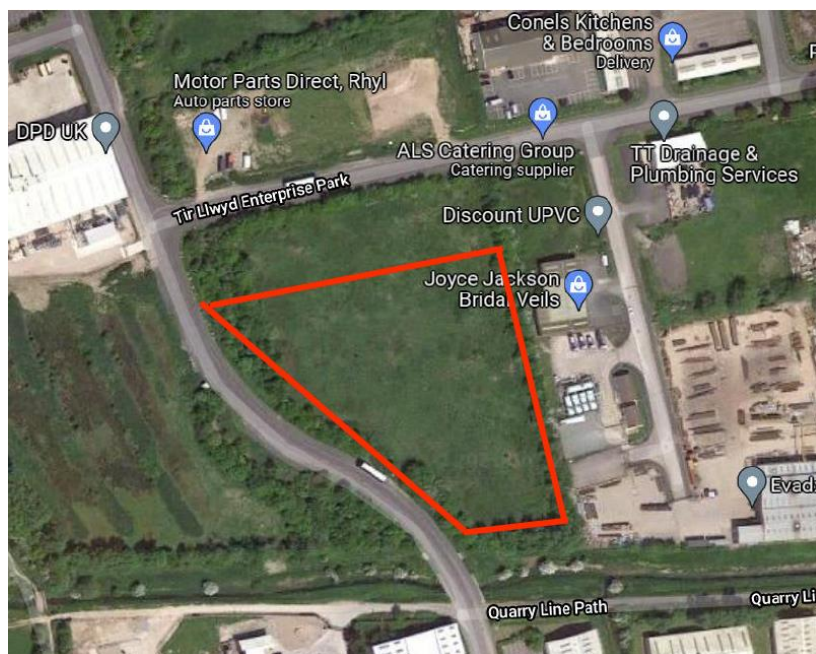


Figure 2: Development Site, Tir Llwyd Enterprise Park

An AEDET review of the design for the new building was held on 15th February 2022 following the completion of RIBA Stage 2 design and to support this OBC. The outcome is shown in the following diagram.

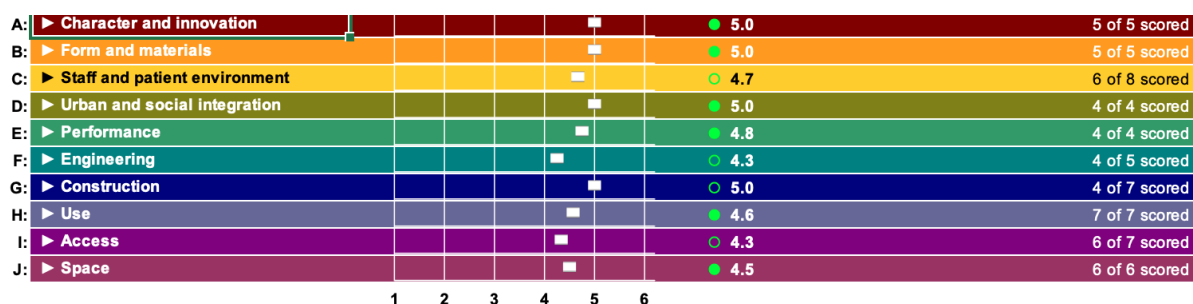


Figure 3: AEDET Summary Results

The detailed results of the review are included in the Estates Annexe in Appendix 1.

1.4.4 Decarbonisation

In support of delivering to the decarbonisation agenda for Wales in line with Prosperity for All: A Low Carbon Wales and the NHS Wales Decarbonisation Strategic Delivery Plan 2021-30, the PBC included an assessment of the carbon baseline for the current five LPUs and the potential future carbon targets for the proposed three LPUs. The carbon dioxide equivalent (CO2e) for the North Wales LPU in 2018/19 and updated by Square Gain in 2022 is as shown in the following table:

Laundry	CO ₂ e per kg of laundry at PBC (2018/19)	CO ₂ e per kg of laundry at OBC (2022)	Reason for change
Glan Clwyd	0.163	0.225	Steam figure updated based on new information available. These emissions are lower than those reported for other LPUs due to the fact that the laundry is served by a centralised boiler and steam. In addition the figures are provided by the Health Board and are based on apportionment of whole site energy usage with no metering available. For these reasons it is anticipated that energy and carbon usage will be higher than currently reported on opening of the new facility which will be served from dedicated plant.

Table 11: CO2e emissions for North Wales LPUs PBC and OBC

The expected future operational target for the proposed three LPUs at PBC was set at less than 0.35 CO2e per kg of laundry.

To support the AWL Programme, Square Gain were commissioned in February 2022 to review the carbon baseline and target for this stage of the business case process (See Full Reports and Carbon Analysis in the Estates Annexe, Appendix 1).

The purpose of the Square Gain review was to assess and ratify the original greenhouse gas (GHG) emissions assessment of the existing LPUs in Wales, included in the report at PBC taking into account subsequently provided data, including BREEAM pre-assessments, and finalised locations.

Square Gain's review of all data, has resulted in general agreement with the original Capita report and other project projections, including BREEAM Pre-Assessments. The review demonstrated that the progression from five LPU sites to three, will deliver carbon savings broadly as indicated in previous reports.

Total annual carbon savings per year against the existing LPUs are estimated to be 1,648 tonnes of carbon dioxide equivalent (tCO₂e), equivalent to more than £409,000, the summary of which is shown in the following table. Further potential savings are outlined in the AWL Laundry Carbon Assessment Report North Wales LPU included in Appendix 1.

However, for the North LPU carbon is expected to increase by circa 248 tonnes of carbon dioxide equivalent (tCO₂e) equating to an increase in cost of £62K per annum mainly due to the impact of transport.

The following table outlines the potential carbon emissions and reductions achieved by the rationalisation from five to three LPUs and more efficient processes.

Carbon including Transport

Variables	Glan Clywd	Greevale	Swansea	Church Village	Camarthen	South West	South East	North
Total Yearly km per kg/CO ₂ e	663,228	1,107,191	1,259,069	2,002,857	596,330	1,197,564	1,870,751	911,709
Total Yearly tonne CO ₂ e	663	1,107	1,259	2,003	596	1,198	1,871	912
Monetary equivalent	£164,701.62	£274,952.43	£312,668.80	£497,376.16	£148,088.62	£297,395.00	£464,569.81	£226,407.75

Non-traded value				Total
Annual savings of tCO ₂ e	657.84	1,239.30	-	248.48
Monetary Equivalents of benefit £	£163,362.41	£307,758.77	-£61,706.13	£409,415.05

Inputs	Assumptions
per tonne	1000
2022 central series value	£248.33
Transport (km)	0.86654
Operating hours North	37.5
Operating Hours South West	37.5
Operating Hours South East	41.5
% Adjusted operating hours	-10.7%

<p>The transport mileage has been recalculated across for all sites</p> <p>An appropriate vehicle type and associated carbon factor per mile have been selected based on average load volume with all journeys undertaken on an A-B-A basis</p> <p>In line with the PBC 'average laden' weight has been assumed for all transport</p> <p>Increased operating hours mean an increase in CO₂ to this benefit which is a negative impact</p> <p>2022 value for CO₂ used from Valuation of greenhouse gas emissions: for policy appraisal and evaluation Published 2 September 2021</p>

Table 12: Total Anticipated Carbon Savings per annum (including Transport)

1.4.5 Building Research Establishment Environmental Assessment Method (BREEAM)

A BREEAM Pre-Assessment for the North Wales LPU was undertaken in October 2021. This was facilitated by Greenbuild Consult who have been appointed by the SCP to advise on BREEAM. The pre-assessment is based upon the BREEAM New Construction 2018 non domestic scheme (SD5078:3.0-2018) methodology and complies with both the requirements embedded in the Design for Life Framework and Welsh Government requirements for a new build facility.

The project proposals have been reviewed in accordance with achieving a minimum BREEAM rating of 'Excellent' and achieving a minimum score of 70%. The pre-assessment has demonstrated that the design of the building could provisionally achieve an 'Excellent' rating of 75.70%.

1.4.6 Land Acquisitions and Potential Disposals

Conwy County Borough Council own the Tir Llwyd Enterprise Park. NWSSP have agreed Heads of Terms with the Council to secure Plot 5. Further details of the agreement are given in Section 5.5.2 and Appendix 1.

The existing Ysbyty Glan Clwyd Laundry will be decommissioned by NWSSP and will remain in the ownership of Betsi Cadwaladr UHB . Any equipment with a residual life will either be reused in the three replacement laundries or sold as part of the decommissioning process.

1.4.7 Planning Approval

A Pre-Application Enquiry for the laundry development at Tir Llwyd Enterprise Park was submitted to Conwy Planning Authority on 8th December 2021 to seek confirmation on the principle of the development and confirmation of the proposal of transport and parking and in respect of flooding.

This was positively received with a formal response received on 14th January 2022. The details of the response are included in Appendix 1.

1.5 Financial Case

The capital cost breakdown for the preferred option is included in the following table:

	Capital costs £'000s
Works Costs	12,474
Design Fees	2,517
Non-Works	841
Equipment	6,484
Planning Contingencies	2,300
Sub Total	24,617
VAT	4,581
Total (Approval PUBSEC Indices 277 Q1 2022)	29,197

Table 13: Capital Costs for Preferred Option

The works cost for the preferred option have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. Inflation has been excluded at this stage.

The Capital Cost Forms also show the capital costs at PUBSEC 250 (the indices used at PBC) to allow a direct comparison with the PBC costs.

A VAT reduction of 7% has been assumed on capital costs in accordance with advice received from Ernst and Young LLP.

The capital expenditure flow based on a construction completion of 2025 is provided in the following table:

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Capital Spend £'000s	333	2,239	9,114	13,002	4,510	29,197

Table 14: Capital Expenditure Year by Year

Revenue costs for the preferred option are included in the following table based on 2021/22. See Appendix 4 for further detail.

	Revenue Costs £000's			
	Baseline 2021/2022	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Pay	1,356	927	927	927
Non Pay				
Direct Processing Costs	426	426	426	426
Transport	135	188	188	188
Utilities	462	470	470	470
Overheads	18	18	18	18
Total Non-Pay	1,041	1,103	1,103	1,103
Total Costs	2,398	2,030	2,030	2,030
Revenue (Saving) Cost		(368)	(368)	(368)

Table 15: Revenue Costs

The largest cost saving for the development is from pay. Non pay costs are anticipated to increase due to increasing fuel and energy costs.

An impairment to the value of the building is anticipated in the first year of operation in line with District Valuers valuations. This will have the impact of reducing capital charges. No account of this has currently been made in the revenue models. This will be considered in more detail at FBC.

1.6 Management Case

1.6.1 Project Management and Governance Arrangements

The project structure developed by NWSSP reflects ownership of the programme at the highest levels and draws not only upon the traditional roles associated with capital project management, but also upon significant user representation and support from across the Laundry Services.

The governance and reporting arrangements for the All Wales Laundry Programme is shown in the following diagram.

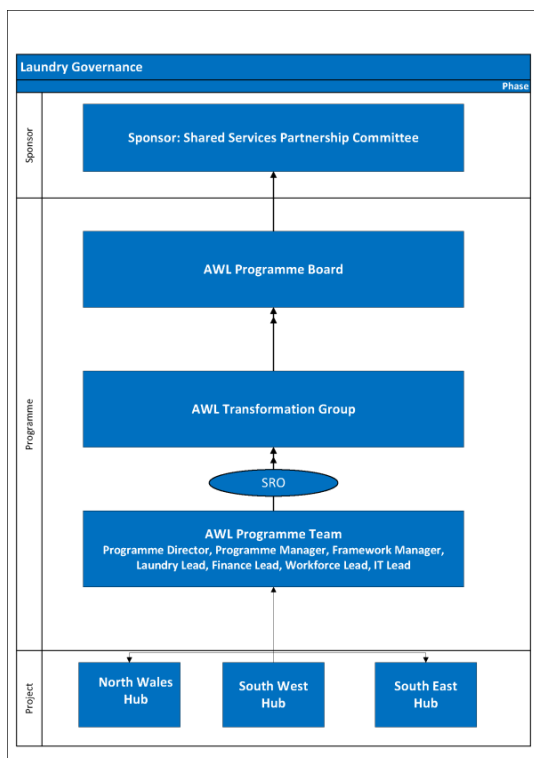


Figure 4: Programme Governance Structure

The Senior Responsible Officer for the programme is Neil Davies and the Programme Director is Lee Wyatt. A Laundry Transformation Group and Laundry Programme Board has been established to ensure that key deliverables and spending objectives are met. The Laundry Programme Board reports through the NWSSP Senior Leadership Team to the NWSSP Committee. Seven workstreams have also been established to support development of the three projects. Further details are included in Section 7.1. Programme and Project Governance Arrangements.

NWSSP have used special advisors in a timely and cost-effective manner to lead the development through to outline business case stage. These advisors have either been appointed directly by NWSSP or appointed via the Supply Chain Partner, Tilbury Douglas Construction.

1.6.2 Risk Management

An overarching risk register has been developed for the programme, to record and log details of any item or event which is considered to put the objectives of the programme at risk and is appended to this OBC. The risk register is a live document and is updated

regularly and owned by NWSSP. A costed Design and Construction Risk Register has also been developed for the project which is again reviewed on a regular basis. Any high level risks for this risk register are also included on the overarching Programme Risk Register. Both risk registers are provided in the Estates Annexe in Appendix 1.

The main risks (risk score 12 and above) after mitigation for the All Wales Laundry Programme (as at May 2022) are identified in the following table:

Risk No.	Risk	Mitigation Measure	Residual Risk Score
R21	Failure to meet OBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15
R22	Failure to meet FBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15
R48	Delay to project programme due to requirement to re-procure Supply Chain Partner	Risk response and risk actions limited due to external factors outside of our control. Closely monitor current contractual situation and evaluation process. Due diligence undertaken & Board signed off. SCP to progress.	15
R29	Site selection: Unable to secure site within 5 mile radius	Expedite site search, criteria assessment and testing / analysis at early OBC stage, to determine early options. Single point responsibility through SCP.	12
R31	Failure to provide a modern production facility, due to new sites and with existing buildings	Compromised footprint; layout, segregation etc. Detailed testing and assessment of each site against clear and pre-agreed parameters as part of FBC feasibility studies and options development. Operational design & workshops included such parameters.	12
R51	HB financial destabilisation as result of NWSSP Laundry Programme benefit realisation.	Early stage engagement with respective HB to address the impact of a change in PPI and thus HB revenue and budget shortfall. Especially ABUHB given CAV subsidisation.	12

Table 16: Main Programme Risks impacting this project and business case

1.6.3 Delivery Programme

The key milestones for the project are provided in the following table. The detailed programme is included in the Estates Annexe, Appendix 1.

Activity	Target Date
OBC Development	May 2022
OBC Internal Approvals	May 2022 – July 2022
OBC Submission to Welsh Government	July 2022
OBC Approval by Welsh Government	November 2022
FBC Development	November 2022 – July 2023
Detailed Design (RIBA Stage 3 and Stage 4)	November 2022 – May 2023
Full Planning Approval	June 2023
FBC Internal Approvals	August 2023 – September 2023
FBC Submission to Welsh Government	October 2023
FBC Approval by Welsh Government	January 2024
Mobilisation	January 2024 – February 2024
Construction incl. Commissioning and Handover	February 2024 – July 2025
Laundry Services Commissioning, Familiarisation, Training	July 2025 – September 2025
New Laundry Operational	September 2025
Decommissioning and Closure of Glan Clwyd Laundry	October 2025 – March 2026
Post Project Evaluation: Design and Construction	December 2025
Post Project Evaluation: Service	December 2026

Table 17: Project Milestones

1.6.4 Gateway Review

An external Gateway Review Stage 0: Strategic Assessment was undertaken for the programme by the Welsh Government in July 2021 followed by a Stage 2 Delivery Strategy Assessment in February 2022. . The AWL Programme has also been subject to internal audit and a lessons learned exercise at the end of the OBC stage.

1.6.5 Benefits Realisation

A draft Benefits Realisation Plan has been developed for the project and is included at Appendix 5. This Plan will be developed in more detail for the Full Business Case and will form the basis of Post Project Evaluation.

1.6.6 Post Project Evaluation

The detailed plans for post project evaluation (PPE) will be drawn up by NWSSP which is committed to ensuring that thorough and robust PPE is undertaken at key stages in the process to ensure that positive lessons can be learnt. This will also put in place a framework for the benefits realisation plan to identify whether benefits have been achieved or not.

The PPE will be undertaken in accordance with the Designed for Life: Building for Wales Procedure for Design and Construction Post-Project Evaluation, August 2021.

1.6.7 Contingency Plans

The overarching contingency plan for laundry services in the event of delay or non-approval of the business cases would be to continue to operate from the current facilities. This would be at significant risk to the services provided to hospitals throughout Wales due to obsolete equipment and associated frequent breakdowns, non-compliance to laundry standards and infrastructure failings.

1.7 Conclusion and Recommendations

This Outline Business Case outlines the requirement to re-provide the Laundry Production Unit for North Wales. The existing Ysbyty Glan Clwyd was built in 1983, has been identified as no longer fit for purpose, and is located in the centre of the Glan Clwyd Hospital site, in very close proximity to the main hospital building.

This project is part of the All Wales Laundry Programme which will result in five existing laundries being replaced by two new laundries in South West and North Wales and Green Vale Laundry being refurbished and re-equipped in South East Wales

Separate business cases have been developed for a new LPU to serve SW Wales and refurbishment of the existing SE Wales LPU.

A comprehensive site option appraisal, and non-financial and financial evaluation has identified the preferred option is to build a new, purpose built laundry of 2,760m² on a new site on the Tir Llwyd Enterprise Park at Kinnel Bay, Rhyl, North Wales.

NWSSP has agreed Heads of Terms with Conwy Council and entered an Option Agreement for 24 months, for a Long Lease interest of 125 years.

The capital cost of the development is £29m, and potential revenue savings of £368K per annum have been identified.

The development will be built to comply with:

- Relevant Health Building Notes and Health Technical Memorandum;
- BREEAM 'Excellent'
- NHS Wales Decarbonisation Strategy;
- BS EN 14065:2016;

and will facilitate the following:

- Improved staff working environment and experience;
- Improved productivity and consistency through the implementation of new processes and monitoring systems;
- Improved customer experience;
- Improved business continuity.

This Outline Business Case is presented for review and approval by the relevant NWSSP Boards and Committees as part of the wider programme and to allow submission to Welsh Government for further consideration.

2.0 Introduction

2.1 Scope of Document

NHS Wales Shared Services Partnership (NWSSP) conducted a review of the existing five Laundry Production Units (LPUs) in NHS Wales in line with best practice guidance to determine the optimal solution for the delivery of the future service model. This was formalised in a Programme Business Case in July 2020 which was approved to continue to Outline Business Cases in November 2020. The review concluded that a total of three LPUs would be required in the future to serve Wales as follows:

- A new build facility in South West Wales to replace Glangwili Hospital LPU and Llansamlet LPU;
- A new build facility in North Wales to replace Glan Clwyd LPU;
- An expansion and refurbishment of Green Vale LPU to upgrade the existing laundry facility and to allow closure of Church Village LPU.

This Outline Business Case sets out the need for capital investment in a new, purpose-built Laundry Production Unit to provide capacity to process all North Wales laundry volumes, to improve productivity and comply with relevant statutory requirements.

The new facility in South West Wales and refurbished facilities in South East Wales are the subject of two separate Business Cases.

2.2 Document Structure

This OBC has been structured in line with the Five Case Model for Business Cases, considered as best practise by HM Treasury. The business case has been developed in accordance with the *NHS Wales Infrastructure Investment Guidance, 2018* and the HM Treasury *Guide to developing the Project Business Case*. The OBC comprises the following key components:

- The **Strategic Case**: Sets out the background and strategic context, outlines the issues currently faced within the existing Laundry Production Units (LPU) in Wales, and the objectives underpinning the proposed service change;
- The **Economic Case**: Identifies the options for consideration for this business case along with their capital and revenue costs and the option appraisal process undertaken. This section also demonstrates that the organisation has selected the most economically advantageous option which best meets the existing and future needs of the service and optimises value for money (VFM);

-
- The **Commercial Case**: Outlines the content of the preferred option and the procurement approaches selected for delivery of the project;
 - The **Financial Case**: Confirms funding arrangements and affordability and the effect of the project on the balance sheet of the Trust;
 - The **Management Case**: Details the plans for successful delivery of the scheme to cost, time and quality.

3.0 Strategic Context

3.1 Organisational Overview

3.1.1 NHS Wales Shared Services Partnership

The NHS Wales Shared Services Partnership (NWSSP) is an independent organisation owned by NHS Wales and hosted by Velindre University NHS Trust, which supports the statutory bodies of NHS Wales through the provision of a comprehensive range of high quality, customer focused support functions and services. The organisation structure is shown in the following diagram.

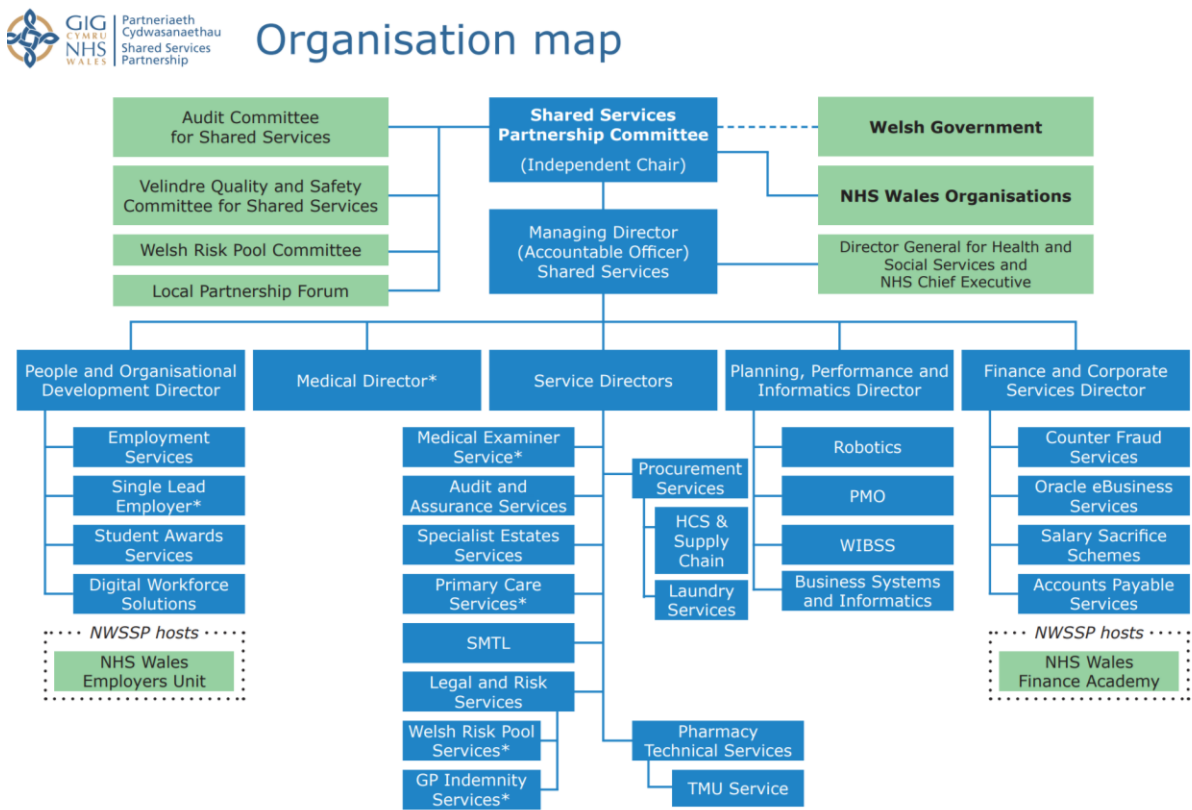


Figure 5: NWSSP Organisational Structure

NWSSP supports NHS Wales by creating dedicated shared services with a primary focus on operating within best practice guidelines and with a customer care ethos centred on high quality service. It is led by a Managing Director and Senior Management Team accountable to the Shared Services Partnership Committee composed of NHS organisational representatives and an independent chair.

The introduction of European Standard *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control systems*, which sets out a system for assuring the microbiological quality of processed linen, combined with the need to provide a resilient, sustainable and affordable service, prompted the NWSSP Committee to commission a review of the existing service.

The Laundry Production Unit Service Review (the review) was led by the NWSSP Committee. The review affects all NHS Wales Health Boards and patients, since frontline services rely on a regular supply of clean, safe and decontaminated linen service (which represents good value for money), to provide sustainable clinical services.

This OBC builds upon the approved PBC in reviewing the existing services in NHS Wales against best practice guidance, specifically *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control systems* (Section 3.2.5) and to provide the case for a new laundry facility in North Wales.

3.2 National Context

The following sections outline the national and local drivers which underpin the proposals in this business case.

3.2.1 Well-Being of Future Generations (Wales) Act 2015

The Well-Being of Future Generations (Wales) Act 2015 set out a range of overarching well-being goals and sustainable development principles to ensure that all public bodies act in a manner that does not compromise the needs of future generations.

The review of the existing laundry service completed in 2020 highlighted the principles set out in the 2015 Act, through looking at the contribution of the laundry service in Wales to the improvement of social, economic, environmental, and cultural well-being of Wales by helping to contribute to the creation of:

- A prosperous Wales by supporting the economy through the development of a skilled and sustainable workforce and investing in services and facilities in a way that provides optimum public value;
- A resilient Wales by providing a sustainable service with the capacity to meet the current and future needs of the population;
- A healthier Wales by reducing the risk of healthcare acquired infections, enabling Health Boards to deliver high quality and safe clinical services, and improving the health and wellbeing of the workforce;

- A more equal Wales by supporting Health Boards to improve access to services in the right place at the right time in the workforce to provide appropriate training and development, and;
- A globally responsible Wales that aims to minimise its environmental impact.

3.2.2 Prosperity for All – Welsh Government 2017

This national strategy set out the Welsh Governments key priorities, with the main aim of this being to drive integration and collaboration across the Welsh public sector, putting people at the heart of improved service delivery. The review of the laundry production unit services and its recommendations support this aim as detailed in Table 18.

Key Themes	Proposed Development of LPU's in Wales
Prosperous and secure	Enabling the workforce to fulfil their ambitions and enhance their wellbeing through secure and sustainable employment by delivering best value for money and contributing to the sustainability of the system.
Healthy and active	Providing better working conditions that will improve the health and wellbeing of the workforce. Reducing the risk of healthcare acquired infections.
Ambitious and learning	Contribute to a prosperous Wales by developing the workforce to create highly skilled and adaptable people.
United and connected	Supporting the overall economy by providing best value for public money.

Table 18: All Wales Laundry approach to integration and collaboration

The review aligns with all of the priority areas of the strategy, specifically in terms of developing skills which will improve individual’s employability.

3.2.3 Prosperity for All: A Low Carbon Wales (2019)

This strategy sets out the Welsh Government’s approach to cutting emissions and increasing efficiency in ways that maximise wider benefits for Wales, ensuring a fairer and healthier society. It identifies the need for the public sector to take a proactive approach to identifying and implementing opportunities to reduce emissions from their transport activities.

The strategy states that “to help deliver emissions savings as we move towards a low carbon economy, we are now considering carbon impact when allocating capital funding. We are ensuring all new health and education buildings funded through Welsh Government capital are designed and built to maximise energy efficiency”.

3.2.4 NHS Wales Decarbonisation Strategic Delivery Plan 2021 - 2030

Following on from Prosperity for All: A Low Carbon Wales, NWSSP worked with the Carbon Trust to develop a strategic delivery plan for decarbonisation in Wales, with the ambition for the public sector to be net zero by 2030, and a specific policy to reduce emissions in the health sector.

Decarbonisation of NHS Wales has been structured into six main activity streams:

- Carbon Management
- Buildings
- Transport
- Procurement
- Estate Planning and Land Use
- Approach to Healthcare

The decarbonisation agenda where applicable has underpinned the design of this project. Further details can be found in the Estates Annex in Appendix 1 – Decarbonisation Approach.

3.2.5 BS EN 14065:2016 Textiles. Laundry Processed Textiles. Biocontamination Control Systems

This standard was introduced to provide management systems for the microbiological quality of laundry. This highlighted the requirements for a management system to monitor microbiological quality when processing textiles to avoid microbiological contamination.

The Welsh Government confirmed that it would be essential for both commercial and NHS settings to adopt these standards to maintain the highest possible quality of service.

3.2.6 Welsh Health Technical Memorandum 01-04 (2016)

This Welsh Technical Memorandum was published to provide NHS Wales organisations with guidance on all aspects of the decontamination of linen for health and social care settings in line with BS EN 14065:2016. NHS Wales proposed a progressive increase in quality through the implementation of the various decontamination policies.

3.2.7 NHS Wales Planning Framework 2020/23

The NHS Wales Planning Framework 2020/23 set high quality as a priority underpinning all aspects of services, settings, and contacts with the NHS in Wales. It stated the need for

health organisations to focus on the populations for which they are responsible, with an emphasis on prevention and early intervention, reducing health inequalities and working with wider partners to deliver the best possible services for citizens in Wales.

The review of the existing Laundry Production Units (LPUs) in Wales aligns with the need for organisations to ensure that ‘robust system-wide quality assurance arrangements are in place, coupled with clear quality improvement programmes to drive continuous improvement’, by focussing on developing the collective capacity and capability for improvement across the national laundry service.

3.2.8 Prudent Healthcare 2017

The principles of prudent healthcare are set out in *Prudent Healthcare: Securing Health and Wellbeing for Future Generations*, to address the challenges faced by rising costs and increasing demand, to achieve greater value in healthcare systems by delivering healthcare that fits the needs and circumstances of patients and avoids wasteful care.

Specifically, for the LPU service, this means reducing variation and costs whilst continuing to provide a safe, high-quality service with the appropriate capacity to meet changing demand, thereby enabling clinical teams to provide the right care in the right place at the right time and minimising the risk of hospital-acquired infections via laundry items.



Figure 6: The Four Principles of Prudent Healthcare

3.3 Local Context

3.3.1 NHS Wales Laundry Production Units Service Review 2020

The introduction of the new European Standard *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system* in Wales, which set out a system for assuring the microbiological quality of processed linen, combined with the need to provide a resilient, sustainable, and affordable service, prompted NHS Wales Shared Services Partnership Committee to commission a review of the existing service.

NHS Wales Shared Services Partnership Committee led a review of the existing LPUs throughout Wales against best practice guidance, specifically *BS EN 14065:2016* to determine the optimal solution for the delivery of a future service model. This review was completed in the form of an approved Programme Business Case in November 2020.

The review concluded that a total of three LPUs would be required in the future to serve Wales. This Outline Business Case is for investment to develop a new LPU to provide capacity to process predominantly all North Wales volumes, improve productivity and comply with statutory requirements. This will involve the decommissioning of the existing LPU in North Wales, namely Ysbyty Glan Clwyd Laundry.

A second new LPU will also be required to support the South West Wales volumes, and the existing Green Vale LPU will be expanded and refurbished to support the South East Wales volumes. These developments are the subject of separate Business Cases.

3.4 Existing Arrangements

3.4.1 Current Provision

Up until April 2021 the laundry service for NHS Wales was provided from five Laundry Production Units as indicated in the following table:

	Location and Health Board
1	Ysbyty Glan Clwyd Laundry Services: Betsi Cadwaladr University Health Board;
2	Glangwili General Hospital Laundry Service: Hywel Dda University Health Board;
3	Llansamlet Laundry Service: Swansea Bay University Health Board (formerly Abertawe Bro Morgannwg University Health Board);
4	Church Village (old East Glamorgan Hospital) Laundry Service: Cwm Taf Morgannwg University Health Board;

	Location and Health Board
5	Llanfrechfa Grange 'Green Vale' Laundry Service: Aneurin Bevan University Health Board (also supplies Cardiff and Vale and Powys).

Table 19: Existing Laundry by location and Health Board

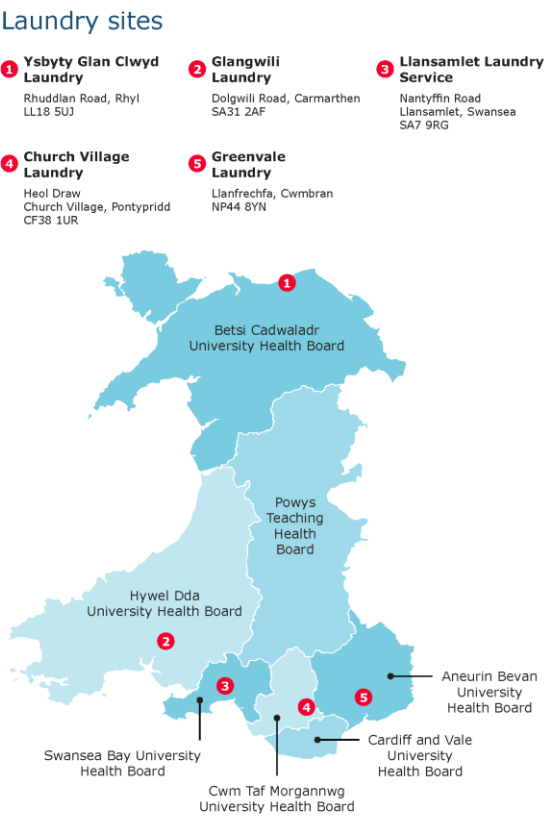


Figure 7: Location of Current Laundry Production Units in Wales

3.4.2 Management Arrangements

Until April 2021 LPUs were managed by individual Health Boards. However, the recommendations outlined within the Parliamentary Review and learning from other shared services initiatives suggest options for centralising management arrangements should be explored in relation to the future service model to ensure the full benefits can be realised in a timely manner.

April 2021 saw the creation of the All Wales Laundry Service directly managed by NWSSP, the transition of the service to NWSSP was a two stage approach.

3.4.2.1 Stage 1: TUPE transfer on 1st April 2021 of:

- Green Vale LPU;
- Llansamlet LPU;
- Glan Clywd LPU.

3.4.2.2 Stage 2: 1st October 2021 – remaining two LPUs commissioned by NWSSP via an SLA, namely:

- Church Village LPU;
- Glangwili LPU.

3.4.3 Ysbyty Glan Clwyd Laundry Services

The Ysbyty Glan Clwyd Laundry which currently serves the whole of North Wales and was built in 1983. The laundry is situated at the centre of the main Glan Clwyd Hospital site, within very close proximity to the main hospital building. The LPU delivers laundry to around 56 delivery locations all located within an average of 32.2 miles. The laundry processes 2.4 million tonnes of laundry per year. The laundry operates Monday to Saturday and uses three (7.5 tonne) vehicles to carry out deliveries.

The Laundry Survey commissioned by Capita, in January 2017, as part of the strategic review of NHS Wales Laundry Production Units, (See Appendix 1), found that:

- The majority of the infrastructure and equipment within the Laundry were either at the end of or past their design life and could therefore cause problems in the near future;
- A barrier wall is required between the clean and dirty side of the production area to reduce cross-contamination to comply with BS EN 14065:2016;
- There is insufficient storage space within the building for clean linen. External containers have to be used. This could cause contamination to clean linen;
- Replacement of the barrier washers is required to minimise the risk of cross contamination, including the extractors;
- Poor and cramped access to equipment for maintenance;
- Staff rest, sanitary and parking facilities are insufficient;
- The building does not comply with the requirements of the Disability Discrimination Act and Disability Rights in Wales 2017.

These issues remain unresolved.

3.4.4 Activity Levels

Between the five LPUs just under 29 million items were processed during 2021/22, predominantly providing services across Wales to all NHS organisations including acute hospitals, community hospitals, specialist run units such as mental health facilities, and the Welsh Ambulance Service. A very small proportion of the items were processed for external customers (0.35%).

Pieces processed by Glan Clwyd LPU over recent years have remained stable with the exception of 2020/21 which shows a reduction relating to reduction in elective patient activity connected with COVID19.

Ysbyty Glan Clwyd				
2017/18	2018/19	2019/20	2020/21	2021/22
5,014,385	4,830,517	4,835,096	4,209,367	4,682,969

Table 20: Number of pieces processed per annum 2017/18 to 2021/22 (EFPMS data)

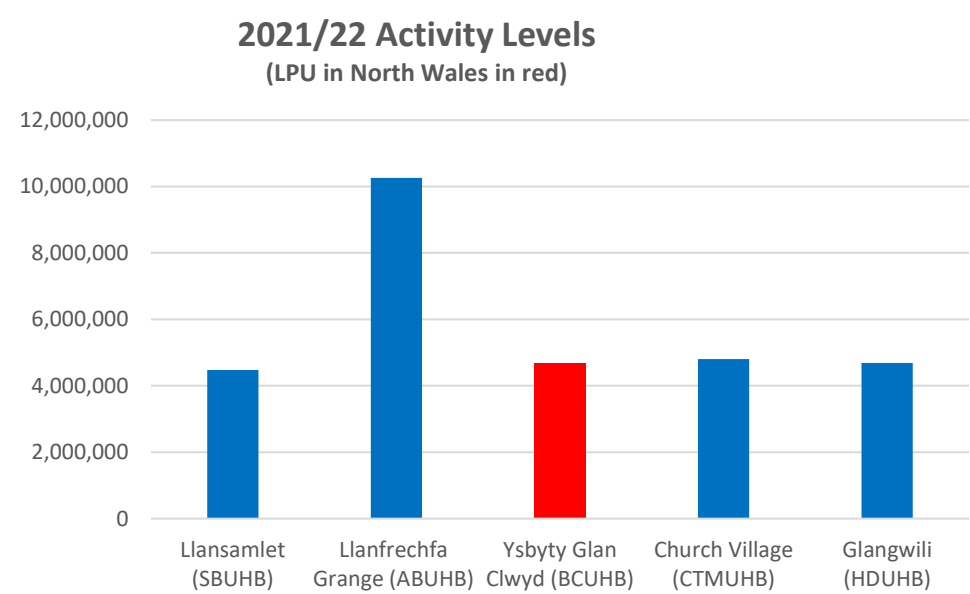


Figure 8: Activity Levels 2021/22 per LPU

3.4.5 Current Service Models

Each LPU operates with its own service model which is largely dependent on its plant and equipment and the individual needs of its customers. However, in the main it involves processes for washing and finishing of linen such as bedding, towels, and theatre scrubs, as

well as the collection and delivery of items to and from distribution points on designated days and times.

The range of services provided to customers differs slightly between LPUs:

- **Distribution points:** Most LPUs collect from and deliver to the ‘front door’ of hospitals, beyond which hospital staff such as porters manage the distribution to ward level. However, there are some cases within the current service model of LPUs delivering directly to ward level.
- **Microfibre items:** Arrangements for washing microfibre mops and cloths vary across NHS Wales, with some sites sending the items to LPUs to be processed and some sites washing them locally.
- **Specialist services:** Some LPUs provide specialist services locally which includes patients’ personal clothing, sewing room services, dry cleaning and private ironing services, wheelchair maintenance, and distribution of non-linen related goods within the laundry vehicles.

The main differences in the service model reported at PBC for the existing LPUs are shown in the following table.

	Llansamlet (SBUHB)	Llanfrechfa Grange ‘Green Vale’ (ABUHB)	Ysbyty Glan Clwyd (BCUHB)	Church Village (CTMUHB)	Glangwili (H DUHB)
Items processed for other LHBs (% of total)	3.76%	44.0%	2.0%	0.0%	0.0%
Items processed for non-NHS organisations (% of total)	0.0%	0.07%	0.0%	0.0%	0.0%
Microfibre items processed (% of total)	5.9%	14.5%	0.0%	0.0%	9.0%
Sewing Room	Y	N	Y	Y	Y
Dry Cleaning	Y	N	N	N	N
Other services provided	No	No	Wheelchair maintenance	Private ironing	Delivery of large and urgent items

Table 21: Services Provision by LPU 2021/22

3.4.6 Current Estate Condition

The existing five LPUs operate from old buildings utilising ageing equipment, have had minimal investment whilst under HB management in recent years, and are unable to comply with new guidance for the decontamination of linen.

A review of the Estate condition was undertaken in 2016 which identified the following Issues:

- The poor condition of washers and dryers, which require intensive maintenance due to their age. This is currently provided locally by dedicated in-house teams who are supported by specialist maintenance service contracts;
- Building layouts cause inefficiencies. For example, restricted roof height and the capacity of existing monorail systems;
- Limited space to install additional equipment required for service improvement;
- Inability to meet demand during breakdowns of obsolete, unsupported equipment;
- Limited potential for automation with the ageing equipment;
- Inefficient use of utilities;
- Lack of access to gas and high-pressure steam in some LPUs required for efficient laundry production;
- Limited parking for staff and safe delivery and pick-up;

These factors identified in the PBC remain and the building condition, plant and equipment have through minimal investment, deteriorated further by virtue of another five years in operation.

An initial review of the five sites established that currently none of the LPUs are compliant with the standards and guidance set out in BS EN 14065:2016 and WHTM01-04. Common challenges in achieving these standards emerged as:

Challenge	Details of Non Compliance
Area Separation:	None of the LPUs currently have adequate floor to ceiling physical barriers in place to separate clean and dirty areas.
Disinfection Processes:	Current decontamination processes are controlled using time and temperature parameters, which is not in line with latest standards that refer to chemical disinfection in a number of areas.
Safe Storage of Linen:	Standardisation is needed in the control of disinfection of trolleys and cages.

Challenge	Details of Non Compliance
Record Keeping:	<p>While operational procedures are deemed to be of reasonable standard, there is a lack of adequate documentation, in particular in the need for:</p> <p>Fully documented policies and procedures, and;</p> <p>Detailed risk assessment and hazard analysis.</p> <p>There is a lack of consistency in relation to training records, making it difficult to ascertain that all staff members are up to date with relevant training.</p>

Table 22: Details of Non-Compliance

Whilst a number of these issues can be addressed by changing working practices, the main issues preventing the existing LPU's including the laundry facilities at Ysbyty Glan Clwyd from complying with BS EN 14065:2016 and other regulatory standards relate to deficiencies within the physical estate, including:

- Physical layout, specifically lack of separation between soiled and clean linen;
- Lack of or substandard ventilation systems resulting in the possibility of achieving either negative air pressure in the soiled linen area, or positive air flow from the clean textile area through the soiled textiles area with ventilation directly to the outside;
- Poor standard of existing equipment, and;
- General dilapidated condition of the buildings, some of which are more than 30 years old and require extensive backlog maintenance requirements.

This inability to comply with regulatory standards increases the infection prevention and control risks, as well as potentially significantly impacting on the health and wellbeing of the workforce due to poor working conditions.

3.4.6.1 Backlog Maintenance

Nifes Consulting Group undertook an assessment of the condition of the existing five LPU's in 2017 to supplement the higher-level information gathered by the Health Boards for the Welsh Government Estates and Facilities Performance Management System (EFPMS) returns. The Nifes assessment estimated that a total investment of circa £15 million (inflation adjusted) would be needed over the following 10 years (2017/18 – 2027/28) for all existing laundries including £2million of immediate investment to address the areas of highest risk to meet statutory and BS EN 14065:2016 requirements. The Nifes report is included in the Estates Annex in Appendix 1.

The assessment for the Glan Clwyd site identified a requirement for £2.8m investment to address backlog maintenance and other six facet compliance. Subsequently LTC Worldwide Consultancy (Specialist Laundry Advisors supporting the AWL programme) undertook further site visits which identified additional issues relating to the roof and utilities supply at the Glan Clwyd site increasing the investment requirement for this site to £4.3m.

The outcome of the assessments at the Glan Clwyd site in 2017, in order to achieve compliance with the current standards is summarised in the following table.

Cost Category	Glan Clwyd £000's
Backlog Maintenance	334
Impending Backlog (Years 1 – 5)	1,397
Future Costs (Years 6 – 10)	78
6 Facet Statutory Compliance	290
BS EN 14065:2016	307
Functional Suitability	205
Quality of the Environment	11
Inflation (adj. 2016/17 – 2021/22)	212
Nifes Report Total (inflation adjusted)	2,834
Roof	1,500
Supply of Utilities	0
LTC Report	1,500
Total	4,334

Table 23: Capital Investment Requirements to Achieve Compliance (Nifes Report 2017)

Since the assessments were undertaken in 2017 there has been no significant investment in the facilities, and therefore the backlog maintenance requirement will undoubtedly have increased.

3.4.7 Workforce

The following table details the workforce position for Glan Clwyd Laundry at 2018/19 (used as the baseline position for the PBC). As at Month 12, 2021/22 a total of 49.73 WTE were employed at Glan Clwyd laundry. This is currently a moving position on a monthly basis due to bank holiday working, sickness absence and vacancies and breakdowns.

Post	PBC Baseline WTE
Unit Management Team	2.0
Shift Team Leaders	6.0
Production Team	31.99
Engineering Team	3.0
Administration	2.0
Distribution Team	3.0
TOTAL WTE's	47.99

Table 24: Baseline Workforce Establishment as at PBC 2018/19

3.4.8 Proposed Future Provision

The approved PBC concluded that the future service LPU provision should provide three efficient, compliant facilities with a centralised management arrangement in the locations shown in the following diagram.

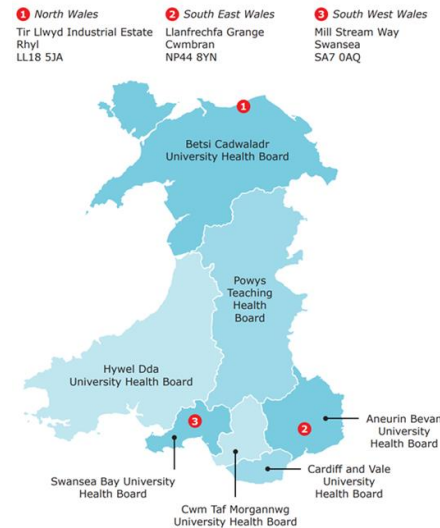


Figure 9: Location of Proposed Laundry Production Units in Wales

3.5 Case for Change

3.5.1 Infection Prevention and Control

The main driver for change is the introduction of new guidance for the decontamination of linen, which includes:

- *BS EN 14065:2106 Textiles. Laundry processed textiles. Biocontamination control system*, which was introduced to provide management systems for the microbiological quality of laundry, and;
- Welsh Health Technical Memorandum 01-04 (WHTM01-04) which was published to provide NHS Wales organisations with guidance on all aspects of the decontamination of linen for health and social care settings in line with BS EN 14065:2016.

An initial review of the sites, undertaken by FMS Consultancy, (See Estates Annexe, Appendix 1) established that currently none of the existing LPUs are compliant with the standards and guidance set out in BS EN 14065:2016 and WTM01-04. Whilst some progress has been made given the limited options available and the physical restraints, the main issues preventing the existing LPUs from complying with these required standards relate to deficiencies in the physical estate, including:

- Physical layout, specifically lack of separation between soiled and clean linen and insufficient space to erect a barrier;
- Lack of or substandard ventilation systems resulting in the potential for negative air pressure in the soiled linen area or positive air flow from the clean textiles area through the soiled textiles area with ventilation directly to the outside;
- Poor standard of existing equipment, and;
- General dilapidated condition of buildings, some of which are more than 30 years old and have an extensive backlog of maintenance work.

This inability to comply with regulatory standards increases infection control risks as well as significantly impacting on the health and wellbeing of the workforce due to poor working conditions. These issues can only be addressed with significant capital investment and or provision of new facilities.

To ensure that any new or redefined facilities comply with regulatory standards, LTC have been commissioned to lead the implementation of BS EN 14065:2016. Hygiene standards, the laundry process, together with the facilities and staff will be covered by this standard. Any new facilities within All Wales Laundry will be accredited by an independent assessor.

3.5.2 Quality Improvement

Whilst, in the main, the existing five LPUs are providing a good quality service across NHS Wales, ensuring that each Health Board has adequate linen stocks, continuing with the status quo and operating under local management arrangements limits opportunities to improve service levels to meet current and future requirements. Redesigning the service to enable it to comply with the latest standards and collaborate more effectively is likely to offer a range of opportunities as identified in the following table:

Opportunity	Details
Reduce infection control risks	Complying with the latest best practice guidance on decontamination will further reduce risks associated with healthcare acquired infections.
Increased resilience	Three new / refurbishes laundries will support better business continuity
Introduce well-regulated audit systems	<p>The review of existing LPUs highlighted inconsistencies in record keeping and documentation supporting processes.</p> <p>To achieve an overall increase in service quality and directly align with the latest standards, there is a need for a well-regulated audit system to manage and accurately document activity.</p> <p>A documenting system would allow the regulation of biocontamination, stock control and overall quality.</p>
Develop the workforce	<p>In addition, the LPU workforce would be required to receive training in line with new standards.</p> <p>This would also provide the workforce with personal development opportunities.</p>
Measure customer satisfaction	<p>Currently there appears to be a lack of customer (ward and patient) feedback regarding quality of linen.</p> <p>A mechanism for feedback would ensure that customers are satisfied with laundry and linen services. This would also support the equity of service between LPUs.</p>

Table 25: Opportunities to Improve Quality

3.5.3 Equity of Service Across Wales

While the five LPUs deliver relatively similar services across NHS Wales, they were all independently managed by the respective Health Boards until the transition period to NWSSP management taking place in 2021. This has naturally resulted in variations including:

- Minor service model differences outlined in Section 3.4.5;
- Differences in plant and equipment utilised;
- Inconsistencies in laundry production processes and protocols (although these are largely related to plant and equipment); and

- Differing working practices in relation to shift patterns and operating hours.

It is reasonable to assume that such variations are likely to impact on the productivity of the LPUs. Productivity can be measured in terms of numbers of linen items processed per operator per hour (PPOH). Currently, this ranges from 94 to 158 items per operator per hour depending on the LPU, as shown in Figure 10.

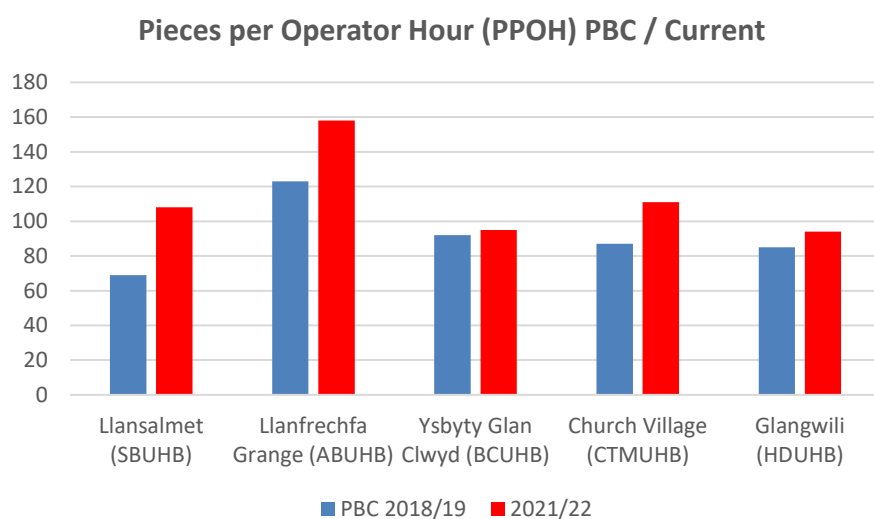


Figure 10: Productivity Levels per LPU PBC v 2021/22

This rate has increased significantly since submission of the PBC, due to NWSSP introducing standardised reporting over all five sites (including rebasing the methodology for PPOH to ensure only production staff are included in the calculation) and adding value to the process. The aim is to increase these rates to 160 PPOH for the refurbished hub in SE Wales and 180 PPOH for the new hubs in N Wales and SW Wales.

This directly impacts on the variations in the average cost per item at the existing LPUs, which currently ranges from £0.30 to £0.51 per item, with an average across Wales of £0.40. The Cost Per Item for the existing North Wales LPU is shown in the following graph.

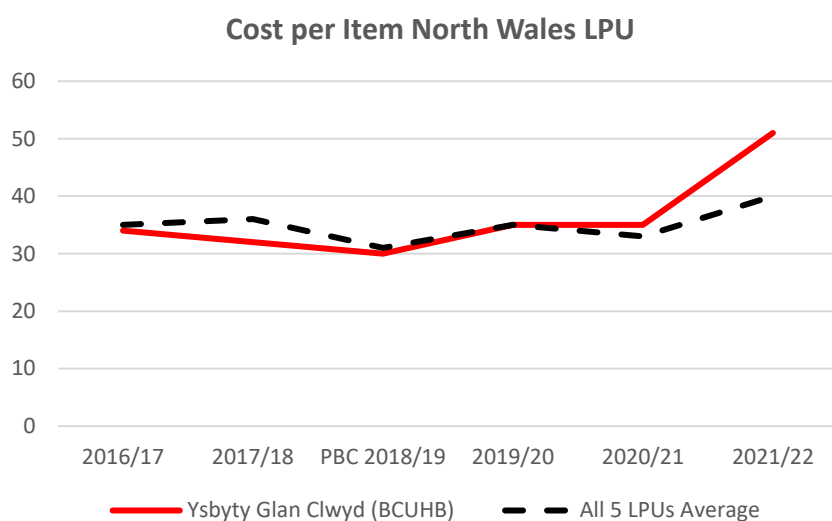


Figure 11: Cost per Item 2016/17 to 2021/22

In addition, the cost charged to Health Boards appears to vary across NHS Wales, resulting in Health Boards not receiving equitable value for money. This has emerged because, partly as a symptom of being independently managed, the LPUs have not effectively collaborated to date. As a result of this, organisations historically competed with one another, customers were allocated according to organisational rather than geographical arrangements, and there was little evidence of transparency in costing models.

Continuing with existing arrangements with independent management arrangements creates challenges in standardising practice and minimising variations across NHS Wales which will limit the ability to

- Ensure best practice is being followed in all LPUs;
- Ensure that all Health Boards receive an equitable service and value for money; and
- Address variations in productivity and ultimately average price per unit.

The intention, is upon the completion of the transformational programme to develop an All Wales costing model where all customers pay the same price for the same items.

3.5.4 Value for Money

Large scale laundry services are capital investment heavy and require significant labour and maintenance resources. At 2021/22 operating costs of £11.4m per year and an average cost of £0.40 per item, any increase in demand is likely to result in significant financial pressures in the future. Sustainability of the service is reliant on delivering value for money.

As well as driving out variations between NHS Wales LPUs, improving productivity and reducing costs in line with industry best practice is necessary to provide a sustainable and efficient laundry service, although it is important to recognise that this should not be to the detriment of quality and may be hindered by the use of current plant and equipment. By reducing the number of facilities from five existing LPUs of poor-quality environments and older, inefficient equipment to three LPUs, two of which will meet low carbon targets and BREEAM excellent requirements, will result in significantly lower energy consumption. This is becoming ever more important with the rapid rise in energy costs.

A benchmarking exercise undertaken at PBC stage using intelligence gathered from anonymous external organisations suggests that:

- Best practice productivity levels ranged from 160 items per operator hour for other NHS providers to 180 items per operator hour for private commercial providers; and
- The average price per item charged by external providers was around £0.29 per item for a similar product mix in 2018/19 (PBC), which included a profit margin of around 12-15%; indicating a best practice comparable cost per item estimated to be in the region of £0.25 per item at that time. However, with the dramatically rising energy costs being experienced recently, it is anticipated that this cost per item will also increase. The Textile Services Cost Index (Appendix 4) identifies that textile services costs rose 21.91% between Q4 2018/19 and Q4 2021/22. It is reasonable to assume, therefore, that a current comparator for the external providers would be circa £0.36 per item including profit margin.

This indicates that, provided there is appropriate investment in facilities and the workforce to re-engineer plant and production flows and provide plant and equipment with greater throughput per hour, moving towards best practice in NHS Wales could achieve significant benefits (quantitative and qualitative).

The anticipated total revenue savings identified at PBC for the AWL programme was £3.1m per annum.

Revenue Costs (£000's)			
PBC (5 LPUs)	Current (5 LPUs)	Target (3 LPUs)	Revenue Saving
9,765	11,431	8,309	-3,122

Table 26: Revenue Costs

3.5.5 Future Capacity

A significant proportion of the existing laundry equipment is of an advanced age. Replacement parts are difficult to source and, in some cases, not available at all since they

have been discontinued, which means that they are often second hand being sourced from other equipment. Clearly this increases the risk of major breakdowns which threatens the ability of the LPUs to continue to deliver efficient and effective services. Any reduction in the availability of linen represents a significant system resilience risk impacting on Health Boards' ability to deliver clinical services due to reduced availability of hospital beds leading to potential delays in treatment.

In addition to this, it is worth noting that, in the main, LPUs appear to be operating below their potential optimum capacity. Any ability to increase utilisation, however, is constrained by the age and condition of existing plant, equipment and building fabric and the need to invest.

It is anticipated that, with the investment required in both this OBC, the OBC for the South West Wales hub and the BJC for the South East hub, it will be possible to increase capacity to at least match other NHS Providers Pieces per Operator Hour (PPOH.)

3.5.6 Case for Change Summary

There are significant challenges within the existing laundry and linen service supporting NHS Wales, which are summarised below. Continuing with the status quo is not a feasible option as the service will not be able to continue to ensure the provision of a high quality, safe and sustainable service that supports the delivery of clinical services across NHS Wales.

Of particular relevance to this business case is the North Wales review of its laundry production service that was undertaken by Betsi Cadwaladr University Health Board during 2017 in parallel with the All Wales Laundry Services Review.

The North Wales situation shares many of the drivers for change that are outlined in this strategic case. In addition, the poor condition of the existing LPU facilities in North Wales and the pressing need to release space on the Ysbyty Glan Clwyd site is significantly increasing business continuity and health and safety risks for Betsi Cadwaladr University Health Board.

There are regular breakdowns at all LPUs, which result in both dirty linen and staff having to be redirected to other LPUs and extended working hours. There is therefore an urgent need to take immediate action.

Having considered a range of options, the PBC recommended that a new off-site LPU is developed for North Wales to allow Betsi Cadwaladr University Health Board to mitigate these risks and realise the benefits of compliance with latest best practice standards at the earliest opportunity.

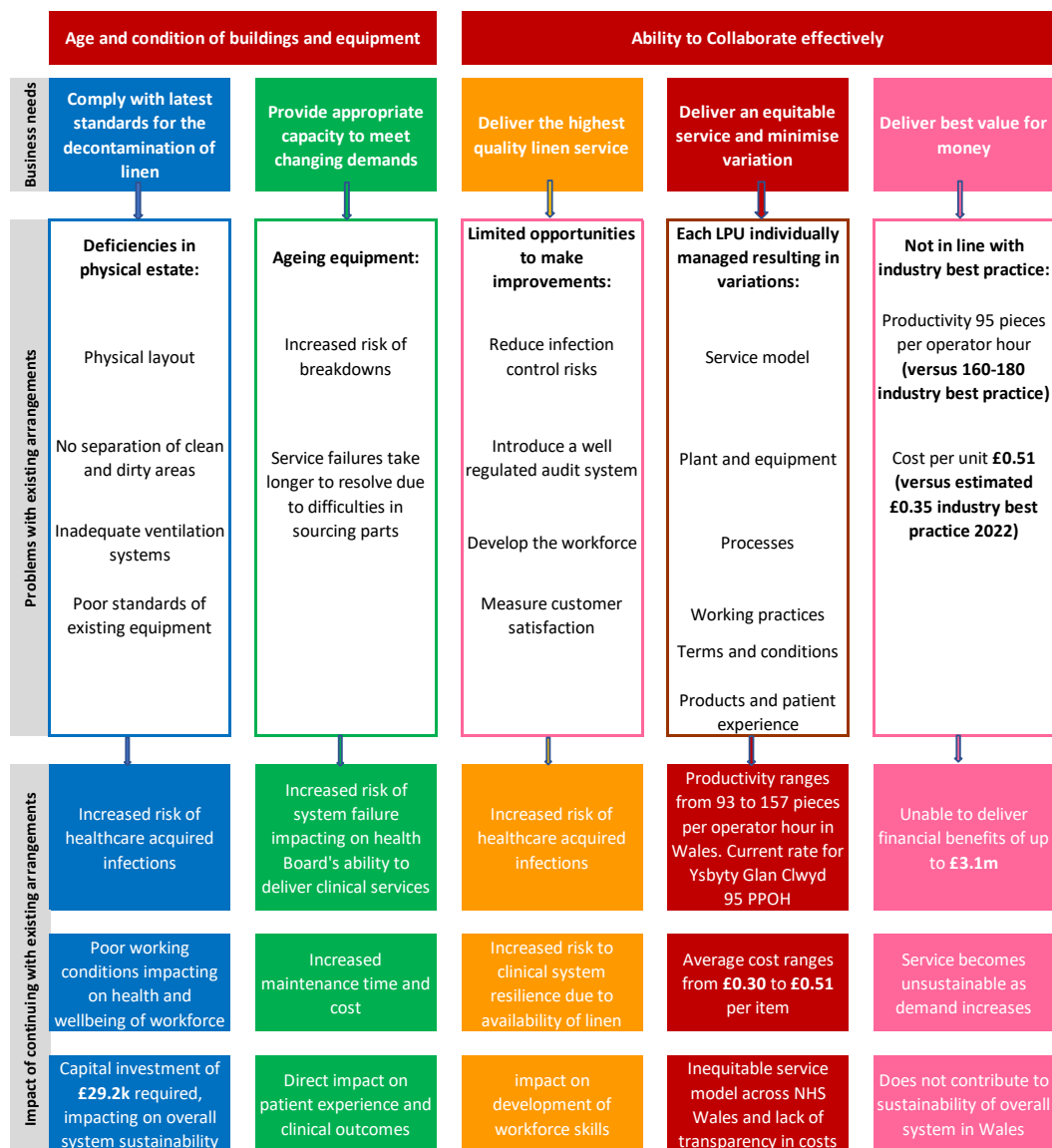


Figure 12: Case for Change Summary North Wales

3.6 Future Service Model

The new LPU in the North will replace the Glan Clwyd LPU and will process the same quantum of laundry as the existing laundry and will deliver to the same locations.

However, a contingency has been built into the hours worked to support the All Wales Laundry Service in case of planned and unplanned shutdowns of plant and equipment in the other two laundries.

The new service model will focus on standardisation of processes and working as a cohesive team across Wales to achieve maximum efficiency.

The aim is to reduce inappropriate variation using an evidence-based approach measured by agreed KPIs to achieve standardisation. There will be the ability to produce a cost report for all end users, which will provide a level of information to incentivise end users to control the volume of linen they use.

The Unit will be fully compliant with BS EN14065:2016 thus providing a continual supply of clean, good quality and decontaminated linen to customers in North Wales and across Wales as required. The service will support the provision of a safe and comfortable patient setting as well as reducing the risk of healthcare acquired infections.

The proposed management and staffing structure to deliver the future operating model is shown in the following diagram.

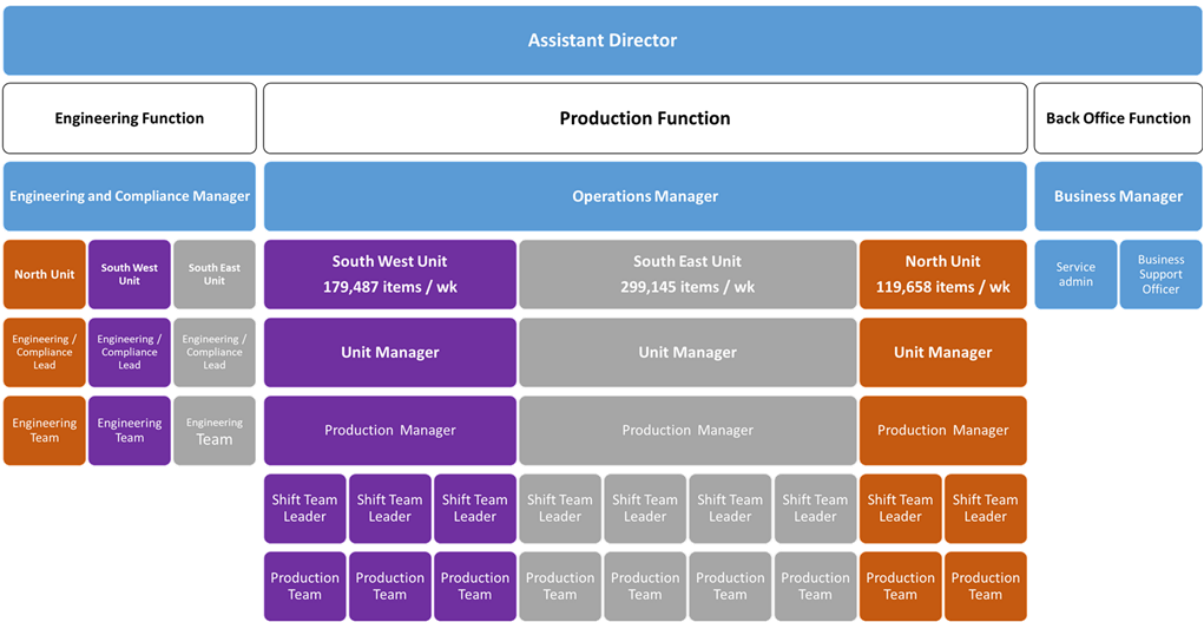


Figure 13: Future Operating Model

3.7 Transition and Progress to Date

The management of the laundry service and workforce in North Wales transferred to NWSSP in April 2021 as part of the centralised management arrangements.

Since September 2021 the management team have focused on 5 key delivery service areas.

- Production;
- Risks, Issues and Actions;
- Workforce;
- Finance;
- Quality.

A number of KPIs have been set for the laundry services which are measured and reported for each site on an ongoing basis.

Recruitment to existing vacancies and newly funded posts identified as part of the transformation programme has commenced. Additional agency/bank staff were recruited on each site to provide resilience during Covid19 and ensure that there is a balanced and equitable platform for workforce during transition phases (the use of agency staff has ceased with the reduction in the pandemic).

Implementation of standardised procedures and processes across sites where possible to do so' in the existing facilities is ongoing.

Work has started on the implementation of BS EN14065:2016, although this is limited due to existing building and equipment constraints, and has focused on the management processes.

3.8 Spending Objectives

The core spending objectives for the NHS Wales Laundry Programme at PBC stage were identified as shown in the following table. These have been reviewed and confirmed as remaining relevant for this stage of the business case process:

Spending Objective:	
1	To minimise risk to patients, staff and the organisation by complying with the latest standards of decontamination of linen
2	To provide effective support to clinical services by delivering the highest quality linen service
3	To deliver an equitable service across NHS Wales and minimise variation between sites
4	To provide the highest quality service that offers the best value for money in terms of cost per unit
5	To provide appropriate level of capacity to meet changing demand and mitigate the risk of service failure

Table 27: Spending Objectives

3.9 Benefits

The high level benefits identified at PBC for the programme as a whole along with additional benefits relating specifically to the development of the North LPU are provided in the Management Case, Section 7 and Appendix 5.

3.10 Main Risks

An overarching risk register has been developed for the programme, to record and log details of any item or event which is considered to put the objectives of the programme at risk. In addition to this overarching risk register, a design and construction risk register has been developed for the individual projects. The risk registers for the North Hub are included in the Estates Annexe in Appendix 1. The registers are live documents and are updated at regular intervals. The NWSSP Project Manager is the owner of the Programme Risk Register and Gleeds Project Managers manage and retain ownership of the design and construction risk registers throughout the project. Any high scoring risks from the design and construction risk registers (12 and above) are also included on the programme risk register.

The main risks for the North LPU are identified in the Management Case Section 7.6:

3.11 Constraints

The main constraints and dependencies identified at PBC stage have been reviewed and remain valid and are applicable to the North LPU as follows:

- The need for any future service model to comply with the latest standards on decontamination;
- Logistical considerations in relation to the geography of Wales;
- The ability to provide the appropriate capacity and resilience for Health Boards to ensure business continuity; and
- The need to operate within an appropriate cost envelope and deliver efficiency savings where possible.

3.12 Dependencies

- Continued support from all Health Boards and stakeholders;
- Availability of capital funding;
- Satisfactory planning application;
- Approval of the business case(s).

4.0 Economic Case

In accordance with the NHS Wales Infrastructure Investment Guidance and requirements of the HM Treasury Green Book (A Guide to Investment Appraisal in the Public Sector), the PBC described the options framework approach adopted by NWSSP to determine the longlist, shortlist and potential preferred way forward for the NHS Laundry programme as a whole. Evaluation of five shortlisted options considered the whole life costs, benefits, and risks of each option. As a result of this, PBC **Option 3: *Deliver laundry services from 3 LPUs with centralised management arrangements***, was identified as the option most likely to offer best value for money. In order to assess the long-term viability of the existing sites and their potential for redevelopment, a robust site selection process was subsequently undertaken to assess the existing LPUs against a wide range of factors, including:

- Geography;
- Transport requirements;
- Capacity requirements;
- Condition of plant equipment and buildings;
- Sustainability for expansion;
- Ability to achieve productivity targets; and
- Impact on workforce and local economy.

For North Wales it was determined that the current Glan Clwyd LPU is not suitable for development and proposed that a replacement LPU should be developed as close as is reasonably practicable to the existing Glan Clwyd site with the capacity to process North Wales volumes, improve productivity and comply with statutory requirements. A summary of the PBC Option Appraisal is provided at Appendix 2.

This section of the OBC describes the option appraisal process undertaken to determine the preferred site for North Wales. This process has identified a number of potential sites as a long list which have been sifted to produce a short list and subsequently appraised against a detailed list of selection criteria to determine the preferred site for the North Wales Laundry Production Unit.

4.1 Critical Success Factors

Critical success factors (CSFs) are the essential attributes for successfully delivering the project and are used along with spending objectives to evaluate the options. Stakeholders developed the following high-level CSFs for PBC. Following review at OBC, it has been determined that these still apply as overarching CSFs for the programme. However, a more detailed list of site selection criteria has been developed to appraise the shortlist and determine the preferred option for the selection of the site for the North Hub (See Section 4.4.1).

Critical Success Factor	Description
Strategic Fit	Meets agreed spending objectives, related business needs and service requirements. Aligns with local and national strategic direction
Value for Money	Optimises public value in terms of potential costs, benefits, and risks.
Potential Achievability	Is likely to be deliverable. Matches the available skills required for successful delivery.
Supply Side Capacity and Capability	Matches the ability of service providers to deliver required services. Is likely to be attractive to the supply side.
Potential Affordability	Can be funded from available sources of finance.

Table 28: Critical Success Factors

4.2 Initial Site Search and Long List of Options

An initial site search was undertaken by the Project Management Team in conjunction with NWSSP Special Estates Property Services to identify all available site options. This initial site search identified the following from what was a restricted number of suitable sites in North Wales:

Location:	Owned by:	Comments	Status
St Asaph Business Park	Denbighshire County Council (10%) / WG (90%)	Business Park predominantly focused on office developments; potential obstacles with planning; engaging with WG and local council over development. Several potential plots	Carried forward to short list
Development Site, TA Centre Prestatyn LL19 7HA	Private Developer	Eliminated due to location / distance	Eliminated

Location:	Owned by:	Comments	Status
Prestatyn Business Park, Prestatyn LL19 7HT	Private Developer	Eliminated due to location / distance	Eliminated
Development land, Abergele LL22 8LJ	Private Developer	Planning may be an issue	Eliminated
Phoenix House, Bodelwyddan LL18 5TY	Private Developer	No longer available	Eliminated
Development land, Vista, St Asaph Business Park LL17 0LL	Private Developer	Higher cost due to significant mark up by developer	Eliminated
Development land, Tir Llwyd Enterprise Park, Rhyl, LL18 5JZ	Conwy County Council	Number of plots available. Conwy County Council very positive about development	Carried forward to long list
Development land, Tir Llwyd Enterprise Park, Rhyl, LL18 5JZ	Private Developer	Higher cost due to private developer mark-up	Eliminated

Table 29: Initial Site Search to determine Long List of Options

Following the initial site search, the potentially suitable options were subject to further scrutiny by the project management team leading to a reduced longlist.

The criteria used for this further refinement included:

- Location of the new site within 5 miles radius of the existing site to minimise impact on existing operational staff;
- Continued availability of the site;
- Planning Designation;
- Site size and suitability

This resulted in the following long list of sites for further consideration.

		Shortlisted
St Asaph Business Park:		
Plot C2a	Plot sizes insufficient which were discounted and replaced by alternative options C1a, C1b, C1c, C1d described below	Omitted
Plot C2b		
Plot C1a	Despite regular liaison with WG on whether these plots would be available, WG was not able to confirm availability due to ongoing issue resolution between Denbighshire Council, WG and developer. It was therefore concluded at	Omitted
Plot C1d		

		Shortlisted
	appraisal time that plots C1a and C1d were not available due to their proximity to other properties	
Plot C1b	Two plots potentially available of sufficient size at suitable distance from other properties and with required planning designation	Plot C1b and C1c carried forward to Shortlist
Plot C1c		
Development land, Tir Llwyd Enterprise Park, Rhyl, LL18 5JZ	Various plots could be available, subject to final masterplan design conclusion.	Carried forward to shortlist
Development land, Plot 5, Tir Llwyd Enterprise Park, Rhyl, LL18 5JZ	Conwy Council confirmed with NWSSP in September 2021 that Plot 5 would be the only plot definitely available at this stage, due to other plots being included in ongoing masterplan discussions with a developer. Conwy Council remained keen and site securement was discussed.	Carried forward to shortlist

Table 30: Long List of Options

4.3 Short List of Options

The resultant shortlist options are identified in Table 31. Business as Usual although discounted at PBC has been retained as a benchmark for the purposes of the economic appraisal.

Shortlisted Options:	
0	Business as Usual
1	St Asaph Business Park: Plot C1c
2	St Asaph Business Park: Plot C1b
3	Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay (including the potential for other sites becoming available)

Table 31: Short List of Options

4.4 Site Selection

4.4.1 Site Selection Criteria used for Shortlisting Process

The following site selection criteria used for appraising the shortlisted site options were developed by NWSSP, SCP and advisors with reference to a number of key briefing documents and via a series of workshops held between July and September 2021 to refine the final measure parameters.

No	Criteria	Measure
1	Building Plot Size	2.5 acres
2	Planning category	Class B2
3	Planning Success Likelihood	Outline permissions; Designated land use; Within a residential area; Known previous planning applications.
4	Overall building size	2,325m ²
5	Parking / external circulation	1-way circuit; 20 large trucks; 40 staff; 10% EV charging.
6	Orientation	Prevailing wind not direct into loading / unloading bays
7	Physical constraints	Overshadowing; Limitations; Topography; Access; Proximity to rail / water; Existing wayleaves; Overhead lines
8	Locality	Not near residential; Adjoining properties (noise, lint etc.)
9	Transport links	Good access to bypass / motorway; Public transport links;
10	Travel distance	Within 5 miles of existing laundry at Glan Clwyd
11	Infrastructure (Equipment + Building):	Proximity to infrastructure services

No	Criteria	Measure
12	Water	4 inch plus 50,000 litres storage + 2,500 litre for building; Bore Hole; 540 litres/hour + 2,500 litres for building.
13	Gas	600m ³ /hr + 33m ³ /hr for building; 880kwh + 366kwh for building Pressure
14	Power	600A + 550A for building; Plus capacity for EV charging (cars and trucks)
15	Waste	540l/hr + 360l/hr for building
16	Land Ownership	Public or Private
17	Future intent	Owner or tenant
18	Land acquisition	Degree of difficulty vs programme
19	Purchase cost	Less than £200k

Table 32: Site Selection Criteria

4.4.2 Site Selection Criteria Matrix

The non-financial option appraisal of the three shortlisted sites was undertaken using a RAG rating against the specified criteria in Table 32. The appraisal was undertaken by a multidisciplinary team including NWSSP representatives, SCP, design team members and other advisors at a workshop held on 29th September 2021. To support the appraisal process a loose fit layout of each of the sites was developed and referred to during the workshop. Whilst Plot 5 was appraised for the Tir Llwyd site, further discussions held with Conwy Council had identified that other plots may also be available for consideration.

The results of the appraisal are detailed in the following table:

No	Criteria	St Asaph		Tir Llwyd
		Plot C1c	Plot C1b	Plot 5
1	Building Plot Size	2.88 acres Flexible boundaries so treated as one site	2.66 acres	5.8 acres reduced to 2.8 acres
2	Planning category	Planning policy establishes a basic principle for development for class B2 purposes	Planning policy establishes a basic principle for development for class B2 purposes	Planning policy and planning history establishes a basic principle for

No	Criteria	St Asaph		Tir Llwyd
		Plot C1c	Plot C1b	Plot 5
				development for class B2 purposes
3	Planning Success Likelihood	It is anticipated that acceptability of class B2 uses is highly promising No pond	It is anticipated that acceptability of class B2 uses is highly promising Site compromised by pond which obstructs vehicle flows and limits future expansion	It is anticipated that acceptability of class B2 uses is highly promising Historic permission for B8 has been granted. Site is limited in size which obstructs vehicle flows and limits future expansion Part flood zone, consideration on flood mitigation. Mature hedgerows on boundaries Plumbworld planning application obtained. Discussion with local planners suggests a Pre App could be submitted followed by full planning.
4	Overall building size	Current indicative building layouts allow for a 3000 sqm building	Current indicative building layouts allow for a 3000 sqm building	Current indicative building layouts allow for a 3000 sqm building
5	Parking / external circulation	Sized for 8 lorries as previously instructed ¹	Sized for 8 lorries as previously instructed	Post meeting note: Sized for 7 lorries
6	Orientation	Can be addressed with the building design	Can be addressed with the building design	Can be addressed with the building design
7	Physical constraints	HSE Designation Consultation Zone	Pond – unable to assess topography at this stage. Assumption is that sites are fairly flat based on reviewing images	Flooding, ecology, trees, hedgerow. Unable to assess topography at this stage
8	Locality	No concerns	No concerns	No concerns

¹ Criteria specifies 20 trucks

No	Criteria	St Asaph		Tir Llwyd
		Plot C1c	Plot C1b	Plot 5
9	Transport links	Good access	Good access	Good access Bus routes through the area
10	Travel distance	2.7 miles by road	2.7 miles by road	3.5 miles by road
11	Infrastructure (Equipment + Building):	Yes	Yes	Yes
12	Water	160mm MOPVC 1994	160mm MOPVC 1994	160mm PROFUSE PE 203
13	Gas	180 PE L/P Low pressure booster potentially required	180 PE L/P Low pressure booster potentially required	125 PE L/P Low pressure booster potentially required
14	Power	Infrastructure close by but capacities could not be confirmed	Infrastructure close by but capacities could not be confirmed	Infrastructure close by but capacities could not be confirmed Local sub-station opposite site
15	Waste	VC225mm VC150mm	VC225mm VC150mm	Unknown 225mm
16	Land Ownership	Public Sector (WG) Long standing option by others (including Local Authority) for offices. Potential risk this could be obtained in OBC/FBC period. WG considering SES application (WIP)	Public Sector (WG) Long standing option by others (including Local Authority) for offices. Potential risk this could be obtained in OBC/FBC period. WG considering SES application (WIP)	Public Sector (Conwy Council) LA in discussion with other developer on other plots. Plot 5 is available with potential options for other plots
17	Future intent	Long Lease	Long Lease	Long Lease
18	Land acquisition	Based on availability pending item 16 above	Based on availability pending item 16 above	Plot 5 is available and could assign site to SES for 2 years
19	Purchase cost	£100k/acre	£100k/acre	£60k/acre

Table 33: Short list options appraisal results

The RAG rating used assigned 'green' as being above expectations, 'amber' as borderline and 'red' as unsuitable. Whilst no red rating was assigned to the individual selection criteria against any of the three options, an overall red rating was assigned to the St Asaph sites on the basis of the number of ambers assigned and the level of uncertainty attributable to the availability of the sites. In particular, despite regular liaison with WG on whether these plots would be available, WG was not able to confirm availability due to ongoing issue resolution between Denbighshire Council, WG and developer.

For the purposes of the economic appraisal scores were applied to the RAG rating with each of the plots being allocated a score of 1 for a green rating against the selection criteria (except purchase costs) as shown in the following table, amber and red ratings were scored 0. This determined that Tir Llwyd was the preferred option from a non-financial perspective.

	St Asaph	St Asaph	Tir Llwyd
Criteria	Plot C1c	Plot C1b	Plots
Building Plot Size	1	1	1
Planning Success Likelihood	0	0	1
Overall building size	1	1	1
Parking / external circulation	1	1	1
Orientation	1	1	1
Physical constraints	1	1	1
Locality	1	1	1
Transport links	0	0	0
Travel distance	1	1	1
Infrastructure	1	1	1
(Equipment + Building):	1	1	1
Water	0	0	0
Gas	0	0	0
Power	0	0	0
Waste	0	0	0
Land Ownership	0	0	1

	St Asaph	St Asaph	Tir Llwyd
Criteria	Plot C1c	Plot C1b	Plots
Future intent	1	1	1
Land acquisition	0	0	1
Purchase cost	-	-	-
Total Score	10	10	13
Rank	2	3	1
Variance to preferred	-23%	-23%	

Table 34: Non-Financial Scores

Consequently it was agreed that further investigatory work should be undertaken in relation to the Tir Llywd site Plot 5 as the preferred option and that the opportunity for the acquisition of other plots on this site should be explored as reserve options.

4.5 Economic Appraisal

4.5.1 Overview

The economic appraisal has been based on a generic economic model (GEM) basis:

- The economic model has been run for 30 years;
- Using 2021/22 revenue cost basis;
- A discount rate of 3.5% has been applied.

A financial preferred option is identified but given the only clear differential is the site selection, the key driver for the preferred option is the suitability of the site. See Appendix 3 for detailed economic analysis.

4.5.2 Capital Costs

The following table summarises the capital costs for each of the three shortlisted options.

Differences in capital costs relate to differences in land acquisition costs and the fact that Option 3 has been subject to a Value Engineering exercise, not applied to the other options.

	Capital costs £'000s		
	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Works Costs	13,605	13,605	12,474
Design Fees	2,534	2,534	2,517
Non-Works	988	966	841
Equipment	6484	6484	6,484
Planning Contingencies	2,361	2,359	2,300
Sub Total	25,973	25,948	24,617
VAT	4,835	4,830	4,581
Total (Approval)	30,807	30,778	29,197

Table 35: Capital Costs for Shortlisted Options

The works cost for the options have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. For comparative purposes against the capital costs included in the PBC an adjustment has also been made using BCIS PUBSEC index of 250. The differences in capital costs are due to differences in land acquisition costs. The preferred option has also been subject to value engineering (VE) reductions. Options 1 and 2 have not had VE reductions applied at this stage but as part of the economic appraisal a risk element to the value of the VE has been applied to the preferred option. The capital costs for all shortlisted options will be subject to VE reductions prior to the submission of this business case to Welsh Government.

The assumptions underpinning the capital costs are as follows:

- Location adjustment for local market conditions included within the works cost breakdown;
- Non works costs include land acquisition and legal fees, planning and building control, statutory and Local Authority charges;
- Fees for all options are the same and as specified in OB4 of the Capital Cost Forms in Appendix 1;
- Equipment in accordance with costed equipment schedule in Appendix 1 which includes an allowance for preliminaries and fees. Equipment costs are the same for all options;
- Planning contingencies are based on a quantified risk register;
- VAT at 20%;
- Inflation has been excluded at this stage;

- Risk for option 3 is higher to reflect at this stage the differential approach to Value Engineering for this option

4.5.3 Economic Analysis

For the purposes of the economic analysis the following revenue costs have been included. No transitional costs have been built in at this stage, but given the only differential is site they would be consistent and given it, a move to a new site are likely to not be significant.

For the purpose of the economic model revenue risks would be the same for all options and will therefore be considered at FBC stage.

The following tables show that Option 3 is the preferred option on the financial basis but purely due to the capital costs and the difference is very small including the risk.

	Economic Model £000s		
Costs NPC	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Capital Costs inc. Lifecycle	27,114	27,092	25,936
Revenue Costs	42,815	42,815	42,815
Total NPC Excl. Risk	69,929	69,907	68,751
NPC Risk	2,168	2,166	4,009
Total NPC incl. Risk	72,097	72,097	70,863
Equivalent Annual Cost	3,428	3,427	3,370
Financial Rank All Options	3	2	1
Margin All Options	-1.7%	-1.7%	0.0%
NPC Switch Value	663	686	(686)

Table 36: Revenue Costs for Shortlisted Options

4.5.4 Financial Sensitivity Analysis

Sensitivity analysis has been undertaken to see how much change would be required for the financial assumptions to change for the preferred option in terms of revenue and capital costs. Given that all sites costs are at similar levels the sensitivity required on financial grounds to change the preferred option is very small.

There is a risk that the value engineering included in option 3 would change the preferred option if it is not realised. This would cause a shift of NPC switch value to 1.6% as highlighted in the following table.

	Economic Sensitivity £'000s		
	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Capital Costs	2.4%	2.5%	-2.6%
Revenue Costs	1.5%	1.6%	-1.6%
NPC Change Needed	663	686	(686)

Table 37: Economic Sensitivity

4.6 Selecting the Preferred Option

For the purposes of the economic appraisal, a non-financial scoring system has been adopted to reflect the process for determining the relative suitability of the short listed sites. Each option has been given a point for a green ranking across each of the 19 criteria. The impact of which is shown in the following table and reflects that Option 3 has the best fit for the North laundry.

The results of the option appraisal suggested that the options should be ranked in relation to the value for money each offers as shown in the following table. This shows option 3 being 30% higher than the other options assessed.

	Combined Appraisal Impact £'000s		
	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Weighted Non-Financial Scores	10.0	10.0	13.0
Non-Financial Ranking	2	2	1
Margin Preferred			30%
EAC Impact of Options	3247.9	3426.9	3370.2
Economic Ranking	3	2	1
Benefit Points per EAC	0.003	0.003	0.004
Combined Ranking	3	2	1
Difference (%)	(24.4%)	(24.3%)	0.0%

Table 38: Combined Appraisal Impact

The table above shows that Option 3 is the Preferred Option.

Sensitivity analysis has been undertaken to identify the potential switch value to change the rankings and is shown in the following table.

The change identified is higher than the potential risk of the value engineering and would not change the preferred option.

To change the preferred option on the non-economic analysis the preferred option would have to reduce by 3.5 from 13 to 9.5 in terms of non-financial weighting.

	Economic Sensitivity £'000s		
	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Base weighted Non-Financial Scores	1	10	13
Weighted Non-Financial Switch Required		12	9.5
Equivalent to a change in %		28.7%	(26.9%)
EAC Impact of Option		3426.9	3370.2
Combined ranking Switched		1	2

Table 39: Potential Switch Values

4.6.1 Preferred Option

Option 3 is therefore selected as the best economic option when taking the financial and non-financial appraisal together.

5.0 Commercial Case

This section sets out the commercial arrangements to deliver a new, purpose designed and built LPU near the existing Glan Clwyd site and includes the following:

- Determining the key outputs and activities required to provide the three LPUs in the operating model;
- Identifying the appropriate procurement strategy to deliver the key outputs and activities; and
- Setting out commercial, contractual and risk transfer arrangements.

5.1 Procurement Strategy

5.1.1 Design and Construction

Use of the NWSSP Building for Wales framework is mandatory for a construction programme of this magnitude. The framework runs from September 2018 until August 2023.

The procurement scope includes the design, build and equipping of all new facilities and the expansion and refurbishment of existing facilities (SE LPU only).

There were 4 suppliers in total listed in the overall category for projects above £12million plus one reserve: BAM Construction, Tilbury Douglas Construction Ltd (formerly trading as Interserve), Kier, Willmott Dixon, and IHP Consortium as reserve contractor.

5.1.1.1 Process Followed to Receipt of Bids

A competition tendering process was undertaken against this framework via the Bravo E-tendering portal. 3 main suppliers were invited to submit a bid to participate in a competition for provision of supply chain partner services.

The timetable adopted for the process was as follows:

Bidder Selection Process		
Activity	From	To
Pre-notification	15 Feb 21	15 Feb 21
Issue of ITT	17 Mar 21	17 Mar 21
Briefing Events	30 Mar 21	01 Apr 21
Submission of bids	14 Apr 21	14 Apr 21
Presentation and final selection	22 Apr 21	22 Apr 21
Notification	22 Apr 21	23 Apr 21
Contract Issue	10 May 21	31 May 21

Table 40: Selection Process and Timescales

The following events occurred during the EO/Tendering process:

- Wilmott Dixon and IHP declined to tender prior to ITT publication;
- ITT published; BAM, Tilbury Douglas and Kier invited to tender;
- KIER withdrew from the process 24/03/21;
- The date for submission of bids was extended from 07/04/21 to 14/04/2021.

Bids were returned by the deadline of 5pm on 14th April 2021 and were evaluated by the following Panel:

Name	Title	Role for this programme	Panel
Neil Davies	Director (SES)	SRO	Chair / Scoring
Anthony Hayward	Asst Director of Laundry Services	Senior User	Scoring
Thomas Kuehn	SES Framework Manager	Project Manager	Scoring
Alison Halmshaw	GLEEDS	Project Manager	Non Scoring
Kevin Ray	SES Framework Manager	Facilitator	Non Scoring

Table 41: Evaluation Panel

5.1.1.2 Financial Bid Results

Prior to the interviews on 21 April 2021, the bids were reviewed to ascertain the financial submission (weightings: financial bid 30%, non-financial bid 70%).

Results of the Financial element of the bid evaluation had been obtained by conversion of financial bids into weighted scores followed the NWSSP Procurement guide methodology.

5.1.1.3 Presentation and Interviews

On 22nd April 2021, the two bidders BAM and Tilbury Douglas were invited to make presentations to amplify their bids further and to provide the evaluation panel with an opportunity to assess their capabilities and to ask questions, in order to provide their marking.

5.1.1.4 Conclusion

The evaluation panel followed a thorough financial and non-financial appraisal of the bids submitted for this scheme in accordance with the requirements of the NWSSP Building for Wales framework, and concluded on the basis of the weighted marks generated that the best value bid was that offered by Tilbury Douglas.

5.1.2 Project Management (Employer's Agent)

Following a formal competitive tendering process against the NWSSP Building for Wales Framework undertaken between 15th February and 31st May 2021 involving interviews which took place in April 2021, Gleeds were appointed to provide Project Management services to deliver the OBC stage of the programme. Following approval of the relevant OBC stage, further stage appointments will proceed in accordance with the requirements of the NWSSP Building for Wales Framework.

5.1.3 Cost Advisor

The CCS (Crown Commercial Services Framework) RM3741 Project Management and Full Design Team Services (Lot 4 Cost Management Services) was identified as a suitable framework agreement that would meet the requirements of the Project. There were 11 suppliers in total listed against the specific Lot.

A competition tendering process was undertaken against this framework via the Bravo E-tendering portal between 29th March and 5th May 2021. All suppliers were invited to submit a bid with two suppliers returning bids. These suppliers were invited to interview on 13th April 2021. Following evaluation of the Commercial and Quality Criteria, as top ranked supplier, Gleeds Cost Management Ltd was awarded the contract for the OBC/BJC1 Stage.

Other specialist advisors including the business case authors, specialist laundry advisor and Transport and Carbon assessors have also been appointed through relevant frameworks.

5.1.4 Equipment

An Equipment Working Group has been established for the All Wales Laundry Programme to determine the equipment procurement strategy and process and to advise on all elements of equipment to be procured by the Supply Chain Partner (SCP). The group is chaired by the Specialist Laundry Advisors, LTC and includes members from the NWSSP Projects Team, SCP and Laundry Operations. As the project progresses into the detailed design the membership will be extended to include front line staff.

Tilbury Douglas (TDC) as the SCP will manage the procurement of all plant and equipment and in effect will deliver a turnkey package which is not subject to the NHS procurement policies but would be procured within the governance arrangements and procurement rules of the procuring entity. In order to gain the most benefit from the procurement process and ensure best value for money and innovation for the NHS it was agreed that this package would be procured on an output specification basis with the supplier being provided with throughput and linen mix and deliverable and performance outcomes rather than the client specifying the equipment to be supplied.

Two options for equipment supplier procurement were considered by the Programme Board with the agreed option, a two-stage tender process (for OBC), described in the process diagram in Figure 14.

The overarching procurement principle adopted was that a single procurement exercise should be undertaken for all equipment and installation for all three LPU's in order to:

- Maximise Supplier engagement and interest;
- Provide best economies of scale and value for money in terms of capital spend
- Avoid multiple suppliers, along with multiple spare holdings, and maintenance contracts and resultant inefficiencies and costs;
- Ensure programme delivery.

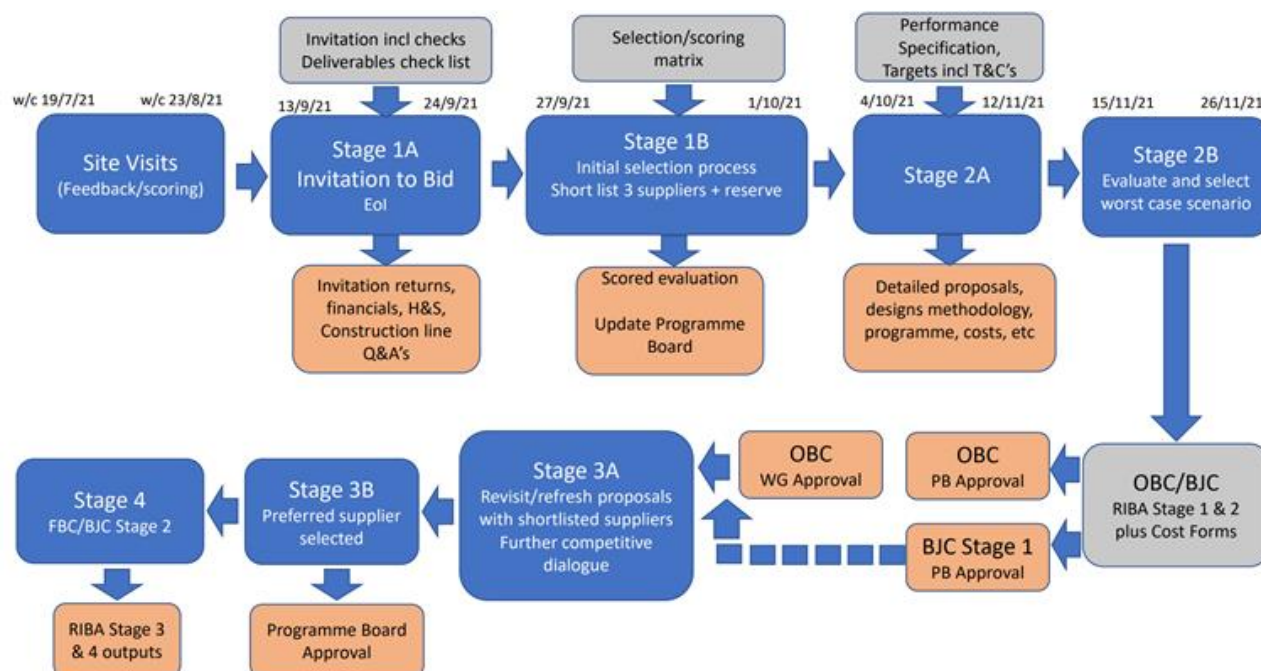


Figure 14: Process Map for Equipment Procurement

The following seven equipment suppliers were invited to Express an Interest in the project based on their extensive experience in both the UK and abroad.

- Broadbent Vega;
- Cherry Tree Machines Ltd;
- Girbau House;
- HJ Weir Engineering Co Ltd;
- ILE Ltd;
- Jensen UK Ltd;
- Kannegiesser UK Ltd.

The Invitation to Tender (ITT) was split into two stages, as shown in the following table.

Activity	Date
Procurement Strategy Agree by NWSSP	August, 2021
Stage 1 ITT pack issued	10 th September, 2021
Stage 1 ITT responses returned and reviewed	27 th September, 2021
Stage 2 Tender documents issued to short list	6 th October, 2021
Stage 2 Tender responses returned and reviewed	12 th November, 2021

Activity	Date
Stage 2 Extension granted for SE Hub	26 th November, 2021

Table 42: Equipment Supplier Procurement Timeline

The first stage sought information such as capability, experience, financial strength and company ownership and structure et al.

A series of site visits to either the suppliers factory/manufacturing base and/or laundry showing their installations, were also arranged to take place in August 2021 to enable the project team to review and discuss suppliers' previous projects and provide an opportunity for suppliers to clarify their understanding of the project and ask questions of the client team.

This also gave the client team the opportunity to amend their criteria before commencing the formal procurement process.

Stage 1 information was sent to all seven suppliers with five suppliers returning bids. Predetermined selection criteria and scoring by project team members was used to reduce the number of suppliers to the following four suppliers (top three suppliers plus one reserve) to proceed to the next stage:

- Broadbent Vega;
- Girbau;
- Jensen;
- Kannegiesser

Stage 2 ITT information was subsequently sent to all four suppliers in October 2021. This stage sought design, cost and programme information for all three sites.

During the tendering process, a supplier meeting (via Teams) followed by a visit to the SE Hub site at Green Vale were arranged for each supplier independently to facilitate a better understanding of the challenges around refurbishment of the SE Hub.

During the tendering process all four suppliers requested a four week extension of time to facilitate a response to all the tender requirements set out in the ITT. A two week extension was agreed for the SE Hub, but no change was made to the SW and N Hub return dates.

One supplier, Broadbent did not respond, with the following three suppliers returning bids:

- Girbau;
- Jensen;
- Kannegiesser

Following further clarification meetings and discussions, it was considered that sufficient information had been obtained on design, programme and cost across all three suppliers to inform the RIBA Stage 2 proposals and the relevant business cases. The full tender analysis report is included in the Estates Annex in Appendix 1.

Going forward it has been agreed that the three suppliers will be invited to rebid, based on a revised brief and building layout incorporating agreed changes. This will allow a preferred supplier to be selected during RIBA Stage 3 with the preferred supplier then assisting and contributing to the technical design in RIBA Stage 4.

5.2 Service requirements

The proposal involves the construction of a new purpose-built laundry on a new site on the Tir Llwyd Enterprise Park at Kinmel Bay, Rhyl in North Wales.

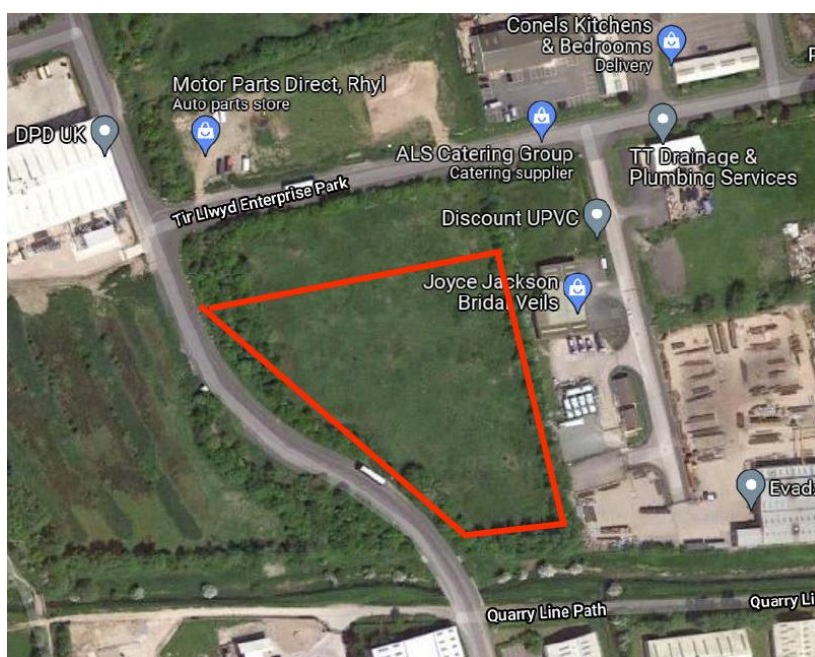


Figure 15: Development Site, Tir Llwyd Enterprise Park

The new facility will be a two storey building of 2,760m² (post VE) and will include the following functionality. The processing facilities and associated support facilities will be located on the ground floor and some administrative functions and plant will be located on the 1st floor.

A detailed Schedule of Accommodation is included in Appendix 1 (pre VE). This has since been subject to value engineering. A summary of the impact of VE on the area is also included in Appendix 1.

5.2.1 Functional Content

- Dirty receipt and Holding
- Dirty Storage;
- Washing Area;
- Drying Area;
- Finishing and Folding Area;
- Scrubs Processing;
- Packing Area;
- Clean Storage;
- Dispatch;
- Sewing, Labelling and Repairs Room;
- Welfare Facilities:
 - Decontamination Areas (Pass Through with hand wash and access to staff change)
 - Staff Change/WCs;
 - Staff Catering/Rest;
 - Visitor/Office Staff WCs;
 - Accessible WC;
 - Chemical Shower;
- Cage Cleaning Area;
- Administration (Offices and support facilities for Laundry Managers and Transport Staff);
- Reception and visitor waiting;
- First Aid Room;
- Meeting/Training Room.

The building will be supported by the following infrastructure:

- Boiler House;
- Compressor room;
- LV Substation Distribution and Panel Board Rooms;
- Engineering Workshop and Stores;
- Machine Workshop and Welding Bay;
- Dosing room;
- Bulk Storage;

-
- ICT Network Distribution Room.

External Areas include carparking for staff, visitors including accessible parking and electric charging points, laundry delivery vehicle parking, vehicle wash down area and cycle parking.

The facility will provide 4.7m pieces of laundry per annum (on opening in 2025) for 62 sites. The total capacity will be defined by the final laundry equipment selection.

5.3 Design

5.3.1 Design Process

The design of the new Laundry Facility has been greatly influenced by the laundry processing area layouts provided by the Equipment Suppliers and has taken into account:

- Expected volumes on opening and into the future;
- Requirements of BS EN 14065:2016 where applicable to the design of the building;
- The need for separation of dirty and clean areas and flows for both linen, consumables and staff;
- Efficient work flow;
- The number of staff working in the facilities in total and at any one time;
- Vehicle access.

The designs have been subject to review by the NWSSP designated officers and relevant design team members, the specialist laundry advisor (LTC) and User Groups (consisting of laundry staff members working within the existing laundries)

5.3.2 Design Review / AEDET

An AEDET review of the proposals for the new building was held on 15th February 2022 following the completion of RIBA Stage 2 Design and to support this OBC. This review was facilitated by the NHS Building for Wales Framework Team, Specialist Estates Services and involved a multi-disciplinary team of people including laundry staff.

The proposals were positively received by staff and a summary of the scores allocated to each of the domains at this stage of design is included in the following diagram. The full report is included in Appendix 1.

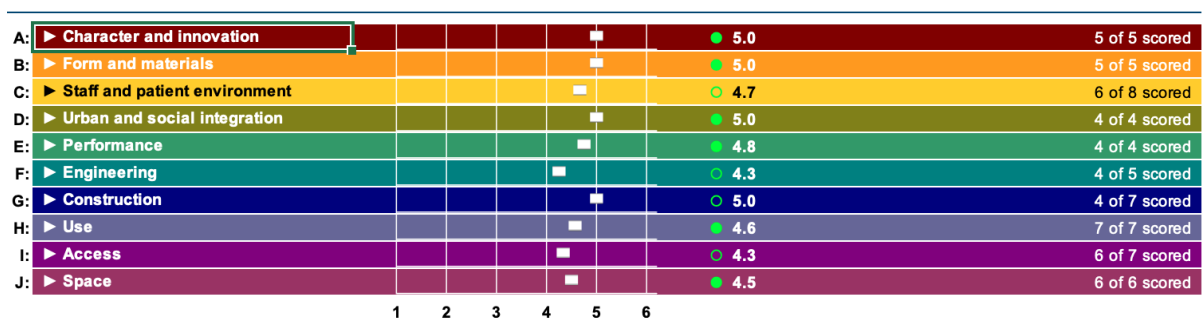


Figure 16: AEDET Summary Results

The detailed design stage (RIBA Stage 3: Spatial Coordination) will include further development and value engineering of the solution, including the integration of the laundry equipment into the design. A further AEDET design review of the laundry design will be held at this stage.

A follow up AEDET review could also be held as part of RIBA Stage 4: Technical Design, when the Laundry Equipment tender process has been completed, the laundry supplier being fully onboard, and the technical design further developed.

5.3.3 Building Information Model (BIM) Protocol

The BIM Protocol applied to the project has been produced with reference to the NHS Building Information Model (BIM) Protocol 2017. The Protocol has been drafted for use on all common construction contracts and supports BIM working at Level 2.

The Protocol identifies the Building Information Models that are required to be produced by members of the Project Team and puts into place specific obligations, liabilities and associated limitations on the use of the models.

Details of the Protocol are included in Appendix 1.

5.3.4 Fire Safety

An initial fire strategy has been developed with drawings included in Appendix 1. The scheme has been designed on the basis of sprinklers being installed, which has also been discussed with NWSSP Fire Safety Advisor. There will be a fire main feed to the sprinkler system/tank located on the ground floor of the building.

A fully analogue addressable fire alarm and detection alarm system complying with current British Standards BS 5839 and Building Regulations Approved Document B shall be provided.

The fire alarm and detection system will comprise of automatic high performance point detectors, manual call points, audible and visual alarms, fire alarm panels and associated ancillary equipment.

Void detectors will also be provided in voids above 800mm and those ceilings below 800mm that include items of high risk as per the existing system.

In areas where occurrence of false alarm is likely to happen combined smoke/heat/carbon monoxide detectors will be provided.

The cables for the fire detection and alarm systems will be in red sheathed enhanced fire resisting cable in accordance with the requirements of BS 5839-1.

A lightning and surge protection systems will be designed and installed in accordance with the recommendations of BS EN 62305 to offer optimum protection of the building, the buildings integral equipment, staff and the public against the effects of a lightning strike.

A fire consultant will be appointed at the FBC detailed design stage and the detailed fire strategy will be developed with the full involvement of the appropriate NWSSP representatives and Building Control ensuring full compliance with Fire Code and Building Regulations. This will include formal consultation with the local Fire Service where necessary. Items to be finalised include:

- Sprinklers/fire suppression systems;
- The need for a fire hydrant;
- Fire extinguishers;
- Dry Riser;
- Fire smoke venting;
- Fire evacuation procedures;
- Emergency voice communication systems.

A statement of compliance from the designated Fire Officer will also be provided for FBC.

See Estates Annexe, Appendix 1 - Fire Strategy Drawing.

5.3.5 Security

A preliminary assessment of the security systems for the new building has been undertaken and will be developed in detail at the next stage of design using a 'Secured by Design' approach.

Proposed systems include:

- **CCTV:** this will operate under the recommendations of the Local Building Control Officer, the Data Protection Act and the specific requirements of the client. In general, the system will be provided and installed to minimise the risk of equipment damage arising from acts of vandalism or any deliberate attempt to render equipment inoperable. Installation will be both internal and external;
- **Access Control:** A fully programmable access control system will be installed in the building to ensure provisions for security are in place for both staff and public, such that access is restricted by unauthorised personal to designated areas;
- **Intercom:** The provision of an intercom system is to be developed with the client during the next design stage, however it is envisaged that the system will generally consist of wall mounted robust audio/video door entry stations and desk/wall mounted robust audio/video receiver units. The intercom system is to be integrated to release the access controlled doors remotely;
- **Intruder Alarm Systems:** it is envisaged that a multizone intruder alarm system is to be provided in accordance with BS EN 50131-1;
- **Staff Attack System:** The provision of a staff attack system is to be developed with the client during the next design stages, however it is envisaged that staff attack devices are to be provided at reception desks only and integrated into the WC call alarm system.

Further details are included in the MEP Stage 2 Report in Appendix 1.

5.3.6 BS EN14065:2016 Textiles. Laundry Processed Textiles. Biocontamination control system - Implementation of Improved Hygiene Standards:

To date training has been conducted at each of the 3 Hubs, Swansea SWH, Green Vale SEH and Glan Clwyd NWH in respect of implementation of Improved Hygiene Standards ultimately leading to certification to BS EN14065:2016.

The training has been built upon by holding monthly Team Meetings (RABC Team – Risk Analysis Biocontamination Control Team) at each site.

The Teams are constituted of:

-
- Executive Manager: Anthony Hayward who is ultimately responsible for the operation and effectiveness of the service.
 - Decontamination Engineer: Senior Site Engineer
 - Decontamination Team Manager Laundry Manager
 - Control of Infection Officer (Decontamination): Production Manager
 - Decontamination Team Leaders – supervisors/chargehands
 - Decontamination Manager – Senior site driver
 - External/Internal Microbiologist: LTC
 - Decontamination sub-contractor: detergent supplier / pest control contractor (only attend if invited)

Laundry operators are also invited to the meeting on an ad-hoc basis.

This provides a multidisciplinary approach to managing hygiene standards with staff at differing levels of seniority within the organisation.

This approach has led to several issues with disinfection being identified and addressed.

Site management have further disseminated the aims of the RABC team to operator level during staff briefings and toolbox talks.

Various monitoring and recording systems have been introduced and are in the process of being adopted across each of the Hubs (where possible existing systems are being used or adapted).

These include;

- Production of Policy Documentation;
- Production of Objectives document;
- Production of System Manuals;
- Production of, implementation of and recording of:
 - RABC team meetings;
 - Cleaning plans;
 - Microbiological monitoring, sampling and measurement;
 - Non-conformance monitoring;
 - Daily check for equipment and transport;
 - Calibrations;
 - PPM and maintenance of equipment;

Additional systems will be developed and implemented as required.

The main focus from now to commissioning of the new facilities will be to embed the systems into the culture of the organisation and ensure full and accurate monitoring records are kept.

The system will need to be adapted to ensure compliance in the new facilities as a consequence of changes to working practice (physical separation of soiled and clean areas) and different equipment.

Decontamination will require review in the areas of material handling and changes in disinfection affected by change of equipment/chemicals/temperature used.

A body of evidence, of circa 6 months, will be required to ensure the system has been appropriately implemented and monitored in the new facilities prior to certification.

5.3.7 Decarbonisation

Following on from Prosperity for All: A Low Carbon Wales, NWSSP SES worked with the Carbon Trust to develop a strategic delivery plan for decarbonisation of Wales, with the ambition for the public sector to be net zero by 2030, and a specific policy to reduce emissions in the health sector. This resulted in the publication of the NHS Wales Decarbonisation Strategic Delivery Plan 2021-2030. Consequently decarbonisation has underpinned the development of the All Wales Laundry programme and this project.

5.3.7.1 Progress to date

The Project Team have approached the important issue of reducing carbon in a structured way through the design process, through a number of multi-disciplinary team workshops. A multi-disciplinary group has been established which has undertaken an initial review of potential decarbonisation measures. Further advice was sought from NWSSP SES specialists who were involved in writing the NHS Wales Decarbonisation Strategy, through their attendance at workshops and 1:1 meetings.

This approach has focussed on both the buildings construction and engineering and the laundry process, each of these driving reductions in energy consumption and carbon emissions.

The design has incorporated a number of measures and material choice to ensure sustainability and low carbon is incorporated into the conceptual design at RIBA Stage 2.

The overall carbon emissions from the development will be mainly process driven but where possible, they will be minimised through the use of passive design, high efficiency MEP

systems and low and zero carbon renewable energy systems where appropriate and applicable.

The energy demand of the building will be developed with consideration to the fabric of the building, MEP systems and their operational use.

Detail of the proposals being considered is provided in a Decarbonisation Statement of Intent and the MEP Strategy included in the Estates Annex, Appendix 1. This document will be reviewed at FBC stage to reflect Square Gain's Carbon Assessment Report, and following conclusion of the VE exercise and subsequent laundry equipment specification with appointed laundry supplier.

5.3.7.2 Baseline Carbon Reduction and Targets set by the Programme Business Case

The PBC included an assessment of the carbon baseline for the current five LPUs and the potential future carbon targets for the three proposed LPUs which was the projects starting point and has been used as the basis for moving forward in this business case.

The PBC identified the greenhouse gas (GHG) emissions (reported as carbon dioxide equivalent (CO₂e)) as at 2018/19 relating to :

- CO₂e (from utilities and transport) per Kilogramme (Kg) of laundry processed by the five existing LPUs;
- A potential CO₂e target for the preferred solution (three LPUs) of less than 0.35kg CO₂e per kg of laundry.

To support the AWL Programme, Square Gain were commissioned in February 2022 to review the carbon baseline and target for this stage of the business case process (See Full Reports and Carbon Analysis in the Estates Annexe, Appendix 1).

The purpose of the Square Gain review was to assess and ratify the original greenhouse gas (GHG) emissions assessment of the existing LPUs in Wales, included in the report at PBC taking into account subsequently provided data, including BREEAM pre-assessments, and finalised locations. Where the assessors have been working with electricity and gas consumption figures, as opposed to carbon figures, 2018 carbon factors have been used, including for the existing LPU data. When using projected fuel consumption figures for the proposed new LPUs updated carbon factors (BEIS, June 2021 version 2)² have been incorporated.

² Greenhouse gas reporting: conversion factors 2021-GOV.UK (www.gov.uk)

To ensure consistency and comparability, Square Gain has referred to the same operational scope as used in the Capita AWL Review Carbon Assessment undertaken for the PBC as follows:

Scope 1 – Direct Emissions

- Combustion sources (emissions from plant, boilers, etc.);
- LPU owned vehicle fleet.

Scope 2 – Indirect Emissions

- Purchased electricity from the national grid;
- Purchased gas from the national grid;
- Purchased steam;

Scope 3 – Indirect Emissions

- Purchase water from water board;
- Leased vehicle fleet;
- Staff transport.

The following table provides the assessment at PBC for the Glan Clwyd laundry and the updated baseline assessment for the existing LPU in 2022 provided by Square Gain along with the reason for change. Both assessments exclude Transport.

Laundry	CO ₂ e per kg of laundry at PBC (2018/19)	CO ₂ e per kg of laundry at OBC (2022)	Reason for change
Glan Clwyd	0.163	0.225	<p>Steam figure updated based on new information available</p> <p>These emissions are lower than those reported for other LPUs due to the fact that the laundry is served by a centralised boiler and steam.</p> <p>In addition the figures are provided by the Health Board and are based on apportionment of whole site energy usage with no metering available. For these reasons it is anticipated that energy and carbon usage will be higher than currently reported on opening of the new facility which will be served from dedicated plant.</p>

Table 43: CO₂e emissions per LPU (excluding transport) PBC and OBC

Table 44 shows the current kgCO₂e Emissions for the North LPU by Scope and Type of emission including Transport.

Scope	Activity	North
Scope 2	Electricity (kg CO ₂ e)	76,898
	Gas (kg CO ₂ e)	504,716
Scope 3	Transport (kg CO ₂ e)	324,998
	Water (kg CO ₂ e)	5,097
Laundry processed (kg)		2,469,617
Total kg CO ₂ e		911,709
kg CO ₂ e per kg of laundry processed		0.369

Table 44: Total kg CO₂e Emissions North Wales LPU

The analysis for North LPU shows that 55% of the carbon emissions are associated with gas, followed by transport with approximately 36% of the carbon emissions, then electricity with 8% and water 1%.

Overall the North LPU uses roughly the same proportion of water and electricity and gas relative to the laundry processed as the other LPUs. However, transport is not relative to the laundry processed for the North LPU with the carbon emissions for the South East and South West, on the Square Gain analysis being significantly less per kg of laundry than the North.

Square Gain’s review of all data, has resulted in general agreement with the original Capita report and other project projections, including BREEAM Pre-Assessments. The review demonstrated that the progression from five LPU sites to three, will deliver carbon savings broadly as indicated in previous reports. Specific findings were:

- Carbon emissions from laundry equipment and laundry buildings are indicative at this stage. Equipment emissions will be fully known once the equipment specification has been finalised, and based on the energy saving package (within the Major Equipment Analysis provided by Tilbury Douglas Engineering Ltd XIV), best-practice energy-saving equipment will be installed;
- Building emissions will be more accurately determined by detailed modelling during technical design development;

- Transport carbon emissions are broadly aligned with the PBC Capita report. If considered in isolation these show an increase in carbon and cost associated with the change to three LPUs. However, the carbon and financial savings delivered by operating fewer and more efficient LPUs more than compensates for this.

Square Gain has undertaken a more granular analysis of the different vehicle types that will be used by each LPU, for the client deliveries and collections, which results in lower carbon emissions of circa 15% over and above Capita's original carbon projections for transport. However, due to increased travel distances relating to the reduced number of LPUs, the carbon relating to transport is expected to increase overall.

To provide a robust comparator to the Capita analysis, Square Gain have continued to use the A-B-A routing, and have noted that in reality there are likely to be significant further savings, over and above both of these analyses, through journey planning, multiple collections and deliveries and optimum vehicle selection to facilitate this. The utilisation of electric vehicles (out with this business case) will further facilitate carbon reductions and reduce risk due to exposure to volatility in the supply of diesel over the coming years.

Total annual carbon savings per year against the existing LPUs are estimated to be 1,648 tonnes of carbon dioxide equivalent (tCO2e), equivalent to more than £409,000 the summary of which is shown in the following table. Further potential savings are outlined in the AWL Laundry Carbon Assessment Report North LPU included in Appendix 1.

However, for the North LPU carbon is expected to increase by circa 248 tonnes of carbon dioxide equivalent (tCO2e) equating to an increase in cost of £62K per annum.

Carbon including Transport

Variables	Glan Clywd	Greevale	Swansea	Church Village	Camarthen
Total Yearly km per kg/CO2e	663,228	1,107,191	1,259,069	2,002,857	596,330
Total Yearly tonne CO2e	663	1,107	1,259	2,003	596
Monetary equivalent	£164,701.62	£274,952.43	£312,668.80	£497,376.16	£148,088.62

South West	South East	North
1,197,564	1,870,751	911,709
1,198	1,871	912
£297,395.00	£464,569.81	£226,407.75

	Non-traded value			Total
Annual savings of tCO2e	657.84	1,239.30	-	248.48
Monetary Equivalents of benefit £	£163,362.41	£307,758.77	-£61,706.13	£409,415.05

Inputs	
per tonne	1000
2022 central series value	£248.33
Transport (km)	0.86654
Operating hours North	37.5
Operating Hours South West	37.5
Operating Hours South East	41.5
% Adjusted operating hours	-10.7%

Assumptions
The transport mileage has been recalculated across for all sites
An appropriate vehicle type and associated carbon factor per mile have been selected based on average load volume with all journeys undertaken on an A-B-A basis
In line with the PBC 'average laden' weight has been assumed for all transport
Increased operating hours mean an increase in CO2 to this benefit which is a negative impact
2022 value for CO2 used from Valuation of greenhouse gas emissions: for policy appraisal and evaluation Published 2 September 2021

Table 45: Total Annual Carbon Savings per annum (including Transport)

5.3.8 Building Research Establishment Environmental Assessment Method (BREEAM)

A BREEAM Pre-Assessment for the North Wales LPU was undertaken in October 2021. This was facilitated by Greenbuild Consult who have been appointed by the SCP to advise on BREEAM.

The pre-assessment is based upon the BREEAM New Construction 2018 non domestic scheme (SD5078:3.0-2018) methodology and complies with both the requirements embedded in the Design for Life Framework and also Welsh Government requirements for a new build facility.

The BREEAM assessment was based upon proposed drawings and discussions with the design team. The project proposals have been reviewed in accordance with achieving a minimum BREEAM rating of 'Excellent' and achieving a minimum score of 70%.

The pre-assessment has demonstrated that the design of the building could provisionally achieve an 'Excellent' rating of 75.70%. The following table outlines the available, targeted and potential credits for the project.

Section	Available		Targeted		Potential	
	Credits	Category weighting	Credits	Percent	Credits	Percent
Management	21	11.00%	21	11.00%	21	11.00%
Health and Wellbeing	17	14.00%	16	13.17%	17	14.00%
Energy	23	16.00%	16	11.13%	21	14.60%
Transport	12	10.00%	5	4.16%	10	8.33%
Water	9	7.00%	7	5.44%	8	6.22%
Materials	14	15.00%	12	12.85%	13	13.92%
Waste	9	6.00%	7	4.66%	7	4.66%
Land Use and Ecology	13	13.00%	7	7.00%	8	8.00%
Pollution	12	8.00%	8	5.33%	11	7.33%
Innovation	10	10.00%	1	1.00%	1	1.00%
Total	140	110.00%	100	75.70%	117	89.00%

Table 46: Outline of BREEAM Credits

The detailed BREEAM Pre Assessment Report is included in the Estates Annex Appendix 1.

5.3.9 MEP Strategy

The proposed MEP Strategy for the building is described in the Estates Annex, Appendix 1.

5.3.10 Future Flexibility

Flexibility is paramount to the sustainability of the service. The new laundry will have the capacity to respond to additional demands in the event of breakdowns elsewhere in the system or sudden increased demand from the Health Boards by operating for extended hours.

5.4 Digital and IM&T Strategy

An IM&T workstream has been set up to ensure continuity of services during the transition phase and transfer of management arrangements from the Health Board to NWSSP and to consider initiatives required to support the new facilities.

A new dedicated IT room will be provided within the facility to house the IT equipment. Initial discussions have indicated that 2 number 1000mm x 800mm 47u data cabinets will be provided within the space with all cabinets connected via comms links to the clients preferred topology. All active equipment is to be provided by NWSSP.

Wireless access points will be provided in line with NWSSP specification.

A horizontal structured cabling system is to be provided throughout the building to facilitate the IT, Telecoms and AV requirements. New cabling will be Level CAT6a UTP, Low Smoke Zero Halogen type Euroclass CcA.

Existing laundry specific I.T. software and licences will transfer from the existing LPUs to the new LPUs upon commissioning. It is anticipated that there will be a heavy reliance on PLC controls linking, controlling and reporting on the performance / status of the production equipment.

5.5 Land Acquisitions and Potential Disposals

5.5.1 Existing Laundry at Ysbyty Glan Clwyd

The existing Ysbyty Glan Clwyd Laundry will be vacated, decommissioned and secured by NWSSP following opening of the new LPU in North Wales. The existing laundry will remain in the ownership of Betsi Cadwaladr University Health Board. Any equipment with a residual life will be used where appropriate to support the programme (e.g. to support the refurbished

SE hub) or sold as part of the decommissioning process and any obsolete equipment will be scrapped. The latest Welsh Government guidance will be followed when planning and scoping for decommissioning of existing Health Care Buildings.

5.5.2 New site at Tir Llwyd Enterprise Park, Kinmel Bay

The development plot is part of the Enterprise Park which is owned by Conwy County Borough Council.

NWSSP have contacted Conwy Council in October 2021 with regards to securing Plot 5, as previously already discussed with Conwy Council Estates representatives.

Heads of Terms have been agreed with Conwy Council and presented to the AWL Programme Board and also require internal NWSSP approval for the associated expenditure.

The Option Agreement is for 24 months, and as a condition the Full Planning Application for Plot 5 must be submitted within the first 12 months of the agreement; the 24 month period can be extended for a further 6 months for planning appeals, judicial reviews as required.

The option fee is a nominal £1, however NWSSP will be responsible for the Council's reasonable legal costs capped at £5,000 plus VAT. If the option is taken, the plot will be available by way of a long leasehold interest of 125 years at a premium of £160K (one off payment). There is no estate service charge applicable to this plot as the surrounding roads are adopted.

The Heads of Terms were approved at the Council's Cabinet meeting in January, with formal ratification planned.

Confirmation of the agreement is included in Appendix 1. The new building on the site will be owned by Velindre NHS Trust (NWSSP).

5.6 Planning Approval

Asbri Planning Ltd were appointed to provide planning advice for the projects by the SCP Tilbury Douglas, which has determined the approach taken.

The basic principle of development on the proposed site is acceptable in that the site lies within the settlement boundary and within land designated for office/industrial use. Outline planning applications determine the principle of development and 'reserve' detailed matters for future consideration. Therefore, given the planning policy status of the site, an outline planning application is unnecessary.

Pre-application discussions also address the principle of development, but on a more specific scale for the particular proposed scheme. They also cover detailed matters, including advice from other technical Council consultees and application documentation requirements. This advice can therefore inform the more detailed aspects of the planning application itself. The pre-application response from Conwy provides such technical advice, as well as confirming the principle of development. Seeking pre-application advice is also recommended Welsh Government best practice.

As such, pre-application advice was sought with a Pre-Application Enquiry for the laundry development at Tir Llwyd Enterprise Park being submitted to Conwy Planning Authority on 8th December 2021 to seek confirmation on the principle of the development and confirmation of the proposal of transport and parking and in respect of flooding.

This was positively received with a formal response received on 14th January 2022. The details of the response are included in Appendix 1.

5.7 Equality and Diversity

In order to ensure compliance with the requirements of the Equality Act 2010 and how it relates to access to facilities, an Equality Impact Assessment has been undertaken by NWSSPs Human Resources and Project Management Departments for the building which has informed the design. This has been ratified by the EQIA panel which includes staff side representation, and is included in Appendix 6.

5.8 Personnel Implications (including TUPE)

The workforce employed at the Glan Clwyd LPU have transferred from the Betsi Cadwaladr University Health Board to NWSSP under TUPE regulations during the Transition Phase of the project in April 2021. Regular meetings have been held with staff throughout the various stages of the project to keep them informed and involved in the change management process both during the transition phase and moving forward to the opening of the new facilities. A workforce workstream has been set up for this purpose.

6.0 Financial Case

6.1 Capital Costs

The capital cost breakdown for the preferred option (Option 3) is summarised in the following table. The capital cost forms are included in the Estates Annexe, Appendix 1.

This capital cost identifies a significant increase to the capital cost identified at PBC. This is due to increases to area which have been influenced by the equipment layouts provided by Equipment Suppliers at the tender stage, plant requirements and the cost per metre² adjustment to reflect the current programme and PUBSEC indices.

	Capital costs £'000s
Departmental Cost	10,978
Oncosts	1,497
Location adjustment	included
Works Costs	12,474
Design Fees	2,517
Non-Works	841
Equipment	6,484
Planning Contingencies	2,300
Sub Total	24,617
VAT	4,581
Total (Approval)	29,197

Table 47: Capital Costs for Preferred Option

The works cost for the preferred option have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. For comparative purposes against the capital costs included in the PBC an adjustment has also been made using BCIS PUBSEC index of 250.

The assumptions underpinning the capital costs are as follows:

- Location adjustment for local market conditions is included within the works cost breakdown;
- Non works costs include land acquisition and legal fees, planning and building control, statutory and Local Authority charges;
- Fees at 20.18% and as detailed in OB4 in the Capital Cost Forms in Appendix 1;

- Equipment in accordance with costed equipment schedule in Appendix 1 which includes an allowance for preliminaries and fees;
- Planning contingencies based on a quantified risk register in appendix 1;
- VAT at 20% on all elements;
- Inflation has been excluded at this stage.

The capital expenditure flow is shown in the following table:

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Capital Spend £'000s	333	2,239	9,114	13,002	4,510	29,197

Table 48: Capital Expenditure Year by Year

6.1.1 VAT Treatment

Recoverable VAT at 7% of construction costs has been assumed based on preliminary advice received from Ernst and Young LLP. This equates to £342,568 for this project. This has been taken into account in the capital cost summary included in Table 47.

6.2 Revenue Costs

6.2.1 Baseline Update to PBC

Revenue costs for the new options have been updated since the PBC with a review of the baseline costs undertaken so that costs are based on 2021/22 budgets to ensure that current volumes of activity, prices and costs are built into the business case.

The baseline is established as follows:

	Baseline Budget 2021/2022 £000's	
	PBC	Baseline
Pay	1,311	1,357
Non-Pay	734	1,041
Total	2,048	2,398

Table 49: Baseline Costs to PBC

6.2.2 Assumptions

Further to this the key variances that have been included are:

- a) Workforce numbers and grades have been reviewed since the PBC with some minor amendments to management and maintenance staff and costed at 2021/22 pay scales;
- b) Utility costs have been adjusted to take account of the predicted impact of the carbon measures to reduce usage and cost undertaken by Archus / SquareGain;
- c) Transport costs have been adjusted to take account of the predicted impact of the carbon measures to reduce usage and cost undertaken by Archus / Square Gain.

Utility and transport costs have been based on 2021/22 price base. It is recognised that prices on fuel and energy have increased since then and will continue to be highly volatile in the coming months and years. For the purpose of this business case this has been considered outside of the scope as it will affect both the current status quo and future costs.

6.2.3 Revenue Costs

The following table highlights the costs for each option based on 2021/22 prices. The service costs for each option are the same for each option, with the only differential being on the capital solution driven by the site proposal. See Appendix 4 for further detail.

	Revenue Costs £000's			
	Baseline 2021/22	Option 1: St Asaph Business Park Plot C1c	Option 2: St Asaph Business Park Plot C1b	Option 3: Tir Llwyd Plot 5, Enterprise Park, Kinmel Bay
Pay	1,356	927	927	927
Non Pay				
Direct Processing Costs	426	426	426	426
Transport	135	188	188	188
Utilities	462	470	470	470
Overheads	18	18	18	18
Total Non-Pay	1,041	1,103	1,103	1,103
Total Costs	2,398	2,030	2,030	2,030
Revenue (Saving) Cost		(368)	(368)	(368)

Table 50: Revenue Costs for Shortlisted Options

The total revenue saving for each option is £368k before capital charges driven by staffing levels offset by a small increase on the non-pay arising from recent carbon assessment undertaken by Archus.

Work will be undertaken through the next stage to assess the impact of this on customers.

6.2.4 Capital charges and estimate of impairment

The capital cost of the three options is relatively similar and indicative capital charges are highlighted in the following table and how they compare to the current baseline. This assumes a 60 year life of asset and 30 years on equipment.

The calculation for the preferred option is shown in the following table.

	Capital Charges Impact £000's				
	2021/22	2022/23	2023/24	2024/25	2025/26
Capital					
Buildings	333	2,239	5,872	9,760	4,510
Equipment	0	0	3,242	3,242	0
Total Capital Cost	333	2,239	9,114	13,002	4,510
Depreciation					
Buildings	6	43	141	303	379
Equipment	0	0	108	216	216
Total Depreciation	6	43	249	520	595

Table 51: Capital Charges Impact

It is likely that once complete there will be a revaluation. This can only be assessed at the time but an impact of an indicative 20% impairment which is in line with other NHS schemes.

6.2.5 Impact on income and expenditure account

The impact on the I&E account is shown in the following table. This illustrates the decrease in revenue costs and the increase in depreciation. Negotiations will be undertaken with customers to assess the impact on pricing with a view to standardising pricing arrangements going forward.

It is assumed that depreciation for assets will be funded and depreciation is at this stage included for assets under construction. The impact on existing depreciation will be reviewed at FBC.

Revenue savings of £368k (excluding capital charges) will be accrued upon opening of the laundry

	I&E Impact £000's				
	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Revenue Costs and Benefits:					
Revenue Staff Costs	1,357	1,357	1,357	1,357	927
Transitional Costs	0	0	0	0	0
Revenue Non Pay Costs	1,041	1,041	1,041	1,041	1,103
Existing Depreciation					
New Depreciation	6	43	249	520	595
Total future costs	2,405	2,441	2,647	2,918	2,625
Annual Increase/Saving		37	243	513	220
Funded By:					
Existing Budgets	-1,357	-1,357	-1,357	-1,357	-927
Existing Non Pay Budgets	-1,041	-1,041	-1,041	-1,041	-1,103
Depreciation Funding	-6	-43	-249	-520	-595
Total existing budgets	-2,405	-2,441	-2,647	-2,918	-2,625

Table 52: Impact on Income and Expenditure Account

6.2.6 Impact on the Balance Sheet

The key impact on the balance sheet will be the addition of the new asset. This will be reviewed further at FBC stage. There may be potential to impair the asset upon construction and work will be undertaken with the District Valuer at FBC stage. Additionally any potential land sales will be reviewed at FBC.

6.3 Future Workforce

The following table details the proposed workforce for the new North LPU at 35 WTE. This compares to a predicted future workforce in the PBC of 33 WTE for this LPU. The increases are 1 WTE Band 5 Production Deputy Manager and 1 WTE Band 3 Maintenance Assistant post. The cost impact of these additional posts has been mitigated by reductions to pay bands of other posts. The final number of staff employed however will be determined by the equipment selection at the next stage.

Post	WTE
Unit Management Team	4.00
Shift Team Leaders	2.00
Production Team	20.00
Engineering Team	3.00
Admin Team	2.00
Distribution Team	4.00
TOTAL WTE's	35.00

Table 53: Future Workforce Establishment

Overall the total workforce is expected to reduce by circa 96 WTEs when all three new LPUs are operational. The final number will be confirmed when the equipment specification is finalised.

7.0 Management Case

The project structure developed by NWSSP for this All Wales Laundry project reflects ownership at the highest level and draws not only upon the traditional roles associated with capital project management, but also upon significant user representation and support from across the Laundry Services and Health Boards to ensure that the wider business objectives of the All Wales Laundry Service are met.

A Laundry Transformation Group and Laundry Programme Board have been established to ensure that the key deliverables and investment objectives are met. The Laundry Programme Board reports through the NWSSP Senior Leadership Team to the NWSSP Committee.

7.1 Programme and Project Governance Arrangements

The governance and reporting arrangements for the All Wales Laundry programme is shown in the following diagram.

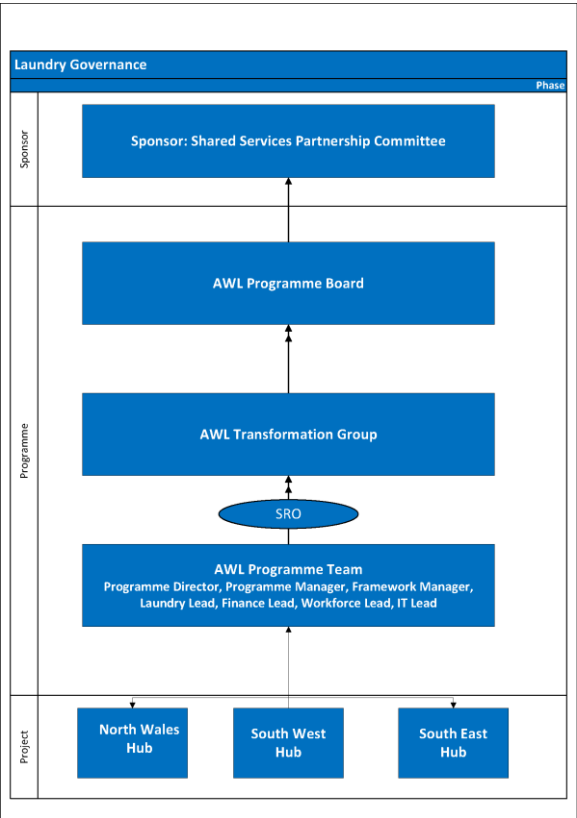


Figure 17: Programme Governance Structure

7.2 Project Responsibilities

The Senior Responsible Officer for the Programme is Neil Davies, Director, Specialist Estates Services.

The Programme Director assigned to the All Wales Laundry Programme is Lee Wyatt. The Programme Director is the primary decision maker responsible for the overall governance and direction of the programme. The Programme Director will be responsible for providing the necessary advice and recommendations to the Laundry Programme Board and will chair the Laundry Transformation Group meetings.

7.2.1 Programme Board

The Programme Board meets monthly and reports to the NWSSP Committee. The Board is responsible for providing governance and oversight to the AWL Laundry Programme.

The objectives of the Laundry Programme Board (LBP) are as follows:

- Provide Executive/Senior Management oversight of the Laundry Programme;
- Endorse business cases prior to seeking approval from the NWSSP SLT and ultimately the Shared Services Partnership Committee before formal submission to the Welsh Government;
- Consider material changes in programme scope, cost or budget;
- Review major issues and risks affecting the programme.
- Monitor and review progress against key milestones;
- Ensure that staff representation is integrated into the ongoing development and implementation of the programme;
- Ensure the programme is subject to independent review e.g. Gateway Reviews.

Full Terms of Reference are included in Appendix 7.

The Programme Board comprises the following members:

Name	Position	Organisation
Neil Frow	Investment Decision Maker (Managing Director)	NWSSP
Neil Davies	SRO (Director Specialist Estates)	NWSSP
Lee Wyatt	Programme Director	NWSSP
Gareth Hardacre	Director of Workforce	NWSSP
Andy Butler	Director of Finance	NWSSP
Anthony Hayward	Assistant Director of Laundry & Facilities Operations	NWSSP
Jonathan Irvine	Procurement & Laundry Service Director	NWSSP
Alwyn Hockin	Trade Union Representative	NWSSP
Paul Beckett	Programme Lead – Finance	NWSSP
Bethan Rees	Project Manager	NWSSP
Thomas Kuehn	Framework Manager	NWSSP

Table 54: Programme Board Members

7.2.2 Laundry Transformation Group

The purpose of the Transformation Group is to support the Programme Director in the transfer of the existing laundries from Health Boards to NWSSP; the delivery of the two new build laundries in North and South West Wales and the refurbishment of the Green Vale Laundry in South East Wales; and the eventual transfer of the current service from the existing facilities to the new laundry infrastructure

The Transformation Group comprises the following members and meets on a monthly basis. The terms of reference are included in Appendix 7. The Transformation Group reports directly to the Programme Board through the Programme Director.

Name	Position
Lee Wyatt	Programme Director, NWSSP - Corporate /Chair
Thomas Kuehn	Framework Manager, NWSSP – SES
Bethan Rees	Project Manager, NWSSP – Finance
Anthony Hayward	Assistant Director of Laundry and FM Operational Services, NWSSP – Procurement
Paul Beckett	Programme Lead – Finance, NWSSP – Finance
Mike Bryan	Informatics Lead, - NWSSP – IMT
Claire Howells	Workforce Lead, NWSSP

Name	Position
Chris Rogers	Construction Project Manager, Gleeds
Richard Fajer	Construction Project Manager, Gleeds
Louise Grace	Cost Advisor, Gleeds
Mark Smith	Cost Advisor, Gleeds
Steve Anderton	Specialist Laundry Advisor, LTC Worldwide
Carolyn Robinson	Business Case Writer, Strategic Healthcare Planning
Mark Lewis	Associate Director Project Management, Gleeds

Table 55: Transformation Group Members

7.2.3 Workstreams

The following workstreams have been established to support the delivery of the project:

- Equipment;
- Transition;
- Business Case Development;
- Design and Construction;
- Workforce;
- Finance;
- IM&T.

Terms of Reference and membership of these workstreams are included in Appendix 7.

7.2.4 Project Management Arrangements and Reporting

The project management structure supporting the NWSSP Team for the three projects within the programme is identified in the following diagram.

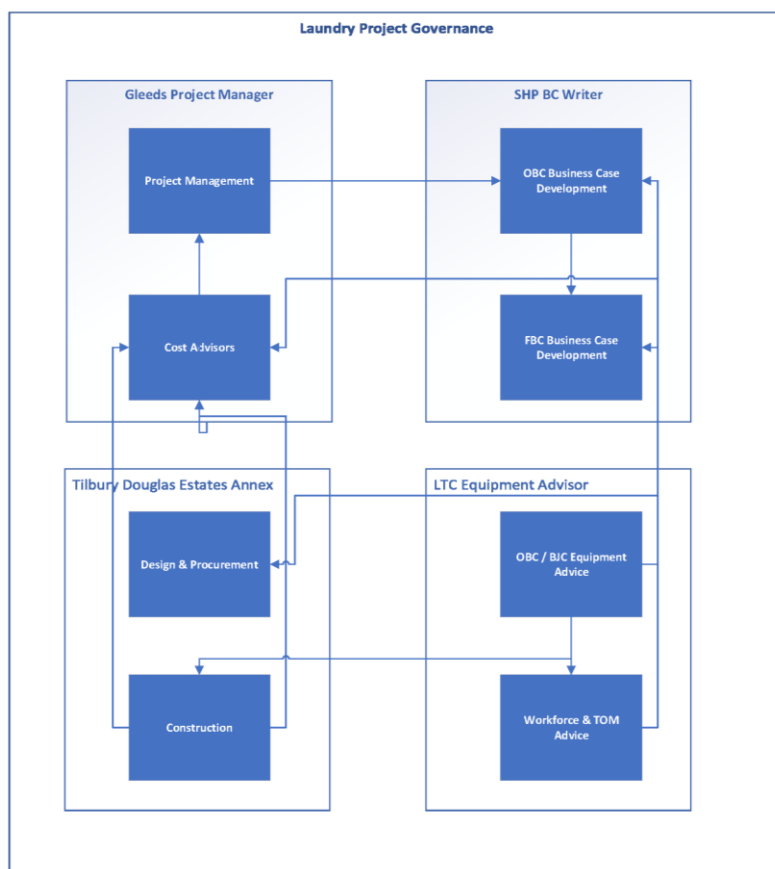


Figure 18: NWSSP Project Governance Structure

The management of the programme reflects PRINCE2 (Projects in Controlled Environments) methodology.

Members of the NWSSP Team responsible for delivering this programme possess the following project management and associated qualifications and professional memberships:

- Prince 2 practitioner;
- Managing Successful Programmes;
- Better Business Case Practitioner.
- Chartered Manager with Chartered Management Institute;
- Incorporated Engineer with IHEEM.

The fees for the internal Programme Management Team are included within the capital costs for the project.

The Supply Chain Partner co-ordinates the work of the supply chain towards meeting project goals. The Supply Chain Partner is responsible for co-ordinating the design and construction support for the project.

The project will be managed according to the RIBA plan of works and charter and will follow all construction best practice guidance.

7.2.5 Use of Special Advisors

NWSSP have used special advisors in a timely and cost-effective manner to lead the development through to outline business case stage. These advisors have either been appointed directly by NWSSP or appointed via the Supply Chain Partner, Tilbury Douglas Construction

Specialist Area	Appointing Organisation	Advisor
NEC Project Managers	NWSSP	Gleeds Management Services
Cost Advisors	NWSSP	Gleeds Cost Management
Business Case Writer and Support	NWSSP	Strategic Healthcare Planning (SHP)
Laundry Specialists	NWSSP (commissioned through Strategic Healthcare Planning	LTC Worldwide
Transport and Carbon Assessors	NWSSP	Archus
Design Review	NWSSP	NWSSP – SES
Architect	SCP	BDP Architects
Mechanical and Electrical Engineering Consultants	SCP	WSP
Civil and Structural Engineering Consultants	SCP	WSP
Engineering and Equipment	SCP	Tilbury Douglas Engineering
BREEAM Assessors	SCP	Green Build Consult
Planning Consultants	SCP	Asbri Planning Ltd

Table 56: Special Advisors

7.3 Delivery Programme

The key milestones for the project are provided in the following table. The detailed programme is included in Appendix 1.

Activity	Target Date
OBC Development	May 2022
OBC Internal Approvals	May 2022 – July 2022
OBC Submission to Welsh Government	July 2022
OBC Approval by Welsh Government	November 2022
FBC Development	January 2023 – August 2023
Detailed Design (RIBA Stage 3 and Stage 4)	November 2022 – May 2023
Full Planning Approval	June 2023
FBC Internal Approvals	August 2023 – September 2023
FBC Submission to Welsh Government	October 2023
FBC Approval by Welsh Government	January 2024
Mobilisation	January 2024 – February 2024
Construction incl. Commissioning and Handover	February 2024 – July 2025
Laundry Services Commissioning, Familiarisation, Training	July 2025 – September 2025
New Laundry Operational	September 2025
Decommissioning and Closure of Glan Clwyd Laundry	October 2025 – March 2026
Post Project Evaluation: Design and Construction	December 2025
Post Project Evaluation: Service	December 2026

Table 57: Project Milestones

7.4 Interdependencies

The successful delivery of this project is dependent on the availability of capital funding.

7.5 Risk Management

The risk management strategy is based upon the following principles:

- Identifying possible risk in advance, putting in place mechanisms to minimise the likelihood of risks occurring and their associated adverse effects;
- Having processes in place to ensure up to date, reliable information about risks is available, and establishing an ability to effectively monitor risks;

- Establishing the right balance of control is in place to mitigate the adverse consequences of risks, should they materialise;
- Setting up decision-making processes, supported by a framework of risk analysis and evaluation.

An overarching programme risk register has been developed by NWSSP, to record and log details of any item or event which is considered to put the objectives of the programme at risk and is reviewed weekly along with the Issues and Decisions Log. In addition to this overarching risk register, a quantified design and construction risk register has been developed for the individual projects. The registers are live documents and are updated at regular intervals. The NWSSP Project Manager is the owner of the Programme Risk Register and Gleeds' Project Managers manage and retain ownership of the design and construction risk registers throughout the project. Any high scoring risks from the design and construction risk registers (12 and above) are also included on the programme risk register.

The risk registers are provided in the Estates Annexe, Appendix 1.

7.5.1 Main Risks

The main risks (risk score 12 and above) for the All Wales Laundry Programme as at 24th May 2022 are identified in the following table. The design and construction risk cost (planning contingency) at OBC stage for this North Wales development stands at £2.3m and this figure is anticipated to decrease considerably during the detailed design (FBC) phase of this development.

Risk No.	Risk	Mitigation Measure	Residual Risk Score
R21	Failure to meet OBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15
R22	Failure to meet FBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15

Risk No.	Risk	Mitigation Measure	Residual Risk Score
R48	Delay to project programme due to requirement to re-procure Supply Chain Partner	Risk response and risk actions limited due to external factors outside of our control. Closely monitor current contractual situation and evaluation process. Due diligence undertaken & Board signed off. SCP to progress.	15
R29	Site selection: Unable to secure site within 5 mile radius	Expedite site search, criteria assessment and testing / analysis at early OBC stage, to determine early options. Single point responsibility through SCP.	12
R31	Failure to provide a modern production facility, due to new sites and with existing buildings	Compromised footprint; layout, segregation etc. Detailed testing and assessment of each site against clear and pre-agreed parameters as part of FBC feasibility studies and options development. Operational design & workshops included such parameters.	12
R51	HB financial destabilisation as result of NWSSP Laundry Programme benefit realisation.	Early stage engagement with respective HB to address the impact of a change in PPI and thus HB revenue and budget shortfall. Especially ABUHB given CAV subsidisation.	12

Table 58: Main Programme Risks

7.5.2 Risk Allocation

The following table indicates where the responsibility for risk lies between public and private sector.

Risk category	Potential allocation		
	Public	Private	Shared
Design Risk		✓	
Construction and development risk		✓	
Transition and implementation risk	✓		
Availability and performance risk			✓
Operating risk	✓		
Variability of revenue risks	✓		
Termination risks			✓
Technology and obsolescence risks			✓
Control risks	✓		
Residual value risks	✓		

Risk category	Potential allocation		
Financing risks	✓		
Legislative risks			✓
Other project risks			✓

Table 59: Risk Allocation

The risk allocation will be revisited again during the next design stages and ahead of construction and will be updated accordingly for the FBC.

7.6 Project Assurance

7.6.1 OGC Gateway Review

OGC Gateway Reviews have been undertaken for the All Wales Laundry Programme by the Welsh Government Integrated Assurance Hub at the following stages:

Stage 0: Strategic Assessment - July 2021

Stage 2, Delivery Strategy – February 2022

Further reviews are planned during the detailed design stage and FBC development

7.6.2 Internal Audit

The AWL Programme has also been subject to an internal audit undertaken by NWSSP audit and assurance leads in 2022 and the Programme Director has also undertaken a lessons learned exercise at the end stage of OBC. Findings and action plans will be distributed internally to the programme teams and governance bodies as necessary.

7.7 Arrangements for Change Management

There is an expectation that all staff who were part of the TUPE process relating to the Ysbyty Glan Clwyd laundry will move to the new site location. Exact numbers cannot be provided at this stage due to the need to factor in potential employee attrition. Any move to new sites will be managed through the All Wales Organisational Change policy and will involve full engagement and consultation with all staff affected. This will be managed in full partnership with our staff side colleagues.

For those laundries currently under the decommissioning stage (i.e. Church Village (SE Wales) and Glangwili (SW Wales) regular communication is being maintained with the services and workforce colleagues. Any staff who wish to transfer to the laundry sites in

Swansea, North Wales or Green Vale will be managed through a thorough TUPE process, there will be full engagement and consultation. This will be managed in full partnership with staff side colleagues within NWSSP and also with Cwm Taf Morgannwg and Hywel Dda University Health Boards.

Any new posts will be managed through the working group that has been set up to discuss future recruitment and the necessary job descriptions. Membership of this group includes service, staff side and People & Organisational Development. Progress to date includes:

- All Laundry Managers and Deputy Laundry Managers have been appointed to provide consistency across the regions;
- The Operational Business Manager has now been recruited on a permanent basis;
- The Operational Laundry Manager has also been recruited;
- The post of Technical Manager is currently out for advert.

7.8 Benefits Realisation

A Draft Benefits Realisation Plan has been developed for the project and is included in Appendix 5. This Plan will be developed in more detail for the Full Business Case. The Benefits Realisation Plan includes current (baseline) position and planned (target) position and specifies who is responsible for the delivery of specific benefits, when they will be delivered and what activity needs to be undertaken to deliver them.

Four types of benefits have been identified:

- Cash Releasing Benefits (CRB);
- Non-Cash Releasing Benefits (NCRB);
- Societal Benefits (SB);
- Un-monetizable benefits (UB).

The assessment and monitoring of the benefits realisation plan will form a key part of the Post Project Evaluation process for the project.

7.9 Post Project Evaluation

NHS organisations have a duty to evaluate Capital projects, to duly learn from them and to report the findings of the evaluation to Welsh Government. All appropriate programmes and projects are subject to Design and Construction Post- Project Evaluation in accordance with recognised best practice.

7.9.1 Framework for Post Project Evaluation

NWSSP is committed to ensuring that a thorough and robust post-project evaluation (PPE) is undertaken at key stages in the process to ensure that positive lessons can be learnt from the project.

The lessons learnt will be of benefit to:

- NWSSP - in using this knowledge for future projects including capital schemes;
- Other key local stakeholders - to inform their approaches to future major projects;
- NHS Wales more widely - to test whether the policies and procedures which have been used in this procurement are effective.

Post Project Evaluation also sets in place a framework within which the benefits realisation plan can be tested to identify which benefits have been achieved and which have not.

The PPE will be undertaken in accordance with the Designed for Life: Building for Wales Procedure for Design and Construction Post-Project Evaluation, August 2021.

The detailed plans for evaluation will be drawn up by NWSSP in consultation with its key stakeholders.

NWSSP will support the PPE process with other assessments undertaken including AEDET reviews, client surveys and where appropriate patient and staff scheduled surveys and environmental assessments (e.g. BREEAM, estates data and reports).

7.9.1.1 A Design and Construction Post Project Evaluation

A Design and Construction Post Project Evaluation will be carried out within three months of the completion and handover of the scheme. This will record lessons learnt from the procurement and commissioning of the project.

The Design and Construction Evaluation will be facilitated by NWSSP Specialist Estates Services (NWSSP-SES) and is expedited during Stage 5: Operational Commissioning and Project Closure; The outputs of this evaluation will focus upon the performance of the project delivery from start of Stage 2: Outline Business Case development to Stage 5: Operational Commissioning and Project Closure.

7.9.1.2 Service Post Project Evaluation

This process will be completed by NWSSP in accordance with the benefits realisation timeframe within fifteen months of completion and handover, recognising that further reviews may be required thereafter. The Service PPE will be initiated by the Operational Services

Team during Stage 6: Completion. Support in developing and undertaking the evaluations will be provided by The Welsh Government Integrated Assurance Hub.

7.9.2 Management of the Evaluation Process

All evaluation reports will be sent to the Deputy Director of Capital, Estates and Facilities as required for review by Welsh Government.

It is assumed that the costs of Post Project Evaluation NWSSP-SES facilitating the Design and Construction PPE will be met directly by Welsh Government and are therefore not included in the costs for this project. Any costs associated with the involvement of the supply chain and other advisors in the PPE process will be reviewed and included in the FBC capital costs for the project as appropriate.

An outline programme for PPE is included in the Project Milestones in Table 57. A detailed programme for PPE will be developed for the Full Business Case.

7.10 Stakeholder Engagement

7.10.1 Service Engagement

Strong relationships have been forged with the key LPU stakeholders with regular activities being undertaken to ensure that managers and operational staff are kept well informed and are engaged in both the transition and transformation process.

The transfer of staff from the relevant Health Boards to NWSSP has followed an extensive consultation process with information shared through a variety of sources including road shows, on-site discussions and Q&A sessions.

A dedicated section within the NWSSP Intranet and Internet has been set up to provide ongoing information. A number of Executive Briefings detailing progress on the project have been posted to date.

Other staff engagement activities are ongoing via newsletters, noticeboard updates and staff forums.

The OGC Gateway Stage 0 Review highlights constructive relationships between NWSSP and Trade Unions.

7.10.2 Design Engagement

A stakeholder group has been formed and has representation from:

- Laundry Services Ysbyty Glan Clwyd;
- NWLS
- Gleeds
- LTC
- Staff Side - Unison
- BDP Architects
- Tilbury Douglas Construction.

The first formal design meeting of the stakeholder group was held in September 2021, with the aim of developing a structured brief for the new LPU development in North Wales. Further meetings will be arranged during the detailed development of the scheme.

7.10.2.1 Laundry Equipment:

Meetings have been held with the management teams at each Hub, Swansea SWH, Green Vale SEH and Glan Clwyd NWH regarding the equipment detailed in the PBC.

This engagement involved Senior Management, Laundry Managers, Production Managers and site engineering representatives.

Current and proposed laundry throughput, working practice, quality and productivity were discussed to ensure that each Hubs equipment requirement was as far, as practicable, in line with the PBC assumptions. The agreed output is included in the equipment schedules in the Estates Annex, Appendix 1.

7.11 Contingency Plans

The overarching contingency plan for laundry services in the event of delay or non-approval of the business cases would be to continue to operate from the current facilities. This would be at significant risk to the services provided to hospitals throughout Wales due to obsolete equipment and associated frequent breakdowns.

8.0 Conclusion and Recommendations

This Outline Business Case outlines the requirement to re-provide the Laundry Production Unit for North Wales. The existing Ysbyty Glan Clwyd was built in 1983 and has been identified as being no longer fit for purpose. The facility is located in the centre of the Glan Clwyd Hospital site, in very close proximity to the main hospital building.

This project is part of the All Wales Laundry Programme which will result in five existing laundries being replaced by two new laundries in South West and North Wales and Green Vale Laundry being refurbished and re-equipped in South East Wales.

Separate business cases have been developed for a new LPU to serve South West Wales and refurbishment of the existing South East Wales LPU.

A comprehensive site option appraisal, and non-financial and financial evaluation has identified the preferred option is to build a new, purpose built laundry of 2,760m² on a new site on the Tir Llwyd Enterprise Park at Kinmel Bay, Rhyl, North Wales. NWSSP has agreed Heads of Terms with Conwy Council and entered an Option Agreement for 24 months, for a Long Lease interest of 125 years. The new building on the site will be owned by Velindre NHS Trust (NWSSP).

The capital cost of the development is £29m, and potential revenue savings of £368K per annum have been identified.

The development will be built to comply with:

- Relevant Health Building Notes and Health Technical Memorandum;
- BREEAM 'Excellent'
- NHS Wales Decarbonisation Strategy;
- BS EN 14065:2016;

and will facilitate the following:

- Improved staff working environment and experience;
- Improved productivity and consistency through the implementation of new processes and monitoring systems;
- Improved customer experience;
- Improved business continuity.

This Outline Business Case is presented for review and approval by the relevant NWSSP Boards and Committees as part of the wider programme and to allow submission to Welsh Government for further consideration.

9.0 Glossary of Abbreviations

Abbreviation	Definition
ABUHB	Aneurin Bevan University Health Board
AEDET	Achieving Excellence Design Evaluation Toolkit
AWLS	All Wales Laundry Service
BAU	Business As Usual
BCIS PUBSEC	Building Cost Information Service Public Sector (indices)
BCUHB	Betsi Cadwaladr University Health Board
BEIS	Department of Business Energy and Industrial Strategy
BIM	Building Information Model
BREEAM	Building Research Establishment Environmental Assessment Method
BS EN	British Standards European Norm
CO2e	Carbon Dioxide equivalent
CSF	Critical Success Factors
CRB	Cash Releasing Benefits
CTMUHB	Cwm Taf Morgannwg University Health Board
EAC	Equivalent Annual Cost
EFPMs	Estates and Facilities Performance Management System
EOI	Expressions of Interest
FBC	Full Business Case
GHG	Green House Gases
HB	Health Board
HBN	Health Building Note
HUHB	Hywel Dda University Health Board
HTM	Health Technical Memorandum
ITT	Invitation To Tender
LLP	Limited Liability Partnership
LPU	Laundry Production Unit
MEP	Mechanical, Electrical and Plumbing (services)
NCRB	Non Cash Releasing Benefits
NEC	New Engineering Contract

Abbreviation	Definition
NPC	Net Present Cost
NW	North Wales
NWSSP	NHS Wales Shared Services Partnership
NWSSP-SES	NHS Wales Shared Services Partnership – Specialist Estates Services
OBC	Outline Business Case
PBC	Programme Business Case
PPE	Post Project Evaluation
PPOH	Pieces Per Operator Hour
PRINCE2	Projects in Controlled Environments 2
Q&A	Questions and Answers
RABC	Risk Analysis Bio contamination Control
RAG	Red, Amber, Green
RIBA	Royal Institute of British Architecture
ROE	Retention of Employment
SB	Societal Benefits
SBUHB	Swansea Bay University Health Board
SCP	Supply Chain Partner
SE	South East
SES	Specialist Estates Service
SOA	Schedule of Accommodation
SRO	Senior Responsible Officer
SW	South West
tCO ₂ e	Carbon Dioxide equivalent (tonnes)
TUPE	Transfer of Undertakings Protection of Employment
UB	Unmonetisable Benefits
VE	Value Engineering
VFM	Value for Money
WHTM	Wales Health Technical Memorandum
WIP	Work In Progress



NHS Wales Laundry Production Units Service Review

South West Wales Hub

Outline Business Case

June 2022

Version: Final

Version Control

Version	Date	Detail	Issued To
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0.2	22/12/21	Draft 2 for review	NWSSP
0.3	11/02/22	Interim Draft WIP	NWSSP
0.4	05/04/22	Interim Draft WIP	NWSSP
0.5	19/04/22	Working Draft	N/A
0.6	22/05/22	Interim Draft WIP	NWSSP
0.7			
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Final Draft	06/06/22	Final for Internal Review and Approval	NWSSP
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1.0 Executive Summary

1.1 Introduction

NHS Wales Shared Services Partnership (NWSSP) conducted a review of the existing five Laundry Production Units (LPUs) in NHS Wales in line with best practice guidance, *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system*, to determine the optimal solution for the delivery of the future service model. This was formalised in a Programme Business Case in July 2020 which was approved to continue to Outline Business Cases in November 2020. The PBC concluded that a total of three LPUs would be required in the future to serve Wales as follows:

- A new build facility in South West Wales to replace Glangwili Hospital LPU and Llansamlet LPU;
- A new build facility in North Wales to replace Glan Clwyd LPU;
- An expansion and refurbishment of Green Vale LPU to upgrade the existing laundry facility and to allow closure of Church Village LPU.

This Outline Business Case sets out the need for capital investment of **£32.8m** in a new, purpose-built Laundry Production Unit to provide capacity to process all South West Wales laundry volumes, to improve productivity and comply with relevant statutory requirements.

The new facility in North Wales and refurbished facilities in South East Wales are the subject of two separate Business Cases.

1.2 Strategic Case

Until April 2021 LPUs were managed by individual Health Boards. Following the reviews, it was recommended that centralised management arrangements should be implemented in order to maximise the benefits of implementing the new service model. As a consequence, the All Wales Laundry Service (AWLS) was created in April 2021 under direct management of NWSSP. Three existing LPUs transferred to AWLS in April 2021 and the remaining two LPUs have been managed under a Service Level Agreement (SLA) from October 2021.

Currently the South West Wales laundry service is provided by the following laundries:

- Llansamlet Laundry: built in 1940's;
- Glangwili Hospital Laundry: built in 1977.

A survey in 2017 found that the infrastructure within both LPUs was either at the end of or past anticipated life. The facilities within both the South West Wales LPUs did not conform

to regulatory standard *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system* which was introduced by Welsh Government the same year. This inability to comply with regulatory standards increases the infection prevention and control risks and is the main driver for change.

A six facet survey was undertaken at the two existing sites by Nifes in 2017 and further assessed by LTC Worldwide for the PBC resulting in the following Backlog Maintenance values being identified (See Nifes Report included in Appendix 1).

Backlog Maintenance	Llansamlet	Glangwili	Total
Total (£000s)	4,804	3,599	8,403

Table 1: Capital Investment Requirements to Achieve Compliance

In addition, the LPU in Llansamlet has asbestos in the building infrastructure.

There has been no significant investment in the facilities since 2017.

1.2.1 Activity Levels

Between the five LPUs nearly 29 million items were processed during 2021/22, predominantly providing services across Wales to all NHS organisations. A very small proportion of items are processed for external customers. Pieces processed by the two existing LPUs over the last five years (2017/18 to 2021/22) is shown in the following table. Reductions in 2019/20 and 2020/21 are related to reductions in elective patient activity connected to COVID19.

	2017/18	2018/19	2019/20	2020/21	2021/22
Llansamlet LPU	4,576,473	4,474,411	4,357,772	4,116,445	4,475,902
Glangwili LPU	4,641,588	4,831,626	4,166,616	4,450,533	4,690,301
Total	9,218,061	9,306,037	8,524,388	8,566,978	9,166,203

Table 2: Number of pieces processed per annum 2017/18 to 2021/22 (EFPMS data)

1.2.2 Case for Change

The main driver for the change is the introduction of the new guidance on the decontamination of linen, including:

- *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system*, which was introduced to provide management systems for the microbiological quality of laundry, and;

-
- Welsh Health Technical Memorandum 01-04 (WHTM01-04) published to provide NHS Wales organisations with guidance on all aspects of the decontamination of linen for health and social care settings in line with BS EN 14065:2016.

The 2017 review of the existing LPUs established that none of the laundries were compliant with these standards and guidance, with the main issues relating to deficiencies in the physical estate, including:

- Physical layout, specifically lack of separation between soiled and clean linen;
- Lack of or substandard ventilation systems resulting in the potential for negative air pressure in the soiled linen area or positive air flow from the clean textiles area through the soiled textiles area with ventilation directly to the outside;
- Poor standard of existing equipment, and;
- General dilapidated condition of buildings, some of which are more than 30 years old and have an extensive backlog of maintenance work.

These deficiencies result in increased infection control risks along with significantly impacting on the health and wellbeing of the workforce due to poor working conditions. These issues can only be addressed with significant capital investment and / or provision of new facilities.

The South West Wales situation shares these drivers for change. In addition, the poor condition of the 45 year and circa 80-year-old facilities significantly increases the risks to business continuity and health and safety for the All Wales Laundry Service going forward. There is therefore an urgent need to take immediate action.

1.2.3 Future Capacity

The existing LPUs appear to be operating below their potential optimum capacity. Any ability to increase utilisation is constrained by the age of existing equipment, plant and building fabric and the need to invest in them, and the limits posed by the total requirement for NHS laundry in Wales.

Clearly this increases the risk of major breakdowns which threaten the LPUs ability to deliver efficient and effective services. Regular breakdowns are now being experienced. This is causing a significant system resilience risk and may impact on Health Boards ability to deliver clinical services in the future as the situation worsens.

1.2.4 Value for Money

Large scale laundry services are capital investment heavy and require significant labour and maintenance resources. The 2021/22 total operating costs for all existing 5 LPUs were £11.4m with an average cost of £0.40 per item. The costs charged to Health Boards vary across NHS Wales between 30p and 51p, partly as a system of each LPU being historically independently managed. The intention is, upon the completion of the transformational programme, to develop an All Wales costing model where all customers will pay the same price for the same items.

A benchmarking exercise undertaken at PBC stage identified that the current costs from the LPUs were higher than external providers, who recorded an average cost of 29 pence per item (these costs have increased by circa 20% as a result of rising energy and fuel prices and now stand at circa 36 pence per item). This indicated that, provided there is appropriate investment in facilities and the workforce to re-engineer plant and production flows and provide plant and equipment with greater throughput per hour, thereby moving towards best practice in Wales could achieve significant value for money benefits.

1.2.5 Spending Objectives

The core spending objectives have been confirmed as:

Spending Objective:	
1	To minimise risk to patients, staff and the organisation by complying with the latest standards of decontamination of linen
2	To provide effective support to clinical services by delivering the highest quality linen service
3	To deliver an equitable service across NHS Wales and minimise variation between sites
4	To provide the highest quality service that offers the best value for money in terms of cost per unit
5	To provide appropriate level of capacity to meet changing demand and mitigate the risk of service failure

Table 3: Programme Spending Objectives

1.3 Economic Case

In accordance with the NHS Wales Infrastructure Investment Guidance and requirements of the HM Treasury Green Book (A Guide to Investment Appraisal in the Public Sector), the PBC described the options framework approach adopted by NWSSP to determine the longlist, shortlist and potential preferred way forward, which identified that *PBC Option 3*:

Deliver laundry services from 3 LPUs with centralised management arrangements, was the option most likely to offer best value for money.

For South West Wales it was determined that neither of the current LPUs were suitable for development. Therefore, an option appraisal has been undertaken to identify the preferred site for the new South West Wales LPU.

1.3.1 Critical Success Factors

The critical success factors identified at PBC stage have been reviewed and determined relevant going forward:

Critical Success Factor	Description
Strategic Fit	Meets agreed spending objectives, related business needs and service requirements. Aligns with local and national strategic direction
Value for Money	Optimises public value in terms of potential costs, benefits, and risks.
Potential Achievability	Is likely to be deliverable. Matches the available skills required for successful delivery.
Supply Side Capacity and Capability	Matches the ability of service providers to deliver required services. Is likely to be attractive to the supply side.
Potential Affordability	Can be funded from available sources of finance.

Table 4: Critical Success Factors

1.3.2 Initial Site Search Long List of Options

An initial search was undertaken by the Project Management Team in conjunction with NWSSP Special Estates Property Services to identify all potential site options within a 5 mile radius of the existing Llansamlet LPU. This identified six potential sites within the Swansea area which formed the long list.

1.3.3 Long List of Options

Location:	Comments:	Status
Elba Crescent, Swansea	Withdrawn by Owner	Eliminated
Forest Way, Swansea		Carried forward to long list
Former Michton Premises, Swansea		Carried forward to long list
Mill Stream Way, Swansea		Carried forward to long list
Swansea West Industrial Site, Swansea		Carried forward to long list
Parc Felindre, Swansea	Withdrawn by Owner	Eliminated

1.3.4 Short List of Options

Following the withdrawal of two sites by the land owners, the remaining four sites were taken through to the shortlist. The resultant shortlist options were:

- Option 0** Business as Usual;
- Option 1** Forest Way, Swansea;
- Option 2** Former Michton Premises, Swansea;
- Option 3** Mill Stream Way, Swansea;
- Option 4** Swansea West Industrial Site, Swansea.

These sites were then appraised at a multi-disciplinary workshop to RAG rate the options against 19 site selection criteria. The RAG rating used assigned 'green' as being above expectations, 'amber' as borderline and 'red' as unsuitable

For the purposes of the economic appraisal scores were applied to the RAG rating with each of the plots being allocated a score of 1 for a green rating against the selection criteria (except purchase costs) as shown in the following table. This determined that Mill Stream was the preferred option from a non-financial perspective. The summary scores are shown in the following table.

Criteria	Forest Way	Former Michton Premises	Mill Stream Way	Swansea West Industrial Site
Total Score	11	8	12	10
Rank	2	4	1	3
Variance to preferred	-8%	-33%	0%	-17%

Table 5: Non-Financial Appraisal Scores (Site Selection)

One site was discounted due to very sloping topography, and another discounted due a number of concerns regarding the suitability of the site and cost. The review concluded that further investigatory work should be undertaken on two sites:

- Mill Stream Way, Swansea;
- Swansea West Industrial Estate (reserve site).

1.3.5 Economic Appraisal

The economic appraisal has been based on a generic economic model (GEM) basis:

- The economic model has been run for 30 years;
- Using 2021/22 revenue cost basis;
- A discount rate of 3.5% has been applied.

A financial preferred option is identified but given the only clear differential is the site selection, the key driver for the preferred option is the suitability of the site.

1.3.5.1 Capital Costs

The capital costs for the shortlisted options are included in the following table:

	Capital costs £'000s			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Works Costs	13,770	13,813	13,533	13,470
Design Fees	2,636	2,636	2,617	2,636
Non-Works	2,029	1,979	1,110	1,129
Equipment	7,851	7,851	7,851	7,851

	Capital costs £'000s			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Planning Contingencies	2,629	2,628	2,513	2,509
Sub Total	28,914	28,906	27,623	27,594
VAT	5,417	5,415	5,166	5,157
Total (Approval)	34,331	34,321	32,789	32,751

Table 6: Capital Costs for Shortlisted Options

The works cost for the options have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. For comparative purposes against the capital costs included in the PBC an adjustment has also been made using BCIS PUBSEC index of 250.

1.3.5.2 Revenue Costs

The revenue costs for each option were considered to be the same regardless of site (excluding land costs which are included in the capital costs).

	Revenue Costs £000's				
	Baseline 2021/22	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Pay	2,140	1,022	1,022	1,022	1,022
Non Pay					
Direct Processing Costs	528	573	573	573	573
Transport	150	174	174	174	174
Utilities	652	363	363	363	363
Overheads	42	42	42	42	42
Total Non-Pay	1,371	1,151	1,151	1,151	1,151
Total	3,510	2,173	2,173	2,173	2,173
Revenue (Saving) Cost		(1,337)	(1,337)	(1,337)	(1,337)

Table 7: Revenue Costs for Shortlisted Options

For the purpose of the economic model revenue risks would be the same for all options and will therefore be considered at FBC stage. Costs for transport and utilities have been taken for the Carbon Review undertaken by Archus. Costs are at 2021/22 levels.

The following table shows that Option 4 is the preferred option on a financial basis but purely due to the capital costs and the difference is very small including risk.

	Economic Model £'000s			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Capital Costs inc. Lifecycle	30,295	30,286	29,174	29,153
Revenue Costs	49,417	49,417	49,417	49,417
Net Contribution	0	0	0	0
Total NPC Excl. Risk	79712	79703	79,234	78,570
Risk	2,414	2,413	4,503	2,304
Total NPC including Risk	82,126	82,116	83,095	80,874
Equivalent Annual Cost (EAC)	3,907	3,907	3,853	3,851
Financial Rank All Options	4	3	2	1
Margin All Options	-1.5%	-1.4%	0.0%	0.0%
NPC Switch Value	(1,252)	(1,242)	(2,221)	2,221

Table 8: Economic Analysis for Shortlisted Options

1.3.5.3 Sensitivity Analysis

Sensitivity analysis has been undertaken to see how much change would be required for the financial assumptions to change for the preferred option in terms of revenue and capital costs. Given that all sites costs are at similar levels the sensitivity required on financial grounds to change the preferred option is very small.

There is a risk that the value engineering included in option 3 would change the preferred option if it is not realised. This would cause a shift of NPC switch value to 4.5% as highlighted in the following table.

	Economic Sensitivity £000's			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Capital Costs	-4.1%	-4.1%	-7.6%	7.6%
Revenue Costs	-2.5%	-2.5%	-4.5%	4.5%
NPC Change Needed	(1,252)	(1,242)	(2,221)	2,221

Table 9: Economic Sensitivity

1.3.5.4 Selecting the Preferred Option

For the purposes of the economic appraisal, a non-financial scoring system has been adopted to reflect the process for determining the relative suitability of the short listed sites. Each option has been given a point for a green ranking across each of the 19 criteria. The impact of which is shown in the following table and reflects that Option 3 has the best fit for the South West laundry.

The results of the option appraisal suggested that the options should be ranked in relation to the value for money each offers as shown in the following table. This show option 3 as 12.5% better than option 1.

	Combined Appraisal Impact £000's			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Weighted Non-Financial Scores	10.0	8.0	11.0	9.0
Non-Financial Ranking	2	4	1	3
Margin Preferred			12.5%	
EAC Impact of Options	3907	3907	3853	3851
Economic Ranking	4	3	2	1
Benefit Points per EAC	0.003	0.002	0.002	0.02
Combined Ranking	2	4	1	3
Difference (%)	(10.4%)	(28.3%)	0.0%	(18.2%)

Table 10: Combined Appraisal Impact

The table above shows that option 3: New Build LPU at Mill Stream Way is the Preferred Option when taking into account the combined impact of the financial and non-financial : appraisals.

Sensitivity analysis has been undertaken to identify the potential switch value to change the rankings and is shown in the following table.

The change identified is higher than the potential risk of the value engineering and would not change the preferred option.

A sensitivity on non-financial evaluation has been undertaken which shows that option 3 would have to move by 1.5 from a non-financial score of 11 to no longer be the preferred option.

1.4 Commercial Case

1.4.1 Procurement Strategy

1.4.1.1 Design and Construction

Use of the NWSSP Building for Wales framework is mandatory for a construction programme of this size. There were four suppliers plus one reserve bidder available for the category. A competitive tendering process was undertaken, with progress during the EOI / Tendering process being:

- Wilmott Dixon and IHP declined to tender prior to ITT publication;
- ITT published; BAM, Tilbury Douglas and Kier invited to tender;
- Kier withdrew from the process 24/03/21.

The bids received from BAM and Tilbury Douglas were reviewed to ascertain the financial submissions and both bidders were interviewed. The process concluded that the best value bid was that offered by Tilbury Douglas.

1.4.1.2 Other Advisors / Suppliers

Formal approved procurement processes were followed, resulting in the following appointments:

- | | |
|------------------------------------|---|
| ■ Project Management: | Gleeds; |
| ■ Cost Advisor: | Gleeds Cost Management Ltd; |
| ■ Laundry Advisor: | LTC Worldwide; |
| ■ Business Case Author: | Strategic Healthcare Planning; |
| ■ Transport and Carbon Assessment: | Square Gain Ltd in partnership with Archus Ltd. |

Seven laundry equipment suppliers were invited to Express an Interest in the project based on their extensive experience in both the UK and abroad. Following Stage 1 and Stage 2 Invitation to Tender (ITT) procedures, three laundry equipment suppliers have submitted priced proposals and equipment layouts for the production areas to inform Stage 2 design. A further market testing exercise will be undertaken post OBC in which equipment companies will be invited to bid to enable a preferred supplier to be identified during RIBA Stage 3, who will assist in the detailed design process and will contribute to the technical design in RIBA Stage 4. This will also enable equipment requirements and supporting plant to be accurately specified and costed.

The process for equipment procurement is outlined in the following diagram. For further details see Section 5.1.4.

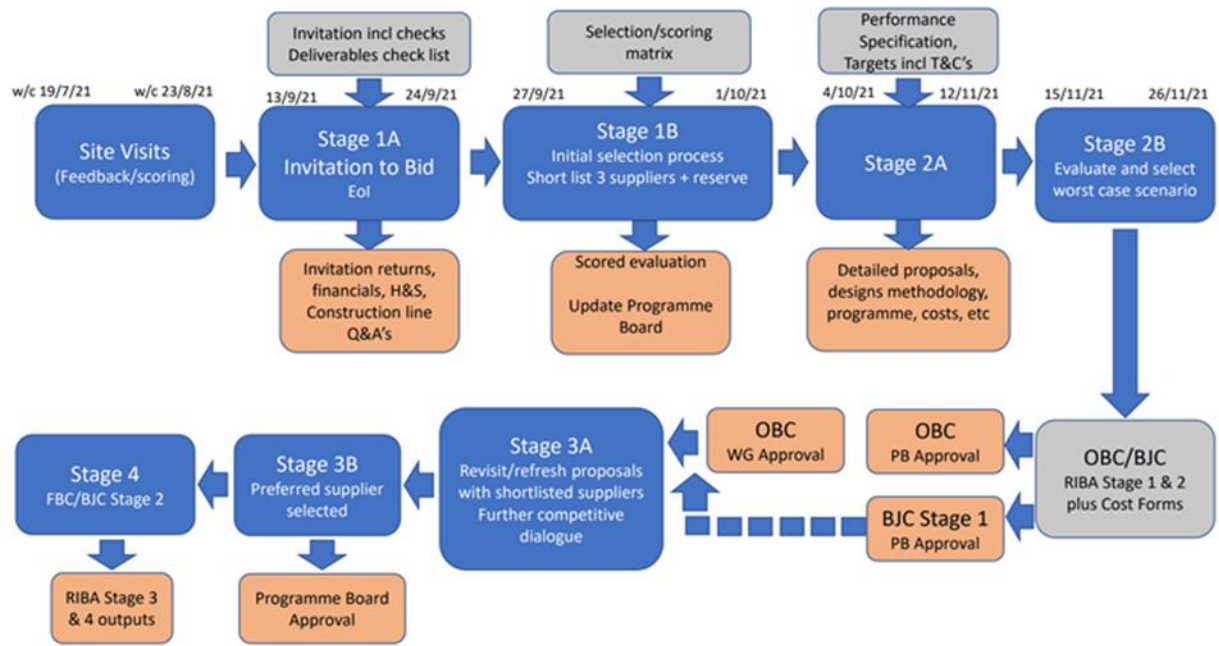


Figure 1: Process Map for Equipment

1.4.2 The Proposal

The proposal is to build a new, two storey purpose designed laundry of 3,128 ² on a new development site in Mill Stream Way, Swansea, South Wales.



Figure 2: Development Site, Mill Stream Way, Swansea

1.4.3 Design

An AEDET review of the design of the new building was held on 16th February 2022 following the completion of RIBA Stage 2 design and to support this OBC. The outcome is shown in the following diagram.

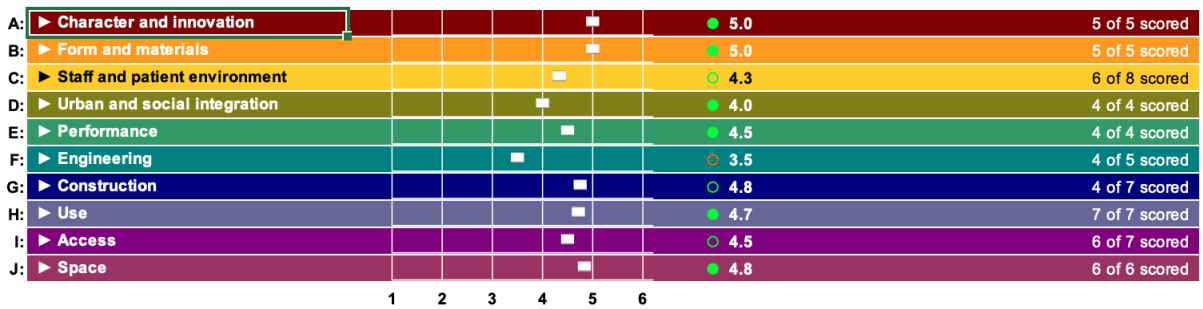


Figure 3: AEDET Summary Results

The detailed outcomes of the review are included in the Estates Annexe in Appendix 1.

1.4.4 Decarbonisation

In support of delivering to the decarbonisation agenda for Wales in line with *Prosperity for All: A Low Carbon Wales* and the *NHS Wales Decarbonisation Strategic Delivery Plan 2021-30*, the PBC included an assessment of the carbon baseline for the current five LPU's and the potential future carbon targets for the proposed three LPU's. The carbon dioxide equivalent (CO₂e) for the two South West Wales LPU's in 2018/19 and updated by Square Gain in 2022 is as shown in the following table:

Laundry	CO ₂ e per kg of laundry at PBC (2018/19)	CO ₂ e per kg of laundry at OBC (2021/22)	Reason for change
Llansamlet	0.657	0.618	New information available which reflects a lower value emission
Glangwili	0.283	0.250	New information available which reflects a lower value emission These emissions are lower than those reported for other LPU's due to the fact that the laundry is served by a site Biomass boiler and steam. In addition the figures are provided by the Health Board and are based on apportionment of whole site energy usage with no metering available. For these reasons it is anticipated that energy and carbon usage will be higher than currently reported on opening of the new facility which will be served from dedicated plant.

Table 11: CO₂e emissions for South West Wales LPU's PBC and OBC

The expected future operational target for the proposed three LPU's at PBC was set at less than 0.35 CO₂e per kg of laundry.

To support the AWL Programme, Square Gain were commissioned in February 2022 to review the carbon baseline and target for this stage of the business case process (See Full Reports and Carbon Analysis in the Estates Annexe, Appendix 1).

The purpose of the Square Gain review was to assess and ratify the original greenhouse gas (GHG) emissions assessment of the existing LPU's in Wales, included in the report at PBC

taking into account subsequently provided data, including BREEAM pre-assessments, and finalised locations.

Square Gain’s review of all data, has resulted in general agreement with the original Capita report and other project projections, including BREEAM Pre-Assessments. The review demonstrated that the progression from five LPU sites to three, will deliver carbon savings broadly as indicated in previous reports.

Total annual carbon savings per year against the existing LPUs are estimated to be 1,648 tonnes of carbon dioxide equivalent (tCO2e), equivalent to more than £409,000 the summary of which is shown in the following table. Further potential savings are outlined in the AWL Laundry Carbon Assessment Report South West LPU included in Appendix 1.

For the SW LPU the reductions are estimated to be circa 658 tonnes of carbon dioxide equivalent (tCO2e) equating to £163K per annum.

Carbon including Transport

Variables	Glan Clywd	Greevale	Swansea	Church Village	Camarthen	South West	South East	North
Total Yearly km per kg/CO2e	663,228	1,107,191	1,259,069	2,002,857	596,330	1,197,564	1,870,751	911,709
Total Yearly tonne CO2e	663	1,107	1,259	2,003	596	1,198	1,871	912
Monetary equivalent	£164,701.62	£274,952.43	£312,668.80	£497,376.16	£148,088.62	£297,395.00	£464,569.81	£226,407.75

Non-traded value				Total	
Annual savings of tCO2e	657.84	1,239.30	-	248.48	1,648.65
Monetary Equivalents of benefit £	£163,362.41	£307,758.77	-£61,706.13		£409,415.05

Inputs	
per tonne	1000
2022 central series value	£248.33
Transport (km)	0.86654
Operating hours North	37.5
Operating Hours South West	37.5
Operating Hours South East	41.5
% Adjusted operating hours	-10.7%

Assumptions	
The transport mileage has been recalculated across for all sites	
An appropriate vehicle type and associated carbon factor per mile have been selected based on average load volume with all journeys undertaken on an A-B-A basis	
In line with the PBC 'average laden' weight has been assumed for all transport	
Increased operating hours mean an increase in CO2 to this benefit which is a negative impact	
2022 value for CO2 used from Valuation of greenhouse gas emissions: for policy appraisal and evaluation Published 2 September 2021	

Table 12: Total Anticipated Carbon Savings per annum (including Transport)

1.4.5 Building Research Establishment Environmental Assessment Methodology (BREEAM)

A BREEAM Pre-Assessment for the South West Wales LPU was undertaken in October 2021. This was facilitated by Greenbuild Consult who have been appointed by the SCP to advise on BREEAM. The pre-assessment is based upon the BREEAM New Construction 2018 non domestic scheme (SD5078:3.0-2018) methodology and complies with both the requirements embedded in the Design for Life Framework and Welsh Government requirements for a new build facility.

The project proposals have been reviewed in accordance with achieving a minimum BREEAM rating of 'Excellent' and achieving a minimum score of 70%. The pre-assessment has demonstrated that the design of the building could provisionally achieve an 'Excellent' rating of 75.70%.

1.4.6 Land Acquisitions and Disposals

The existing laundries at Llansamlet and Glangwili will be vacated and decommissioned by NWSSP following opening of the new LPU in South West Wales. Llansamlet LPU will remain in the ownership of NWSSP and will be disposed of or reused at the appropriate time. The laundry at Glangwili hospital will remain in the ownership of Hywel Dda University Health Board. Any equipment with a residual life will either be reused in the three replacement laundries to support the programme or sold as part of the decommissioning process.

1.4.6.1 New site at Mill Stream Way, Swansea

NWSSP have contacted Swansea City Council (land owner) and Welsh Government (leaseholder) in October 2021 with regards to securing the Mill Stream Way plot and received positive responses to the enquiries.

Welsh Government had obtained the original lease from Swansea City Council in 2008, leaving approximately 125 years remaining on the lease at that time. This lease would be transferred to NWSSP.

Swansea City Council and NWSSP have been in negotiations over the Heads of Terms. Further details of the agreement are provided in Section 5.5.2 and Appendix 1.

1.4.7 Planning Approval

A Pre-Application Enquiry for the laundry development at Mill Stream Way, Swansea was submitted to Swansea Planning Authority on 8th December 2021 to seek confirmation on the principle of the development and confirmation of the proposal of transport and parking and in respect of flooding. A formal response was received on 22nd February 2022. The application site is identified for employment use within the concept plan for Strategic Development Area 1 (Swansea Vale). Accordingly, the proposed use is considered acceptable with further details as highlighted in the response included in Appendix 1.

1.5 Financial Case

The capital cost breakdown for the preferred option is included in the following table:

	Capital costs £'000s
Works Costs	13,533
Design Fees	2,617
Non-Works	1,110
Equipment	7,851
Planning Contingencies	2,513
Sub Total	27,623
VAT	5,166
Total (Approval)	32,789

Table 13: Capital Costs for Preferred Option

The works cost for the preferred option have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. Inflation has been excluded at this stage.

The Capital Cost Forms also show the capital costs at PUBSEC 250 (the indices used at PBC) to allow a direct comparison with the PBC costs.

A VAT reduction of 7% has been assumed on capital costs in accordance with advice received from Ernst and Young LLP.

The expenditure flow based on a construction completion date of 2025 is provided in the following table:

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Capital Spend £'000s	341	2,501	6,413	20,667	2,867	32,789

Table 14: Capital Expenditure Year by Year

Revenue Costs for the preferred option are included in the following table and are at 2021/22 price base.

	Revenue Costs £000's	
	Baseline 2021/22	Option 3
Pay	2,140	1,022
Non Pay		
Direct Processing Costs	528	573
Transport	150	174
Utilities	652	363
Overheads	42	42
Total Non-Pay	1,371	1,151
Total	3,510	2,173
Revenue (Saving) Cost		(1,337)

Table 15: Revenue Costs

The largest cost saving for the development is from pay. Non pay costs are anticipated to increase due to increasing fuel and energy costs.

An impairment to the value of the building is anticipated in the first year of operation in line with District Valuers valuations. This will have the impact of reducing capital charges. No account of this has currently been made in the revenue models. This will be considered in more detail at FBC.

1.6 Management Case

1.6.1 Project Management and Governance Arrangements

The project structure developed by NWSSP reflects ownership of the programme at the highest levels and draws not only upon the traditional roles associated with capital project management, but also upon significant user representation and support from across the Laundry Services.

The governance and reporting arrangements for the All Wales Laundry programme is shown in the following diagram.

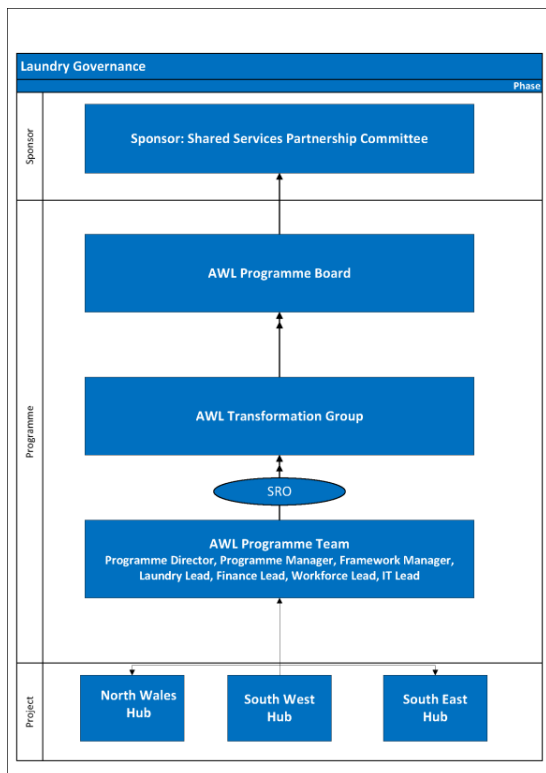


Figure 4: Programme Governance Structure

The Senior Responsible Officer for the programme is Neil Davies and the Programme Director is Lee Wyatt. A Laundry Transformation Group and Laundry Programme Board has been established to ensure that key deliverables and spending objectives are met. The Laundry Programme Board reports through the NWSSP Senior Leadership Team to the NWSSP Committee. Seven workstreams have also been established to support development of the three projects. Further details are included in Section 7.1. Programme and Project Governance Arrangements.

NWSSP have used special advisors in a timely and cost-effective manner to lead the development through to outline business case stage. These advisors have either been appointed directly by NWSSP or appointed via the Supply Chain Partner, Tilbury Douglas Construction.

1.6.2 Risk Management

An overarching risk register has been developed for the programme, to record and log details of any item or event which is considered to put the objectives of the programme at risk and is appended to this OBC.

The programme risk register is a live document and is updated regularly and owned by NWSSP. A costed Design and Construction Risk Register has also been developed for the project which is again reviewed on a regular basis. Any high level risks for this risk register are also included on the overarching Programme Risk Register. Both risk registers are provided in the Estates Annexe in Appendix 1.

The main risks (risk score 12 and above) after mitigation, for the All Wales Laundry Programme (as at May 2022) are identified in the following table:

Risk No.	Risk	Mitigation Measure	Residual Risk Score
R21	Failure to meet OBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15
R22	Failure to meet FBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15
R48	Delay to project programme due to requirement to re-procure Supply Chain Partner	Risk response and risk actions limited due to external factors outside of our control. Closely monitor current contractual situation and evaluation process. Due diligence undertaken & Board signed off. SCP to progress.	15
R29	Site selection: Unable to secure site within 5 mile radius	Expedite site search, criteria assessment and testing / analysis at early OBC stage, to determine early options. Single point responsibility through SCP.	12
R31	Failure to provide a modern production facility, due to new sites and with existing buildings	Compromised footprint; layout, segregation etc. Detailed testing and assessment of each site against clear and pre-agreed parameters as part of FBC feasibility studies and options development. Operational	12

Risk No.	Risk	Mitigation Measure	Residual Risk Score
		design & workshops included such parameters.	
R51	HB financial destabilisation as result of NWSSP Laundry Programme benefit realisation.	Early stage engagement with respective HB to address the impact of a change in PPI and thus HB revenue and budget shortfall. Especially ABUHB given CAV subsidisation.	12

Table 16: Main Programme Risks impacting this project and business case

1.6.3 Delivery Programme

The key milestones for the project are provided in the following table. The overarching programme is included in the Estates Annexe, Appendix 1.

Activity	Target Date
OBC Development	May 2022
OBC Internal Approvals	May 2022 – July 2022
OBC Submission to Welsh Government	July 2022
OBC Approval by Welsh Government	November 2022
FBC Development	January 2023 – August 2023
Detailed Design (RIBA Stage 3 and Stage 4)	November 2022 – May 2023
Full Planning Approval	June 2023
FBC Internal Approvals	August 2023 – September 2023
FBC Submission to Welsh Government	October 2023
FBC Approval by Welsh Government	January 2024
Mobilisation	January 2024 – February 2024
Construction incl. Commissioning and Handover	February 2024 – July 2025
Laundry Services Commissioning, Familiarisation, Training	July 2025 – September 2025
New Laundry Operational	September 2025
Decommissioning and Closure of Llansamlet and Glangwili Laundries	October 2025 – March 2026
Post Project Evaluation: Design and Construction	December 2025
Post Project Evaluation: Service	December 2026

Table 17: Project Milestones

1.6.4 Gateway Review

An external Gateway Review Stage 0: Strategic Assessment was undertaken for the programme by the Welsh Government in July 2021 followed by a Stage 2 Delivery Strategy Assessment in February 2022. The AWL Programme has also been subject to internal audit and a lessons learned exercise at the end of the OBC stage.

1.6.5 Benefits Realisation

A draft Benefits Realisation Plan has been developed for the project and is included at Appendix 5. This plan will be developed in more detail in the Full Business Case and will form the basis of the Post Project Evaluation.

1.6.6 Post Project Evaluation

The detailed plans for post project evaluation (PPE) will be drawn up by NWSSP which is committed to ensuring that thorough and robust PPE is undertaken at key stages in the process to ensure that positive lessons can be learnt. This will also put in place a framework for the benefits realisation plan to identify whether benefits have been achieved or not.

The PPE will be undertaken in accordance with the Designed for Life: Building for Wales Procedure for Design and Construction Post-Project Evaluation, August 2021.

1.6.7 Contingency Plans

The overarching contingency plan for laundry services in the event of delay or non-approval of the business cases would be to continue to operate from the current facilities. This would be at significant risk to the services provided to hospitals throughout Wales due to obsolete equipment and associated frequent breakdowns, non-compliance to Laundry Standards and infrastructure failings.

1.7 Conclusion and Recommendations

This Outline Business Case outlines NWSSP's requirement to re-provide the two existing Laundry Production Units in South West Wales with a new, purpose designed LPU. Llansamlet Laundry was built in the 1940's and the Glangwili Hospital Laundry in 1977. The two laundries have been identified as being no longer fit for purpose.

This project is part of the All Wales Laundry Programme which will result in five existing laundries being replaced by two new laundries in South West and North Wales and Greenvale Laundry being refurbished and re-equipped to serve South East Wales

Separate business cases have been developed for a new LPU to serve North Wales and refurbishment of the existing SE Wales LPU.

A comprehensive site option appraisal, and non-financial and financial evaluation has identified that the preferred option is to build a new, two storey purpose designed laundry of 3,128 square metres on a new development site in Mill Stream Way, Swansea, South Wales.

NWSSP have contacted Swansea City Council (land owner) and Welsh Government (leaseholder) in October 2021 with regards to securing the Mill Stream Way plot, and both have responded positively to NWSSPs enquiry.

Welsh Government had obtained the original lease from Swansea City Council in 2008, leaving approximately 125 years remaining on the lease. This lease will be transferred to Velindre NHS Trust (NWSSP). The land acquisition will cost £409,500 + VAT.

Heads of Terms have been agreed and are provided (subject to contract) in Appendix 1. The new building on the site will be owned by Velindre NHS Trust (NWSSP).

The capital cost of the development is £32.8m and potential revenue savings of £1.34m per annum have been identified.

The development will be built to comply with:

- Relevant Health Building Notes and Health Technical Memorandum;
- BREEAM 'Excellent'
- NHS Wales Decarbonisation Strategy;
- BS EN 14065:2016;

and will facilitate the following:

- Improved staff working environment and experience;

-
- Improved productivity and consistency through the implementation of new processes and monitoring systems;
 - Improved customer experience;
 - Improved business continuity.

This Outline Business Case is presented for review and approval by the relevant NWSSP Boards and Committees as part of the wider programme and to allow submission to Welsh Government for further consideration.

2.0 Introduction

2.1 Scope of Document

NHS Wales Shared Services Partnership (NWSSP) conducted a review of the existing five Laundry Production Units (LPUs) in NHS Wales in line with best practice guidance to determine the optimal solution for the delivery of the future service model. This was formalised in a Programme Business Case in July 2020 which was approved to continue to Outline Business Cases in November 2020. The review concluded that a total of three LPUs would be required in the future to serve Wales as follows:

- A new build facility in South West Wales to replace Glangwili Hospital LPU and Llansamlet LPU;
- A new build facility in North Wales to replace Glan Clwyd LPU;
- An expansion and refurbishment of Green Vale LPU to upgrade the existing laundry facility and to allow closure of Church Village LPU.

This Outline Business Case sets out the need for capital investment in a new, purpose-built Laundry Production Unit to provide capacity to process all South West Wales laundry volumes, to improve productivity and comply with relevant statutory requirements.

The new facility in North Wales and refurbished facilities in South East Wales are the subject of two separate Business Cases.

2.2 Document Structure

This OBC has been structured in line with the Five Case Model for Business Cases, considered as best practise by HM Treasury. The business case has been developed in accordance with the NHS Wales *Infrastructure Investment Guidance, 2018* and *HM Guide to developing the project business case*. the HM Treasury Green Book. The OBC comprises the following key components:

- **The Strategic Case:** Sets out the background and strategic context, outlines the issues currently faced within the existing Laundry Production Units (LPU) in Wales, and the objectives underpinning the proposed service change;
- **The Economic Case:** Identifies the options for consideration for this LPU along with their capital costs and revenue costs and the option appraisal process undertaken. This section also demonstrates that the organisation has selected the most economically advantageous option which best meets the existing and future needs of the service and optimises value for money (VFM);

- **The Commercial Case:** Outlines the content of the proposed preferred option and the procurement strategy selected for delivery of the project;
- **The Financial Case:** Confirms funding arrangements and affordability and the effect of the project on the balance sheet of the Trust;
- **The Management Case:** Details the plans for successful delivery of the scheme to cost, time and quality.

3.0 Strategic Case

3.1 Organisational Overview

3.1.1 NHS Wales Shared Services Partnership (NWSSP)

The NHS Wales Shared Services Partnership (NWSSP) is an independent organisation owned by NHS Wales and hosted by Velindre University NHS Trust, which supports the statutory bodies of NHS Wales through the provision of a comprehensive range of high quality, customer focused support functions and services. The organisation structure is shown in the following diagram.

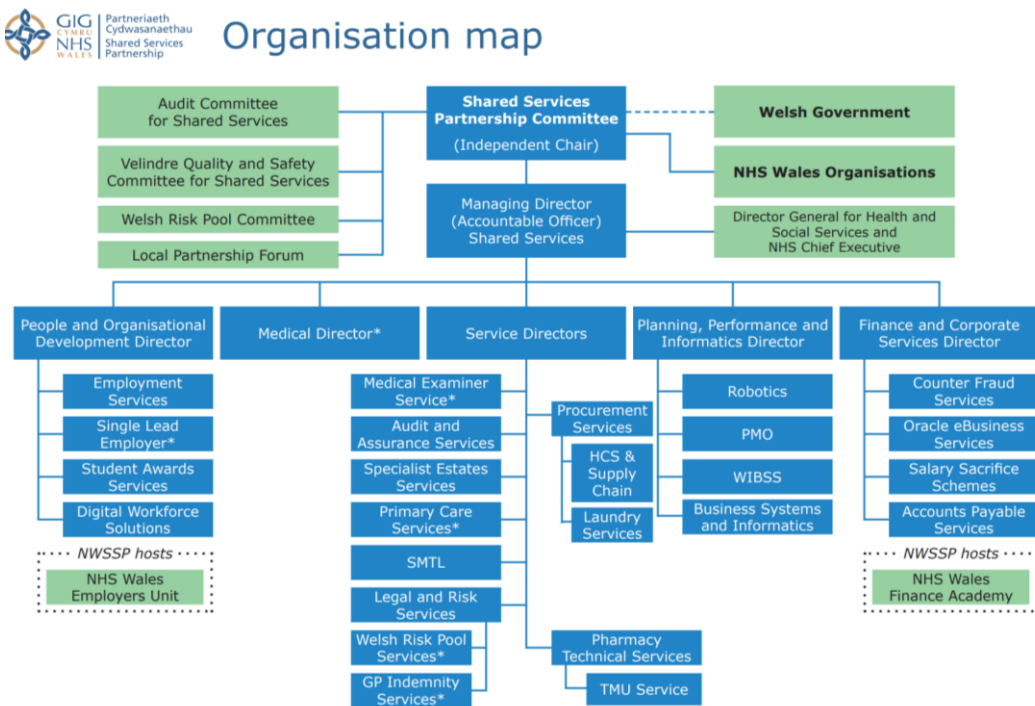


Figure 5: NWSSP Organisational Structure

NWSSP supports NHS Wales by creating dedicated shared services with a primary focus on operating within best practice guidelines and with a customer care ethos centred on high quality service. It is led by a Managing Director and Senior Management Team accountable to the Shared Services Partnership Committee composed of NHS organisational representatives and an independent chair.

The introduction of the European Standard *BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system* in 2016, which sets out a system for assuring the microbiological quality of processed linen, combined with the need to provide a resilient, sustainable and affordable service, prompted the NWSSP Committee to commission a review of the existing service.

The Laundry Production Unit Service Review (the review) is led by the NWSSP Committee. The review affects all NHS Wales Health Boards and patients, since frontline services rely on a regular supply of clean, safe and decontaminated linen service (which represents value for money), to provide sustainable clinical services.

This OBC builds upon the approved PBC in reviewing the existing LPUs in NHS Wales against best practice guidance, specifically *BS EN 14065:2016 Textiles, Laundry processed textiles, Biocontamination control system* (Section 3.2.5) and to provide the case for the new laundry facility in South West Wales.

3.2 National Context

The following sections outline the national and local drivers which underpin the proposals in this business case.

3.2.1 Well-Being of Future Generations (Wales) Act 2015

The Well-Being of Future Generations (Wales) Act 2015 set out a range of overarching well-being goals and sustainable development principles to ensure that all public bodies act in a manner that does not compromise the needs of future generations.

The review of the existing LPU service completed in 2020 highlighted the principles set out in the 2015 Act, through looking at the contribution of the laundry service in Wales to the improvement of social, economic, environmental, and cultural well-being of Wales by helping to contribute to the creation of:

- A prosperous Wales by supporting the economy through the development of a skilled and sustainable workforce and investing in services and facilities in a way that provides optimum public value;

- A resilient Wales by providing a sustainable service with the capacity to meet the current and future needs of the population;
- A healthier Wales by reducing the risk of healthcare acquired infections, enabling Health Boards to deliver high quality and safe clinical services, and improving the health and wellbeing of the workforce;
- A more equal Wales by supporting Health Boards to improve access to services in the right place at the right time in the workforce to provide appropriate training and development, and;
- A globally responsible Wales that aims to minimise its environmental impact.

3.2.2 Prosperity for All – Welsh Government 2017

This national strategy set out the Welsh Governments key priorities, with the main aim of this being to drive integration and collaboration across the Welsh public sector, putting people at the heart of improved service delivery. The review of the laundry production unit service and its recommendations support this aim as detailed in the following table.

Key Themes	Proposed Development of LPUs in Wales
Prosperous and secure	Enabling the workforce to fulfil their ambitions and enhance their wellbeing through secure and sustainable employment by delivering best value for money and contributing to the sustainability of the system.
Healthy and active	Providing better working conditions that will improve the health and wellbeing of the workforce. Reducing the risk of healthcare acquired infections.
Ambitious and learning	Contribute to a prosperous Wales by developing the workforce to create highly skilled and adaptable people.
United and connected	Supporting the overall economy by providing best value for public money.

Table 18: All Wales Laundry approach to integration and collaboration

3.2.3 Prosperity for All: A Low Carbon Wales (2019)

This strategy sets out the Welsh Government’s approach to cutting emissions and increasing efficiency in ways that maximise wider benefits for Wales, ensuring a fairer and healthier society. It identifies the need for the public sector to take a proactive approach to identifying and implementing opportunities to reduce emissions from their transport activities.

The strategy states that “to help deliver emissions savings as we move towards a low carbon economy, we are now considering carbon impact when allocating capital funding. We are

ensuring all new health and education buildings funded through Welsh Government capital are designed and built to maximise energy efficiency”.

3.2.4 NHS Wales Decarbonisation Strategic Delivery Plan 2021 - 2030

Following on from Prosperity for All: A Low Carbon Wales, NWSSP worked with the Carbon Trust to develop a strategic delivery plan for decarbonisation in Wales, with the ambition for the public sector to be net zero by 2030, and a specific policy to reduce emissions in the health sector.

Decarbonisation of NHS Wales has been structured into six main activity streams:

- Carbon Management;
- Buildings;
- Transport;
- Procurement;
- Estate Planning and Land Use;
- Approach to Healthcare.

The decarbonisation agenda where applicable has underpinned the design of this project. Further details can be found in the Estates Annexe in Appendix 1 – Decarbonisation Approach.

3.2.5 BS EN 14065:2016 Textiles. Laundry Processed Textiles. Biocontamination Control System

This standard was introduced to provide management systems for the microbiological quality of laundry. This highlighted the requirements for a management system to monitor microbiological quality when processing textiles to avoid microbiological contamination.

The Welsh Government confirmed that it would be essential for both commercial and NHS settings to adopt these standards to maintain the highest possible quality of service.

3.2.6 Welsh Health Technical Memorandum 01-04 (2016)

This Welsh Technical Memorandum was published to provide NHS Wales organisations with guidance on all aspects of the decontamination of linen for health and social care settings in line with BS EN 14065:2016. NHS Wales proposed a progressive increase in quality through the implementation of the various decontamination policies.

3.2.7 NHS Wales Planning Framework 2020/23

The NHS Wales Planning Framework 2020/23 set high quality as a priority underpinning all aspects of services, settings, and contacts with the NHS in Wales. It stated the need for health organisations to focus on the populations for which they are responsible, with an emphasis on prevention and early intervention, reducing health inequalities and working with wider partners to deliver the best possible services for citizens in Wales.

The review of the existing Laundry Production Units (LPUs) in Wales aligns with the need for organisations to ensure that 'robust system-wide quality assurance arrangements are in place, coupled with clear quality improvement programmes to drive continuous improvement', by focussing on developing the collective capacity and capability for improvement across the national laundry service.

3.2.8 Prudent Healthcare 2017

The principles of prudent healthcare are set out in *Prudent Healthcare: Securing Health and Wellbeing for Future Generations*, to address the challenges faced by rising costs and increasing demand, to achieve greater value in healthcare systems by delivering healthcare that fits the needs and circumstances of patients and avoids wasteful care.

Specifically, for the LPU service, this means reducing variation and costs whilst continuing to provide a safe, high-quality service with the appropriate capacity to meet changing demand, thereby enabling clinical teams to provide the right care in the right place at the right time and minimising the risk of hospital-acquired infections via laundry items.



Figure 6: The Four Principles of Prudent Healthcare

3.3 Local Context

3.3.1 NHS Wales Laundry Production Units Service Review 2020

The introduction of the new European Standard *BS EN 14065:2016* in Wales, which set out a system for assuring the microbiological quality of processed linen, combined with the need to provide a resilient, sustainable, and affordable service, prompted NHS Wales Shared Services Partnership Committee to commission a review of the existing service.

NHS Wales Shared Services Partnership Committee led a review of the existing LPUs throughout Wales against best practice guidance, specifically *BS EN 14065 Textiles, Laundry processed textiles, Biocontamination control system* to determine the optimal solution for the delivery of a future service model. This review was completed in the form of an approved Programme Business Case in 2020.

The review concluded that a total of three LPUs would be required in the future to serve Wales. This Outline Business Case is for investment to develop a new LPU to provide capacity to process predominantly all South West Wales volumes, improve productivity and comply with statutory requirements. This will involve the decommissioning of the two existing LPUs in South West Wales, namely Llansamlet Laundry Service and Glangwili General Hospital Laundry Service.

A second new LPU will also be required to support the North Wales volumes, and the existing Green Vale LPU will be expanded and refurbished to support the South East Wales volumes. These developments are the subject of separate Business Cases.

3.4 Existing Arrangements

3.4.1 Current Provision

Up until April 2021 the laundry services for NHS Wales were provided from five Laundry Production Units as indicated in the following table:

	Location and Health Board
1	Ysbyty Glan Clwyd Laundry Services: Betsi Cadwaladr University Health Board;
2	Glangwili General Hospital Laundry Service: Hywel Dda University Health Board;
3	Llansamlet Laundry Service: Swansea Bay University Health Board (formerly Abertawe Bro Morgannwg University Health Board);

	Location and Health Board
4	Church Village (old East Glamorgan Hospital) Laundry Service: Cwm Taf Morgannwg University Health Board;
5	Llanfrechfa Grange 'Green Vale' Laundry Service: Aneurin Bevan University Health Board (also supplies Cardiff and Vale and Powys).

Table 19: Existing Laundry by location and Health Board

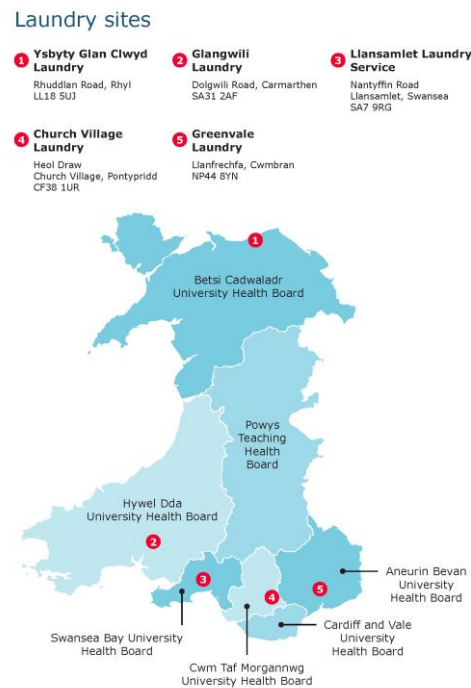


Figure 7: Location of Current Laundry Production Units in Wales

3.4.2 Management Arrangements

Until April 2021 LPUs were managed by individual Health Boards. However, the recommendations outlined within the Parliamentary Review and learning from other shared services initiatives suggest options for centralising management arrangements should be explored in relation to the future service model to ensure the full benefits can be realised in a timely manner.

April 2021 saw the creation of the All Wales Laundry Service directly managed by NWSSP, the transition of the service to NWSSP was a two-stage approach.

3.4.2.1 Stage 1: TUPE transfer on 1st April 2021 of:

- Green Vale LPU;
- Llansamlet LPU;
- Glan Clwyd LPU.

3.4.2.2 Stage 2: 1st October 2021 – remaining two LPUs being commissioned by NWSSP via an SLA, namely:

- Church Village LPU;
- Glangwili LPU.

3.4.3 Llansamlet Laundry

The Llansamlet Laundry was built in the 1940's and is located at Swansea Enterprise Park, Llansamlet within easy access of the A4217, A48 and M4. The LPU delivers laundry to circa ten delivery locations all located within an average of 10.5 miles. The LPU processes circa 1.9 million tonnes of laundry per year and operates Monday to Friday 7.30am to 3.30pm and uses three (7.5 tonne) vehicles to carry out deliveries. The LPU was originally in the ownership of Abertawe Bro Morgannwg University Health Board now Swansea Bay University Health Board but transferred to NWSSP ownership in April 2021.

The Laundry Survey commissioned by Capita, in January 2017, as part of a strategic review of NHS Wales Laundry Production Units, (See Appendix 1), found that:

- The majority of the infrastructure and equipment within the Laundry were either at the end of, or past their design life and could therefore cause problems in the near future;
- A barrier wall is required between the clean and dirty side of the production area to reduce cross-contamination to comply with BS EN 14065:2016;
- Replacement of the barrier washers is required to minimise the risk of cross contamination, including the extractors;
- A number of fire doors are not compliant with standards;
- The building does not comply with the requirements of the Disability Discrimination Act and Disability Rights in Wales 2017;
- Due to limited ventilation in the production area, the external doors have to be open in the summertime, leading to potential security issues for staff and property and contamination through insect control.

The LPU also has asbestos in the building infrastructure.

Parking is also a major issue for staff and visitors, and the facility provides a general poor working environment, including the lack of changing facilities.

3.4.4 Glangwili Hospital Laundry

The laundry at Glangwili Hospital, Carmarthen was built in 1977 and is within access for the A40, A485 and A484. The laundry delivers laundry to circa fourteen locations all located within an average of 28.4 miles. The LPU processes 2.1m tonnes of laundry per annum and is in operation Monday to Friday and uses two (13.5 tonne) vehicles to carry out deliveries. The laundry is in the ownership of Hywel Dda University Health Board, whilst the equipment is owned by NWSSP.

The Laundry Survey commissioned by Capita, in January 2017, as part of a strategic review of NHS Wales's Laundry Production Units, (See Appendix 1), found that:

- The majority of the infrastructure and equipment within the Laundry were either at the end of or past their design life, and this could cause problems with reliability, efficiency, safety, and access to spare parts;
- A barrier wall is required between the clean and dirty side of the production area to reduce cross-contamination;
- Replacement of the barrier washers is required to minimise the risk of cross contamination, including the extractors;
- Many of the fire doors are not compliant;
- The building does not comply with the requirements of the Disability Discrimination Act and Disability Rights in Wales 2017;
- Due to limited ventilation in the production area, the external doors have to be open in the summertime, leading to potential security issues for staff and property and contamination through insect control;
- There is insufficient parking for employees;
- The working environment is dark and gloomy.

These issues remain unresolved.

3.4.5 Activity Levels

Between the five LPUs just under 29 million items were processed during 2021/22, predominantly providing services across Wales to all NHS organisations including acute hospitals, community hospitals, specialist run units such as mental health facilities, and the Welsh Ambulance Service. A very small proportion of the items were processed for external customers (0.35%).

Pieces processed by the two existing LPUs over the last five years (2017/18 to 2021/22) is shown in the following table. Reductions in 2019/20 and 2020/21 are related to reductions in elective patient activity connected to COVID19.

	2017/18	2018/19	2019/20	2020/21	2021/22
Llansamlet LPU	4,576,473	4,474,411	4,357,772	4,116,445	4,475,902
Glangwili LPU	4,641,588	4,831,626	4,166,616	4,450,533	4,690,301
Total	9,218,061	9,306,037	8,524,388	8,566,978	9,166,203

Table 20: Number of pieces processed per annum 2017/18 to 2021/22 (EFPMS data)

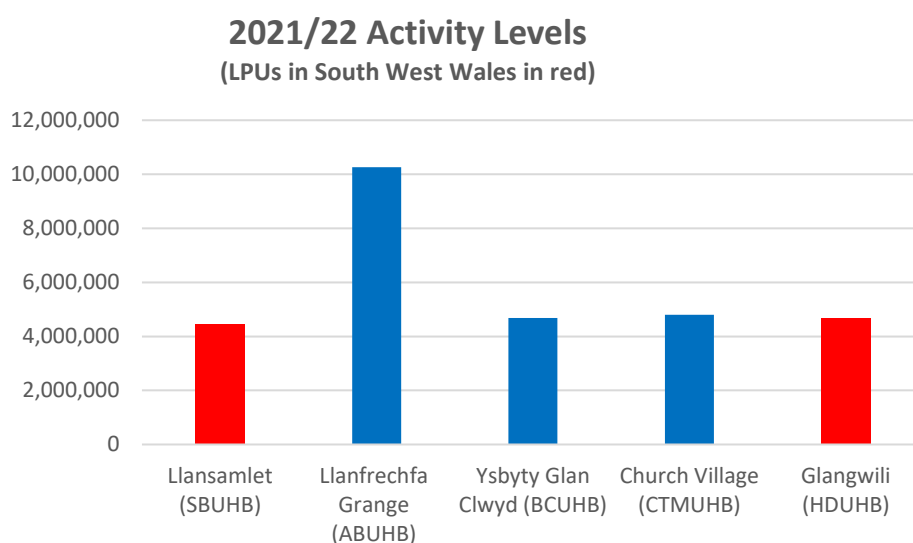


Figure 8: Activity Levels 2021/22 per LPU

3.4.6 Current Service Models

Each LPU operates with its own service model which is largely dependent on its plant and equipment and the individual needs of its customers. However, in the main it involves processes for washing and finishing of linen such as bedding, towels, and theatre scrubs, as well as the collection and delivery of items to and from distribution points on designated days and times.

The range of services provided to customers differs slightly between LPUs:

- **Distribution points:** Most LPUs collect from and deliver to the 'front door' of hospitals, beyond which hospital staff such as porters manage the distribution to ward level. However, there are some cases within the current service model of LPUs delivering directly to ward level.

- Microfibre items: Arrangements for washing microfibre mops and cloths vary across NHS Wales, with some sites sending the items to LPUs to be processed and some sites washing them locally.
- Specialist services: Some LPUs provide specialist services locally which includes patients' personal clothing, sewing room services, dry cleaning and private ironing services, wheelchair maintenance, and distribution of non-linen related goods within the laundry vehicles.

The main differences in the service model by LPU are shown in the following table:

	Llansamlet (SBUHB)	Llanfrechfa Grange 'Green Vale' (ABUHB)	Ysbyty Glan Clwyd (BCUHB)	Church Village (CTMUHB)	Glangwili (H DUHB)
Items processed for other LHBs (% of total)	3.76%	44.0%	2.0%	0.0%	0.0%
Items processed for non-NHS organisations (% of total)	0.0%	0.07%	0.0%	0.0%	0.0%
Microfibre items processed (% of total)	5.9%	14.5%	0.0%	0.0%	9.0%
Sewing Room	Y	N	Y	Y	Y
Dry Cleaning	Y	N	N	N	N
Other services provided	No	No	Wheelchair maintenance	Private ironing	Delivery of large and urgent items

Table 21: Current Service Provision by LPU 2020/21

3.4.7 Current Estate Condition

The existing five LPUs operate from old buildings utilising ageing equipment, have had minimal investment whilst under HB management in recent years, and are unable to comply with new guidance for the decontamination of linen.

A review of the Estate condition was undertaken in 2016 which identified the following Issues:

- The poor condition of washers, dryers and ironers which require intensive maintenance due to their age. This is currently provided locally by dedicated in-house teams who are supported by specialist maintenance service contracts;

- Building layouts cause inefficiencies. For example, restricted roof height and the capacity of existing monorail systems;
- Limited space to install additional equipment required for service improvement;
- Inability to meet demand during breakdowns of obsolete, unsupported equipment;
- Limited potential for automation with the ageing equipment;
- Inefficient use of utilities;
- Lack of access to gas and high-pressure steam in some LPUs required for efficient laundry production;
- Limited parking for staff and safe delivery and pick-up, including poor working conditions with high levels of manual handling.

These factors identified in the PBC remain and the building condition, plant and equipment have through minimal investment deteriorated further by virtue of another five years in operation.

An initial review of the five sites established that currently none of the LPUs are compliant with the standards and guidance set out in BS EN 14065:2016 and WHTM01-04. Common challenges in achieving these standards emerged as:

Challenge	Details of Non-Compliance
Area Separation:	None of the LPUs currently have adequate floor to ceiling physical barriers in place to separate clean and dirty areas.
Disinfection Processes:	Current decontamination processes are controlled using time and temperature parameters, which is not in line with latest standards that refer to chemical disinfection in a number of areas.
Safe Storage of Linen:	Standardisation is needed in the control of disinfection of trolleys and cages.
Record Keeping:	While operational procedures are deemed to be of reasonable standard, there is a lack of adequate documentation, in particular in the need for: Fully documented policies and procedures, and; Detailed risk assessment and hazard analysis. There is a lack of consistency in relation to training records, making it difficult to ascertain that all staff members are up to date with relevant training.

Table 22: Details of Non-Compliance

Whilst a number of these issues can be addressed by changing working practices, the main issues preventing the existing LPUs including the laundry facilities at Llansamlet and Glangwili from complying with BS EN 14065:2016 and other regulatory standards relate to deficiencies within the physical estate, including:

- Physical layout, specifically lack of separation between soiled and clean linen;

-
- Lack of or substandard ventilation systems resulting in the possibility of achieving either negative air pressure in the soiled linen area, or positive air flow from the clean textile area through the soiled textiles area with ventilation directly to the outside;
 - Poor standard of existing equipment, and;
 - General dilapidated condition of the buildings, some of which are more than 30 years old and require extensive backlog maintenance requirements.

This inability to comply with regulatory standards increases the infection prevention and control risks, as well as potentially significantly impacting on the health and wellbeing of the workforce due to poor working conditions.

3.4.7.1 Backlog Maintenance

Nifes Consulting Group undertook an assessment of the condition of the existing five LPUs in 2017 to supplement the higher level information gathered by the Health Boards for the Welsh Government Estates and Facilities Performance Management System (EFPMS) returns. The Nifes assessment estimated that a total investment of circa £15 million (inflation adjusted) would be needed over the following 10 years (2017/18 – 2027/28) for all existing laundries including £2million of immediate investment to address the areas of highest risk to meet statutory and BS EN 14065:2016 requirements. The Nifes report is included in the Estates Annexe in Appendix 1.

The assessment for the Llansamlet and Glangwili sites identified a requirement for £6.6m investment to address backlog maintenance and other six facet compliance. Subsequently LTC Worldwide Consultancy undertook further site visits which identified additional issues relating to the roof and utilities supply at the two sites increasing the investment requirement to £8.4m.

The outcome of these assessments at the South West sites in 2017, in order to achieve compliance with current standards is summarised in the following table.

Cost Category	Llansamlet	Glangwili	Total
Backlog Maintenance	96	283	379
Impending Backlog (Years 1 – 5)	3,684	1,094	4,778
Future Costs (Years 6 – 10)	0	18	18
6 Facet Statutory Compliance	42	43	85
BS EN 14065:2016	341	471	812
Functional Suitability	3	8	11
Quality of the Environment	1	27	28

Cost Category	Llansamlet	Glangwili	Total
Inflation (adj. 2016/17 – 2021/22)	337	157	494
Nifes Report Total (inflation adjusted)	4,504	2,099	6,603
Roof	0	0	0
Supply of Utilities	300	1,500	1,800
LTC Report	300	1,500	1,800
Total	4,804	3,599	8,403

Table 23: Capital Investment Requirements to Achieve Compliance (Nifes Report 2017)

Since the assessments were undertaken in 2017 there has been no significant investment in the facilities, and therefore the backlog maintenance requirement will undoubtedly have increased.

3.4.8 Workforce

The following table details the workforce position for Llansamlet and Glangwili Laundries at 2018/19 (used as the baseline position for the PBC). As at Month 12, 2021/22 a total of 83.31 WTE were employed across the two laundries. This is currently a moving position on a monthly basis due to bank holiday working, sickness absence and vacancies and breakdowns.

Post	PBC Baseline WTE
Unit Management Team	3.0
Shift Team Leaders	6.0
Production Team (inc. 1 temporary post)	58.09
Engineering Team	5.0
Administration Team	2.88
Domestic Services	0.64
Distribution Team	6.2
TOTAL WTE's	81.73

Table 24: Baseline Workforce Establishment as at PBC 2018/19

3.4.9 Proposed Future Provision

The approved PBC concluded that the future service LPU provision should provide three efficient, compliant facilities with a centralised management arrangement in the locations shown in the following diagram.

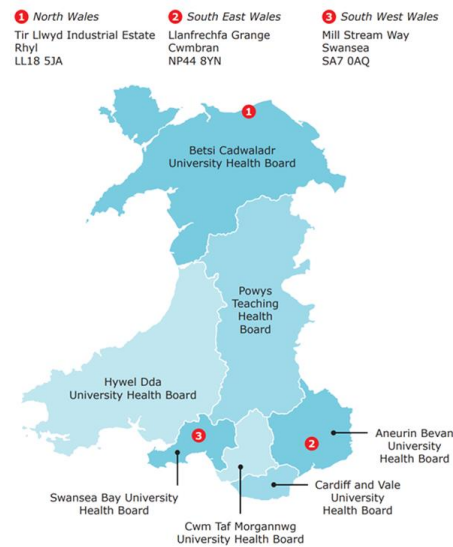


Figure 9: Location of Proposed Laundry Production Units in Wales

3.5 Case for Change

3.5.1 Infection Prevention and Control

The main driver for change is the introduction of new guidance for the decontamination of linen, which includes:

- BS EN 14065:2016 Textiles. Laundry processed textiles. Biocontamination control system, which was introduced to provide management systems for the microbiological quality of laundry, and;
- Welsh Health Technical Memorandum 01-04 (WHTM01-04) which was published to provide NHS Wales organisations with guidance on all aspects of the decontamination of linen for health and social care settings in line with BS EN 14065.

An initial review of the sites, undertaken by FMS Consultancy, (See Estates Annexe, Appendix 1) established that currently none of the existing LPUs are compliant with the standards and guidance set out in BS EN 14065:2016 and WTM01-04. Whilst some progress has been made given the limited options available and the physical restraints, the

main issues preventing the existing LPUs from complying with these required standards relate to deficiencies in the physical estate, including:

- Physical layout, specifically lack of separation between soiled and clean linen and insufficient space to erect a barrier;
- Lack of or substandard ventilation systems resulting in the potential for negative air pressure in the soiled linen area or positive air flow from the clean textiles area through the soiled textiles area with ventilation directly to the outside;
- Poor standard of existing equipment, and;
- General dilapidated condition of buildings, some of which are more than 30 years old and have an extensive backlog of maintenance work.

This inability to comply with regulatory standards increases infection control risks as well as significantly impacting on the health and wellbeing of the workforce due to poor working conditions. These issues can only be addressed with significant capital investment and or provision of new facilities.

To ensure that any new or redefined facilities comply with regulatory standards, LTC have been commissioned to lead the implementation of BS EN 14065:2016. Hygiene standards the laundry process together with the facilities and staff will be covered by this standard. Any new facilities within All Wales Laundry will be accredited by an independent assessor.

3.5.2 Quality Improvement

Whilst, in the main, the existing five LPUs are providing a good quality service across NHS Wales, ensuring that each Health Board has adequate linen stocks, continuing with the status quo and operating under local management arrangements limits opportunities to improve service levels to meet current and future requirements. Redesigning the service to enable it to comply with the latest standards and collaborate more effectively is likely to offer a range of opportunities as identified in the following table.

Opportunity	Details
Reduce infection control risks	Complying with the latest best practice guidance on decontamination will further reduce risks associated with healthcare acquired infections.
Increased resilience	Three new / refurbished laundries will support better business continuity.
Introduce well-regulated audit systems	<p>The review of existing LPUs highlighted inconsistencies in record keeping and documentation supporting processes.</p> <p>To achieve an overall increase in service quality and directly align with the latest standards, there is a need for a well-regulated audit system to manage and accurately document activity.</p>

Opportunity	Details
	A documenting system would allow the regulation of biocontamination, stock control and overall quality.
Develop the workforce	In addition, the LPU workforce would be required to receive training in line with new standards. This would also provide the workforce with personal development opportunities.
Measure customer satisfaction	Currently there appears to be a lack of customer (ward and patient) feedback regarding quality of linen. A mechanism for feedback would ensure that customers are satisfied with laundry and linen services. This would also support the equity of service between LPUs.

Table 25: Opportunities to Improve Quality

3.5.3 Equity of Service Across Wales

While the five LPUs deliver relatively similar services across NHS Wales, they were all independently managed by the respective Health Boards until the transition period to NWSSP management taking place in 2021. This has naturally resulted in variations including:

- Minor service model differences outlined in Section 3.4.7;
- Differences in plant and equipment utilised;
- Inconsistencies in laundry production processes and protocols (although these are largely related to plant and equipment); and
- Differing working practices in relation to shift patterns and operating hours.

It is reasonable to assume that such variations are likely to impact on the productivity of the LPUs. Productivity can be measured in terms of numbers of linen items processed per operator per hour (PPOH). Currently, this ranges from 94 to 158 items per operator per hour depending on the LPU, as shown in Figure 10.

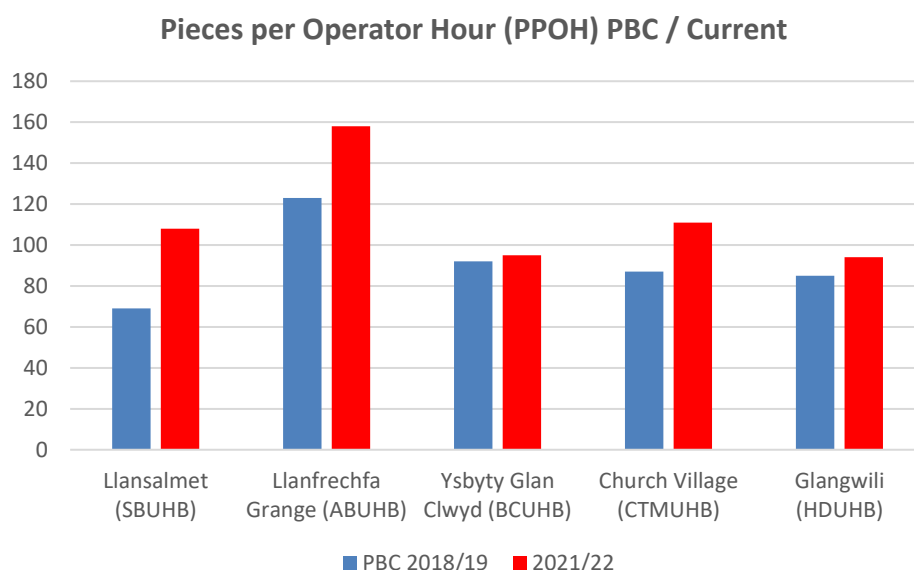


Figure 10: Productivity Levels per LPU PBC and 2021/22

This rate has increased significantly since submission of the PBC, due to NWSSP introducing standardised reporting over all five sites (including rebasing the methodology for PPOH to ensure only production staff are included in the calculation) and adding value to the process. The aim is to increase these rates to 160 PPOH for the refurbished hub in SE Wales and 180 PPOH for the new hubs in N Wales and SW Wales.

This directly impacts on the variations in the average cost per item at the five existing LPUs, which currently ranges from £0.30 to £0.51 per item, with an average across Wales of £0.40. The Cost Per Item for the two existing South West Wales LPUs is shown in the following graph.

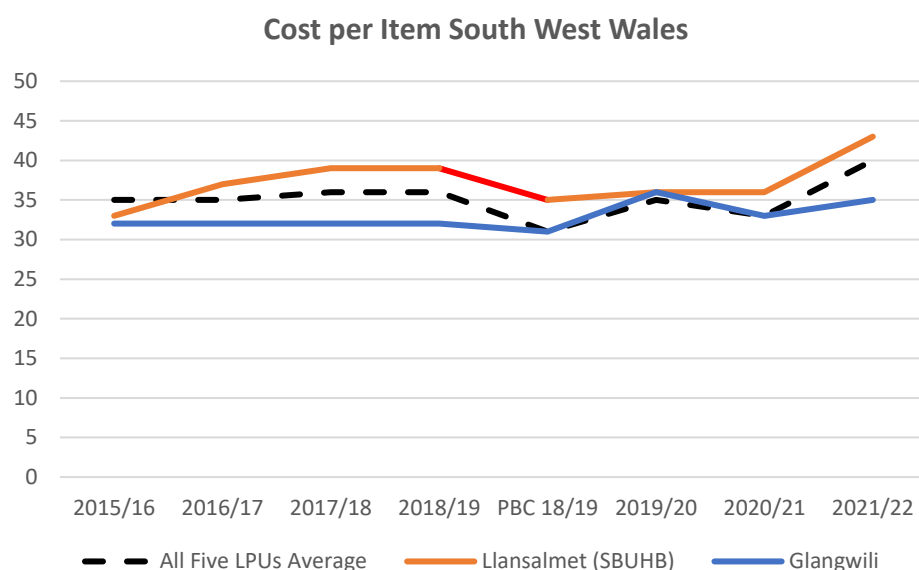


Figure 11: Cost per Item South West Wales 2015/16 to 2021/22

In addition, the cost charged to Health Boards historically appears to vary across NHS Wales, resulting in Health Boards not receiving equitable value for money. This has emerged because, partly as a symptom of being independently managed, the LPUs have not effectively collaborated to date. As a result of this, organisations historically competed with one another, customers were allocated according to organisational rather than geographical arrangements, and there was little evidence of transparency in costing models.

Continuing with existing arrangements with independent management arrangements creates challenges in standardising practice and minimising variations across NHS Wales which would limit the ability to:

- Ensure best practice is being followed in all LPUs;
- Ensure that all Health Boards receive an equitable service and value for money; and
- Address variations in productivity and ultimately average price per unit.

The intention is upon completion of the transformational programme to develop an All Wales costing model where all customers pay the same price for the same items.

3.5.4 Value for Money

Large scale laundry services are capital investment heavy and require significant labour and maintenance resources. At 2021/22 operating costs of circa £11.4m per year, and an

average cost of £0.40 per item, any increase in demand is likely to result in significant financial pressures in the future. Sustainability of the service is reliant on delivering value for money.

As well as driving out variations between NHS Wales LPUs, improving productivity and reducing costs in line with industry best practice is necessary to provide a sustainable and efficient laundry service, although it is important to recognise that this should not be to the detriment of quality and may be hindered by the use of current plant and equipment. By reducing the number of facilities from five existing LPUs of poor-quality environments and older, inefficient equipment to three LPUs, two of which will meet low carbon targets and BREEAM excellent requirements, will result in significantly lower energy consumption. This is becoming ever more important with the rapid rise in energy costs.

A benchmarking exercise undertaken at PBC stage using intelligence gathered from anonymous external organisations suggests that:

- Best practice productivity levels ranged from 160 items per operator hour for other NHS providers to 180 items per operator hour for private commercial providers; and
- The average price per item charged by external providers was around £0.29 per item for a similar product mix in 2018/19 (PBC), which included a profit margin of around 12-15%; indicating a best practice comparable cost per item estimated to be in the region of £0.25 per item at that time. However, with the dramatically rising energy costs being experienced recently, it is anticipated that this cost per item will also increase. The Textile Services Cost Index (Appendix 4) identifies that textile services costs rose 21.91% between Q4 2018/19 and Q4 2021/22. It is reasonable to assume, therefore, that a current comparator for the external providers would be £0.36 per item including profit margin.

This indicates that, provided there is appropriate investment in facilities and the workforce to re-engineer plant and production flows and provide plant and equipment with greater throughput per hour, moving towards best practice in NHS Wales could achieve significant benefits (quantitative and qualitative).

The anticipated revenue saving at PBC for the AWL programme was £3.1m per annum.

Revenue Costs (£000's)			
PBC (5 LPUs)	Current (5 LPUs)	Target (3 LPUs)	Revenue Saving
9,765	11,431	8,309	-3,122

Table 26: Revenue Costs

3.5.5 Future Capacity

A significant proportion of the existing laundry equipment is of an advanced age. Replacement parts are difficult to source and, in some cases, not available at all since they have been discontinued, which means that they are being sourced from other equipment. Clearly this increases the risk of major breakdowns which threatens the ability of the LPUs to continue to deliver efficient and effective services. Any reduction in the availability of linen represents a significant system resilience risk impacting on the Health Boards' ability to deliver clinical services due to reduced availability of hospital beds leading to potential delays in treatment.

In addition to this, it is worth noting that, in the main, LPUs appear to be operating below their potential optimum capacity. Any ability to increase utilisation, however, is constrained by the age and condition of existing plant, equipment and building fabric and the need to invest.

It is anticipated that, with the investment required in both this OBC, the OBC for the North Wales hub and the BJC for the South East hub, it will be possible to increase capacity to at least match other NHS Providers Pieces Per Operating Hour (PPOH).

3.5.6 Case for Change Summary

There are significant challenges within the existing laundry and linen service supporting NHS Wales, which are summarised below. Continuing with the status quo is not a feasible option as the service will not be able to continue to ensure the provision of a high quality, safe and sustainable service that supports the delivery of clinical services across NHS Wales.

The South West Wales situation shares the drivers for change outlined in this strategic case. In addition, the poor condition of the existing LPU facilities in both Llansamlet and Glangwili Hospital are significantly increasing business continuity and health and safety risks for the All Wales Laundry Service. There are regular breakdowns at all LPUs, which result in both dirty linen and staff having to be redirected to other LPUs and extended working hours. There is therefore an urgent need to take immediate action.

Having considered a range of options the PBC recommended that a new, single site LPU be developed for South West Wales in order to mitigate these risks and realise the benefits of compliance with latest best practice standards at the earliest opportunity.

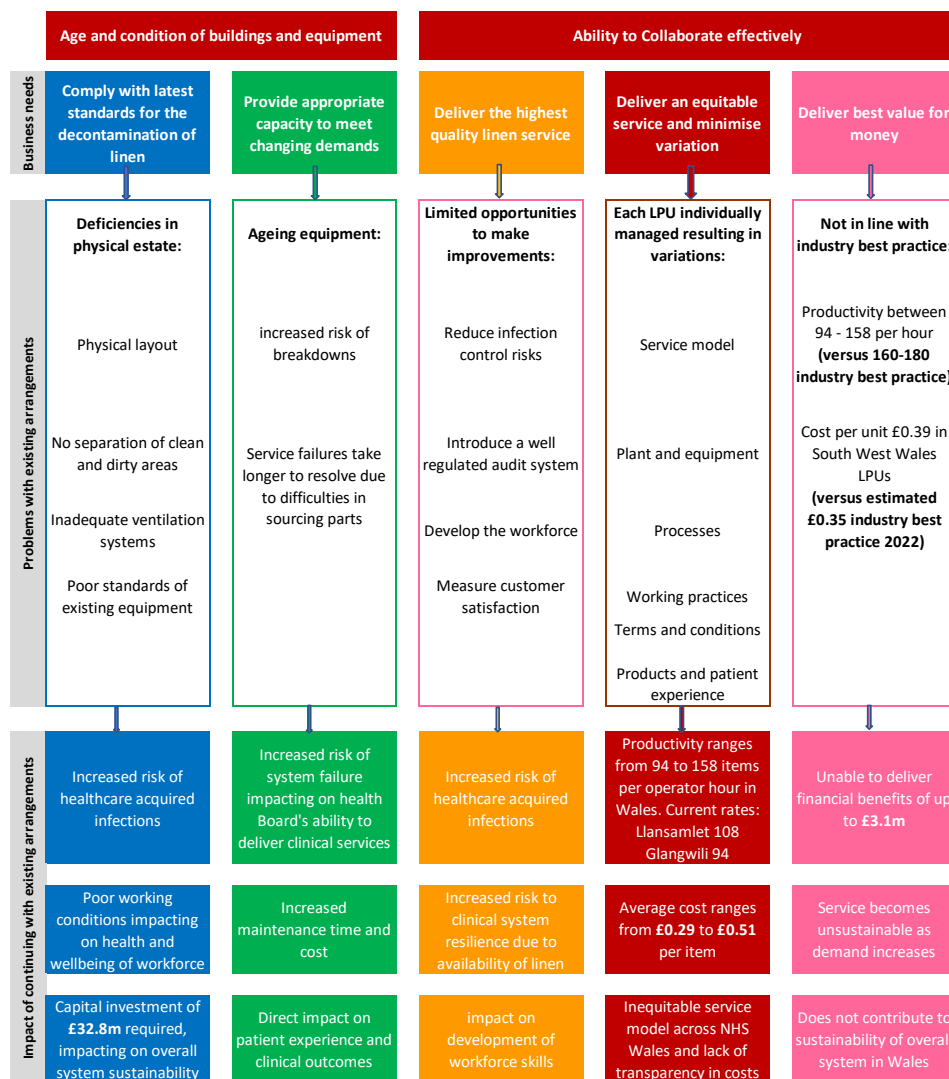


Figure 12: Case for Change Summary for South West Wales

3.6 Future Service Model

The new LPU in the South West will replace the Llansamlet and Glangwili Hospital LPUs, will process the same quantum of laundry as the existing laundries, plus the transfer of 1 million items per annum from the South East Hub as the recent transport study identified that Princess of Wales Hospital will be closer to the SW Hub than the SE Hub that currently processes their laundry, thereby reducing transport costs and carbon emissions.

The new service model will focus on standardisation of processes and working as a cohesive team across Wales to achieve maximum efficiency.

The aim is to reduce inappropriate variation using an evidence-based approach measured by agreed KPIs to achieve standardisation. There will be the ability to produce reports for all end users which will provide a level of information to incentivise end users to control the volume of linen they use.

The Unit will be fully compliant with EN BS 14065 thus providing a continual supply of clean, good quality and decontaminated linen to customers in South West Wales and across Wales as required. The service will support the provision of a safe and comfortable patient setting as well as reducing the risk of healthcare acquired infections.

The proposed management and staffing structure to deliver the future operating model is shown in the following diagram:

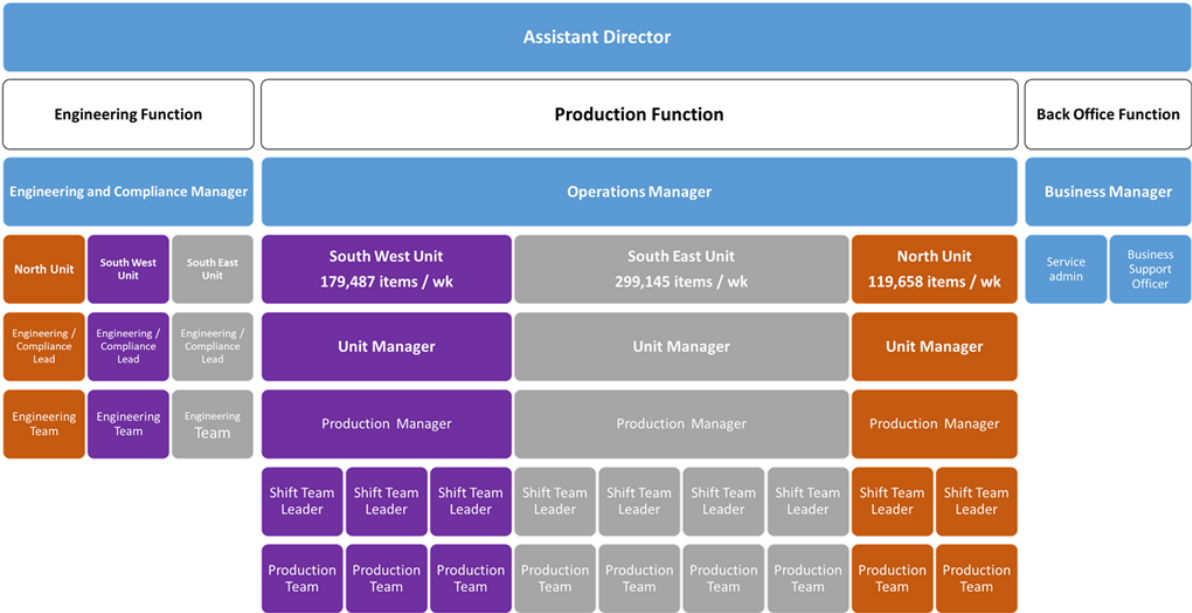


Figure 13: Future Operating Model

3.7 Transition and Progress to Date

The management of the Llansamlet laundry service and workforce transferred to NWSSP in April 2021 whilst the Glangwili laundry service was commissioned by NWSSP via an SLA in October 2021, both as part of the centralised management arrangements.

Since September 2021 the management team have focused on 5 key delivery service areas.

- Production;
- Risks, Issues and Actions;
- Workforce;

- Finance;
- Quality.

A number of KPIs have been set for the laundry services which are measured and reported for each site on an ongoing basis.

Recruitment to existing vacancies and newly funded posts identified as part of the transformation programme has commenced. Additional agency/bank staff were recruited on each site to provide resilience during Covid19 and ensure that there is a balanced and equitable platform for workforce during transition phases (the use of agency staff has since ceased with the reduction in the pandemic).

Implementation of standardised procedures and processes across sites where possible to do so, in the existing facilities is ongoing.

Work has started on the implementation of BS EN14065:2016, although this is limited due to existing building and equipment constraints, and has focused on the management processes.

3.8 Spending Objectives

The core spending objectives for the NHS Wales Laundry Programme at PBC stage were identified as in the following table. These have been reviewed and confirmed as remaining relevant for this stage of the business case process:

Spending Objective:	
1	To minimise risk to patients, staff and the organisation by complying with the latest standards of decontamination of linen
2	To provide effective support to clinical services by delivering the highest quality linen service
3	To deliver an equitable service across NHS Wales and minimise variation between sites
4	To provide the highest quality service that offers the best value for money in terms of cost per unit
5	To provide appropriate level of capacity to meet changing demand and mitigate the risk of service failure

Table 27: Spending Objectives

3.9 Benefits

The high-level benefits identified at PBC for the programme as a whole along with additional benefits relating specifically to the development of the South West Wales LPU are provided in the Management Case, Section 7 and Appendix 5.

3.10 Main Risks

An overarching risk register has been developed for the programme, to record and log details of any item or event which is considered to put the objectives of the programme at risk. In addition to this overarching risk register a design and construction risk register has been developed for the individual projects. The risk registers for the South West Hub are included in the Estates Annexe in Appendix 1. The registers are live documents and are updated at regular intervals. The NWSSP Project Manager is the owner of the Programme Risk Register and Gleeds Project Managers manage and retain ownership of the design and construction risk registers throughout the project. Any high scoring risks from the design and construction risk registers (12 and above) are also included on the programme risk register.

The main risks for the South West LPU are identified in the Management Case Section 7.6.

3.11 Constraints

The main constraints and dependencies identified at PBC stage have been reviewed and remain valid and are applicable to the South West LPU as follows:

- The need for any future service model to comply with the latest standards on decontamination;
- Logistical considerations in relation to the geography of Wales;
- The ability to provide the appropriate capacity and resilience for Health Boards to ensure business capacity; and
- The need to operate within an appropriate cost envelope and deliver efficiency savings where possible.

3.12 Dependencies

- Continued support from all Health Boards and stakeholders;
- Availability of capital funding;
- Satisfactory planning application;
- Approval of the business cases.

4.0 Economic Case

In accordance with the NHS Wales Infrastructure Investment Guidance and requirements of the HM Treasury Green Book (A Guide to Investment Appraisal in the Public Sector), the PBC described the options framework approach adopted by NWSSP to determine the longlist, shortlist and potential preferred way forward for the NHS Laundry programme as a whole. Evaluation of five shortlisted options considered the whole life costs, benefits, and risks of each option. As a result of this, PBC *Option 3: Deliver laundry services from 3 LPUs with centralised management arrangements*, was identified as the option most likely to offer best value for money. In order to assess the long-term viability of the existing sites and their potential for redevelopment, a robust site selection process was subsequently undertaken to assess the existing LPUs against a wide range of factors, including:

- Geography;
- Transport requirements;
- Capacity requirements;
- Condition of plant equipment and buildings;
- Sustainability for expansion;
- Ability to achieve productivity targets; and
- Impact on workforce and local economy.

For South West Wales it was determined that

- Neither existing LPU in South West Wales is suitable for development given the scale of change required and limited ability to expand;
- A replacement LPU to accommodate South West Wales volumes should be developed and based on transport analysis, it was concluded that this should most likely be at a location within a reasonable proximity to the west side of Swansea LPU.

A summary of the PBC Option Appraisal is provided at Appendix 2.

This section of the OBC describes the option appraisal process undertaken to determine the preferred site for South West Wales. This process has identified a number of potential sites as a long list, which have been sifted to produce a short list and subsequently appraised against a detailed list of selection criteria to determine the preferred site/s for the South West Wales Laundry Production Unit.

4.1 Critical Success Factors

Critical success factors (CSFs) are the essential attributes for successfully delivering the project and are used along with spending objectives to evaluate the options. Stakeholders developed the following high-level CSFs for PBC. Following review at OBC, it has been determined that these still apply as overarching CSFs for the programme and this project. However, a more detailed list of site selection criteria has been developed to appraise the shortlist and determine the preferred option for the site for the South West Hub (see Section 4.4.1)

Critical Success Factor	Description
Strategic Fit	Meets agreed spending objectives, related business needs and service requirements. Aligns with local and national strategic direction
Value for Money	Optimises public value in terms of potential costs, benefits, and risks.
Potential Achievability	Is likely to be deliverable. Matches the available skills required for successful delivery.
Supply Side Capacity and Capability	Matches the ability of service providers to deliver required services. Is likely to be attractive to the supply side.
Potential Affordability	Can be funded from available sources of finance.

Table 28: Critical Success Factors

4.2 Initial Site Search and Long List of Options

An initial site search was undertaken by the Project Management Team in conjunction with Special Estates Services in NWSSP to identify all available site options. This initial search identified the following possible sites:

Location:	Comments:	Status
Elba Crescent, Swansea	Withdrawn by Owner	Eliminated
Forest Way, Swansea		Carried forward to long list
Former Michton Premises, Swansea		Carried forward to long list
Mill Stream Way, Swansea		Carried forward to long list
Swansea West Industrial Site, Swansea		Carried forward to long list
Parc Felindre, Swansea	Withdrawn by Owner	Eliminated

Table 29: Long List of Options

Following the initial search, the potentially suitable options were subject to further scrutiny by the project management team. The criteria used for this refinement included:

- Location of the new site within 5 miles radius of the existing site to minimise impact on existing operational staff;
- Continued availability of the site;
- Planning Designation;
- Site size and suitability

Following this scrutiny, it was decided that all four remaining sites were potentially suitable and were therefore shortlisted.

4.3 Short List of Options

The resultant shortlist options are identified in Table 30. Business as Usual, although discounted at PBC, has been retained as a benchmark for the purposes of the economic appraisal.

Shortlisted Options:	
0	Business as Usual
1	Forest Way, Swansea
2	Former Michton Premises, Swansea
3	Mill Stream Way, Swansea
4	Swansea West Industrial Site, Swansea

Table 30: Short List of Options

4.4 Site Selection

4.4.1 Site Selection Criteria

The following site selection criteria used for appraising the shortlisted site options were developed by NWSSP, SCP and advisors with reference to a number of key briefing documents and via a series of workshops held between July and September, 2021 to refine the final measure parameters.

No	Criteria	Measure
1	Building Plot Size	2.5 acres
2	Planning category	Class B2
3	Planning Success Likelihood	Outline permissions; Designated land use; Within a residential area; Known previous planning applications.
4	Overall building size	3000m ²
5	Parking / external circulation	1-way circuit; 10 x 7.5/18t mix trucks; 3 x 7.5t trucks Ring road; +50 cars; 10% EV charging.
6	Orientation	Prevailing wind not direct into loading / unloading bays
7	Physical constraints	Overshadowing; Limitations; Topography; Access; Proximity to rail / water; Existing wayleaves; Overhead lines
8	Locality	Not near residential; Adjoining properties (noise, lint etc.)
9	Transport links	Within 1 -2-mile M4; Public transport links;
10	Travel distance	Within 5 miles of existing laundry 'to the West'
11	Infrastructure (Equipment + Building):	Proximity to infrastructure services
12	Water	4 inch plus 50,000 litres storage + 2,500 litre for building; Bore Hole; 540 litres/hour + 2,500 litres for building.
13	Gas	1500m ³ /hr + tbc ³ /hr for building; 1000kwh + tbc kwh for building Pressure

No	Criteria	Measure
14	Power	1000A + 480A for building; Plus capacity for EV charging (cars and trucks)
15	Waste	540l/hr + 630l/hr for building
16	Land Ownership	Public or Private
17	Future intent	Owner or tenant
18	Land acquisition	Degree of difficulty vs programme
19	Purchase cost	Less than £576k

Table 31: Site Selection Criteria

4.4.2 Site Selection Criteria Matrix

The non-financial option appraisal of the four shortlisted sites was undertaken using a RAG rating against the specified criteria in Table 31. The appraisal was undertaken by a multidisciplinary team including NWSSP representatives, SCP, design team members and other advisors at a workshop held on 29th September 2021.

The results of the appraisal are detailed in the following table:

No	Criteria	Forest Way	Former Michton Premises	Mill Stream Way	Swansea West Industrial Estate
1	Building Plot Size	2.756 acres	2.19 acres	2.73 acres	4.961 acres
2	Planning category	The site is not allocated for specific land use; however, it is situated in an area of established class B uses	Planning policy and planning history establishes a basic principle for development for class B2 purposes	Planning policy and planning history establishes a basic principle for development for class B2 purposes	The site is not allocated for specific land use; however, it is situated in an area of established class B uses
3	Planning Success Likelihood	It is anticipated that acceptability of class B2 uses is highly promising Brownfield	It is anticipated that acceptability of class B2 uses is highly promising Brownfield	It is anticipated that acceptability of class B2 uses is highly promising Brownfield	It is anticipated that acceptability of class B2 uses is highly promising Greenfield
4	Overall building size	No concerns	Current building 340.37sqm Not high enough	No concerns	No concerns
5	Parking / external circulation	Indicative layouts will determine this	Site looks tight. Will need to be tested. Ability to	Indicative layouts will determine this	Indicative layouts will determine this

No	Criteria	Forest Way	Former Michton Premises	Mill Stream Way	Swansea West Industrial Estate
		should this site be taken forward	hold sufficient trucks would mean site is not viable	should this site be taken forward	should this site be taken forward
6	Orientation	Indicative layouts will determine this should this site be taken forward. This can be mitigated by design	Building will need to sit in a North South direction due to the site width and single point of access from the road	Building will need to sit in an East West direction due to the site depth. Issues regarding wind can be mitigated by design	Indicative layouts will determine this should this site be taken forward. This can be
7	Physical constraints	Indicative layouts will determine this should this site be taken forward. This can be mitigated by design	Steep level change	Flooding? Ecology? Proximity to protected natural area	Power lines through middle. Building might be able to sit on one site and lorry parking and staff parking on other. This will need to be tested should the site be taken forward
8	Locality	A restaurant and hotel adjoin the site to the South	No concerns	No concerns	No concerns
9	Transport links	Yes	Yes	Yes	Yes
10	Travel distance	1.3 miles by road	Yes	1.7miles by road	5.8 miles by road
11	Infrastructure (Equipment + Building):	Yes	Yes	Yes	Yes
12	Water	300mm DICL 1984	6IN CI 1984	110mm PROFUSE PE 2009	90mm HPPE 2007
13	Gas	250 PE Low pressure booster potentially required	63 PE L/P Low pressure booster potentially required	90 PE Low pressure booster potentially required	63 PE L/P Low pressure booster potentially required
14	Power	1 x 185 CAS 11kv No headroom data	6 x 185 1c Tx AL EPR 11kV 03/2005 3 x 0.3 AL 11kV NC	300 3c WCON 07/2009 3 x 300 1c Tx AL EPR 11kV 07/2009	2 x 300 3c WCON 03/2007 3 x 185 1c Tx AL EPR 11kV 02/2005

No	Criteria	Forest Way	Former Michton Premises	Mill Stream Way	Swansea West Industrial Estate
			37.55 MVA Headroom	No headroom data	37.55 MVA Headroom
15	Waste	CONC 27IN VC350mm	VC150mm VC 6IN	VC 300mm (?)	VC 150mm VC 225mm
16	Land Ownership	Private	Private	Public Sector - LA/WG	Public Sector - LA/WG
17	Future intent	Long Term Leasehold/Freehold	Long Term Leasehold/Freehold	Long Term Leasehold/Freehold	Long Term Leasehold/Freehold
18	Land acquisition	Achieve certainty by taking an option on land (cost?) to secure	Achieve certainty by taking an option on land (cost?) to secure	Ease secure land awaiting BC approval	Ease secure land awaiting BC approval
19	Purchase cost	£1.3m. Single storey 70's offices, not industrial. Low height. Demolition and site clearance necessary	Higher cost due to existing building £1.25m. Demolition and site clearance necessary. Upgrading of existing building and fitting laundry equipment to building which could result in sub-optimal design and flows	Cleared site £450k including VAT	Cleared site £400k including VAT

Table 32: Short list options appraisal results

The RAG rating used assigned 'green' as being above expectations, 'amber' as borderline and 'red' as unsuitable. A number of red ratings were assigned to the Former Michton Way site due to the steep sloping nature of the site, the requirement to make use of an existing building and the limited size of the site. Whilst no red rating was assigned to the individual selection criteria against the Forest Way site option, an overall red rating was assigned to this site, on the basis of the number of ambers assigned.

For the purposes of the economic appraisal, scores have been assigned to the RAG rating which each of the plots being allocated a score of 1 for a green rating against the selection criteria (except purchase costs) as shown in the following table, amber and red ratings were scored 0. This determined that Mill Stream Way was the preferred option from a non-financial perspective.

Criteria	Forest Way	Former Michton Premises	Mill Stream Way	Swansea West Industrial Site
Building Plot Size	1	0	1	1
Planning Success Likelihood	0	1	1	0
Overall building size	1	1	1	0
Parking / external circulation	1	0	1	1
Orientation	1	0	1	1
Physical constraints	1	0	0	1
Locality	1	0	0	0
Transport links	0	1	1	1
Travel distance	1	1	1	1
Infrastructure	1	1	1	0
(Equipment + Building):	1	1	1	1
Water	0	0	0	0
Gas	0	0	0	0
Power	0	0	0	0
Waste	0	0	0	0
Land Ownership	0	0	1	1
Future intent	1	1	1	1
Land acquisition	1	1	1	1
Purchase cost	-	-	-	-
Total Score	11	8	12	10
Rank	2	4	1	3
Variance to preferred	-8%	-33%	0%	-17%

Table 33: Non-Financial Scores

Consequently it was agreed that further investigatory work should be undertaken on the Mill Stream Way as the potential preferred site and Swansea West Industrial Estate site as a potential reserve site.

4.5 Economic Appraisal

4.5.1 Overview

The economic appraisal has been based on a generic economic model (GEM) basis:

- The economic model has been run for 30 years;
- Using 2021/22 revenue cost basis;
- A discount rate of 3.5% has been applied.

A financial preferred option is identified but given the only clear differential is the site selection, the key driver for the preferred option is the suitability of the site.

4.5.2 Capital Costs

The following table summarises the capital costs for each of the four shortlisted options.

	Capital costs £'000s			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Works Costs	13,770	13,813	13,533	13,470
Design Fees	2,636	2,636	2,617	2,636
Non-Works	2,029	1,979	1,110	1,129
Equipment	7,851	7,851	7,851	7,851
Planning Contingencies	2,629	2,628	2,513	2,509
Sub Total	28,914	28,906	27,623	27,594
VAT	5,417	5,415	5,166	5,157
Total (Approval)	34,331	34,321	32,789	32,751

Table 34: Capital Costs for Shortlisted Options

The works cost for the options have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. For comparative purposes against the capital costs included in the PBC an adjustment has also been made using BCIS PUBSEC index of 250. The differences in capital costs are due to differences in land and acquisition costs. The preferred option has also been subject to value engineering (VE) reductions. Options 1, 2 and 4 have not had VE reductions applied at this stage but as part of the economic appraisal a risk element to the value of the VE has been applied to the

preferred option. The capital costs for all shortlisted options will be subject to VE reductions prior to the submission of this business case to Welsh Government.

The assumptions underpinning the capital costs are as follows:

- Location adjustment for local market conditions included within the works cost breakdown;
- Non works costs include land acquisition and legal fees, planning and building control, statutory and Local Authority charges;
- Fees for all options are the same and as specified in OB4 of the Capital Cost Forms in Appendix 1;
- Equipment in accordance with costed equipment schedule in Appendix 1 which includes an allowance for preliminaries and fees. Equipment costs are the same for all options;
- Planning contingencies are based on a quantified risk register;
- VAT at 20%;
- Inflation has been excluded at this stage.
- Risk for option 3 is higher to reflect at this stage the differential approach to Value Engineering for this option

4.5.3 Economic Summary

For the purposes of the economic analysis the following revenue costs have been included. No transitional costs have been built in at this stage, but given the only differential is site they would be consistent and given it, a move to a new site are likely to not be significant.

For the purpose of the economic model, revenue risks would be the same for all options and will therefore be considered at FBC stage.

The following table shows that Option 4 is the preferred option on a financial basis but purely due to the capital costs and the difference is very small.

	Economic Model £'000s			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Capital Costs inc. Lifecycle	30,295	30,286	29,174	29,153
Residual Costs	0	0	0	0
Revenue Costs	49,417	49,417	49,417	49,417
Externality Costs	0	0	0	0
Net Contribution	0	0	0	0
Total NPC Excl. Risk	79712	79703	79,234	78,570
Risk	2,414	2,413	4,503	2,304
Total NPC including Risk	82,126	82,116	83,095	80,874
Equivalent Annual Cost	3,907	3,907	3,853	3,851
Financial Rank All Options	4	3	2	1
Margin All Options	-1.5%	-1.4%	0.0%	0.0%
NPC Switch Value	(1,252)	(1,242)	(2,221)	2,221

Table 35: Economic Analysis for Shortlisted Options

4.5.4 Sensitivity Analysis

Sensitivity analysis has been undertaken to see how much change would be required for the financial assumptions to change for the preferred option in terms of revenue and capital costs. Given that all sites costs are at similar levels the sensitivity required on financial grounds to change the preferred option is very small.

There is a risk that the value engineering included in option 3 would change the preferred option if it is not realised. This would cause a shift of NPC switch value to 4.5% as highlighted in the following table.

	Economic Sensitivity £000's			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Capital Costs	-4.1%	-4.1%	-7.6%	7.6%
Residual Costs	0.0%			
Revenue Costs	-2.5%	-2.5%	-4.5%	4.5%
NPC Change Needed	(1,252)	(1,242)	(2,221)	2,221

Table 36: Economic Sensitivity

4.6 Selecting the Preferred Option

For the purposes of the economic appraisal, a non-financial scoring system has been adopted to reflect the process for determining the relative suitability of the short listed sites. Each option has been given a point for a green ranking across each of the 19 criteria. The impact of which is shown in the following table and reflects that Option 3 has the best fit for the South West laundry.

The results of the option appraisal suggested that the options should be ranked in relation to the value for money each offers as shown in the following table with option 3 assessed as 12.5% better than option 1, the second ranked option.

	Combined Appraisal Impact £000's			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Weighted Non-Financial Scores	10.0	8.0	11.0	9.0
Non-Financial Ranking	2	4	1	3
Margin Preferred			12.5%	
EAC Impact of Options	3907	3907	3853	3851
Economic Ranking	4	3	2	1
Benefit Points per EAC	0.003	0.002	0.002	0.02
Combined Ranking	2	4	1	3
Difference (%)	(10.4%)	(28.3%)	0.0%	(18.2%)

Table 37: Combined Appraisal Impact

The table above shows that option 3 is the Preferred Option

Sensitivity analysis has been undertaken to identify the potential switch value to change the rankings and is shown in the following table.

The change identified is higher than the potential risk of the value engineering and would not change the preferred option.

A sensitivity on non-financial evaluation has been undertaken which shows that option 3 would have to move by 1.5 from a non-financial score of 11 to no longer be the preferred option.

	Economic Sensitivity £'000s			
	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Base Weighted Non-Financial Scores	10.0	8.0	11.0	9.0
Weighted Non-Financial Switch Required	11.1		9.5	
Equivalent to a change in %	11.1%		(13.8%)	
EAC impact of Option	3907		3853	
Combined ranking Switched	1		2	

Table 38: Potential Switch Values

4.6.1 Preferred Option

Option 3 is therefore selected as the best economic option when taking the financial and non-financial appraisal together.

5.0 Commercial Case

This section sets out the commercial arrangements to deliver a new, purpose designed and built LPU in South West Wales and includes the following:

- Determining the key outputs and activities required to provide the new operating model;
- Identifying the appropriate procurement strategy to deliver the key outputs and activities; and
- Setting out commercial, contractual and risk transfer arrangements.

5.1 Procurement Strategy

5.1.1 Design and Construction

Use of the NWSSP Building for Wales framework is mandatory for a construction programme of this magnitude. The framework runs from September 2018 until August 2023.

The procurement scope includes the design, build and equipping of all new facilities and the expansion and refurbishment of existing facilities (SE LPU only).

There were 4 suppliers in total listed in the overall category for projects above £12million plus one reserve: BAM Construction, Tilbury Douglas Construction Ltd (formerly trading as Interserve), Kier, Willmott Dixon, and IHP Consortium as reserve contractor.

5.1.1.1 Process Followed to Receipt of Bids

A competition tendering process was undertaken against this framework via the Bravo E-tendering portal. Three main suppliers were invited to submit a bid to participate in a competition for provision of supply chain partner services.

The timetable adopted for the process was as shown in the following table.

Bidder Selection Process		
Activity	From	To
Pre-notification	15 Feb 21	15 Feb 21
Issue of ITT	17 Mar 21	17 Mar 21
Briefing Events	30 Mar 21	01 Apr 21
Submission of bids	14 Apr 21	14 Apr 21
Presentation and final selection	22 Apr 21	22 Apr 21

Bidder Selection Process		
Activity	From	To
Notification	22 Apr 21	23 Apr 21
Contract Issue	10 May 21	31 May 21

Table 39: Selection Process and Timescales

The following events occurred during the EOITendering process:

- Wilmott Dixon and IHP declined to tender prior to ITT publication;
- ITT published; BAM, Tilbury Douglas and Kier invited to tender;
- KIER withdrew from the process 24/03/21;
- The date for submission of bids was extended from 07/04/21 to 14/04/2021

Bids were returned by the deadline of 5pm on 14th April 2021 and evaluated by the following Panel:

Name	Title	Role for this programme	Panel
Neil Davies	Director (SES)	SRO	Chair / Scoring
Anthony Hayward	Asst Director of Laundry Services	Senior User	Scoring
Thomas Kuehn	SES Framework Manager	Project Manager	Scoring
Alison Halmshaw	GLEEDS	Project Manager	Non-Scoring
Kevin Ray	SES Framework Manager	Facilitator	Non-Scoring

Table 40: Evaluation Panel

5.1.1.2 Financial Bid Results

Prior to the interviews on 21 April 2021, the bids were reviewed to ascertain the financial submission (weightings: financial bid 30%, non-financial bid 70%).

Results of the Financial element of the bid evaluation had been obtained by conversion of financial bids into weighted scores followed the NWSSP Procurement guide methodology.

5.1.1.3 Presentation and Interviews

On 22nd April 2021, the two bidders BAM and Tilbury Douglas were invited to make presentations to amplify their bids further and to provide the evaluation panel with an opportunity to assess their capabilities and to ask questions, in order to provide their marking.

5.1.1.4 Conclusion

The evaluation panel followed a thorough financial and non-financial appraisal of the bids submitted for this scheme in accordance with the requirements of the NWSSP Building for Wales framework, and concluded on the basis of the weighted marks generated that the best value bid was that offered by Tilbury Douglas.

5.1.2 Project Management (Employer's Agent)

Following a formal competitive tendering process against the NWSSP Building for Wales Framework undertaken between 15th February and 31st May 2021 involving interviews which took place in April 2021, Gleeds were appointed to provide Project Management services to deliver the OBC stage of the programme. Following approval of the relevant OBC stage, further stage appointments will proceed in accordance with the requirements of the NWSSP Building for Wales Framework.

5.1.3 Cost Advisor

The CCS (Crown Commercial Services Framework) RM3741 Project Management and Full Design Team Services (Lot 4 Cost Management Services) was identified as a suitable framework agreement that would meet the requirements of the Project. There were 11 suppliers in total listed against the specific Lot.

A competition tendering process was undertaken against this framework via the Bravo E-tendering portal between 29th March and 5th May 2021. All suppliers were invited to submit a bid with two suppliers returning bids. These suppliers were invited to interview on 13th April 2021. Following evaluation of the Commercial and Quality Criteria, as top ranked supplier, Gleeds Cost Management Ltd was awarded the contract for the OBC/BJC1 Stage.

Other specialist advisors including the business case authors, specialist laundry advisor and Transport and Carbon assessors have also been appointed through relevant frameworks.

5.1.4 Equipment

A Laundry Equipment Working Group has been established for the All Wales Laundry Programme to determine the equipment procurement strategy and process and to advise on all elements of equipment to be procured by the Supply Chain Partner (SCP). The group is chaired by the Specialist Laundry Advisors, LTC and includes members from the NWSSP Projects Team, SCP and Laundry Operations. As the project progresses into the detailed design the membership will be extended to include front line staff.

Tilbury Douglas (TDC) as the SCP will manage the procurement of all plant and equipment and in effect will deliver a turnkey package which is not subject to the NHS procurement policies but would be procured within the governance arrangements and procurement rules of the procuring entity. In order to gain the most benefit from the procurement process and ensure best value for money and innovation for the NHS it was agreed that this package would be procured on an output specification basis with the supplier being provided with throughput and linen mix and deliverable and performance outcomes rather than the client specifying the equipment to be supplied.

Two options for equipment supplier procurement were considered by the Programme Board with the agreed option, a two-stage tender process (for OBC), described in the process diagram in Figure 14.

The overarching procurement principle adopted was that a single procurement exercise should be undertaken for all equipment and installation for all three LPUs in order to:

- Maximise Supplier engagement and interest;
- Provide best economies of scale and value for money in terms of capital spend
- Avoid multiple suppliers, along with multiple spare holdings, and maintenance contracts and resultant inefficiencies and costs;
- Ensure programme delivery.

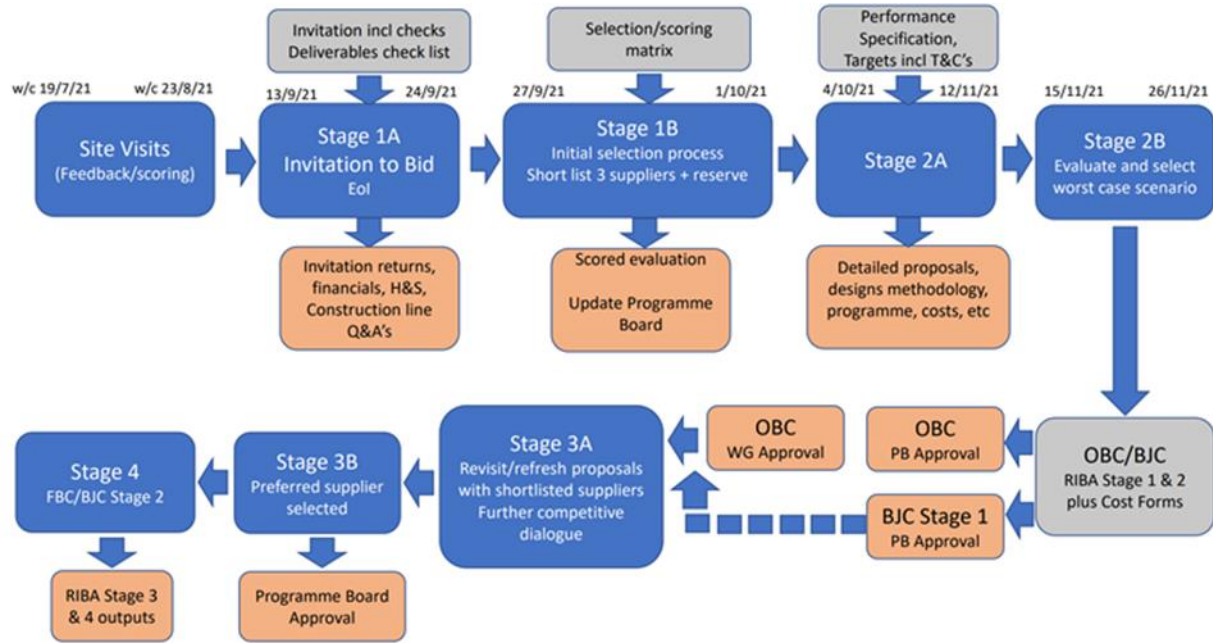


Figure 14: Process Map for Equipment Procurement

The following seven equipment suppliers were invited to Express an Interest in the project based on their extensive experience in both the UK and abroad.

- Broadbent Vega;
- Cherry Tree Machines Ltd;
- Girbau House;
- HJ Weir Engineering Co Ltd;
- ILE Ltd;
- Jensen UK Ltd;
- Kannegiesser UK Ltd.

The Invitation to Tender (ITT) was split into two stages, as shown in the following table.

Activity	Date
Procurement Strategy Agree by NWSSP	August, 2021
Stage 1 ITT pack issued	10 th September, 2021
Stage 1 ITT responses returned and reviewed	27 th September, 2021
Stage 2 Tender documents issued to short list	6 th October, 2021
Stage 2 Tender responses returned and reviewed	12 th November, 2021
Stage 2 Extension granted for SE Hub	26 th November, 2021

Table 41: Equipment Supplier Procurement Timeline

The first stage sought information such as capability, experience, financial strength and company ownership and structure et al.

A series of site visits to either the suppliers factory/manufacturing base and/or laundry showing their installations, were also arranged to take place in August 2021 to enable the project team to review and discuss suppliers’ previous projects and provide an opportunity for suppliers to clarify their understanding of the project and ask questions of the client team.

This also gave the client team the opportunity to amend their criteria before commencing the formal procurement process.

Stage 1 information was sent to all seven suppliers with five suppliers returning bids. Predetermined selection criteria and scoring by project team members was used to reduce the number of suppliers to the following four suppliers (top three suppliers plus one reserve) to proceed to the next stage:

-
- Broadbent Vega;
 - Girbau;
 - Jensen;
 - Kannegiesser

Stage 2 ITT information was subsequently sent to all four suppliers in October 2021. This stage sought design, cost and programme information for all three sites.

During the tendering process, a supplier meeting (via Teams) followed by a visit to the SE Hub site at Green Vale were arranged for each supplier independently to facilitate a better understanding of the challenges around refurbishment of the SE Hub.

During the tendering process all four suppliers requested a 4-week extension of time to facilitate a response to all the tender requirements set out in the ITT. A 2-week extension was agreed for the SE Hub, but no change was made to the SW and N Hub return dates.

One supplier, Broadbent Vega, did not respond, with the following three suppliers returning bids for this stage of the process:

- Girbau;
- Jensen;
- Kannegiesser

Following further clarification meetings and discussions, it was considered that sufficient information had been obtained on design, programme and cost across all three suppliers to inform the RIBA Stage 2 proposals and this business case. The full tender analysis report is included in the Estates Annexe in Appendix 1.

A market testing exercise will be undertaken post OBC in which equipment suppliers will be invited to bid, based on a revised brief and building layout incorporating agreed changes. This will allow a preferred supplier to be selected during RIBA Stage 3 with the preferred supplier then assisting and contributing to the technical design in RIBA Stage 4.

5.2 Service requirements and outputs

The proposal involves the building of a new purpose-built laundry on a new site at Mill Stream Way, Swansea, South Wales.



Figure 15: Development Site, Mill Stream Way, Swansea

The new facility will be a two-storey building of 3,128m² (post VE), and will include the following functionality. The processing facilities will be located on the ground floor and some administrative functions and plant will be located on the 1st floor.

A detailed Schedule of Accommodation is included in the Estates Annexe in Appendix 1 (pre VE). This has since been subject to value engineering. A summary of the impact of VE on the area is also included in Appendix 1.

5.2.1 Functional Content

- Dirty receipt and Holding
- Dirty Storage;
- Washing Area
- Drying Area;
- Finishing and Folding Area;
- Scrubs Processing;

-
- Packing Area;
 - Clean Storage;
 - Dispatch;
 - Sewing, Labelling and Repairs Room;
 - Welfare Facilities:
 - Decontamination Area (Pass Through with hand wash and access to staff change)
 - Staff Change/WCs
 - Staff Catering/Rest
 - Visitor/Office Staff WCs;
 - Accessible WC;
 - Chemical Shower;
 - Cage Cleaning Area;
 - Administration (Offices and support facilities for Laundry Managers and Transport Staff);
 - Reception and visitor waiting;
 - First Aid Room;
 - Meeting/Training Room.

The building will be supported by the following infrastructure:

- Boiler House;
- Compressor room;
- LV Substation Distribution and Panel Board Rooms;
- Engineering Workshop and Stores;
- Machine Workshop and Welding Bay;
- Dosing room;
- Bulk Storage;
- ICT Network Distribution Room.

External Areas will include carparking for staff, visitors including accessible parking and electric charging points, laundry delivery vehicle parking, vehicle wash down area and cycle parking.

The facility will provide 10.7m pieces of laundry per annum (on opening in 2025) for 40 sites. The total capacity will be defined by the final laundry equipment selection.

5.3 Design

5.3.1 Design Process

The design of the new Laundry Facility has been greatly influenced by the laundry processing area layouts provided by the Equipment Suppliers and has taken into account:

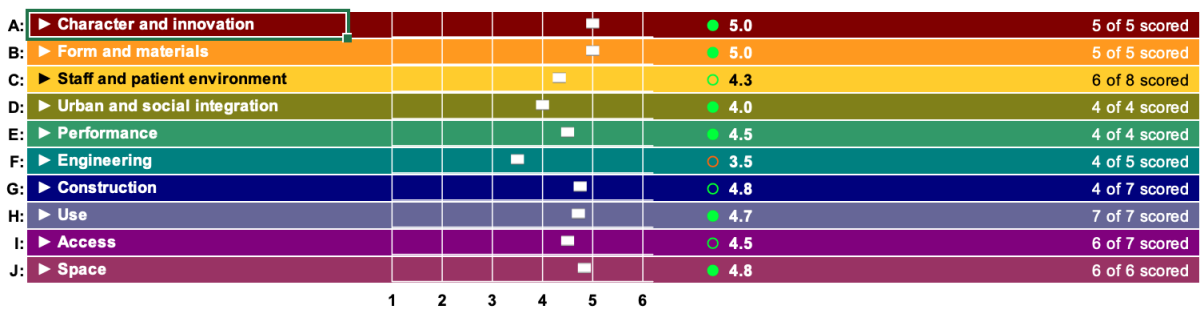
- Expected volumes on opening and into the future;
- Requirements of BS EN 14065:2016 where applicable to the design of the building;
- The need for separation of dirty and clean areas and flows for both linen, consumables and staff;
- Efficient work flow;
- The number of staff working in the facilities in total and at any one time;
- Vehicle access.

The designs have been subject to review by the NWSSP designated officers and relevant design team members, the specialist laundry advisor and User Groups (consisting of laundry staff members working within the existing laundries)

5.3.2 Design Review/AEDET

An AEDET review of the design for the new building was held on 16th February 2022 following the completion of RIBA Stage 2 Design and to support this OBC. This review was facilitated by the NHS Building for Wales Framework Team, Specialist Estates Services and involved a multi-disciplinary team of people including laundry staff.

The proposals were positively received by staff and a summary of the scores allocated to each of the domains at this stage of design is included in the following diagram. The full report is included in Appendix 1.



NOTE: A filled traffic light dot [●] in the table above indicates a valid average score, a hollow dot [○] indicates that one or more statements have been marked as 'unable to score'.

Table 42: AEDET Scores

The detailed design stage (RIBA Stage 3: Spatial Coordination) will include further development on value engineering the solution, including the integration of the laundry equipment into the design. A further AEDET design review of the laundry design will be held at this stage.

A follow up AEDET review could also be held as part of RIBA Stage 4: Technical Design, when the Laundry Equipment tender process has been completed, the laundry supplier been fully onboard, and the technical design further developed.

5.3.3 Building Information Model (BIM) Protocol

The BIM Protocol applied to the project has been produced with reference to the NHS Building Information Model (BIM) Protocol 2017. The Protocol has been drafted for use on all common construction contracts and supports BIM working at Level 2.

The Protocol identifies the Building Information Models that are required to be produced by members of the Project Team and puts into place specific obligations, liabilities and associated limitations on the use of the models.

Details of the Protocol are included in Appendix 1.

5.3.4 Fire Safety

An initial fire strategy has been developed with drawings included in Appendix 1. The scheme has been designed on the basis of sprinklers being installed, which has also been discussed with NWSSP Fire Safety Advisor. There will be a fire main feed to the sprinkler system/tank located on the ground floor of the building.

A fully analogue addressable fire alarm and detection alarm system complying with current British Standards BS 5839 and Building Regulations Approved Document B shall be provided.

The fire alarm and detection system will comprise of automatic high performance point detectors, manual call points, audible and visual alarms, fire alarm panels and associated ancillary equipment.

Void detectors will also be provided in voids above 800mm and those ceilings below 800mm that include items of high risk as per the existing system.

In areas where occurrence of false alarm is likely to happen combined smoke/heat/carbon monoxide detectors will be provided.

The cables for the fire detection and alarm systems will be in red sheathed enhanced fire resisting cable in accordance with the requirements of BS 5839-1.

A lightning and surge protection systems will be designed and installed in accordance with the recommendations of BS EN 62305 to offer optimum protection of the building, the buildings integral equipment, staff and the public against the effects of a lightning strike.

A fire consultant will be appointed at the detailed design FBC stage, and the detailed fire strategy will be developed with the full involvement of the appropriate NWSSP representatives and Building Control ensuring full compliance with Fire Code and Building Regulations. This will include formal consultation with the local Fire Service where necessary. Items to be finalised include:

- Sprinklers/fire suppression systems;
- The need for a fire hydrant;
- Fire extinguishers;
- Dry Riser;
- Fire smoke venting;
- Fire evacuation procedures;
- Emergency voice communication systems.

A statement of compliance from the designated Fire Officer will also be provided for FBC.

See Estates Annexe, Appendix 1 - Fire Strategy Drawing.

5.3.5 Security

A preliminary assessment of the security systems for the new building has been undertaken and will be developed in detail at the next stage of design using a 'Secured by Design' approach.

Proposed systems include:

- **CCTV:** this will operate under the recommendations of the Local Building Control Officer, the Data Protection Act and the specific requirements of the client. In general, the system will be provided and installed to minimise the risk of equipment damage arising from acts of vandalism or any deliberate attempt to render equipment inoperable. Installation will be both internal and external;
- **Access Control:** A fully programmable access control system will be installed in the building to ensure provisions for security are in place for both staff and public, such that access is restricted by unauthorised personal to designated areas;

-
- **Intercom:** The provision of an intercom system is to be developed with the client during the next design stage, however it is envisaged that the system will generally consist of wall mounted robust audio/video door entry stations and desk/wall mounted robust audio/video receiver units. The intercom system is to be integrated to release the access controlled doors remotely;
 - **Intruder Alarm Systems:** it is envisaged that a multizone intruder alarm system is to be provided in accordance with BS EN 50131-1;
 - **Staff Attack System:** The provision of a staff attack system is to be developed with the client during the next design stages, however it is envisaged that staff attack devices are to be provided at reception desks only and integrated into the WC call alarm system.

Further details are included in the MEP Stage 2 Report in Appendix 1.

5.3.6 BS EN14065:2016 Textiles. Laundry Processed Textiles. Biocontamination Control System - Implementation of Improved Hygiene Standards

To date training has been conducted at each of the 3 Hubs, Swansea SWH, Green Vale SEH and Glan Clwyd NWH in respect of implementation of Improved Hygiene Standards ultimately leading to certification to BS EN14065:2016.

The training has been built upon by holding monthly Team Meetings (RABC Team – Risk Analysis Biocontamination Control Team) at each site.

The Teams are constituted of:

- Executive Manager: Anthony Hayward who is ultimately responsible for the operation and effectiveness of the service.
- Decontamination Engineer: Senior Site Engineer
- Decontamination Team Manager Laundry Manager
- Control of Infection Officer (Decontamination): Production Manager
- Decontamination Team Leaders – supervisors/chargehands
- Decontamination Manager – Senior site driver
- External/Internal Microbiologist: LTC
- Decontamination sub-contractor: detergent supplier / pest control contractor (only attend if invited)

Laundry operators are also invited to the meeting on an ad-hoc basis.

This provides a multidisciplinary approach to managing hygiene standards with staff at differing levels of seniority within the organisation.

This approach has led to several issues with disinfection being identified and addressed.

Site management have further disseminated the aims of the RABC team to operator level during staff briefings and toolbox talks.

Various monitoring and recording systems have been introduced and are in the process of being adopted across each of the LPUs (where possible existing systems are being used or adapted).

These include:

- Production of Policy Documentation;
- Production of Objectives document;
- Production of System Manuals;
- Production of, implementation of and recording of:
 - RABC team meetings;
 - Cleaning plans;
 - Microbiological monitoring, sampling and measurement;
 - Non-conformance monitoring;
 - Daily check for equipment and transport;
 - Calibrations;
 - PPM and maintenance of equipment.

Additional systems will be developed and implemented as required.

The main focus from now to commissioning of the new facilities will be to embed the systems into the culture of the organisation and ensure full and accurate monitoring records are kept.

The system will need to be adapted to ensure compliance in the new facilities as a consequence of changes to working practice (physical separation of soiled and clean areas) and different equipment.

Decontamination will require review in the areas of material handling and changes in disinfection affected by change of equipment/chemicals/temperature used.

A body of evidence, of circa 6 months, will be required to ensure the system has been appropriately implemented and monitored in the new facilities prior to certification.

5.3.7 Decarbonisation

Following on from Prosperity for All: A Low Carbon Wales, NWSSP SES worked with the Carbon Trust to develop a strategic delivery plan for decarbonisation of Wales, with the ambition for the public sector to be net zero by 2030, and a specific policy to reduce

emissions in the health sector. This resulted in the publication of the NHS Wales Decarbonisation Strategic Delivery Plan 2021-2030. Consequently decarbonisation has underpinned the development of the All Wales Laundry programme and this project.

5.3.7.1 Progress to date

The Project Team have approached the important issue of reducing carbon in a structured way through the design process, through a number of multi-disciplinary team workshops. A multi-disciplinary group has been established which has undertaken an initial review of potential decarbonisation measures. Further advice was sought from NWSSP SES specialists who were involved in writing the NHS Wales Decarbonisation Strategy, through their attendance at workshops and 1:1 meetings.

This approach has focussed on both the buildings construction and engineering and the laundry process, each of these driving reductions in energy consumption and carbon emissions.

The design has incorporated a number of measures and material choice to ensure sustainability and low carbon is incorporated into the conceptual design at RIBA Stage 2.

The overall carbon emissions from the development will be mainly process driven but where possible, they will be minimised through the use of passive design, high efficiency MEP systems and low and zero carbon renewable energy systems where appropriate and applicable.

The energy demand of the building will be developed with consideration to the fabric of the building, MEP systems and their operational use.

Detail of the proposals being considered is provided in a Decarbonisation Statement of Intent and the MEP Strategy included in the Estates Annex, Appendix 1. This document will be reviewed at FBC stage, to reflect the Carbon Assessment Reports, and following the conclusion of the VE exercise and subsequent laundry equipment specification with the appointed laundry supplier.

5.3.7.2 Baseline Carbon Reduction and Targets set by the Programme Business Case

The PBC included an assessment of the carbon baseline for the current five LPU's and the potential future carbon targets for the three proposed LPU's which was the projects starting point and has been used as the basis for moving forward in this business case.

The PBC identified the greenhouse gas (GHG) emissions (reported as carbon dioxide equivalent (CO₂e)) as at 2018/19 relating to :

- CO₂e (from utilities and transport) per Kilogramme (Kg) of laundry processed by the five existing LPUs;
- A potential CO₂e target for the preferred solution (three LPUs) of less than 0.35kg CO₂e per kg of laundry.

To support the AWL Programme, Square Gain were commissioned in February 2022 to review the carbon baseline and target for this stage of the business case process (See Full Reports and Carbon Analysis in the Estates Annexe, Appendix 1).

The purpose of the Square Gain review was to assess and ratify the original greenhouse gas (GHG) emissions assessment of the existing LPUs in Wales, included in the report at PBC taking into account subsequently provided data, including BREEAM pre-assessments, and finalised locations. Where the assessors have been working with electricity and gas consumption figures, as opposed to carbon figures, 2018 carbon factors have been used, including for the existing LPU data. When using projected fuel consumption figures for the proposed new LPUs updated carbon factors (BEIS, June 2021 version 2)¹ have been incorporated.

To ensure consistency and comparability, Square Gain has referred to the same operational scope as used in the Capita AWL Review Carbon Assessment undertaken for the PBC as follows:

Scope 1 – Direct Emissions

- Combustion sources (emissions from plant, boilers, etc.);
- LPU owned vehicle fleet.

Scope 2 – Indirect Emissions

- Purchased electricity from the national grid;
- Purchased gas from the national grid;
- Purchased steam;

Scope 3 – Indirect Emissions

- Purchase water from water board;
- Leased vehicle fleet;
- Staff transport.

¹ Greenhouse gas reporting: conversion factors 2021-GOV.UK (www.gov.uk)

The following table provides the assessment at PBC for the Llansamlet and Glangwili laundries and the updated baseline assessment for these two existing LPUs in 2022 provided by Square Gain along with the reason for change. Both assessments exclude Transport.

Laundry	CO ₂ e per kg of laundry at PBC (2018/19)	CO ₂ e per kg of laundry at OBC (2022)	Reason for change
Llansamlet	0.657	0.618	New information available which reflects a lower value emission
Glangwili	0.283	0.250	<p>New information available which reflects a lower value emission.</p> <p>These emissions are lower than those reported for other LPUs due to the fact that the laundry is served by a site Biomass boiler and steam.</p> <p>In addition the figures are provided by the Health Board and are based on apportionment of whole site energy usage with no metering available. For these reasons it is anticipated that energy and carbon usage will be higher than currently reported on opening of the new facility which will be served from dedicated plant.</p>

Table 43: CO₂e emissions per LPU (excluding transport) PBC and OBC

Table 44 shows the current kgCO₂e emissions for the South West LPU by Scope and Type of emission including Transport.

Scope	Activity	South West
Scope 2	Electricity (kg CO2e)	125,331
	Gas (kg CO2e)	822,598
Scope 3	Transport (kg CO2e)	241,327
	Water (kg CO2e)	8,308
Laundry processed (kg)		4,025,040
Total kg CO2e		1,197,564
kg CO2e per kg of laundry processed		0.298

Table 44: Total kg CO2e Emissions South West LPU

The analysis for South West LPU shows that 69% of the carbon emissions are associated with gas, followed by transport with approximately 20% of the carbon emissions, then electricity with 10% and water 1%.

Square Gain's review of all data, has resulted in general agreement with the original Capita report and other project projections, including BREEAM Pre-Assessments. The review demonstrated that the progression from five LPU sites to three, will deliver carbon savings broadly as indicated in previous reports. Specific findings were:

- Carbon emissions from laundry equipment and laundry buildings are indicative at this stage. Equipment emissions will be fully known once the equipment specification has been finalised, and based on the energy saving package (within the Major Equipment Analysis provided by Tilbury Douglas Engineering Ltd XIV), best-practice energy-saving equipment will be installed;
- Building emissions will be more accurately determined by detailed modelling during technical design development;
- Transport carbon emissions are broadly aligned with the PBC Capita report. If considered in isolation these show an increase in carbon and cost associated with the change to three LPUs. However, the carbon and financial savings delivered by operating fewer and more efficient LPUs more than compensates for this.

Square Gain has undertaken a more granular analysis of the different vehicle types that will be used by each LPU for the client deliveries and collections, which results in lower carbon emissions of around 15% over and above Capita's original carbon projections for transport.

However, due to increased travel distances relating to the reduced number of LPUs, the carbon relating to transport is expected to increase overall.

To provide a robust comparator to the Capita analysis, Square Gain have continued to use the A-B-A routing, and have noted that in reality there are likely to be significant further savings, over and above both of these analyses, through journey planning, multiple collections and deliveries and optimum vehicle selection to facilitate this. The utilisation of electric vehicles (out with this business case) will further facilitate carbon reductions and reduce risk due to exposure to volatility in the supply of diesel over the coming years.

Total annual carbon savings per year against the existing LPUs are estimated to be 1,648 tonnes of carbon dioxide equivalent (tCO2e), equivalent to more than £409,000 the summary of which is shown in the following table. Further potential savings are outlined in the AWL Laundry Carbon Assessment Report South West LPU included in Appendix 1.

For the SW LPU the savings are estimated to be circa 658 tonnes of carbon dioxide equivalent (tCO2e) equating to £163K per annum.

Carbon including Transport									
Variables	Glan Clywd	Greevale	Swansea	Church Village	Camarthen	South West	South East	North	
Total Yearly km per kg/CO2e	663,228	1,107,191	1,259,069	2,002,857	596,330	1,197,564	1,870,751	911,709	
Total Yearly tonne CO2e	663	1,107	1,259	2,003	596	1,198	1,871	912	
Monetary equivalent	£164,701.62	£274,952.43	£312,668.80	£497,376.16	£148,088.62	£297,395.00	£464,569.81	£226,407.75	
Non-traded value									
Annual savings of tCO2e						657.84	1,239.30	248.48	1,648.65
Monetary Equivalents of benefit £						£163,362.41	£307,758.77	-£61,706.13	£409,415.05
Inputs					Assumptions				
per tonne	1000				The transport mileage has been recalculated across for all sites				
2022 central series value	£248.33				An appropriate vehicle type and associated carbon factor per mile have been selected based on average load volume with all journeys undertaken on an A-B-A basis				
Transport (km)	0.86654				In line with the PBC 'average laden' weight has been assumed for all transport				
Operating hours North	37.5				Increased operating hours mean an increase in CO2 to this benefit which is a negative impact				
Operating Hours South West	37.5				2022 value for CO2 used from Valuation of greenhouse gas emissions: for policy appraisal and evaluation Published 2 September 2021				
Operating Hours South East	41.5								
% Adjusted operating hours	-10.7%								

Table 45: Total Annual Carbon Savings per annum (including Transport)

5.3.8 Building Research Establishment Environmental Assessment Method (BREEAM)

A BREEAM Pre-Assessment for the South West Wales LPU was undertaken in October 2021. This was facilitated by Greenbuild Consult who have been appointed by the SCP to advise on BREEAM.

The pre-assessment is based upon the BREEAM New Construction 2018 non domestic scheme (SD5078:3.0-2018) methodology and complies with both the requirements embedded in the Design for Life Framework and also Welsh Government requirements for a new build facility.

The BREEAM assessment was based upon proposed drawings and discussions with the design team. The project proposals have been reviewed in accordance with achieving a minimum BREEAM rating of ‘Excellent’ and achieving a minimum score of 70%.

The pre-assessment has demonstrated that the design of the building could provisionally achieve an ‘Excellent’ rating of 75.70%. The following table outlines the available, targeted and potential credits for the project.

Section	Available		Targeted		Potential	
	Credits	Category weighting	Credits	Percent	Credits	Percent
Management	21	11.00%	21	11.00%	21	11.00%
Health and Wellbeing	17	14.00%	16	13.17%	17	14.00%
Energy	23	16.00%	16	11.13%	21	14.60%
Transport	12	10.00%	5	4.16%	10	8.33%
Water	9	7.00%	7	5.44%	8	6.22%
Materials	14	15.00%	12	12.85%	13	13.92%
Waste	9	6.00%	7	4.66%	7	4.66%
Land Use and Ecology	13	13.00%	7	7.00%	8	8.00%
Pollution	12	8.00%	8	5.33%	11	7.33%
Innovation	10	10.00%	1	1.00%	1	1.00%
Total	140	110.00%	100	75.70%	117	89.00%

Table 46: Outline of BREEAM Credits

The detailed BREEAM Preliminary Assessment Report is included in the Estates Annex, Appendix 1.

5.3.9 MEP Strategy

The proposed MEP Strategy for the building is described in the Estates Annexe, Appendix 1

5.3.10 Future Flexibility

Flexibility is paramount to the sustainability of the service. The new laundry will have the capacity to respond to additional demands in the event of breakdowns elsewhere in the system or sudden increased demand from the Health Boards by operating for extended hours.

5.4 Digital and IM&T Strategy

An IM&T workstream has been set up to ensure continuity of services during the transition phase and transfer of management arrangements from the Health Board to NWSSP and to consider initiatives required to support the new facilities.

A new dedicated IT room will be provided within the facility to house the IT equipment. Initial discussions have indicated that 2 number 1000mm x 800mm 47u data cabinets will be provided within the space with all cabinets connected via comms links to the clients preferred topology. All active equipment is to be provided by the client.

Wireless access points will be provided in line with NWSSP specification.

A horizontal structured cabling system is to be provided throughout the building to facilitate the IT, Telecoms and AV requirements. New cabling will be Level CAT6a UTP, Low Smoke Zero Halogen type Euroclass CcA.

Existing laundry specific I.T. software and licences will transfer from the existing LPUs to the new LPUs upon commissioning. It is anticipated that there will be a heavy reliance on PLC controls linking, controlling and reporting on the performance / status of the production equipment.

5.5 Land Acquisitions and Potential Disposals

5.5.1 Existing Laundries at Llansamlet and Glangwili

The existing laundries at Llansamlet and Glangwili will be vacated, decommissioned and secured by NWSSP following opening of the new LPU in South West Wales. Llansamlet LPU will remain in the ownership of NWSSP and will be disposed of at the appropriate time. The laundry building at Glangwili hospital will remain in the ownership of Hywel Dda

University Health Board. Any equipment with a residual life will be reused where appropriate to support the programme (e.g. to support the refurbished SE hub) or sold as part of the decommissioning process and any obsolete equipment will be scrapped. The latest Welsh Government guidance will be followed when planning and scoping for decommissioning of existing Health Care Buildings.

5.5.2 New site at Mill Stream Way, Swansea

NWSSP have contacted Swansea City Council (land owner) and Welsh Government (leaseholder) in October 2021 with regards to securing the Mill Stream Way plot.

Swansea City Council and Welsh Government have responded positively to NWSSP's enquiry.

Welsh Government had obtained the original lease from Swansea City Council in 2008, leaving approximately 125 years remaining on the lease. This lease will be transferred to Velindre NHS Trust (NWSSP).

Heads of Terms have been agreed and are provided (subject to contract) in Appendix 1. The new building on the site will be owned by Velindre NHS Trust (NWSSP).

The Development Agreement is planned to be based on the following conditions:

- Subject to receiving Welsh Government funding approval;
- Full Planning Application must be submitted within the first 12 months of the agreement;
- A further 12 months to be allowed to obtain planning application;
- The timeframe can be extended for a further 6 months for a planning appeal or judicial review;
- The building is to be developed to a BREEAM 'Excellent' standard and an appropriate Certificate provided by an accredited Assessor;
- Upon successful completion of the development, the long leasehold interest (125 years) made between Swansea City Council and Welsh Government, dated 19th December 2008, shall be assigned to Velindre NHS Trust (NWSSP)

The price for the land is £409,500 + VAT (2.73 acres at £150k per acre), to be paid as a one-off payment upon completion of the assignment of the lease. No deposit is to be paid upon exchange of the Development Agreement.

5.6 Planning Approval

Asbri Planning Ltd were appointed to provide planning advice for the projects by the SCP Tilbury Douglas, which has determined the approach taken.

The basic principle of development is acceptable for the proposed site in Swansea as the site lies within the settlement boundary and within a wider strategic site, with this specific parcel designated for employment. Outline planning applications determine the principle of development and 'reserve' detailed matters for future consideration. Therefore, given the planning policy status of this site, an outline planning application is unnecessary.

Pre-application discussions also address the principle of development, but on a more specific scale for the particular proposed scheme. They also cover detailed matters, including advice from other technical Council consultees and application documentation requirements. This advice can therefore inform the more detailed aspects of the planning application itself. The pre-application response from Swansea provides such technical advice, as well as confirming the principle of development. Seeking pre-application advice is also recommended Welsh Government best practice.

As such a Pre-Application Enquiry for the laundry development at Mill Stream Way, Swansea was submitted to Swansea Planning Authority on 8th December 2021 to seek confirmation on the principle of the development and confirmation of the proposal of transport and parking and in respect of flooding. A formal response was received on 22nd February 2022. The application site is identified for employment use within the concept plan for Strategic Development Area 1 (Swansea Vale). Accordingly, the proposed use is considered acceptable with further details as highlighted in the response. The details of the response are included in Appendix 1.

5.7 Equality and Diversity

In order to ensure compliance with the requirements of the Equality Act 2010 and how it relates to access to facilities, an Equality Impact Assessment has been undertaken by NWSSP's Human Resources and Project Management Departments and been ratified by the EQIA panel, which includes staff side representation. for the building which has informed the design. This is included in Appendix 6.

5.8 Personnel Implications (including TUPE)

The workforce employed at the Llansamlet LPU have transferred from Swansea Bay University Health Board to NWSSP under TUPE regulations in April 2021. The workforce employed at Glangwili remain employed by Hywel Dda University Health Board and will have

the option to transfer under TUPE to NWSSP or remain with HDUHB during the transition phase of the project. Regular meetings have been held with staff throughout the various stages of the project to keep them informed and involved in the change management process both during the transition phase and moving forward to the opening of the new facilities. A workforce workstream has been set up for this purpose.

6.0 Financial Case

6.1 Capital Costs

The capital cost breakdown for the preferred option (Option 3) is summarised in the following table. The capital cost forms are included in the Estates Annexe, Appendix 1.

This capital cost identifies a significant increase to the capital cost identified at PBC. This is due to area increases which have now been influenced by the equipment layouts provided by Equipment Suppliers at the tender stage, plant requirements and the cost per metre² adjustment to reflect the current programme and PUBSEC indices.

	Capital costs £'000s
Departmental Cost	11,991
Oncosts	1,542
Location adjustment	Included
Works Costs	13,533
Design Fees	2,617
Non-Works	1,110
Equipment	7,851
Planning Contingencies	2,513
Sub Total	27,623
VAT	5,166
Total (Approval)	32,789

Table 47: Capital Costs for Preferred Option

The works cost for the preferred option have been developed and priced at current day prices using BCIS PUBSEC Index of 277 (Quarter 1, 2022) for approval. For comparative purposes against the capital costs included in the PBC an adjustment has also been made using BCIS PUBSEC index of 250.

The assumptions underpinning the capital costs are as follows:

- Location adjustment for local market conditions included within the works cost breakdown;
- Non works costs include land acquisition and legal fees, planning and building control, statutory and Local Authority charges;
- Fees at 19.34%; and as detailed in OB4 in the Capital Cost Forms in Appendix 1;

- Equipment in accordance with costed equipment schedule in Appendix 1 (Estates Annexe) which includes an allowance for preliminaries and fees;
- Planning contingencies based on a quantified risk register;
- VAT at 20% on all elements;
- Inflation has been excluded at this stage.

The capital expenditure flow is shown in the following table:

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Capital Spend £'000s	341	2,501	6,413	20,667	2,867	32,789

Table 48: Capital Expenditure Year by Year

6.1.1 VAT Treatment

Recoverable VAT at 7% of construction costs based on preliminary advice received from Ernst and Young LLP. This equates to £358,602 for this project. This has been taken into account in the capital cost summary included in Table 47.

6.2 Revenue Costs

6.2.1 Baseline Update to PBC

Revenue costs for the new options have been updated since the PBC with a review of the baseline costs undertaken so that costs are based on 2021/22 budgets to ensure that current volumes of activity, prices and costs are built into the business case.

The baseline is established as follows:

	Revenue Costs £000's	
	PBC	Baseline 2021/22
Pay	1,884	2,140
Non Pay	1,118	1,371
Total	3,002	3,510

Table 49: Baseline Costs to PBC

6.2.2 Assumptions

Further to this the key cost variances that have been included are:

- a) Workforce numbers and grades have been reviewed since the PBC with some minor amendments to managements and maintenance staff and costed at 2021/22 pay scales;
- b) Direct laundry costs have been reviewed to take into account the transfer of one million pieces of laundry from the South East LPU to the South West LPU;
- c) Utility costs have been adjusted to take account of the predicted impact of the carbon measures to reduce usage and costs undertaken by Archus / Square Gain;
- d) Transport costs have been adjusted to take account of the predicted impact of the carbon measures to reduce usage and costs undertaken by Archus / Square Gain.

Utility and transport costs have been based on 2021/22 price base. It is recognised that prices on fuel and energy have increased since then and will continue to be highly volatile in the coming months and years. For the purpose of this business case this has been considered outside of the scope as it will affect both the current status quo and future costs.

6.2.3 Revenue Cost

The following table highlights the costs for each option and are based on 2021/22 price base. The service costs for each option are the same for each option, with the only differential being on the capital solution driven by the site proposal.

	Revenue Costs £000's				
	Baseline 2021/22	Option 1: Forest Way	Option 2: Former Michton Premises	Option 3: Mill Stream Way	Option 4: Swansea West Industrial Estate
Pay	2,140	1,022	1,022	1,022	1,022
Non Pay					
Direct Processing Costs	528	573	573	573	573
Transport	150	174	174	174	174
Utilities	652	363	363	363	363
Overheads	42	42	42	42	42
Total Non-Pay	1,371	1,151	1,151	1,151	1,151
Total	3,510	2,173	2,173	2,173	2,173
Revenue (Saving) Cost		(1,337)	(1,337)	(1,337)	(1,337)

Table 50: Revenue Costs for Shortlisted Options

The total revenue saving for each option is £1,337k before capital charges driven by staffing and a saving on the non-pay in terms of utilities relating to the recent carbon assessment.

Work will be undertaken through the next stage to assess the impact of this on customers.

6.2.4 Capital Charges and Estimate of Impairment

The capital cost of the four options is relatively similar and indicative capital charges are highlighted in the following table and how they compare to the current baseline. This assumes a 60 year life of asset and 30 years on equipment.

The calculation for the preferred option is shown in the following table.

	Capital Charges Impact £000's				
	2021/22	2022/23	2023/24	2024/25	2025/26
Capital					
Buildings	342	2,503	5,634	14,769	1,692
Equipment	0	0	785	5,888	1,178
Total Capital Cost	342	2,503	6,419	20,657	2,869
Depreciation					
Buildings	6	47	141	387	416
Equipment	0	0	26	222	262
Total Depreciation Cost	6	47	167	610	677

Table 51: Impact of Capital Charges

It is likely that once complete there will be a revaluation. This can only be assessed at the time but the impact of an indicative 20% impairment which is in line with other NHS schemes.

6.2.5 Impact on Income and Expenditure Account

The impact on the I&E account is shown in the following table. This illustrates the decrease in revenue costs and the increase in depreciation. Negotiations will be undertaken with customers to assess the impact on pricing with a view to standardising pricing arrangements going forward.

It is assumed that depreciation for assets will be funded and depreciation is at this stage included for assets under construction. The impact on existing depreciation will be reviewed at FBC

Revenue savings of £1,358k (excluding capital charges) will be accrued upon opening of the laundry through staff and non pay savings.

	Income and Expenditure Impact £000's				
	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Revenue Costs and Benefits:					
Revenue Staff Costs	2,140	2,140	2,140	2,140	1,022
Transitional Costs	0	0	0	0	0
Revenue Non Pay Costs	1,412	1,412	1,412	1,412	1,180
Existing Depreciation					
New Depreciation	6	47	167	610	677
Total future costs	3,557	3,599	3,719	4,162	2,880
Annual increase/(Saving)		42	162	604	-678
Funded By:					
Existing Budgets	-2,140	-2,140	-2,140	-2,140	-1,022
Existing Non Pay Budgets	-1,412	-1,412	-1,412	-1,412	-1,180
Depreciation Funding	-6	-47	-167	-610	-677
Total existing budgets	-3,557	-3,599	-3,719	-4,162	-2,880

Table 52: Impact on Income and Expenditure Account

6.2.6 Impact on the Balance Sheet

The key impact on the balance sheet will be the addition of the new asset. This will be reviewed further at FBC stage. There may be potential to impair the asset upon construction and work will be undertaken with the District Valuer at FBC stage. Additionally any potential land sales will be reviewed at FBC.

6.3 Future Workforce

The following table details the proposed workforce for the new South West LPU at 39 WTE which compares with a predicted future workforce of 37 WTE in the PBC. These increases relate to 1 WTE Band 5 Deputy Production Manager and 1 WTE Band 3 Maintenance Assistant. The cost impact of these posts has been mitigated by reductions to pay bands of

a number of other posts. The final number of staff employed however will be determined by the equipment selection at the next stage.

Post	WTE
Unit Management Team	4.00
Shift Team Leaders	2.00
Production Team	24.00
Engineering Team	3.00
Admin Team	2.00
Distribution Team	4.00
TOTAL WTE's	39.00

Table 53: Future Workforce Establishment

Overall the total workforce is expected to reduce by circa 96 WTEs when all three new LPUs are operational. The final number will be confirmed when the equipment specification is finalised.

7.0 Management Case

The project structure developed by NWSSP for this All Wales Laundry project reflects ownership at the highest level and draws not only upon the traditional roles associated with capital project management, but also upon significant user representation and support from across the Laundry Services and Health Boards to ensure that the wider business objectives of the All Wales Laundry Service are met.

A Laundry Transformation Group and Laundry Programme Board have been established to ensure that the key deliverables and investment objectives are met. The Laundry Programme Board reports through the NWSSP Senior Leadership Team to the NWSSP Committee.

7.1 Programme and Project Governance Arrangements

The governance and reporting arrangements for the All Wales Laundry programme is shown in the following diagram.

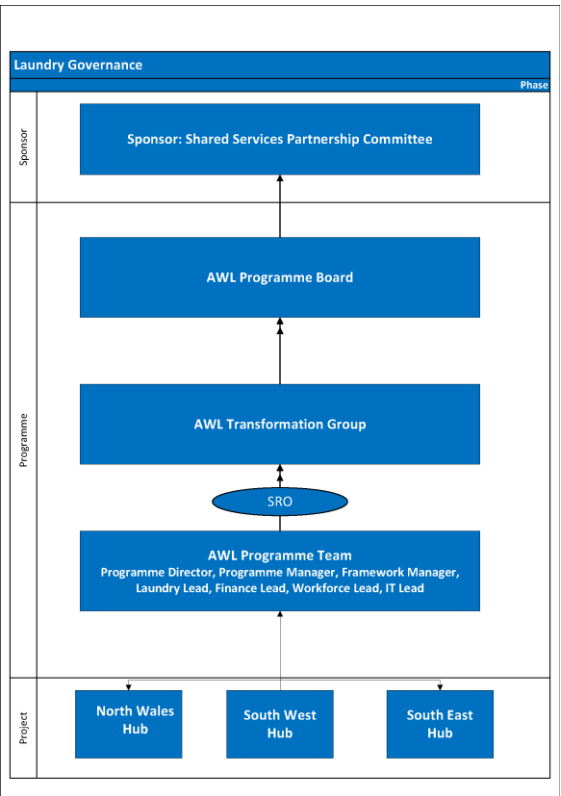


Figure 16: Programme Governance Structure

7.2 Project Responsibilities

The Senior Responsible Officer for the Programme is Neil Davies, Director, Specialist Estates Services.

The Programme Director assigned to the All Wales Laundry Programme is Lee Wyatt.

The Programme Director is the primary decision maker responsible for the overall governance and direction of the programme. The Programme Director will be responsible for providing the necessary advice and recommendations to the Laundry Programme Board and will chair the Laundry Transformation Group meetings.

7.2.1 Programme Board

The Programme Board meets monthly and reports to the NWSSP Committee. The Board is responsible for providing governance and oversight to the Laundry Programme.

The objectives of Laundry Programme Board (LBP) are as follows:

- Provide Executive/Senior Management oversight of the Laundry Programme;
- Endorse business cases prior to seeking approval from the NWSSP SLT and ultimately the Shared Services Partnership Committee before formal submission to the Welsh Government;
- Consider material changes in programme scope, cost or budget;
- Review major issues and risks affecting the programme.
- Monitor and review progress against key milestones;
- Ensure that staff representation is integrated into the ongoing development and implementation of the programme;
- Ensure the programme is subject to independent review e.g. Gateway Reviews.

Full Terms of Reference are included in Appendix 7. The Programme Board comprises the following members:

Name	Position	Organisation
Neil Frow	Investment Decision Maker (Managing Director)	NWSSP
Neil Davies	SRO (Director Specialist Estates)	NWSSP
Lee Wyatt	Programme Director	NWSSP
Gareth Hardacre	Director of Workforce	NWSSP
Andy Butler	Director of Finance	NWSSP
Anthony Hayward	Assistant Director of Laundry & Facilities Operations	NWSSP
Jonathan Irvine	Procurement & Laundry Service Director	NWSSP
Alwyn Hockin	Trade Union Representative	NWSSP
Paul Beckett	Programme Lead – Finance	NWSSP
Bethan Rees	Project Manager	NWSSP
Thomas Kuehn	Framework Manager	NWSSP

Table 54: Programme Board Members

7.2.2 Laundry Transformation Group

The purpose of the Transformation Group is to support the Programme Director in the transfer of the existing laundries from Health Boards to NWSSP; the delivery of the 2 new build laundries in North and South West Wales and the refurbishment of the Green Vale Laundry in South East Wales; and the eventual transfer of the current service from the existing facilities to the new laundry infrastructure

The Transformation Group comprises the following members and meets on a monthly basis. The terms of reference are included in Appendix 7. The Transformation Group reports directly to the Programme Board through the Programme Director.

Name	Position
Lee Wyatt	Programme Director, NWSSP - Corporate /Chair
Thomas Kuehn	Framework Manager, NWSSP – SES
Bethan Rees	Project Manager, NWSSP – Finance
Anthony Hayward	Assistant Director of Laundry and FM Operational Services, NWSSP – Procurement
Paul Beckett	Programme Lead – Finance, NWSSP – Finance
Mike Bryan	Informatics Lead, - NWSSP – IMT
Claire Howells	Workforce Lead, NWSSP
Chris Rogers	Construction Project Manager, Gleeds

Name	Position
Richard Fajer	Construction Project Manager, Gleeds
Louise Grace	Cost Advisor, Gleeds
Mark Smith	Cost Advisor, Gleeds
Steve Anderton	Specialist Laundry Advisor, LTC Worldwide
Carolyn Robinson	Business Case Writer, Strategic Healthcare Planning
Mark Lewis	Associate Director Project Management, Gleeds

Table 55: Transformation Group Members

7.2.3 Workstreams

The following workstreams have been established to support the delivery of the project:

- Equipment;
- Transition;
- Business Case Development;
- Design and Construction;
- Workforce;
- Finance;
- IM&T.

Terms of Reference and membership of these workstreams are included in Appendix 7.

7.2.4 Project Management Arrangements and Reporting

The project management structure supporting the NWSSP Team for the three projects within the programme is identified in the following diagram.

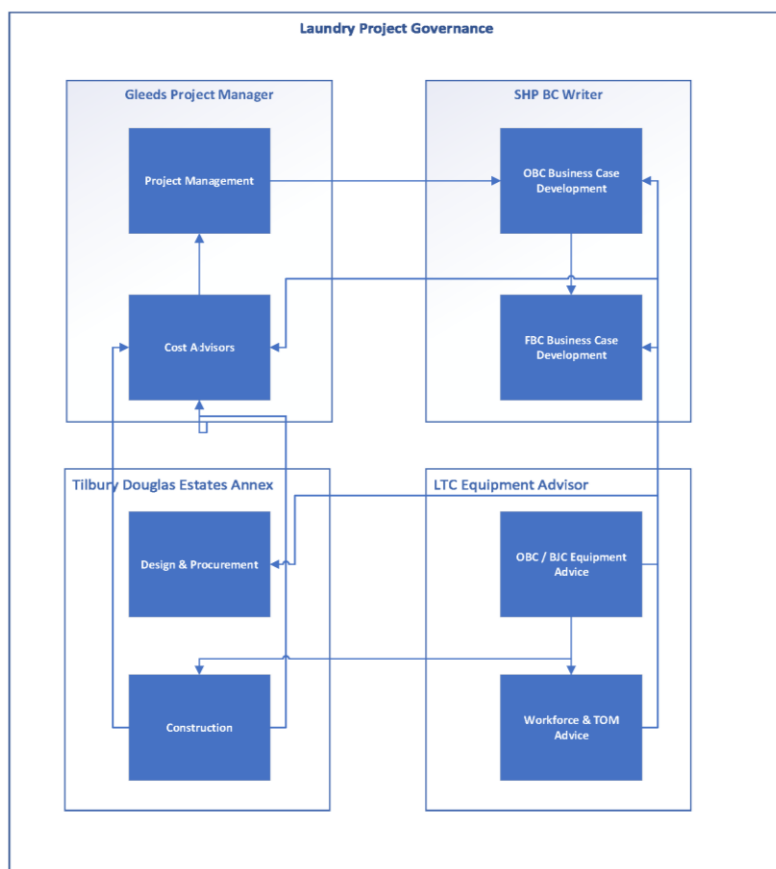


Figure 17: NWSSP Project Governance Structure

The Programme Director reports into the Programme Board and with the Senior Responsible Officer into the NWSSP Committee. The management of the programme reflects PRINCE2 (Projects in Controlled Environments) methodology.

Members of the NWSSP Team responsible for delivering this programme possess the following project management and associated qualifications and professional memberships:

- Prince 2 practitioner;
- Managing Successful Programmes;
- Better Business Case Practitioner.
- Chartered Manager with Chartered Management Institute;
- Incorporated Engineer with IHEEM.

The fees for the internal Programme Management Team are included within the capital costs for the project.

The Supply Chain Partner co-ordinates the work of the supply chain towards meeting project goals. The Supply Chain Partner is responsible for co-ordinating the design and construction support for the project.

The project will be managed according to the RIBA plan of works and charter and will follow all construction best practice guidance.

7.2.5 Use of Special Advisors

NWSSP have used special advisors in a timely and cost-effective manner to lead the development through to outline business case stage. These advisors have either been appointed directly by NWSSP or appointed via the Supply Chain Partner, Tilbury Douglas Construction.

Specialist Area	Appointing Organisation	Advisor
NEC Project Managers	NWSSP	Gleeds Management Services
Cost Advisors	NWSSP	Gleeds Cost Management
Business Case Writer and Support	NWSSP	Strategic Healthcare Planning (SHP)
Laundry Specialists	NWSSP (commissioned through Strategic Healthcare Planning)	LTC Worldwide
Transport and Carbon Assessors	NWSSP	Archus
Design Review	NWSSP	NWSSP – SES
Architect	SCP	BDP Architects
Mechanical and Electrical Engineering Consultants	SCP	WSP
Civil and Structural Engineering Consultants	SCP	WSP
Engineering and Equipment	SCP	Tilbury Douglas Engineering
BREEAM Assessors	SCP	Green Build Consult
Planning Consultants	SCP	Asbri Planning Ltd

Table 56: Special Advisors

7.3 Delivery Programme

The key milestones for the project are provided in the following table. The overarching programme is included in Appendix 1.

Activity	Target Date
OBC Development	May 2022
OBC Internal Approvals	May 2022 – July 2022
OBC Submission to Welsh Government	July 2022
OBC Approval by Welsh Government	November 2022
FBC Development	November 2022 – May 2023
Detailed Design (RIBA Stage 3 and Stage 4)	November 2022 – May 2023
Full Planning Approval	June 2023
FBC Internal Approvals	August 2023 – September 2023
FBC Submission to Welsh Government	October 2023
FBC Approval by Welsh Government	January 2024
Mobilisation	January 2024 – February 2024
Construction incl. Commissioning and Handover	February 2024 – July 2025
Laundry Services Commissioning, Familiarisation, Training	July 2025 – September 2025
New Laundry Operational	September 2025
Decommissioning and Closure of Llansamlet Laundry	October 2025 – March 2026
Post Project Evaluation: Design and Construction	December 2025
Post Project Evaluation: Service	December 2026

Table 57: Project Milestones

7.4 Interdependencies

The successful delivery of this project is dependent on the availability of capital funding.

7.5 Risk Management

The risk management strategy is based upon the following principles:

- Identifying possible risk in advance, putting in place mechanisms to minimise the likelihood of risks occurring and their associated adverse effects;
- Having processes in place to ensure up to date, reliable information about risks is available, and establishing an ability to effectively monitor risks;

- Establishing the right balance of control is in place to mitigate the adverse consequences of risks, should they materialise;
- Setting up decision-making processes, supported by a framework of risk analysis and evaluation.

An overarching programme risk register has been developed by NWSSP, to record and log details of any item or event which is considered to put the objectives of the programme at risk and is reviewed weekly along with the Issues and Decisions Log. In addition to this overarching risk register, a quantified design and construction risk register has been developed for the individual projects. The risk registers are live documents and are updated at regular intervals. The NWSSP Project Manager is the owner of the Programme Risk Register and Gleeds' Project Managers manage and retain ownership of the design and construction risk registers throughout the project. Any high scoring risks from the design and construction risk registers (12 and above) are also included on the programme risk register.

The risk registers are provided in the Estates Annexe, Appendix 1.

7.5.1 Main Programme Risks

The main risks (risk score 12 and above) after mitigation for the All Wales Laundry Programme as at 24th May 2022 are identified in the following table. The design and construction risk cost (planning contingency) at OBC stage for this South West Wales development stands at £2.5m and this figure is anticipated to decrease considerably during the detailed design (FBC) phase of this development.

Risk No.	Risk	Mitigation Measure	Residual Risk Score
R21	Failure to meet OBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15
R22	Failure to meet FBC approval	Appointment of Business Case Consultants. Development of robust implementation plan. Regular BCW check review and reporting to PM and client. Regular review meetings at team level, Transformation Group level and Programme Board level.	15

Risk No.	Risk	Mitigation Measure	Residual Risk Score
R48	Delay to project programme due to requirement to re-procure Supply Chain Partner	Risk response and risk actions limited due to external factors outside of our control. Closely monitor current contractual situation and evaluation process. Due diligence undertaken & Board signed off. SCP to progress.	15
R29	Site selection: Unable to secure site within 5 mile radius	Expedite site search, criteria assessment and testing / analysis at early OBC stage, to determine early options. Single point responsibility through SCP.	12
R31	Failure to provide a modern production facility, due to new sites and with existing buildings	Compromised footprint; layout, segregation etc. Detailed testing and assessment of each site against clear and pre-agreed parameters as part of FBC feasibility studies and options development. Operational design & workshops included such parameters.	12
R51	HB financial destabilisation as result of NWSSP Laundry Programme benefit realisation.	Early stage engagement with respective HB to address the impact of a change in PPI and thus HB revenue and budget shortfall. Especially ABUHB given CAV subsidisation.	12

Table 58: Main Programme Risks impacting this project and business case

7.5.2 Risk Allocation

The following table indicates where the responsibility for risk lies between public and private sector.

Risk category	Potential allocation		
	NWSSP	SCP	Shared (NWSSP/SCP)
Design Risk		✓	
Construction and development risk		✓	
Transition and implementation risk	✓		
Availability and performance risk			✓
Operating risk	✓		
Variability of revenue risks	✓		
Termination risks			✓
Technology and obsolescence risks			✓
Control risks	✓		

Risk category	Potential allocation		
Residual value risks	✓		
Financing risks	✓		
Legislative risks			✓
Other project risks			✓

Table 59: Risk Allocation

The risk allocation will be revisited again during the next design stages and ahead of construction and will be updated accordingly for the FBC.

7.6 Project Assurance

7.6.1 Gateway Review

External Gateway Reviews have been undertaken for the All Wales Laundry Programme by the Welsh Government Integrated Assurance Hub at the following stages:

Stage 0: Strategic Assessment - July 2021

Stage 2, Delivery Strategy – February 2022

Further reviews are planned during the detailed design stage and FBC development.

7.6.2 Internal Audit

The AWL Programme has also been subject to an internal audit undertaken by NWSSP audit and assurance leads in 2022, whilst the Programme Director has also undertaken a lessons learned exercise at the end stage of OBC. Findings and action plans will be distributed internally to the programme teams and governance bodies as necessary.

7.7 Arrangements for Change Management

There is an expectation that all staff who were part of the TUPE process relating to the Swansea laundries will move to the new site location. Exact numbers cannot be provided at this stage as we would need to factor in potential employee attrition. Any move to new sites will be managed through the All Wales Organisational Change policy and will involve full engagement and consultation with all staff affected. This will be managed in full partnership with our staff side colleagues.

For those laundries currently under the decommissioning stage (i.e. Church Village and Glangwili) regular communication is being maintained with the services and workforce

colleagues. Any staff who wish to transfer to the laundry sites in Swansea, North Wales or Greenvale will be managed through a thorough TUPE process, there will be full engagement and consultation. This will be managed in full partnership with our staff side colleagues within NWSSP and also within Cwm Taf Morgannwg and Hywel Dda University Health Boards.

Any new posts will be managed through the working group that has been set up to discuss future recruitment and the necessary job descriptions. Membership of this group includes service, staff side and People & Organisational Development.

Progress to date includes:

- All Laundry Managers and Deputy Laundry Managers have been appointed to provide consistency across the regions;
- The Operational Business Manager has now been recruited on a permanent basis;
- The Operational Laundry Manager has also been recruited;
- The post of Technical Manager is currently out for advert.

7.8 Benefits Realisation

A Draft Benefits Realisation Plan has been developed for the project and is included in Appendix 5. This Plan will be developed in more detail for the Full Business Case. The Benefits Realisation Plan includes current (baseline) position and planned (target) position and specifies who is responsible for the delivery of specific benefits, when they will be delivered and what activity needs to be undertaken to deliver them.

Four types of benefits have been identified:

- Cash Releasing Benefits (CRB);
- Non-Cash Releasing Benefits (NCRB);
- Societal Benefits (SB);
- Un-monetisable benefits (UB).

The assessment and monitoring of the benefits realisation plan will form a key part of the Post Project Evaluation process for the project.

7.9 Post Project Evaluation

NHS organisations have a duty to evaluate Capital projects, to duly learn from them and to report the findings of the evaluation to Welsh Government. All appropriate programmes and

projects are subject to Design and Construction Post- Project Evaluation in accordance with recognised best practice.

7.9.1 Framework for Post Project Evaluation

NWSSP is committed to ensuring that a thorough and robust post-project evaluation (PPE) is undertaken at key stages in the process to ensure that positive lessons can be learnt from the project.

The lessons learnt will be of benefit to:

- NWSSP - in using this knowledge for future projects including capital schemes;
- Other key local stakeholders - to inform their approaches to future major projects;
- NHS Wales more widely - to test whether the policies and procedures which have been used in this procurement are effective.

Post Project Evaluation also sets in place a framework within which the benefits realisation plan can be tested to identify which benefits have been achieved and which have not.

The PPE will be undertaken in accordance with the Designed for Life: Building for Wales Procedure for Design and Construction Post-Project Evaluation, August 2021.

The detailed plans for evaluation will be drawn up by NWSSP in consultation with its key stakeholders.

NWSSP will support the PPE process with other assessments undertaken including AEDET reviews, client surveys and where appropriate patient and staff scheduled surveys and environmental assessments (e.g. BREEAM, estates data and returns).

7.9.1.1 A Design and Construction Post Project Evaluation

A Design and Construction Post Project Evaluation will be carried out within three months of the completion and handover of the scheme. This will record lessons learnt from the procurement and commissioning of the project.

The Design and Construction Evaluation will be facilitated by NWSSP Specialist Estates Services (NWSSP-SES) and is expedited during Stage 5: Operational Commissioning and Project Closure; The outputs of this evaluation will focus upon the performance of the project delivery from start of Stage 2: Outline Business Case development to Stage 5: Operational Commissioning and Project Closure.

7.9.1.2 Service Post Project Evaluation

This process will be completed by NWSSP in accordance with the benefits realisation timeframe within fifteen months of completion and handover, recognising that further reviews may be required thereafter. The Service PPE will be initiated by the Operational Services Team during Stage 6: Completion. Support in developing and undertaking the evaluations will be provided by The Welsh Government Integrated Assurance Hub.

7.9.2 Management of the Evaluation Process

All evaluation reports will be sent to the Deputy Director of Capital, Estates and Facilities as required for review by Welsh Government.

It is assumed that the costs of Post Project Evaluation NWSSP-SES facilitating the Design and Construction PPE will be met directly by Welsh Government and are therefore not included in the costs for this project. Any costs associated with the involvement of the supply chain and other advisors in the PPE process will be reviewed and included in the FBC capital costs for the project as appropriate.

An outline programme for PPE is included in the Project Milestones in Table 57. A detailed programme for PPE will be developed for the Full Business Case.

7.10 Stakeholder Engagement

7.10.1 Service Engagement

Strong relationships have been forged with the key LPU stakeholders with regular activities being undertaken to ensure that managers and operational staff are kept well informed and are engaged in both the transition and transformation process.

The transfer of staff from the relevant Health Boards to NWSSP has followed an extensive consultation process with information shared through a variety of sources including websites, road shows, on-site discussions and Q&A sessions.

A dedicated section of the NWSSP Intranet and Internet has been set up to provide ongoing information. A number of Executive Briefings detailing progress on the project have been posted to date.

Other staff engagement activities are ongoing via newsletters, noticeboard updates and staff forums.

The Gateway Stage 0 Review highlights constructive relationships between NWSSP and Trade Unions.

7.10.2 Design Engagement

A stakeholder group has been formed and has representation from:

- Glangwili and Llansamlet Laundry Services;
- Gleeds
- LTC
- Staff Side - Unison
- BDP Architects
- Tilbury Douglas Construction.

The first formal design meeting involving the stakeholder group was held in September 2021, with the aim of developing a structured brief for the new LPU development in South West Wales. Further meetings will be arranged during the detailed development of the scheme.

7.10.2.1 Laundry Equipment:

Meetings have been held with the management teams at each Hub, Swansea SWH, Green Vale SEH and Glan Clwyd NWH regarding the equipment detailed in the PBC.

This engagement involved Senior Management, Laundry Managers, Production Managers and site engineering representatives.

Current and proposed laundry throughput, working practice, quality and productivity were discussed to ensure that each Hubs equipment requirement was as far, as practicable, in line with the PBC assumptions. The agreed output is included in the equipment schedules in the Estates Annexe, Appendix 1.

7.11 Contingency Plans

The overarching contingency plan for laundry services in the event of delay or non-approval of the business cases would be to continue to operate from the current facilities. This would be at significant risk to the services provided to hospitals throughout Wales due to obsolete equipment and associated frequent breakdowns.

8.0 Conclusion and Recommendations

This Outline Business Case outlines the NWSSPs requirement to re-provide the two existing Laundry Production Units in South West Wales with a new, purpose designed LPU.

Llansamlet Laundry was built in the 1940's and the Glangwili Hospital Laundry in 1977. The infrastructure of both are either at the end of past their anticipated life, and have been identified as being no longer fit for purpose.

This project is part of the All Wales Laundry Programme which will result in five existing laundries being replaced by two new laundries in South West and North Wales and Greenvale Laundry being refurbished and re-equipped in South East Wales

Separate business cases have been developed for a new LPU to serve North Wales and the refurbishment of the existing South East Wales LPU.

A comprehensive site option appraisal, and non-financial and financial evaluation has identified that the preferred option is to build a new, two storey purpose designed laundry of 3,128 m² on a new development site in Mill Stream Way, Swansea, South Wales.

NWSSP have contacted Swansea City Council (land owner) and Welsh Government (leaseholder) in October 2021 with regards to securing the Mill Stream Way plot, and both have responded positively to NWSSPs enquiry.

Welsh Government had obtained the original lease from Swansea City Council in 2008, leaving approximately 125 years remaining on the lease. This lease will be transferred to Velindre NHS Trust (NWSSP). The land acquisition will cost £409,500 + VAT.

Heads of Terms have been agreed and are given (subject to contract) in Appendix 1. The new building on the site will be owned by Velindre NHS Trust (NWSSP).

The capital cost of the development is £32.8m, and potential revenue savings of £1.34m per annum have been identified.

The development will be built to comply with:

- Relevant Health Building Notes and Health Technical Memorandum;
- BREEAM 'Excellent'
- NHS Wales Decarbonisation Strategy;
- BS EN 14065:2016;

and will facilitate the following:

- Improved staff working environment and experience;


-
- Improved productivity and consistency through the implementation of new processes and monitoring systems;
 - Improved customer experience;
 - Improved business continuity.

This Outline Business Case is presented for review and approval by the relevant NWSSP Boards and Committees as part of the wider programme and to allow submission to Welsh Government for further consideration.

9.0 Glossary of Abbreviations

Abbreviation	Definition
ABUHB	Aneurin Bevan University Health Board
AEDET	Achieving Excellence Design Evaluation Toolkit
AWLS	All Wales Laundry Service
BAU	Business As Usual
BCIS PUBSEC	Building Cost Information Service Public Sector (indices)
BCUHB	Betsi Cadwaladr University Health Board
BEIS	Department of Energy and Industrial Strategy
BIM	Building Information Model
BREEAM	Building Research Establishment Environmental Assessment Method
BS EN	British Standards European Norm
CO2e	Carbon Dioxide equivalent
CSF	Critical Success Factors
CRB	Cash Releasing Benefits
CTMUHB	Cwm Taf Morgannwg University Health Board
EAC	Equivalent Annual Cost
EFPMs	Estates and Facilities Performance Management System
EOI	Expressions of Interest
FBC	Full Business Case
GHG	Green House Gases
HB	Health Board
HBN	Health Building Note
HUHB	Hywel Dda University Health Board
HTM	Health Technical Memorandum
ITT	Invitation To Tender
LLP	Limited Liability Partnership
LPU	Laundry Production Unit
MEP	Mechanical, Electrical and Plumbing (services)
NCRB	Non Cash Releasing Benefits
NEC	New Engineering Contract

Abbreviation	Definition
NPC	Net Present Cost
NW	North Wales
NWSSP	NHS Wales Shared Services Partnership
NWSSP-SES	NHS Wales Shared Services Partnership – Specialist Estates Services
OBC	Outline Business Case
PBC	Programme Business Case
PPE	Post Project Evaluation
PPOH	Pieces Per Operator Hour
PRINCE2	Projects in Controlled Environments 2
Q&A	Questions and Answers
RABC	Risk Analysis Biocontamination Control
RAG	Red, Amber, Green
RIBA	Royal Institute of British Architecture
ROE	Retention of Employment
SB	Societal Benefits
SBUHB	Swansea Bay University Health Board
SCP	Supply Chain Partner
SE	South East
SES	Specialist Estates Service
SOA	Schedule of Accommodation
SRO	Senior Responsible Officer
SW	South West
tCO ₂ e	Carbon Dioxide equivalent (tonnes)
TUPE	Transfer of Undertakings Protection of Employment
UB	Unmonetisable Benefits
VE	Value Engineering
VFM	Value for Money
WHTM	Wales Health Technical Memorandum
WIP	Work In Progress

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: 3.2 21 July 2022
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

Patient Medical Record (PMR) Accommodation Business Case

ARWEINYDD: LEAD:	Andrew Evans, Director of Primary Care Services
AWDUR: AUTHOR:	Scott Lavender, Deputy Head of Engagement and Support Services
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler, Director of Finance & Corporate Services
MANYLION CYSWLLT: CONTACT DETAILS:	scott.lavender@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

To seek the Committee's approval to proceed with the acquisition of additional storage space on the Mamhilad site. This will be via a 10 year lease and will enable the continued expansion of the Patient Medical Record service.

Llywodraethu/Governance

Amcanion: Objectives:	Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement
Tystiolaeth: Supporting evidence:	Business Case

Ymgynghoriad/Consultation :

Senior Leadership Group.

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	
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Argymhelliad/ Recommendation	The Committee is asked to APPROVE the attached business case for the acquisition of additional storage facilities on the Mamhilad site.
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Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	No direct impact.
Iechyd Poblogaeth: Population Health:	The acquisition of the additional storage facility will enable more patient medical records to be stored centrally. This frees up space in GP practices across Wales, enabling a greater range of care services to be delivered to patients closer to their homes.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	As above, patient experience will be enhanced due to the freeing up of space in GP Practices.
Ariannol: Financial:	The financial impact of the acquisition is included in the business case. While there is a funding gap, this will be closed through the generation of additional income and through savings in internal budgets.
Risg a Aswiriant: Risk and Assurance:	Risks have been identified in the business case, but without the facilities to expand the service, there is a clear risk that the Patient Medical Record scheme cannot continue.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	There is no direct impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open.

1. BACKGROUND

The Patient Medical Records Store in Brecon House, Mamhilad, has now reached maximum capacity and consequently, no additional records are able to be accommodated without additional space being procured. In practice this means that not only will no additional GP practices be able to take advantage of this service, freeing up space for additional clinical services, but we will also be unable to take additional medical records from GP Practices who already use the service, from deceased patients, patient movements or practice mergers for example.

The Patient Medical Records store was created in 2015 to enable GP practices to free up space for additional clinical space, reflecting a Welsh Government Directive for new build GP accommodation to promote offsite storage, and the maximisation of current space for patient treatment purposes. Consequently, individual health board primary care estate strategies also reflect this approach and there has been a steady build-up of demand for storage to the point where we are now unable to accommodate any more records within our existing space.

NWSSP currently provide medical records storage for 129 practices (32%) covering 34% of the population of Wales. In addition to records for living patients, we also provide storage for deceased patient's records, and are currently storing patient records associated with the Infected Blood Inquiry. The total number of records currently stored on behalf of GP Practices is 1.1m. It should be noted that this figure, even if no more practices are brought into the scheme, will increase by round 12,000 records per year as more deceased patient records are received than can be removed due to retention restrictions. There are currently an additional 64 Practices waiting to join the service, 15 of which are on a priority waiting list, i.e. it is a key part of extant sustainability plans.

Records are stored in boxes (20 records per box) and each box takes up approximately one square foot. Brecon House provides 55,796 sq ft of space. An annual storage charge is levied of £0.26 per file per year, generating a current annual income of £275,000.

Without the creation of additional storage space, the Patient Medical Records Service will have to close to new customers and limit additional intake from Practices that already use the service. This will impact on individual practices, health boards, and NHS Wales, as plans to develop additional clinical services in primary care will need to find alternative accommodation. At a time when practices are trying to develop and utilise new roles, such as Physicians Associates, Practice Pharmacists, Care Navigators, Social Prescribers etc., as well as expanding traditional GP and Practice Nurse roles, all of whom require space to practice, this would undoubtedly have an impact

on the speed and scale of this. This, in turn, may impact negatively on the reputation of NWSSP and its ability to support sustainable primary care.

A number of options for expansion of the scheme have been explored in the business case but the preferred option is the acquisition of a further warehouse on a 10-year lease providing a further 75,000 square feet of storage space. Whilst this acquisition provides some funding challenges, these will be met through the generation of additional income; savings resulting from moving PPE from commercial storage facilities to this new warehouse (until capacity is reached on the PMR scheme) and internal savings on the Primary Care budget. The programme will also generate significant non-financial benefits within GP practices providing them with additional space and therefore enable them to provide additional services to patients. Over and above the advantages to NHS Wales through the expansion of the scheme, the proposal also has the following benefits:

- Increased storage capacity will allow records to be stored safely and records will be more accessible, improving staff morale as working space is no cramped;
- The leased buildings will all be on the same site (Mamhilad Park Estate) which will reduce the impact on staff and work processes;
- The landlords are offering discounts on existing leases and total refund of a short-term lease if we take on the additional building, and they have agreed to refurbish Brecon House at no cost to NWSSP, which is badly in need of upgrading and repair;
- There is a five-year break clause in the lease for Brecon House which will provide the ability to re-evaluate accommodation options.

2. RECOMMENDATION

The Committee is asked to **APPROVE** the attached business case for the acquisition of additional storage facilities on the Mamhilad site.

Patient Medical Records Accommodation Business Case

**SINGLE-STAGE BUSINESS CASE - MEDIUM VALUE AND
RISK - (£250K TO £2 MILLION VALUE OF PROCUREMENT)**

Project Executive:	Scott Lavender
Project Manager:	Jenna Goldsworthy
Organisation:	PCS Services – NHS Wales Shared Services Partnership

	Name	Signature	Date
Prepared by:	Jenna Goldsworthy Alex Martin Sandrine Boucle		07/04/2022
Reviewed by:	Scott Lavender		08/04/2022
Approved by:	Andrew Evans		

1 INTRODUCTION

The PCS team are undergoing an accommodation review of the Medical Records and stores and distribution teams driven by:

1. Property lease expiry date:
 - Brecon House, Mamhilad Industrial Estate, Pontypool – Lease expires March 2023
 - Additional storage space is required to ensure business as usual can be maintained and to enable the expansion of the medical record service
2. Current set-up of building means there will be a capacity issue impending, preventing growth of the Patient Medical Record storage programme, alongside a need for modernisation and aesthetic improvements to aid staff wellbeing, and bring the space in line with other space we currently occupy.

Historically, we had site closures or movement of premises which included losing Stores space, such as leaving the Oldway Centre, Centurion etc. During these times we moved all records being held at those locations to our stores in Mamhilad Park, Pontypool, without a need for a business case, as we were able to accept and store them at the time, however, instances such as this also lends itself to our current capacity issues in the modern day.

Alternative appropriate accommodation is being sought to address the above and develop the service to meet the needs of our customers. NWSSP PCS propose that additional storage space is leased to ease the current capacity issue and to allow all records that are currently on the waiting list to be brought into the PCS Service. Bringing extra practices into the service will increase the annual revenue for PCS, currently we have a list of 64 practices are awaiting to join the service, in varying states of readiness.

We have received recent feedback in quarterly Health Board SLA meetings that this service is vital to Health Board estate strategy planning, and the re-purposing of space in General Practice to support sustainability issues. Our Specialist Estates team in Shared Services currently plan any General Practice space to exclude Medical Record storage space based on our Patient Medical Record service.

2 STRATEGIC CASE

2.1 Context

The PCS accommodation review covers the teams located in Brecon House Stores. The work that is undertaken by the teams requires staff to work on-site to provide their services to NHS Wales organisations and other Divisions within NWSSP and Primary Care Services across Wales.

The Brecon House Stores Team, based in Brecon House, Mamhilad Estate, houses several different sub-teams of the Business Support Department. These teams provide critical services to NHS Wales Shared Services Partnerships, Primary Care Services (PCS) stakeholders and customers, both internal and external.

To maintain and develop existing services in line with NWSSP strategic objectives: Service Development and Excellence, it is important that appropriate accommodation is provided to the Services included within this review.

The original PCS Accommodation review was aimed at a review of the accommodation for the Document Scanning Teams based in Cwmbran House, Mamhilad Estate, and Companies House, Cardiff in addition to the teams residing in Brecon House. Following a discussion with the Project Executive and PCS Senior Management in Jan-22, it was agreed that the scope of the project would change to focus on the accommodation review for Brecon House only. The decision was made for the following reasons:

- Changing landscape
- Lack of available warehouse space in the local area
- Teams located in Companies House, Cardiff will fall into the scope of a corporate strategy review

1.2 Case for Change

1.2.1 Spending objectives

The reasons for the Accommodation Review of Brecon House include:

- To improve staff's health and safety by providing fit for purpose accommodation.
- To expand the Medical Records Service (Live Patient Medical Records Storage Service) to additional GP Practices across Wales. This will increase the revenue within the service and free up space within GP Practice buildings. The additional space in GP Practices can be utilised to provide alternative services to patients to help reduce the demand on secondary care.
- To ensure that PCS can continue to support its stakeholders and customers and meet their needs and requirements. In a recent SLA meeting with Cwm Taf, PCS were informed that the PMR service is crucial to their accommodation strategy. There is also a directive from Welsh Government regarding new build GP practices whereby off-site storage of medical records should be considered as opposed to holding medical records on site.
- Increasing our capacity will allow PCS to support other Organisations in emergency situations which could result in additional income being generated. We recently saw a Velindre request for PCS to store archive boxes as they had records subject to flooding and nowhere to store them securely, in our current situation we were unable to support.
- To increase capacity for the Medical Stores department to provide quality of service to meet customer needs.

- To provide cost effective accommodation to meet the needs of the organisation and the teams on site at Brecon House.

1.2.2 Existing Arrangements

Brecon House Stores

The Business Support Team which is situated in Brecon House currently undertake and provide a range of services to our customers, both internal and external. This includes:

Live Patient Medical Records

- Provision of the Patient Medical Records (PMR) service and the associated medical records movement. PCS currently provide this service to 129 GP Practices across Wales, consisting of 1,119,016 patient records. The service relates to the storage of live patient medical records in our Central archive as opposed to on-site in GP Practices. The service has expanded since being established in 2015, providing opportunity within Primary Care to expand and offer additional services to optimise the use of space in General Practice.
- The impact of COVID-19 with the consequent requirements for social distancing, have exacerbated the space issue for GP Practices and there is an urgent need to relocate medical records off-site to utilise all suitable space for additional consulting rooms or administration office space. Currently, there are approximately 129 practices in the service out of a total of approximately 400 GP practices in Wales with an additional 64 practices allocated to the Priority and Registered interest lists. Of the 64 practices 15 are ready and waiting to join whilst the remaining 49 practices are ready to begin the engagement process.
- When the PMR service was developed, it was projected that PMR would hold 25 medical records per box. In a previous business case when the PMR service was in its infancy, it was calculated that the ground floor of Brecon House would be able to hold 80% of the Welsh population of medical records, which would equate to around 2.6 million records (Total Welsh population 3.2 million). However, based on current statistics, stores can hold approximately 20 medical records in a box, the rationale being that records are thicker in paper content meaning we cannot achieve 25 per box due to the weight and space restrictions in the boxes.

Deceased Medical Records

- Management of an All-Wales archive service for Primary Care Contractors and PCS Staff. Deceased records are stored in line with legal requirements set by Welsh Government:
 - Male records retained for 10 years; and

- Female records retained for 25 years if the female is under the age of 70 when she dies, if the female is over the age of 70 the record is retained for 10 years.
- Suspense records are stored in line with legal requirements set by Welsh Government and are retained for 99 years.

Infected Blood Inquiry Records

- In 2018, an independent public statutory Inquiry was established to examine the circumstances in which men, women and children treated by the NHS in the UK were given infected blood and infected blood products, since 1970. Whilst the inquiry is ongoing, the Welsh Government issued a directive to hold all deceased medical records until the resolution of the Inquiry. This has resulted in the need to store approximately an additional 15,900 archive boxes which cannot be reviewed for destruction until the cease on culling is lifted by Welsh Government. The annual intake of deceased records is 36,212 medical records, and when there is not a ban on culling, we would remove between 10,000 and 13,000 medical records annually, this relates only to deceased medical records.
- Stores currently holds approximately 1.1 million records which is an estimated 34% of the population. This difference from the initial projection of 80% of the population is due to the reduced number of medical records per box, storing deceased records and records kept for the ongoing infected blood inquiry. All the records stated are stored in Brecon House and IP5. The space these records take up in Brecon House reduces the space available for PMR records to be stored.

The reasons raised in this section have all contributed to a capacity issue within Brecon Stores.

The requirement for additional warehouse space to store Medical Records, under a multitude of work streams, is to aid Primary Care Services in the continuation of the PMR service and its expansion. Initially it was projected that Brecon House would be able to store 80% of records under the PMR service, which is no longer the case, the additional warehouse space would take us back to the projected figure.

1.2.3 Business Needs

Brecon House Stores

PMR Service Development

The lease of Brecon House is due to expire March 2023 and based on current profiling of activity, stores was due to reach capacity in March 2022. To prevent PCS having

to cease the operation and expansion of the PMR Service, thus placing additional space pressures on GP practices, PCS have arranged a 12-month short term lease of storage space on the Mamhilad Estate. The decision to lease the new space was made to allow the continued expansion of the PMR storage service to expand services and eliminate the waiting list. This would have caused reputational damage and loss of income for PCS. The new storage space will also ease the capacity pressure while a suitable long-term solution is sought.

Health & Safety

The lifts are old with limited capacity for archive boxes and equipment thus making the utilisation of the upper floors time consuming and arduous, requiring more manual handling than necessary. There are frequent leaks in the stores causing damages to equipment and medical records.

Staff Wellbeing

The heating system is poor in the office area and there is a lack of natural light in many areas of the building. Due to capacity issues, some areas where staff work are crowded, and this is having a significant impact on staff morale and efficient working practices. Since the start of the COVID-19 pandemic, and due to the staff working processes, proximity risk assessments have been required for the teams.

All Wales Archive Service

Potential Scope and Services

To address the business needs, suitable accommodation needs to be sourced for the Brecon House teams to provide continuity of existing services.

Out of Scope:

Relocation of all other NWSSP Teams currently residing in Cwmbran House, and Companies House as these will be covered by the agile accommodation and corporate strategy reviews.

1.2.4 Main Benefits

Fit for purpose accommodation will benefit NWSSP and key stakeholders as follows:

Non-Cashable benefits

- Safe environment for PCS staff to work in enabling:
 - Improvement of staff wellbeing.
 - Reduction or elimination of health and safety concerns.
- Increased capacity for customers which would enable GP practices to generate additional space and maximise efficiencies of their space by adding additional

consultation rooms, additional clinics etc. The service provided by PCS allows GP Practices to provide services that directly benefit members of the public and practice staff whilst supporting the GP sustainability agenda.

- Primary Care Services has received feedback from three practices in the PMR service who have stated the following

"We have gained an additional consulting room so have been able to accommodate more clinicians; not just GP's but also GP Registrars, physiotherapist and attached staff who visit the practice weekly e.g., Mental Health Worker and Frailty Nurse." "The room previously used for storing the medical records has been turned into a meeting/training room which has proved invaluable when we have GP Registrars and medical students. We also have a PC and printer in this room so has also been utilised for administration work. "(Llansamlet Surgery)

"The biggest positive of having our medical records stored off site has been the space it has created. We have turned our notes storage room into two clinical rooms and small storage area." (Ystwyth Primary Care)

"Positive impact, more storage space, less admin time filing and retrieving medical records, all records sitting in the Tran search portal so can see at a glance where they are and retrieve to come back to the practice if needed. We are in the process of converting the space now available into much needed clinical room" (Llanfyllin Medical Practice)

- To continue the growth of the PMR storage service we will require the additional space.

Cashable Benefits

- Continue to generate income per annum for the service to cover costs such as rent, service charges etc.
- Increased capacity will generate additional income as follows from on-boarding priority list of practices. Year one higher rate per box based on our previous costing model of 25 records per box.
- As of April 2022, the service will receive additional income followed an agreed 5% uplift for all parties that use the PMR service to store their medical records. This will generate an estimated additional £25,684 over 4 years.
- Additional income will also come from the remodelling of the recharge cost for new practices joining the service (from 25 to 20 records per box) keeping year one rate higher than the following ones. This will generate an estimated additional £141,354 over 4 years.

Table 1: Predicted revenue following increased capacity

This predicted additional income is based on the revised costing model and includes a 5% uplift for existing customers as well as a reviewed recharge for 20 records per box for new customers.

INCOME BASED ON REVISED COSTING MODEL	YEAR 0 2022-2023	YEAR 1 2023-2024	YEAR 2 2024-2025	YEAR 3 2025-2026	YEAR 4 2026-2027	TOTAL
	£31,816	£69,862	£112,889	£172,600	£222,187	£609,353

1.2.5 Main Risks

The following risks identified during initial scoping, have been logged in a formal risk register and are being monitored by the Project Manager and the project board team. The risks are reviewed at least monthly.

- Unable to secure fit for purpose accommodation
 - Consideration to all options including extending current lease and applying a phased approach to the solution
- Delays in procuring building material may impact on delivery timescales
 - Early engagement with procurement services and market
- New accommodation may not be ready prior to lease expiry
 - Establish implementation plan and early engagement with Landlord
- Equipment may be damaged during transportation
 - Robust contract with moving company
- Potential Service disruption during the move
 - Establish implementation plan and communication plan
- To fully utilise the space in the new additional building, racking will be required
 - Capital bids for funding for racking will be required in future

Any new risk identified will be added to the register.

1.2.6 Constraints

The constraints have been documented and have counter measures put in place to mitigate these constraints where practicable:

- The limited amount of time available to secure accommodation before leases expire.
- Lack of suitable storage accommodation across South Wales coupled with an increase in demand within the local area.
- Storage space/capacity within existing NWSSP warehouse and other sites.
- To continue with the growth of the PMR service we will require racking for the new space in the coming years.

- Brecon House Stores not included within scope of Agile/Accommodation review.

1.2.7 Dependencies

During the PCS Accommodation review, it has been highlighted that Health Courier Service (HCS) offer an integral support link to Brecon Stores. HCS visit Brecon house multiple times within the working day to undertake arrange of different tasks:

- Movement of GP bags – deliver GP records to appropriate locations.
- Delivery and collection of Scan & Transfer and PMR bags.
- Delivery of contractor stationery to Primary Care.
- Ad hoc duties for PCS such as delivering furniture between different sites etc.

HCS are to be consulted on the outcome of this business case.

2. OPTIONS ANALYSIS

2.1 Critical Success Factors

These are the attributes essential for the successful delivery of the project.

The project has determined the below critical success factors for the investment proposal:

- Value for money – the solution must allow PCS to continue providing a service that enables GP practices to make best use of the space by allocating them to clinical staff while the records are stored with PCS.
- Customers and partners – the solution should enhance the relationships with PCS and stakeholders; namely supporting our PCS sites in Mid & West and North with the ongoing storage of deceased and suspense medical records from their sites.
- Optimisation of cost and benefits – the solution must allow PCS to expand their services to additional PCS stakeholders.
- Staff – the solution must ensure staff are working in an appropriate environment that minimises health & safety concerns.
- Achievability – the solution must be available within 9-15 months from October 2021.

2.2 Main Options

Option No	Option	Description
1	Do minimum	Business as usual

2	Intermediate	Extend the lease for Brecon House and Rent additional storage space in Mamhilad Estate
3	Maximum	Extend the lease for Brecon House and rent additional storage space from third party supplier on a different site.

An Options appraisal for each of the options have been considered, which include:

Table 1: Summary of Options Appraisals

Option 1	Business as usual (BAU)
Description: Extend the lease by 10 years in Brecon House and rent additional storage space (5,000sq ft Jan-Apr-22) 13,000 sq. ft (Apr-22 – Apr-23) to remain as business as usual.	
Advantages	Disadvantages
<ul style="list-style-type: none"> • No cost of moving • No disruption to other PCS departments that work with Brecon Stores • The service can maintain business as usual in the short term this only includes PMR emergencies, mergers/closures, and standard PCS archive such as deceased and suspense archive boxes. 	<ul style="list-style-type: none"> • Long-term BAU is not achievable with this option • This option would not allow proactive PMR engagement and intake. • Building damage in Brecon House is damaging vital medical records (The landlord is currently undergoing repair work for the roof, once repairs completed the disadvantage will be removed) • Reputational harm with our PCS Customers as the waiting list grows • Not an efficient work process due to split site working • Moving stock may impact service in the short-term • 13,000sq ft accommodation is only available for 12 months. After this point additional longer-term accommodation would be required to maintain business as usual. • After 2023, the 13,000sq foot building is no longer available and so PCS will need to find space to store all records that will be held in the building at the end of Mar-23.

Conclusion:	
This option does not meet the project objectives or critical success factors	
Option 2	Intermediate
<p>Description: Extend Lease for 10 years in Brecon House (with a 5-year Break clause) and rent additional storage space (75,000 sq. ft) from Johnsey's.</p> <p><i>Rationale for 75,000 sq. ft - the largest available space, current market is competitive and difficult to obtain.</i></p>	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Allow service to continue in Brecon House Stores • Storage capacity will allow records to be stored safely and records will be more accessible • Storage capacity will allow more medical records to be stored and increase revenue in line with expenditure to reach a balance • Improved efficiencies through easy to access records and better organisation • Improved staff morale as working space is not cramped • The leased buildings will all be on the same site (Mamhilad Park Estate) which will reduce the impact on staff and work processes. • Johnsey's have agreed to upgrade the internal features in Brecon House including carpets and painting etc. Window's will also be replaced. • If PCS were to occupy 2 buildings on the same site and relocate all the non-PMR boxes out of rooms 1-6 in Brecon House, this would allow the vacant space to be dedicated to PMR. This would enable the service to take on additional patient medical records increasing PCS revenue and supporting more GP practices by taking their medical records 	<ul style="list-style-type: none"> • Building damage in Brecon House is damaging vital medical records (The landlord is currently undergoing repair work for the roof) • Not an efficient work process due to split site working • Moving stock may impact service in the short-term • As Brecon House will need to be refurbished, this may cause minimum disruption to services in the short term • IT Infrastructure would have to be setup in the new building. • To maximise the usage of the space, racking will be sought via capital bids over the coming years as the 75,000 sq. ft warehouse is currently unracked.

<p>off premises, which is a Welsh Government initiative.</p> <ul style="list-style-type: none"> • Based on current statistics, stores can hold around 20 medical records in a box for PMR archive boxes, this would allow PCS to onboard approximately an additional 911,920 medical records into the PMR service. Which coupled with the existing 1.1 million medical records in PMR, would result in PCS holding 63% of the medical records of the Welsh population. • This option will allow us to relocate approximately 45,596 (these will be relocated from the 13,000 sq. ft and Brecon House Stores) archive boxes to a separate site. This would occupy 30,666 sq. ft, based on stacking boxes on pallets or a pallet footprint. (45,596 boxes/24 boxes per pallet = 1,900 pallets required. 1,900 x 16.14 sq. ft (sq. ft of a pallet) = 30,666). • This option would allow PCS the ability to relocate the boxes from IP5. Which is currently circa 16,000 archive boxes occupying approximately 11,000 sq. ft. This would allow the PCS Medical Records to grow the service and create additional income for the service. • This option will recover the rent on short term solution 13,000 sq. ft building in Year 2 • The 5-year break clause in the lease for Brecon House will allow PCS the ability to reevaluate their options for accommodation. • Potential to relinquish space occupied by PCS in Repository 	
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in Companies House, releasing valuable space to be repurposed for NWSSP use.	
Conclusion: This option meets the critical success factors and is the most cost-effective option considering the lack of warehouse space availability in South Wales at present	
Option 3	Maximum
Description: Extend the lease for Brecon House and rent additional storage space from third party supplier (86,310sq ft building including a 70,106sq ft warehouse) and 6,642sq ft first floor offices)	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Allow service to continue in Brecon House Stores • Storage capacity to be able to store records easily and safely • Storage capacity to be able to accept more medical records and increase revenue beyond the current waiting list. • Improved efficiencies through easy to access records and better organisation • Improved staff morale as working space is not cramped and the roof will not be damaged • Based on current statistics stores can hold around 20 medical records in a box for PMR archive boxes, this would allow PCS to onboard approximately an additional 911,920 medical records into the PMR service. which coupled with the existing 1.1 million medical records in PMR would result in PCS holding 63% of the medical records of the Welsh population • This option will allow us to relocate approximately 45,596 (these will be relocated from the 13,000 sq. ft and Brecon House Stores) archive boxes to a separate site. This would 	<ul style="list-style-type: none"> • Not an efficient work process due to split site working • Moving stock may impact service in the short-term • As Brecon House will need to be refurbished this may cause minimum disruption to services in the short term • To work on a different site will increase running costs for the team, travel time for tasks, reduce efficiencies in the working processes and will increase PCS carbon footprint. • The office space included is located on the first floor accessed by a small lift unfit for the bulk movement of medical records. • Currently, the option provided is not a secure building and security costs will need to be factored in (see financial assessment table below - Option 3). • IT Infrastructure would have to be setup in the new building as well as installing a Public Sector Broadband Aggregation (PBSA) which would add costs and delays. • Loss of flexibility currently offered by Johnsey's as to when to vacate the 13,000 sq. ft building. • The rent for the 13,000sq ft building in Mamhilad estate (£57,000) in year 1 will not be reimbursed • No 5 year break close in proposal would prevent PCS from reviewing their options for accommodation

<p>occupy 30,666 sq. ft, based on stacking boxes on pallets or a pallet footprint. (45,596 boxes/24 boxes per pallet = 1,900 (pallets required. 1,900 x 16.14 sq. ft (sq. ft of a pallet) = 30,666).</p> <ul style="list-style-type: none"> • This option would allow PCS to relocate the boxes from IP5. We currently have circa 16,000 archive boxes stored occupying approximately 11,000 sq. ft. This would allow the PCS Medical Records to grow the service and create additional income for the service. • This option provides 15 months' rent free, commencing 24/06/22 • This option provides the potential to relinquish space occupied by PCS in the Repository in Companies House, releasing valuable space to be repurposed for NWSSP use. 	<ul style="list-style-type: none"> • To maximise the usage of the space, racking will be sought via capital bids over the coming years as the room is currently unracked.
<p>Conclusion This option meets the critical success factors; however, it is not the most cost-effective option, and this option would increase the time involved in tasks for Brecon House staff and HCS colleagues due to the second location being so far away from Brecon House.</p>	

2.3 Recommended option

After consultation with key stakeholders, the preferred option is option 2. This option will meet the longer-term project objectives, all the spending objectives and critical success factors. Additionally, it has been noted that this option would cause the minimum disruption to services during the implementation period and will be more beneficial than option 3 due to the cost and the fact that the additional storage space is close to Brecon House. This will reduce the amount of travel time and work required for the teams when carrying out the service they provide for the organisation.

3. PROCUREMENT ROUTE

Any necessary purchasing will be procured with the assistance of procurement colleagues to ensure appropriate legal requirements are met. NWSSP and Velindre Trust Board governance requirements will be applied as appropriate.

4. FUNDING AND AFFORDABILITY

4.1 Financial Assessment

Costs per annum or initial set-up costs.

Please note there is a risk to the forecasts with respect to the utilities and rates considering the increased costs in these areas. Costs included in the forecasts below are based on 20-21 figures.

OPTION 1 Brecon House + 13,000sq ft warehouse	YEAR 0 2022 - 23	YEAR 1 2023 - 24	YEAR 2 2024-25	YEAR 3 2025-26	YEAR 4 2026-27	TOTAL
Brecon House Lease (Based on landlord Increase from 01/08/23)	£146,407	£230,386	£272,376	£272,376	£272,376	£1,193,921
13,000sq ft Lease (13,472 warehouse) first year rent reimbursed if Option 2 is chosen reflected in Year 2 figure in option 2	£68,400	£0.00				£68,400
Service Charge - Brecon House	£141,896	£92,695	£68,094	£68,094	£68,094	£438,873
Service Charge -13,000 sq. ft Included in Rent break clause after 12 months	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Rates - Brecon House (Based on previous year)	£18,129	£18,129	£18,129	£18,129	£18,129	£90,645
Rates -13,000 sq. ft (Estimated based on Brecon house £0.30/sq. ft)	£4,042	£0.00	£0.00	£0.00	£0.00	£4,042

Utilities - Brecon House Gas, electricity, water, insurance (Based on previous year)	£57,705	£57,705	£57,705	£57,705	£57,705	£288,525
Utilities - 13,000 sq. ft (Estimated based on Brecon House £0.97/sq. ft)	£13,068	£0.00	£0.00	£0.00	£0.00	£13,068
Security Cost - INCLUDED IN SERVICE CHARGE	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Removal- archive boxes partial	overtime cost					£0.00
Site modifications Not Applicable	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
IT costs - IT infrastructure, PBSA Line,	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
H&S requirements i.e., signage, fire equipment Unable to estimate						£0.00
Ongoing maintenance costs Brecon House Fire suppression & equipment, racking, emergency lighting (Based on previous year)	£5,309	£5,309	£5,309	£5,309	£5,309	£26,545
TOTAL EXPENDITURE	£454,956	£404,224	£421,613	£421,613	£421,613	£2,124,019

NB: This option is not viable long term as the 13,000sq ft warehouse will reach capacity in Year 0 - 2023 and the agreement states PCS has access to the 13,000 sq ft for 12 months only.

OPTION 2 Brecon House + 75,000 sq. ft warehouse on Mamhilad Estate	YEAR 0 2022 - 23	YEAR 1 2023 - 24	YEAR 2 2024-25	YEAR 3 2025-26	YEAR 4 2026-27	TOTAL
Brecon House Lease (Based on landlord offer reflecting the choice to remain in Mamhilad Increase from 01/08/23)	£146,407	£207,688	£238,329	£238,329	£238,329	£1,069,082
"New Stores" Lease (75,000 warehouse) (Based on landlord offer starting Year1 (Aug 2023) and minus £57,000 Year 0 rent on 13,000sqft)	£0	£122,263	£285,995	£285,995	£285,995	£980,248
Service Charge - Brecon House (Based on landlord offer)	£141,896	£80,614	£49,974	£49,974	£49,974	£372,432
Service Charge - "New Stores" (Based on landlord offer)		£30,020	£45,030	£45,030	£45,030	£165,110
Rates Brecon House (Based on previous year)	£18,129	£18,129	£18,129	£18,129	£18,129	£90,645
Rates - "New Stores" (Estimated using Brecon House £0.30/sq. ft)		£16,000	£24,000	£24,000	£24,000	£88,000
Utilities - Brecon House Gas, electricity, water, insurance (Based on previous year)	£57,705	£57,705	£57,705	£57,705	£57,705	£288,525
Utilities - New Stores (Estimated based on Brecon House £0.97/sq. ft)		£51,733	£77,600	£77,600	£77,600	£284,533
Security Cost - INCLUDED IN SERVICE CHARGE		£0	£0	£0	£0	£0
Removal- archive boxes partial		£65,600				£65,600
Cost of moving PPE		£18,700	£9,350	£9,350		£37,400
Site modifications Included in agreement		£0	£0	£0	£0	£0
IT costs - IT infrastructure, PBSA Line,		£10,000	£5,000	£5,000	£5,000	£25,000
H&S requirements i.e., signage, fire equipment Unable to estimate						£0
Ongoing maintenance costs Brecon House Fire suppression & equipment, racking, emergency lighting (Based on previous year)	£5,309	£5,309	£5,309	£5,309	£5,309	£26,545
OPTION 2 Continued	YEAR 0 2022 - 23	YEAR 1 2023 - 24	YEAR 2 2024-25	YEAR 3 2025-26	YEAR 4 2026-27	TOTAL
13,000sq ft Lease (13,472 warehouse) first year rent reimbursed if Option 2 is chosen reflected in Year 2 figure in option 2	£68,400				16 Page	£68,400

Utilities - 13,000 sq. ft (Estimated based on Brecon House £0.97/sq. ft)	£13,068					£ 13,068
TOTAL EXPENDITURE	£454,956	£683,761	£816,421	£816,421	£807,071	£3,578,630

NB: During negotiations, rent costs decreased from £272,376 to £238,329 and it was agreed for the 13K warehouse lease from Year 0 to be reimbursed should Option 2 be secured.

OPTION 3 Brecon House + Skewfields (94,955sq ft building incl 6,642 offices+ 88,313 industrial unit (18,207sq ft loading bays/auxiliaries and 70,106 warehouse space)	YEAR 0 2022 -23	YEAR 1 2023 - 24	YEAR 2 2024-25	YEAR 3 2025-26	YEAR 4 2026-27	TOTAL
Brecon House Lease (Based on landlord offer NB increase from 1st Aug 2023)	£146,407	£230,386	£272,376	£272,376	£272,376	£1,193,921
Skewfields Lease (70,000sq ft warehouse) (Based on landlord offer) 10-year lease (15-month rent free) with rent increase from year 5	£0	£369,000	£492,000	£492,000	£492,000	£1,845,000
Service Charge - Brecon House	£141,896	£92,695	£68,094	£68,094	£68,094	£438,873
Service Charge - Skewfields (Estimated SES 50,000 maintenance for Warehouse + £3.50/sq. ft for Office)	£0	£87,896	£87,896	£87,896	£87,896	£351,584
Rates Brecon House (Based on previous year)	£18,129	£18,129	£18,129	£18,129	£18,129	£90,645
Rates -Skewfields (Estimated using Brecon house £0.30/sq. ft & Cwmbran House £3.60/sq. ft for office space)	£0	£50,405	£50,405	£50,405	£50,405	£201,620
Utilities - Brecon House Gas, electricity, water, insurance (Based on previous year)	£57,705	£57,705	£57,705	£57,705	£57,705	£288,525
Utilities Skewfield (Estimated based on Brecon house £0.97/sq. ft & Cwmbran House £6.09/sq. ft for office space)	£0	£126,113	£126,113	£126,113	£126,113	£504,454
Security Cost (estimate based on £14.76/hr 24hrs 365 days)	£0	£129,298	£129,298	£129,298	£129,298	£517,190
Removal- archive boxes partial	£0	£186,100	£0			£186,100
Site modifications Unable to estimate	£0					£0
IT costs - IT infrastructure, PBSA Line,	£0	£10,000	£5,000	£5,000	£5,000	£25,000
H&S requirements i.e., signage, fire equipment Unable to estimate	£0					£0
Ongoing maintenance costs Brecon House Fire suppression & equipment, racking, emergency lighting (Based on previous year)	£5,309	£5,309	£5,309	£5,309		£21,236
13,000sq ft Lease (13,472 warehouse) first year rent reimbursed if Option 2 is chosen reflected in Year 2 figure in option 2	£68,400					£68,400
OPTION 3 Continued	YEAR 0 2022 -23	YEAR 1 2023 – 24	YEAR 2 2024-25	YEAR 3 2025-26	YEAR 4 2026-27	TOTAL
Rates -13,000 sq. ft Estimated based on Brecon house £0.30/sq.						293/578

TOTAL EXPENDITURE	£454,956	£1,363,036	£1,312,325	£1,312,325	£1,307,016	£5,749,658
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* Options 1, 2 & 3 Do not include upgrade costs for Brecon House. The landlord has agreed to cover these costs should PCS choose to rent Brecon House, New Stores and Cwmbran House.

** Options 2 & 3 Do not include costs for installing a sprinkler/fire prevention system. Special Estate Services recommends that the fire suppression system does not represent value for money and there would be no additional capital spent to cover a fire suppression unit in the proposed new building.

*** Option 3 Does not include the costs for site modification, including IT Infrastructure which would be required prior to the move.

4.2 Revenue Generation

Table 2: Cost and Funding for the Recommended Option

The table below includes the additional income that would be generated if additional space was agreed, based on average size list of 7,850. From April 2022, the original cost has been uplifted by 5% following no uplift since 2014. The costs below include an additional 1% uplift each year from year 2.

	YEAR 0 2022-23	YEAR 1 2023-24	YEAR 2 2024-25	YEAR 3 2025-26	YEAR 4 2026-27	TOTAL
TOTAL EXPENDITURE	£454,956	£683,761	£816,421	£816,421	£807,071	£3,578,630
PREDICTED INCOME	£31,816	£69,862	£112,889	£172,600	£222,187	£609,353
CURRENT PMR INCOME	£275,000	£277,750	£280,500	£283,250	£286,000	£1,402,500
POTENTIAL PPE SAVINGS		£137,000	£68,500			£205,500
NET COST	£148,140	£199,149	£354,532	£360,571	£298,884	£1,361,276

The figures quoted above demonstrate that the service is currently, and projected to be, loss making to NWSSP, albeit that there will be savings and opportunities for the wider NHS Wales Primary Care Estate due to the freeing up of space in GP Practices to use for additional clinical care. This is undoubtedly the right thing to do for Primary Care and the population of Wales, and it helps to reduce some of the tension on second care care services.

However, it is also our intention to revisit the financial and operational principles of the scheme to evaluate how the additional space can be used more effectively to make the service more sustainable within NWSSP. The scheme is already running at a loss, which is being subsidised within NWSSP, so the table below demonstrates the additional costs that will be needed to be funded from the PCS budget;

PMR Income Model					
Option 2 - New Warehouse from Johnseys					
	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£
Staff					
Band 3 (9WTE)	241252	241252	241252	241252	241252
Band 4 (1WTE)	30025	30025	30025	30025	30025
Total Staff	271277	271277	271277	271277	271277
Brecon House					
Lease	146407	146407	207688	238328	238328
Service Charge	141895	141895	80614	49974	49974
Rates	18129	18129	18129	18129	18129
Utilities	57705	57705	57705	57705	57705
Maintenance	5309	5309	5309	5309	5309
Total Brecon House	369445	369445	369445	369445	369445
Unit C2					
Lease	0	68400	-68400	0	0
Rent	0	4042	0	0	0
Utilities	0	13068	0	0	0
Total Unit C2	0	85510	-68400	0	0
New Stores					
Lease	0	0	190663	285995	285995
Service Charge	0	0	30020	45030	45030
Rates	0	0	16000	24000	24000
Utilities	0	0	51733	77600	77600
Removal of Archive Boxes	0	0	65600		
Cost of moving PPE	0	0	18700	9350	9350
IT	0	0	10000	5000	5000
Total New Stores	0	0	382717	446975	446975
Total Costs	640722	726232	955039	1087697	1087697
Income					
PMR Existing	275000	275000	277750	280500	283250
PMR Additional	0	31816	69862	112889	172600
PPE Savings	0	0	137000	68500	0
Total Income/Savings	275000	306816	484612	461889	455850
Loss on Year	365722	419416	470427	625808	631847
Cwmbran House					
Lease	152118	152118	164186	170220	170220
Service Charge	52494	52494	52450	52428	52428
Total Cwmbran House	204612	204612	216636	222648	222648
Loss + Cwmbran House	570334	624028	687063	848456	854495
Change to 2021/22 Position		53694	116729	278122	284161

4.3 **Potential revenue generation**


4.3.1 **Infected Blood Inquest recharge**

There is a potential further savings a recharge be negotiated with Welsh Government for the additional storage of boxes resulting from the Infected Blood Inquest which would add an additional revenue of £102,000 per year.

5. **DELIVERY ARRANGEMENTS**

The current arrangements which have been put in place to ensure the successful delivery of the investment proposal include:

- Project Executive appointed who will be accountable for the overall project delivery
- The PCS management team will be responsible for organisation and completion of the moves.
- Finance Lead/Partner to determine the associated costs
- Governance arrangements will be through PCS SMT and corporate
- Risks will be maintained and monitored by the Project Manager in the risk register and reviewed by the Project Board regularly throughout the project lifespan
- A transparent change process is essential to Project success. Through each stage of the project there will be a review of proposed changes. All changes will need to be formally raised through the Project Board and agreed. Any changes subsequently agreed will be formally communicated to all members through the minutes of the meeting
- Project Management will be provided by NWSSP PMO, utilising appropriate framework, tailored to suit delivery of the project
- Procurement support will come from NWSSP Procurement
- Post evaluation arrangements and plans will be in place to evaluate whether the project has been delivered to time, cost, and specifications, and to identify lessons learned. A post-implementation review will be undertaken to evaluate outcomes and benefits achieved
- Review reports will be compiled and communicated via internal communication channels and catalogued as part of the Programme Management
- Project progress, plan baselining, and project registers will be captured and reported via the PMO, in the format of action plans, and highlight reports; documents will be shared with relevant stakeholder group via internal or external digital communication.
- Escalation, and management of issues by exception, will comply with the local project governance structure. Project benefits will be identified, assessed, and endorsed by key stakeholders during the early stages of the project and will need to be developed in increasing detail and aligned with each other in later delivery phases. The benefits management strategy will identify, quantify, and deliver tangible and quality related benefits.
- A realistic benefits management strategy is needed to outline the process of benefits identification and tracking and to underpin periodic review of the target benefits and performance measures.

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:3.3
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The report is not Exempt

Teitl yr Adroddiad/Title of Report
NWSSP Annual Review 2021/22

ARWEINYDD: LEAD:	Andy Butler, Director of Finance & Corporate Services
AWDUR: AUTHOR:	Roxann Davies, Compliance Officer
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler, Director of Finance & Corporate Services
MANYLION CYSWLLT: CONTACT DETAILS:	Andy.butler@wales.nhs.uk

Pwrpas yr Adroddiad: Purpose of the Report:
To provide a review of the main activities of NWSSP during the 2021/22 financial year.

Llywodraethu/ Governance	
Amcanion: Objectives:	Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement
Tystiolaeth: Supporting evidence:	

Ymgynghoriad/Consultation :
Senior Leadership Group

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	

Argymhelliad/ Recommendation	For the Partnership Committee to approve the Annual Review.
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Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	No direct impact
Iechyd Poblogaeth: Population Health:	No direct impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact
Ariannol: Financial:	No direct impact
Risg a Aswiriant: Risk and Assurance:	No direct impact
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	This is a public document.

1. BACKGROUND

NWSSP completes an Annual Review of its main activities which is approved by the Partnership Committee. It is then translated and published.

2. RECOMMENDATION

The Committee is asked to **APPROVE** the Annual Review.

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:3.4 21 July 2022
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

Audit Committee Terms of Reference

ARWEINYDD: LEAD:	Andy Butler, Director of Finance & Corporate Services
AWDUR: AUTHOR:	Carly Wilce, Corporate Services Manager
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler, Director of Finance & Corporate Services
MANYLION CYSWLLT: CONTACT DETAILS:	Andy.butler@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

To obtain the annual approval of the SSPC for the Audit Committee Terms of Reference.

Llywodraethu/Governance

Amcanion: Objectives:	Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement
Tystiolaeth: Supporting evidence:	Terms of Reference

Ymgynghoriad/Consultation :

Audit Committee

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	
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Argymhelliad/ Recommendation	The Committee is asked to approve the attached terms of reference for the NWSSP Audit Committee. There are no changes from the prior year.
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Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	No direct impact.
Iechyd Poblogaeth: Population Health:	No direct impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact.
Ariannol: Financial:	No direct impact.
Risg a Aswiriant: Risk and Assurance:	No direct impact.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	No direct impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

1. BACKGROUND

The Audit Committee Terms of reference are required to be subject to annual review and approval by the Partnership Committee. There are no changes to the attached document from the prior year, and this document was also subject to review at the NWSSP Audit Committee meeting held on July 13, 2022.

2. RECOMMENDATION

The Committee is asked to **APPROVE** the attached terms of reference for the NWSSP Audit Committee.



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Cydwasaethau
Shared Services
Partnership

Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Terms of Reference & Operating Arrangements

April 2022

1. BACKGROUND

1.1 In May 2012, all Health Boards and Trusts approved the Standing Orders for Shared Services Partnership Committee. Section 4.0.3 of the Standing Orders (as amended 1 March 2019) states:

*“The SSPC shall establish a Sub-Committee structure that meets its own advisory and assurance needs and/or **utilise Velindre’s Committee arrangements** to assist in discharging its governance responsibilities.”*

These Terms of Reference set out the arrangements for utilising the Velindre University NHS Trust Audit Committee to support the discharge of those relevant functions in relation to NHS Wales Shared Services Partnership (NWSSP).

ORGANISATIONAL STRUCTURE

Velindre University NHS Trust has an interest in NWSSP on two levels:

- a) The internal governance of NWSSP in relation to the host relationship; and
- b) As a member of NWSSP Committee in relation to the running of national systems and services.

The governance and issues relating to the hosting of NWSSP dealt with in **(a)** will be incorporated into the standard business of the existing Velindre University NHS Trust Audit Committee, with a specific focus on alternating Trust Audit Committee business. The assurance for the business dealt with in **(a)** will be to the Velindre University NHS Trust Board. The Chair of NWSSP Audit Committee should receive copies of the meeting papers and will be invited to attend, should there be anything on the agenda which has implications for the Shared Services Partnership Committee (SSPC).

Issues relating to NWSSP nationally run systems and services **(b)** will be fed into a separate Velindre University NHS Trust Audit Committee for NWSSP operating within its own work cycle. The assurance for the business dealt with in **(b)** will be to NWSSP Chair and the NWSSP Audit Committee, via the communication routes, detailed below.

The arrangements for **(a)** above, will not be considered further within these Terms of Reference, as it is for Velindre University NHS Trust Audit Committee to determine the relevant assurance required in relation to the host relationship.

2. INTRODUCTION

2.1 Velindre University NHS Trust’s Standing Orders provide that *“The Board may and, where directed by the Welsh Government must, appoint Committees of the Trust either to undertake specific functions on the Board’s behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board’s commitment to openness and transparency in the conduct of all its business extends equally to the work*

carried out on its behalf by Committees”.

- 2.2 In line with Standing Orders and NWSSP’s scheme of delegation, the SSPC shall nominate, annually, a Committee to be known as the Velindre University NHS Trust Audit Committee for NWSSP. The detailed Terms of Reference and Operating Arrangements in respect of this Committee are set out below.
- 2.3 These Terms of Reference and Operating Arrangements are based on the model Terms of Reference, as detailed in the NHS Wales Audit Committee Handbook, June 2012.

3 PURPOSE

- 3.1 The purpose of the Audit Committee (“the Committee”) is to:
 - **Advise** and **assure** the SSPC and the Accountable Officer on whether effective arrangements are in place - through the design and operation of NWSSP’s **system of assurance** - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the organisation’s objectives, in accordance with the standards of good governance determined for the NHS in Wales.

Where appropriate, the Committee will advise the Velindre University NHS Trust Board and SSPC as to where and how its system of assurance may be strengthened and developed further.

4 DELEGATED POWERS AND AUTHORITY

- 4.1 With regard to its role in providing advice to both Velindre University NHS Trust Board and the SSPC, the Audit Committee will comment specifically upon:
 - The adequacy of NWSSP’s strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation’s activities, designed to support the public disclosure statements that flow from the assurance processes (including the Annual Governance Statement) and providing reasonable assurance on:
 - NWSSP’s ability to achieve its objectives;
 - Compliance with relevant regulatory requirements, standards, quality and service delivery requirements, other directions and requirements set by the Welsh Government and others;

- The reliability, integrity, safety and security of the information collected and used by the organisation;
 - The efficiency, effectiveness and economic use of resources; and
 - The extent to which NWSSP safeguards and protects all of its assets, including its people.
- NWSSP's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate);
 - The planned activity and results of Internal Audit, External Audit and the Local Counter Fraud Specialist (including Strategies, Annual Work Plans and Annual Reports);
 - The adequacy of executive and management's response to issues identified by audit, inspection and other assurance activity, via monitoring of NWSSP's Audit Action Plan;
 - Proposals for accessing Internal Audit service (where appropriate);
 - Anti-fraud policies, whistle-blowing processes and arrangements for special investigations as appropriate; and
 - Any particular matter or issue upon which the SSPC or the Accountable Officer may seek advice.
- 4.2 The Audit Committee will support the SSPC with regard to its responsibilities for governance (including risk and control) by reviewing:
- All risk and control related disclosure statements (in particular the Annual Governance Statement together with any accompanying Head of Internal Audit Statement, External Audit Opinion or other appropriate independent assurances), prior to endorsement by the SSPC;
 - The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
 - The policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements; and
 - The policies and procedures for all work related to fraud and corruption as set out in Welsh Government Directions and as required by NHS Protect.
- 4.3 In carrying out this work, the Audit Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.
- 4.4 This will be evidenced through the Audit Committee's use of effective governance and assurance arrangements to guide its work and that of the

audit and assurance functions that report to it, and enable the Audit Committee to review and form an opinion on:

- The **comprehensiveness** of assurances in meeting the SSPC and the Accountable Officer's assurance needs across the whole of the organisation's activities; and
- The **reliability and integrity** of these assurances.

4.5 To achieve this, the Audit Committee's programme of work will be designed to provide assurance that:

- There is an effective internal audit function that meets the standards set for the provision of internal audit in the NHS in Wales and provides appropriate independent assurance to the SSPC and the Accountable Officer through the Audit Committee;
- There is an effective Counter Fraud service that meets the standards set for the provision of counter fraud in the NHS in Wales and provides appropriate assurance to the SSPC and the Accountable Officer through the Audit Committee;
- There are effective arrangements in place to secure active, ongoing assurance from management with regard to their responsibilities and accountabilities, whether directly to the SSPC and the Accountable Officer or through the effective completion of Audit Recommendations and the Audit Committee's review of the development and drafting of the Annual Governance Statement;
- The work carried out by key sources of external assurance, in particular, but not limited to the SSPC's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace) internal assurance activity;
- The work carried out by the whole range of external review bodies is brought to the attention of the SSPC and that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, together with the risks of failing to comply;
- The systems for financial reporting to the SSPC, including those of budgetary control, are effective; and
- The results of audit and assurance work specific to the organisation and the implications of the findings of wider audit and assurance activity relevant to the SSPC's operations, are appropriately considered and acted upon to secure the ongoing development and improvement of the organisation's governance arrangements.

In carrying out this work, the Audit Committee will follow and implement the Audit Committee for Shared Services Annual Work Plan and will be evidenced through meeting papers, formal minutes, and highlight reports to the SSPC, Velindre University NHS Trust Board and annually, via the Annual Governance Statement, to the Velindre University NHS Trust's Chief Executive.

Authority

- 4.6 The Audit Committee is authorised by the SSPC to investigate or to have investigated any activity within its Terms of Reference. In doing so, the Audit Committee shall have the right to inspect any books, records or documents of NWSSP, relevant to the Audit Committee's remit and ensuring patient/client and staff confidentiality, as appropriate. It may seek relevant information from any:
- Employee (and all employees are directed to co-operate with any reasonable request made by the Audit Committee); and
 - Any other Committee, Sub Committee or Group set up by the SSPC to assist it in the delivery of its functions.
- 4.7 The Audit Committee is authorised by the SSPC to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the SSPC's procurement, budgetary and other requirements.

Access

- 4.8 The Head of Internal Audit and the Audit Manager of External Audit shall have unrestricted and confidential access to the Chair of the Audit Committee at any time and the Chair of the Audit Committee will seek to gain reciprocal access as necessary.
- 4.9 The Audit Committee will meet with Internal and External Auditors and the nominated Local Counter Fraud Specialist, without the presence of officials, on at least one occasion each year.
- 4.10 The Chair of Audit Committee shall have reasonable access to Executive Directors and other relevant senior staff.

Sub Committees

- 4.11 The Audit Committee may, subject to the approval of the SSPC, establish Sub Committees or Task and Finish Groups to carry out on its behalf specific aspects of Committee business. Currently, there is an established Welsh Risk Pool Committee which is a Sub Committee of the SSPC, however, there are no Sub Committees of the Audit Committee.

5 MEMBERSHIP

Members

- 5.1 A minimum of 3 members, comprising:

Chair	Independent member of the Board
Members	Two other independent members of the Velindre University NHS Trust Board.
	The Audit Committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge and expertise.
	The Chair of the organisation shall not be a member of the Audit Committee.

Attendees

5.2 In attendance:

NWSSP Managing Director, as Accountable Officer
 NWSSP Chair
 NWSSP Director of Finance & Corporate Services
 NWSSP Director of Audit & Assurance
 NWSSP Head of Internal Audit
 NWSSP Audit Manager
 NWSSP Head of Finance and Business Development
 NWSSP Corporate Services Manager
 Representative of Velindre University NHS Trust
 Local Counter Fraud Specialist
 Representative of the Auditor General for Wales
 Other Executive Directors will attend as required by the Committee Chair

By invitation The Committee Chair may invite:

- any other Partnership officials; and/or
- any others from within or outside the organisation

to attend all or part of a meeting to assist it with its discussions on any particular matter.

The Velindre Chief Executive Officer should be invited to attend, where appropriate, to discuss with the Audit Committee the process for assurance that supports the Annual Governance Statement.

Secretariat

Secretary	As determined by the Accountable Officer
-----------	--

Member Appointments

- 5.3 The membership of the Audit Committee shall be determined by the Velindre University NHS Trust Board, based on the recommendation of the Trust Chair; taking account of the balance of skills and expertise necessary to deliver the Audit Committee's remit and subject to any specific requirements or directions made by Welsh Government.
- 5.4 Members shall be appointed to hold office for a period of four years. Members may be re-appointed, up to a maximum of their term of office. During this time a member may resign or be removed by the Velindre University NHS Trust Board.
- 5.5 Audit Committee members' Terms and Conditions of Appointment, (including any remuneration and reimbursement) are determined on appointment by the Minister for Health and Social Services.

Support to Audit Committee Members

- 5.6 The NWSSP Head of Finance and Business Development and NWSSP Corporate Services Manager, on behalf of the Audit Committee Chair, shall:
- Arrange the provision of advice and support to Audit Committee members on any aspect related to the conduct of their role;
 - Ensure that Committee agenda and supporting papers are issued five working days in advance of the meeting taking place; and
 - Ensure the provision of a programme of organisational development for Audit Committee members as part of the Trust's overall Organisational Development programme developed by the Velindre Executive Director of Workforce & Organisational Development.

6 AUDIT COMMITTEE MEETINGS

Quorum

- 6.1 At least two members must be present to ensure the quorum of the Audit Committee, one of whom should be the Audit Committee Chair or Vice Chair.

Frequency of Meetings

- 6.2 Meetings shall be held no less than quarterly and otherwise as the Chair of the Audit Committee deems necessary, consistent with NWSSP's Annual Plan of Business. The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.

Withdrawal of Individuals in Attendance

- 6.3 The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

7 RELATIONSHIP & ACCOUNTABILITIES WITH THE TRUST BOARD & SSPC DELEGATED TO THE AUDIT COMMITTEE

- 7.1 Although the Velindre University NHS Trust Board, with the SSPC and its Sub Committees, including the Welsh Risk Pool Sub Committee, has delegated authority to the Audit Committee for the exercise of certain functions as set out within these Terms of Reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of the organisation.
- 7.2 The Audit Committee is directly accountable to the Velindre University NHS Trust Board for its performance in exercising the functions set out in these Terms of Reference.
- 7.3 The Audit Committee, through its Chair and members, shall work closely with NWSSP and its other Sub Committees to provide advice and assurance to the SSPC by taking into account:

- Joint planning and co-ordination of the SSPC business; and
- Sharing of information

in doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into NWSSP's overall risk and assurance arrangements. This will primarily be achieved through the discussions held at the SSPC, annually, at the end of the financial year.

- 7.4 The Audit Committee will consider the assurance provided through the work of the SSPC's other Committees and Sub Committees to meet its responsibilities for advising the SSPC on the adequacy of the organisation's overall system of assurance by receipt of their annual work plans.
- 7.5 The Audit Committee shall embed the SSPC's and Trust's corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.

8 REPORTING AND ASSURANCE ARRANGEMENTS

8.1 The Audit Committee Chair shall:

- Report formally, regularly and on a timely basis to the Board, SSPC and the Accountable Officer on the Audit Committee's activities. This includes verbal updates on activity and the submission of committee minutes, and written highlight reports throughout the year;
- Bring to the Velindre University NHS Trust Board, SSPC and the Accountable Officer's specific attention any significant matters under consideration by the Audit Committee; and
- Ensure appropriate escalation arrangements are in place to alert the SSPC Chair, Managing Director (and Accountable Officer) or Chairs of other relevant Committees, of any urgent/critical matters that may affect the operation and/or reputation of the organisation.

8.2 The Audit Committee shall provide a written Annual Report to the SSPC and the Accountable Officer on its work in support of the Annual Governance Statement, specifically commenting on the adequacy of the assurance arrangements, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self-assessment activity against relevant standards. The report will also record the results of the Audit Committee's self-assessment and evaluation.

8.3 The Velindre University NHS Trust Board and SSPC may also require the Audit Committee Chair to report upon the Audit Committee's activities at public meetings or to community partners and other stakeholders, where this is considered appropriate, e.g. where the Audit Committee's assurance role relates to a joint or shared responsibility.

8.4 The NWSSP Head of Finance and Business Development and Corporate Services Manager, on behalf of the Partnership, shall oversee a process of regular and rigorous self-assessment and evaluation of the Audit Committee's performance and operation, including that of any Sub Committees established. In doing so, account will be taken of the requirements set out in the NHS Wales Audit Committee Handbook.

9 APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

1.1 The requirements for the conduct of business as set out in the NWSSP's Standing Orders are equally applicable to the operation of the Audit Committee, except in the following areas:

- Quorum (*as per section on Committee meetings*)
- Notice of meetings
- Notifying the public of meetings

- Admission of the public, the press and other observers
-

10 REVIEW

- 10.1 These Terms of Reference and operating arrangements shall be reviewed annually by the Audit Committee with reference to the SSPC and Velindre University NHS Trust Board.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM: 4.1

21 July 2022

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Finance Update Report

**ARWEINYDD:
LEAD:**

**Andy Butler, Director of Finance &
Corporate Services**

**AWDUR:
AUTHOR:**

Finance Team

**SWYDDOG ADRODD:
REPORTING
OFFICER:**

**Andy Butler, Director of Finance &
Corporate Services**

**Pwrpas yr Adroddiad:
Purpose of the Report:**

The purpose of this report is to provide the SSPC with an update on finance as at 30th June 2022.

Llywodraethu/Governance

**Amcanion:
Objectives:**

Value for Money - To develop a highly efficient and effective shared service organisation which delivers real terms savings and service quality benefits to its customers.
Excellence - To develop an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of technology.
Staff - To have an appropriately skilled, productive, engaged and healthy workforce.

**Tystiolaeth:
Supporting
evidence:**

-

Ymgynghoriad/Consultation :

Senior Leadership Group

Adduned y Pwyllgor/Committee Resolution (insert ✓):						
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE
						✓
Argymhelliad/ Recommendation	<p>The Committee is asked to NOTE the:</p> <ol style="list-style-type: none"> 1. Financial position to 30th June 2022 including the financial risks from anticipated funding. 2. Forecast financial position for 2022/23 including the financial risks from anticipated funding. 3. Achievement to date against key financial targets. 4. The content of this update and seek further information if required. 					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	No direct Impact
Iechyd Poblogaeth: Population Health:	No direct Impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct Impact
Ariannol: Financial:	Distribution to NHS Wales
Risg a Aswiriant: Risk and Assurance:	Consolidation of Financial Risk
Safonau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	No direct Impact
Deddf Rhyddid Gwybodaeth/ FOIA	Open



NWSSP Finance Report June 2022

*Adding Value
Through Partnership,
Innovation and Excellence*

Dashboard Summary – 1st April 2022 to 30th June 2022

	Annual Budget £'000	YTD Budget £'000	YTD Expend £'000	YTD Variance £'000
Income	-613,049	-122,231	-123,022	-792
Pay	290,664	70,290	68,894	-1,396
Non Pay	186,855	51,275	52,125	850
WRP – DEL	134,780	665	665	0
Distribution	750	0	0	0
Year to date Underspend	0	0	1,338	1,338
	0	0	0	0

POSITION SUMMARY	M3	22/23 Forecast
	£m	£m
Outturn/Forecast before anticipated funding	5.897	29.652
Mass Vaccination & PPE funding agreed	-4.954	-24.830
ADJUSTED OUTTURN	0.943	4.822
Anticipated NI 1.25% funding	-0.116	-0.465
Anticipated Covid recovery funding	-0.202	-0.838
Anticipated energy funding	-0.625	-3.519
REPORTED/FORECAST POSITION	0.000	0.000

£4.822m of funding within our 2022/23 forecast is currently anticipated from WG at risk which poses a significant threat to our financial position.

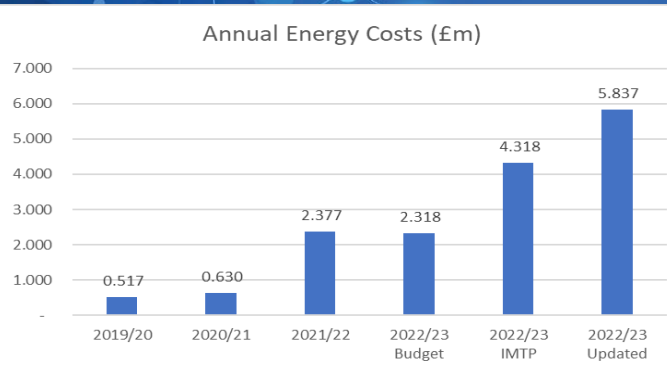
£5.155m of Covid costs have been incurred to Month 3 with a full year forecast of **£25.668m**.

The forecast is largely dependent upon the demand for PPE from Primary and Social Care which has reduced in 2022/23.

£0.838m of funding from WG is being anticipated at risk

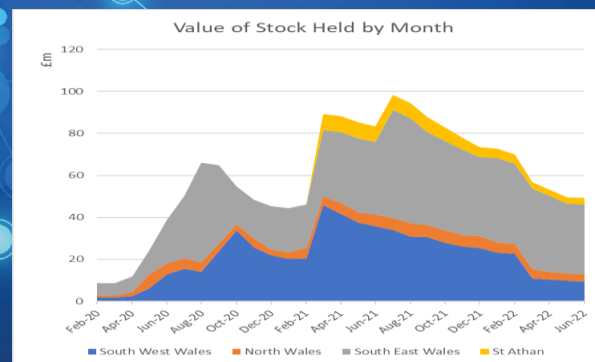
Covid Costs	YTD	22/23 Forecast
	£m	£m
CONFIRMED FUNDING:		
Mass Vacc - PPE	-	1.050
Mass Vacc - Pay & Non Pay	0.311	1.695
Social/Primary Care PPE	3.535	17.035
PPE delivery/warehousing/testing	1.107	5.051
TOTAL CONFIRMED FUNDING	4.954	24.830
UNCONFIRMED FUNDING:		
Covid Recovery	0.202	0.838
TOTAL COVID COSTS	5.155	25.668

NWSSP reported the Month 3 financial position with a year to date **underspend of £1.338m** after anticipating £0.943m of WG funding for the 1.25% NI increase, Covid recovery support costs and Energy pressures. This funding can only be anticipated at risk at present – our financial position would have been **£0.395m underspent** without the assumption of this funding or any utilisation of centrally held reserves. **The year to date position includes a number of non-recurrent savings that will not continue at the same level during the financial year.** The position also does not reflect the claw back of £176k of funding from WG in respect of Matrix House as notified in July 2022. Directorates are currently reviewing budgets with a view to accelerating initiatives to generate further benefits and savings to NHS Wales. **The forecast outturn remains at break-even with the assumption of £4.822m of exceptional pressures funding from Welsh Government.**



The energy forecast for 2022/23 has been updated in July following receipt of the revised BG forecast. This has now increased to **£5.837m** with funding for the **£3.519m** exceptional pressure anticipated at risk from WG.

The value of stock held in stores at 30th June 2022 was **£49.2m**. We continue to maintain the 16 week PPE stock holding requested by Welsh Government.



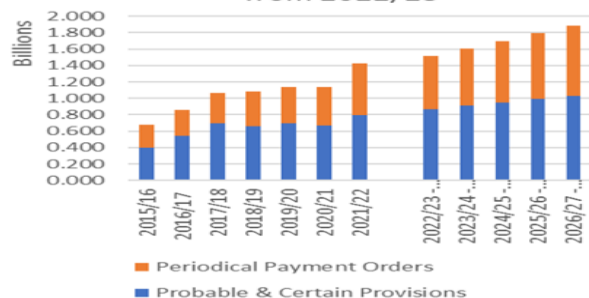
Welsh Risk Pool and Capital: 1st April 2022 to 30th June 2022

Expenditure type	Position as at M3 2021/22 £m	Position as at M3 2022/23 £m
Claims reimbursed & WRP Managed Expenditure	38.062	30.178
Periodical Payments made to date	0.233	0.649
Redress Reimbursements	0.681	0.561
EIDO – Patient consent	0.062	0.000
Clinical Negligence Salary Subsidy	0.137	0.137
WRP Transfers, Consent, Prompt, CTG	0.049	0.053
Movement on Claims Creditor	-31.657	-21.301
Year to date expenditure	7.567	10.277

£10.277m WRP DEL expenditure has been incurred to 30th June 2022. A high level review of cases due to settle in 2022/23 indicates that the **£134.780m** included in our IMTP remains within the forecast range we continue to anticipate at this early stage of the financial year. We continue to assume **£25.345m** will be funded under the Risk Share Agreement in 2022/23.

The 2022/23 risk share apportionment has been revised to reflect the updated cost driver information from the 2021/22 outturn position. This has resulted in some sizeable changes to the contributions from Organisations as a result of movements in the actual 2021/22 data. The updated shares are being reported to the Welsh Risk Pool Committee on 20th July 2022 and will be shared with Directors of Finance.

WRP
Provisions to 2021/22 & Forecast
from 2022/23



Long term liability (AME) provisions total **£1.429bn** at 31st March 2022, an increase of £296m in 2021/22. The provisions are forecast to increase to £1.9bn by 2026/27

Scheme	Allocation	YTD Spend	Balance Outstanding
	£000	£000	£000
EV charging infrastructure	0	1	1
Laundry Services	0	2	2
Unallocated	457	0	-457
Discretionary Capital Total	457	3	-454
IP5 discretionary	190	6	-184
Scan for Safety	826	186	-640
Laundry Services	0	32	32
TRAMS	0	70	70
Additional Capital Total	1,016	294	-722
TOTAL CAPITAL ALLOCATION	1,473	297	-1,176

Our current Capital Expenditure Limit for 2022/23 is **£1.473m**.

The NWSSP discretionary allocation for 2022/23 has been reduced by Welsh Government to **£0.457m** from £0.600m and the IP5 discretionary allocation reduced from £0.250m to **£0.190m**.

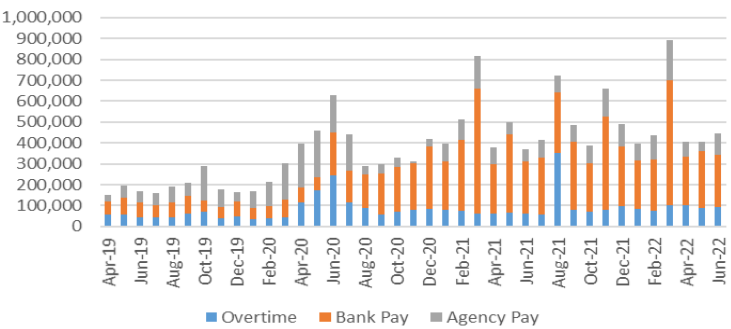
Capital expenditure to Month 3 is **£0.297m**.

A review of all discretionary capital funding requests is being undertaken which includes any capital funding requirements identified in the IMTP and any new requests flagged by our Services.

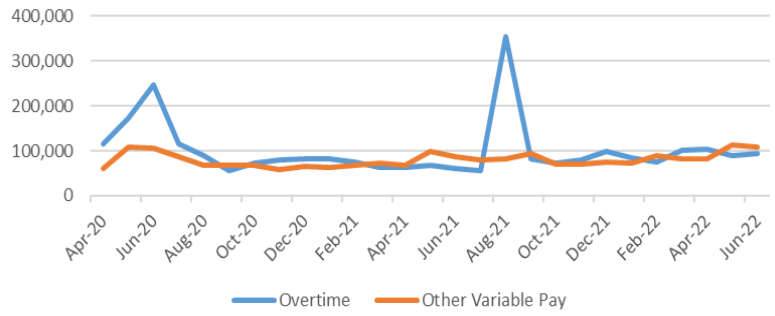
Since the transfer of the All Wales Laundry Service in 2021/22 we are experiencing increased pressure on our discretionary capital allocation as this was not increased following the transfer of the new Service

Variable Pay Summary

Total Variable Pay

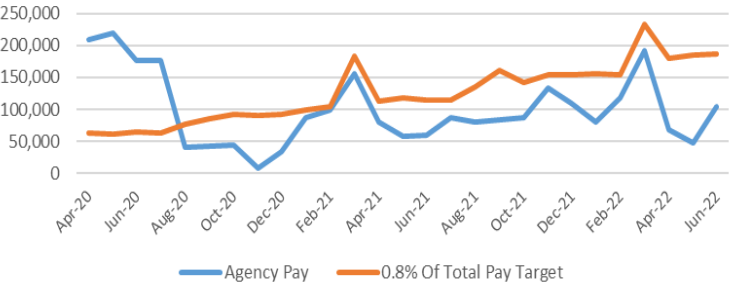


Total Overtime and Other Variable Pay



Variable pay increased in Month 3 primarily due to an increase in agency expenditure. This has been incurred to cover posts due to delays and the inability to recruit to vacancies to ensure continued service provision. This is also reflected in the increased overtime costs compared to this time last financial year.

Total Agency Pay







Total Bank Pay








Service	Agency		Overtime		Bank	
	3 Months to 30th June 2021	3 Months to 30th June 2022	3 Months to 30th June 2021	3 Months to 30th June 2022	3 Months to 30th June 2021	3 Months to 30th June 2022
Accounts Payable & E-Enablement	0	0	15,160	26,266	7,962	23,493
Audit & Assurance Services	13,551	29,318	0	0	426	1,221
Collaborative Bank	0	0	0	0	60,126	62,881
Corporate Services	131	18,485	487	0	-218	4,256
Counter Fraud Services	0	0	0	0	0	0
CTES	996	-6,094	87	0	0	0
Employment Services	0	0	26,799	47,806	33,108	102,608
Health Courier Services	12,098	6,482	74,307	81,542	385,991	131,857
Laundry Services	108,256	113,212	27,597	60,843	0	66,468
Legal & Risk Services	11,830	0	-83	0	91,059	16,130
Welsh Risk Pool	0	0	0	0	0	55,915
Medical Examiner Service	0	0	0	3,127	0	0
People & OD	0	0	0	4,292	11,452	30,582
Planning, Performance & Informatics	0	22,914	0	0	0	5,021
Primary Care Services	0	0	266	18,546	16,124	20,113
Procurement Services	35,131	36,171	44,673	44,375	249,157	214,109
SMTL	0	0	0	0	6,518	12,971
Single Lead Employer	0	0	1,422	86	0	0
Specialist Estates Services	0	0	841	0	-2,461	-287
TRAMS	0	0	0	0	0	681
TOTAL	181,993	220,488	191,557	286,884	859,243	748,020
TOTAL PAY	43,094,425	68,894,414	43,094,425	68,894,414	43,094,425	68,894,414
% OF TOTAL PAY	0.42%	0.32%	0.44%	0.42%	1.99%	1.09%

Financial Position and Key Targets

KPI	Target		2021/22								2022/23				Trend
			July	August	September	October	November	December	January	February	March	April	May	June	
Financial Position – Forecast Outturn	Break even	Monthly	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	Breakeven	
Capital financial position	Within CEL	Monthly	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	Achieved	On Target	On Target	On Target	
Planned Distribution	£0.75m	Annual	£0.75m	£0.75m	£2.00m	£2.00m	£2.00m	£2.00m	£2.00m	£2.00m	£2.00m	£0.75m	£0.75m	£0.75m	
NWSSP PSPP NON-NHS % (In Month)	95%	Monthly	97.30%	95.75%	94.92%	96.36%	96.44%	96.90%	94.74%	96.24%	95.14%	96.54%	94.52%	96.77%	
NWSSP PSPP NON-NHS % (Cumulative)	95%	Monthly	96.75%	96.53%	96.24%	96.26%	96.28%	96.36%	96.22%	96.18%	96.12%	96.54%	95.09%	95.75%	
NWSSP PSPP NHS % (In Month)	95%	Monthly	96.81%	91.57%	90.00%	96.39%	80.72%	96.39%	89.77%	92.31%	93.68%	94.29%	91.64%	97.73%	
NWSSP PSPP NHS % (Cumulative)	95%	Monthly	92.04%	91.96%	90.00%	92.26%	90.92%	92.53%	92.28%	92.29%	92.40%	94.29%	92.56%	94.74%	

Corporate

KPI	Target		2021/22								2022/23				Trend
			July	August	September	October	November	December	January	February	March	April	May	June	
NHS Debts in excess of 11 weeks – Value	<£100k	Monthly	£431k	£167k	£353k	£482k	£101k	£100k	£180k	£59k	£2k	£169k	£-647k	£754k	
NHS Debts in excess of 17 weeks – Value	£0	Monthly	£0k	£12k	£32k	£313k	£0k	£7k	£0k	£46k	£0k	£1k	£15k	£13k	
Variable Pay – Overtime	<£43k	Monthly	£57k	£354k	£82k	£72k	£81k	£98k	£84k	£75k	£102k	£104k	£90k	£93k	
Agency % to date	<0.8%	Cumulative	0.50%	0.49%	0.48%	0.48%	0.51%	0.52%	0.51%	0.52%	0.53%	0.31%	0.25%	0.32%	
Agency % Adjusted to exclude SLE	<1%	Cumulative	1.00%	1.05%	0.97%	0.99%	1.02%	1.08%	1.01%	1.07%	1.02%	1.06%	0.89%	1.12%	

The increased value of aged debts outstanding over 11 weeks is due to an allocation of remittances issue in Velindre that we are working with them to resolve. The £754k includes invoices that were paid in April, May and June but the due to the payments covering multiple debtor accounts the application of funds to invoices has proved an issue.

Covid

Covid expenditure to 30th June 2022 was **£5.155m**. Welsh Government has approved funding for mass vaccination, Social/Primary care PPE issues and All Wales PPE delivery, warehousing and testing. **£0.202m** of funding to date is assumed 'at risk' for Covid recovery support costs for the increased staff costs we have recruited in our payroll, recruitment and accounts payable teams. This is line with the IMTP Funding assumptions letter issued by Judith Paget on 14th March 2022.

The full year forecast Covid funding requirement is **£25.668m**, with **£0.838m** relating to Covid recovery funding that has not yet been confirmed.

The majority of our Covid expenditure is due to the demand for and issue of PPE to Primary and Social Care – any changes in demand as a result of changing Infection Prevention & Control guidance will impact this forecast.

Covid Costs	YTD	22/23 Forecast
	£m	£m
CONFIRMED FUNDING:		
Mass Vacc - PPE	-	1.050
Mass Vacc - Pay & Non Pay	0.311	1.695
Social/Primary Care PPE	3.535	17.035
PPE delivery/warehousing/testing	1.107	5.051
TOTAL CONFIRMED FUNDING	4.954	24.830
UNCONFIRMED FUNDING:		
Covid Recovery	0.202	0.838
TOTAL COVID COSTS	5.155	25.668

Energy

The IMTP Funding assumptions letter issued by Judith Paget on 14th March also enables NHS Organisations to anticipate income at risk to cover the increasing energy costs during 2022/23.

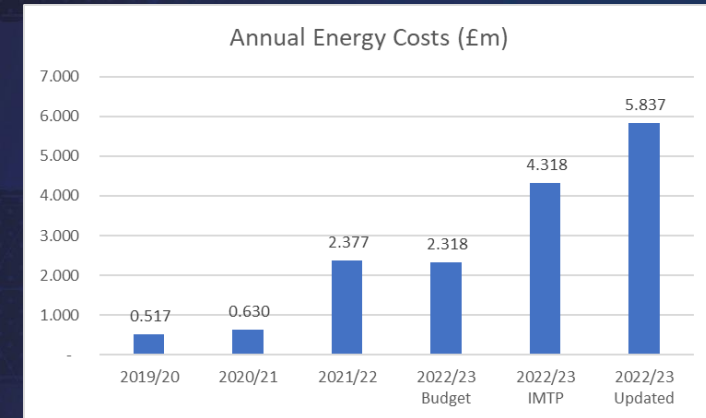
Our IMTP included a high level estimate of increased energy costs of **£2.000m**. Following receipt of the British Gas energy forecast in early July, our energy forecast has been reviewed. Our overall energy forecast is now **£5.837m** with exceptional cost pressures funding of **£3.519m** anticipated at risk. This forecast is based on the current market prices and secured volumes by NHS Wales. Any changes to the market prices will significantly impact this forecast.

To Month 3, we have anticipated **£0.625m** of funding to cover the increased costs over budget.

The volatility of the current energy markets presents issues in forecasting with any accuracy, this is also compounded by:

- Some of our sites being on the All Wales energy contract and others recharged by Landlords
- Changes to energy requirements on our sites as laboratories are commissioned/ decommissioned
- Impact of the installation of IP5 lighting
- Seasonal fluctuations
- All Wales energy contract price changes
- Increased use of sites as more staff return to the office.

The laundries are our biggest energy consumers and due to metering arrangements, the majority of the invoices are part of the Health Board recharges from British Gas adding additional complexity and delay in obtaining accurate energy costs in a timely manner to report within the financial position.



The increase in energy costs between 2020/21 and 2021/22 is due to the transfer of the All Wales Laundries during 2021/22

Capital

Our current Capital Expenditure Limit for 2022/23 is **£1.473m**.

The NWSSP discretionary allocation for 2022/23 has been reduced by Welsh Government to **£0.457m** from £0.600m and the IP5 discretionary allocation reduced from £0.250m to **£0.190m**.

Funding for Scan for Safety has been approved per the original business case, although an additional £0.110m - £0.130m will be required as identified in our IMTP due to changes in the contract since the initial approval.

Welsh Government have committed to funding the OBC Fees for Laundry and TRAMS again in 2022/23. We have submitted funding requests in respect of these schemes and await confirmation that funding has been allocated. To the end of June **£0.102m** of expenditure has been incurred on these schemes without approved capital funding.

Capital expenditure to Month 3 is **£0.297m**.

A review of all discretionary capital funding requests is being undertaken which includes any capital funding requirements identified in the IMTP and any new requests flagged by services.

Scheme	Allocation	YTD Spend	Balance Outstanding
	£000	£000	£000
EV charging infrastructure	0	1	1
Laundry Services	0	2	2
Unallocated	457	0	-457
Discretionary Capital Total	457	3	-454
IP5 discretionary	190	6	-184
Scan for Safety	826	186	-640
Laundry Services	0	32	32
TRAMS	0	70	70
Additional Capital Total	1,016	294	-722
TOTAL CAPITAL ALLOCATION	1,473	297	-1,176

Welsh Government capital colleagues have requested that we continue to prepare business cases and tender exercises where required so that we are ready to implement schemes if capital slippage funding becomes available later in the financial year (likely to be in October).

Our IMTP included a number of schemes that are likely to require significant capital funding – these include:

- ES – Student Bursary System replacement – **tender in progress**
- PCS – Roller Racking expansion – **no longer required in 22/23**
- PPI – Hyper V Server Farm – **exploring potential revenue solutions/extensions**
- ES – Pure digital solution – **exploring DHCW/external provider provision options**
- PCS – Performer list self service accreditation & on boarding application – **business case in progress**
- SES – EV Charging infrastructure – **feasibility study to be progressed**

Welsh Risk Pool

To Month 3 expenditure of **£10.277m** has been incurred within the Welsh Risk Pool.

Our IMTP included a 2022/23 expenditure forecast of **£134.780m**, which requires **£25.345m** to be funded under the Risk Share Agreement.

At this early stage in the financial year, a high level review of cases due to settle indicates a likely outturn range of £128m-£138m dependent upon a number of factors and assumptions that will crystallise as the financial year progresses. Cases are still being assessed in terms of likelihood of settlement this year. There is also likely to be some slippage for some cases whilst others may be brought forward from future years in later months.

Monthly detailed analysis of the forecast is ongoing with discussions with Legal & Risk solicitors on the likelihood of settlement of each high value case with cashflows >£200K on the database for 2022/23.

The 2022/23 risk share apportionment has been revised to reflect the updated cost driver information from the 2021/22 outturn position. This has resulted in some sizeable changes to the contributions from Organisations as a result of movements in the actual 2021/22 data. The updated shares are being reported to the Welsh Risk Pool Committee on 20th July 2022 and will be shared with Directors of Finance.

Expenditure type	Position as at M3 2021/22 £m	Position as at M3 2022/23 £m
Claims reimbursed & WRP Managed Expenditure	38.062	30.178
Periodical Payments made to date	0.233	0.649
Redress Reimbursements	0.681	0.561
EIDO – Patient consent	0.062	0.000
Clinical Negligence Salary Subsidy	0.137	0.137
WRP Transfers, Consent, Prompt, CTG	0.049	0.053
Movement on Claims Creditor	-31.657	-21.301
Year to date expenditure	7.567	10.277

Recommendations

The Shared Services Partnership Committee is asked to note the :

1. Financial position to 30th June 2022 including the financial risks from anticipated funding
2. Forecast financial position for 2022/23 including the financial risks from anticipated funding
3. Achievement to date against key financial targets
4. The content of this update and seek further information if required.



*Adding Value
Through Partnership,
Innovation and Excellence*

Management Letter - NHS Wales Shared Services Partnership

Audit year: 2021-22

Date issued: July 2022

This document has been prepared as part of work performed in accordance with statutory functions.

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Contents

Our work did not identify any significant issues concerning the services provided by NHS Wales Shared Services Partnership (NWSSP) although improvements could be made in some areas.

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Summary report

Introduction

- 1 The Auditor General is responsible for providing an opinion on whether each NHS body's financial statements represent a true and fair view of the state of its financial affairs as at 31 March 2022.
- 2 The audit teams of each individual health body are responsible for undertaking audit work to enable the Audit General to provide his opinion and in doing so they determine the audit and assurance work required on the services provided by the NHS Wales Shared Services Partnership (NWSSP).
- 3 On 25 January 2022, we presented a paper to the NWSSP Audit Committee – 2021-22 Audit Assurance Arrangements – setting out the external audit assurance work to be undertaken on those services provided by the NWSSP to the various NHS bodies across Wales.
- 4 In this report we outline the findings identified from this work in respect of:
 - Audit and Assurance Services (NWSSP – AAS);
 - Primary Care Services (NWSSP – PCS);
 - Employment Services (NWSSP – ES);
 - Procurement Services (NWSSP – PS); and
 - Legal and Risk Services (NWSSP – LARS) which includes Welsh Risk Pool Services (WRPS).
- 5 We will issue a separate report detailing the findings from our review of the nationally hosted NHS IT Systems.

Issues arising from the audit

- 6 Our work did not identify any significant issues that prevented auditors relying on services provided by NHS Wales Shared Services Partnership (NWSSP) other than those set out below in this report. We have also identified that improvements could be made in some other areas.
- 7 Our high-level findings in respect of each of the services subject to our review are outlined below.

Audit and Assurance Services (AAS)

- 8 Local health body audit teams need to consider ISA 610 – Using the work of internal auditors – to assess the adequacy of Internal Audit work for the purposes of the audit. To inform this evaluation, we considered the arrangements in place against the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 9 We did not identify any issues regarding NWSSP – AAS's compliance with the PSIAS standards that would prevent us taking assurance from their work.

Primary Care Services (PCS)

- 10 Local Health Board audit teams planned to place reliance on specific key controls within the general medical services (GMS), general pharmaceutical services (GPS) and community pharmacy prescription services (CPPS) systems. We therefore documented, evaluated and tested controls in respect of:
 - global sum payments to general medical practitioners (capitation lists and patient rates); and
 - payments to pharmacists (checks undertaken by the Professional Services Team and drug tariff rates).
- 11 Our testing covered the primary care teams in Swansea and Marnhull and the CPPS team in Companies House. We found that one of the controls for ensuring the reasonableness of patient numbers used for the calculation of global sum payments was not operating effectively during the year. GP practices are required to submit quarterly patient numbers which are then compared to the patient numbers held by PCS. From a sample of 14 monthly global sum payments only 3 patient number reports were received. GPS provided further details of missing quarterly patient number reports which demonstrated that over 40% had not been received.
- 12 We were informed that during the year there had been a reorganisation of resources in PCS which resulted in GP practices not being reminded to provide these quarterly figures.
- 13 Other controls tested in PCS were operating effectively overall and could therefore be relied upon although some issues were identified regarding the GPS and CPPS functions which are set out below.
- 14 Recommendations for improvement have been made which are documented in **Appendix 1**.

Employment Services

- 15 Local health body audit teams planned to place reliance during 2021-22 on the key controls in respect of exception reporting within the payroll system. We therefore documented, evaluated, and tested these controls regarding the payroll services operating at Companies House, covering both payroll teams.
- 16 All-Wales exception reporting parameters were agreed and implemented in July 2018 and our testing found that exception reports were produced and there was generally evidence of an investigation of the variances and the action taken to amend where necessary. However, internal control procedures in respect of the review of exception reports were not being consistently applied within both payroll teams, as set out below:

Cardiff and Vale payroll team

- Testing of monthly exception reports found that for two reports there was no evidence that they had been reviewed by the payroll officer and seven which had not been checked by a senior officer;
- We also found two cases where the initial check of the reports and their review were undertaken by the same officer, meaning that the segregation of duties internal control was not applied; and
- Three of the payroll exception reports had outstanding queries meaning that insufficient information existed to record the fact that these variances had been appropriately explored and explained.

- 17 It is recognised that Covid-19 restrictions and in particular the adoption of remote working has continued to pose additional complications for the period subject to our review, however similar recommendations were also made pre Covid-19. Although there is some improvement in the number of cases found, and no cases were found in the Aneurin Bevan team, the agreed actions have not yet resulted in full compliance. A recommendation for improvement has been made which is documented in **Appendix 1**.

Procurement and Accounts Payable Services

- 18 Our assurance work focussed on the approval arrangements in respect of contracts exceeding £1 million, awarded by the Procurement Unit in NWSSP. We found no cases of contracts exceeding £1m being awarded without Welsh Government approval.

Legal and Risk Services (LARS)

- 19 The local audit teams at each NHS body need to consider ISA 500 – Audit evidence – to assess the adequacy of Legal and Risk Services as a management expert for the purposes of their audits. To aid this evaluation, we considered the arrangements in place at NWSSP against the requirements of ISA 500. Based on the work undertaken, we did not identify any issues that would prevent auditors relying on NWSSP – LARS’s work as a management expert.
- 20 We did however find that LARS were unable to demonstrate full compliance with the requirement for all its staff to complete declaration of interest in 2021-22 due to an IT issue. We understand that this was a one-off issue this year following the transfer of staff on the ESR system from the Velindre payroll to a separate NWSSP payroll. Therefore we have not made a recommendation in respect of this matter.

Recommendations

- 21 The recommendations arising from our 2021-22 work are set out in **Appendix 1**. Management has responded to them and we will follow up progress on them during next year's audit.
- 22 The recommendations raised following our 2020-21 audit work have been satisfactorily addressed with the exception of the issue concerning the control weaknesses on payroll exception reports and GP practice patient number returns, which has been repeated again this year.

Appendix 1

Action plan

Exhibit 1: recommendations

We set out all the recommendations arising from our audit with management's response to them.

Para	Issue	Recommendation	Priority	NWSSP responsibility and action	Completion date
14	NWSSP – Primary Care Services Capitation reports were not always received from GP practices and have not been chased for by PCS	R1 NWSSP – PCS should chase for outstanding capitation reports from GP practices.	Medium	Agreed. Change process to allow the Quality Assurance Team to obtain capitation data directly from Digital Health and Care Wales rather than practices	May 2022
17	NWSSP – Employment Services Internal control procedures for the review of exception reports are not being complied with by the Cardiff and Vale Payroll team.	R2 NWSSP – ES should ensure that internal control procedures for reviewing exception reports are complied with.	Medium	We have implemented a new checking process that has been adopted across Wales, it is embedded in the Payroll Process schedule and will be checked that all Exceptions reports are checked and signed by a member of the Payroll Team. We are piloting with the teams an automated checking	Implemented on 01.06.2022

Para	Issue	Recommendation	Priority	NWSSP responsibility and action	Completion date
				report, whereby the information is extracted from all documents, NAF, PIF, EEF and match electronically with the data in ESR, this will produce a Power BI report of the checks undertaken for audit purposes that are correct, any discrepancy will be checked by the Team and probity to the process.	



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
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Nationally Hosted NHS IT Systems – NHS Wales Shared Services Partnership

Audit year: 2021-22

Date issued: June 2022

Document reference: 3044A2022

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The IT controls we examined assured us that financial values produced by the systems for 2021-22 were likely to be free from material misstatement, although some controls could be strengthened.

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Summary report

Summary

- 1 NHS bodies in Wales are responsible for preparing financial statements that give a true and fair view of the state of their financial affairs as at 31 March 2022. They must ensure that they are properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made thereunder by Welsh Ministers. NHS bodies are also responsible for preparing Annual Governance Statements in accordance with guidance issued by HM Treasury and the Welsh Government.
- 2 The Auditor General is responsible for providing an opinion on whether each NHS body's financial statements represent a true and fair view of the state of its financial affairs as at 31 March 2022.
- 3 NHS Wales has a variety of arrangements in place to provide and support IT systems used for financial reporting purposes. Since June 2012, Velindre University NHS Trust (the Trust) has hosted the NHS Wales Shared Services Partnership (NWSSP) and is responsible for its governance and accountability.
- 4 This report covers the national NHS IT applications and infrastructure which NWSSP manages for use by other NHS organisations in Wales. These systems include the:
 - Prescription Pricing System (formerly known as the Community Pharmacy System) which is used to process prescriptions and calculate reimbursement for pharmacy contractor payments. This system is used by the Prescription Services Team of Primary Care Services (PCS).
 - National Health Application and Infrastructure Services (NHAIS) or Exeter, used for NHS demographics and calculating primary care General Medical Services (GMS) contractor payments. NHS Digital in NHS England manages and supports the NHAIS system software for use in NHS Wales. Digital Health and Care Wales (DHCW) manage and support the NHAIS IT infrastructure used in NHS Wales.
 - Oracle Financial Management System (FMS) is supplied by a third party called Version One and managed for NHS Wales by the Central Team e-Business Services (CTeS) within the NWSSP. The Oracle FMS is used by NHS Wales as the main accounting system for managing and producing the NHS accounts.
 - Electronic Staff Record (ESR) systems administration is the responsibility of each individual Local Health Board and Trust through delegated responsibility passed to NWSSP via a Service Level Agreement (SLA). Payroll access by NWSSP Employment Services to process the payroll in Wales is managed in accordance with the Trust's ESR system access process. The ESR Payroll system is managed and hosted nationally by IBM on behalf of NHS England and NHS Wales under a managed service contract.

- 5 International Auditing Standard (ISA) 315 requires us to obtain an understanding of the general IT and application controls of the financial systems used by NHS Wales. As part of the National Hosted NHS IT Systems audit plan, Audit Wales reviewed the above-mentioned systems during 2021-22 and followed up our prior audit recommendations in these areas. This work reviews the ICT environment and application controls that are applied to the National Hosted NHS IT Systems solely for the purposes of providing assurance for NHS audit opinions. We have taken the opportunity to identify actions that, in our view, would help NHS Wales improve its governance and use of these systems.
- 6 This work is undertaken to identify potential risks which may include:
- out-of-date and unsupported infrastructure;
 - access security arrangements that leave the system vulnerable to unauthorised access and attack;
 - loss or unauthorised access of data; and
 - change control procedures which are inadequate meaning that the system could be compromised or unavailable following the application of a new patch, upgrade or release of the database or the application software or infrastructure change.
- 7 We have therefore undertaken a review that sought to answer the question: **‘Can auditors be assured that the IT system controls are such that financial values are likely to be free from material misstatement?’**
- 8 **We concluded that the IT controls applied to the Prescription Pricing, National Health Application Infrastructure, Oracle Financials systems and ESR Payroll systems administration managed by NHS Wales Shared Services, were sufficiently effective to allow financial auditors to take assurance that financial values produced by the systems for 2021-22 were likely to be free from material misstatement. However, NWSSP could strengthen some controls.**
- 9 In summary, the reasons for this conclusion are set out below:
- the Prescription Pricing System’s controls support the production of information that is free from material misstatement;
 - the National Health Application and Infrastructure Service system’s controls support the production of information that is free from material misstatement, however, system replacement plans are underway and almost complete;
 - the Oracle FMS’s IT controls support the production of information that is free from material misstatement, although system should be disaster recovery tested; and
 - the ESR Payroll’s Shared Services system administration controls support the production of information that is free from material misstatement.
- 10 This report summarises the more detailed matters arising from our audit, our recommendations made from this year’s audit and our follow-up of last year’s recommendations.

Detailed report

The Prescription Pricing System's controls support the production of information that is free from material misstatement

- 11 We have identified no significant IT application or infrastructure issues likely to result in a material misstatement within the Prescription Pricing System. However, we identified some issues that should be addressed by Primary Care Services in order to minimise the potential for future application and infrastructure system risks. From our IT work in 2021-22, we have identified four recommendations to NWSSP for improvement. These are outlined below:
- reduce the number of users with access to create, amend or delete user access to the prescription pricing system. Access to higher level or privileged accounts should be restricted to an appropriate number;
 - review user access rights to the prescription pricing system on a regular basis, for example, at least annually, to ensure that users have appropriate access rights, and that any potential leavers, or inactive users are identified and their access amended appropriately;
 - update the prescription pricing change control policy to record and confirm that it has been updated and include this in the document revision history. The change control policy was last updated in 2017; and
 - update the Service Level Agreement (SLA) with Digital Health Care Wales to specifically name the prescription pricing system within its scope, update the document revision history and expected review dates, include details around the responsibilities and frequency in taking of data backups and monitoring the successful completion of backups.
- 12 NWSSP have made progress to address prior year IT recommendations made for improvement and some of these remain in progress. Further details of our findings and progress against actions for the Prescription Pricing System agreed with Primary Care Services officers can be found in **Appendix 1**.

The National Health Application and Infrastructure Service system's controls support the production of information that is free from material misstatement, however, system replacement plans are underway and almost complete

- 13 We have identified no significant issues within the NHAIS system likely to result in a material misstatement. However, we have identified some issues that should be addressed by NWSSP in order to minimise the potential for future application and infrastructure system risks. From our work in 2021-22 we have identified no significant areas for improvement for NWSSP and as the system was planned to be replaced in quarter one 2022-23 for GMS processing we have made no recommendations for improvement.
- 14 Plans to replace the NHAIS functionality in Wales for GMS processing for the 'global sum' or 'per capita' payments are underway. NWSSP has delayed the planned implementation until early in 2022-23 due to a number of issues identified in system testing. NWSSP has since implemented the Family Payment Practitioner System (FPPS) in April 2022 after a period of parallel system running in 2021-2022. Plans to decommission the NHAIS system and ensure continuity of continuing NHAIS services required have been agreed with both DHCW and NHS Digital.
- 15 NHS England and NHS Digital are decommissioning NHAIS. NWSSP will be required, in 2022-23 to work jointly with DHCW to support these preparations, where necessary, on the system replacement options and Welsh requirements. NHS Digital plans to decommission the NHAIS in England as early as during 2022-2023. NHAIS will be replaced by a number of other systems and the Capita system will be the payments engine in NHS England for calculating general medical services payments. NHS Digital have developed the demographic registration and reporting systems required to replace NHAIS demographics functionality for NHS England. We plan to complete audit work on the IT controls over the Family Payment Practitioner System in our 2022-23 audit.
- 16 NWSSP have made progress to address prior year IT recommendations made for improvement and some of these remain in progress Further details of our findings and progress against actions for the NHAIS system agreed with Primary Care Services officers can be found in **Appendix 1**.

The Oracle FMS's IT controls support the production of information that is free from material misstatement, although the system should be disaster recovery tested

- 17 We have identified no significant IT application or infrastructure issues likely to result in a material misstatement within the Oracle FMS. However, we identified some issues that should be addressed by Shared Services in order to minimise the potential for future application and infrastructure system risks. The planned significant system upgrade to version 12.2.9 of the Oracle ledgers has been completed in October 2021. From our work in 2021-22, we have identified one recommendation to NWSSP for improvement. This is outlined below:
- the Oracle central team e-business services do not currently receive a regular confirmation of backup success or failures from Version 1, the software supplier. The Oracle central team should receive assurances from the supplier, Version 1, that full data and system backups are taken as planned should they be required in the event of a system continuity incident.
- 18 NWSSP should arrange an IT Disaster Recovery (DR) test as soon as practical later in 2022 on the new Oracle version to provide assurance plans work as intended and the incident recovery procedures work as intended and to confirm the Oracle system could be fully recovered in an emergency in a reasonable timeframe. We recommended in our work from 2020-21 that this should be completed but the scheduled tests in early 2022 was delayed. The annual Oracle IT Disaster Recovery test has not been run on the Oracle finance system since November 2019. The DR test was originally postponed due to Covid 19 and the need to focus all staff from the supplier (Version 1) and the CTeS on keeping the system working and ensuring staff had the necessary access. The DR test was then rescheduled for February 2022 but was again postponed due to storm Eunice.
- 19 NWSSP have made progress to address prior year IT recommendations made for improvement and some of these remain in progress. Further details of our findings and progress against actions for the Oracle FMS agreed with Shared Services can be found in **Appendix 1**.

The ESR Payroll's Shared Services system administration controls support the production of information that is free from material misstatement

- 20 The Electronic Staff Record (ESR) Payroll system is managed and hosted nationally by IBM on behalf of NHS England and NHS Wales under a managed service contract. We have reviewed the ESR Payroll systems administration controls (payroll elements only) managed by NWSSP. This responsibility includes managing user access to the payroll system in Wales by the NWSSP Employment Services staff who process the Welsh NHS organisations' payrolls. In addition to seeking to place reliance on the International Standard on Assurance Engagements (ISAE) 3000 report of the IBM Service Auditor noted below, Audit Wales IM&T auditors have reviewed the controls in place over the ESR Payroll systems administration managed under a delegated authority by NWSSP, Employment Services.
- 21 We have not identified any significant IT issues likely to result in a material misstatement within these ESR Payroll systems' administration controls. From our work in 2021-22, we have identified two recommendations to NWSSP for improvement. These are outlined below:
- during our audit fieldwork in March 2022, it was identified that there is only one ESR system administrator in place for a number of months since early 2022. This presents a potential single point of failure as only one systems administration is in place. We were informed that recruitment for replacement would be commenced later in 2022. It is good practice to have at least two systems administrators to set up user access and to allow for cover should it be required also to be able to complete monitoring of payroll user accounts.
 - There are a number of access security reports available in ESR, however these are not all used or currently reviewed infrequently or in response to a particular issue. The ESR system administration function should initiate weekly monitoring checks of the ESR access security reports in ESR and consider ways of automating the production and monitoring of these reports including exception reporting.
- 22 In 2020-21, we identified one recommendation for improvement for the ESR Payroll systems access controls. The NWSSP has made progress to address this action by:
- completing the six monthly control review of all payroll access to ESR User Resource Profiles (URPs) in December 2021 as planned due to COVID

disruptions. We were also made aware during our audit that Employment Services were completing the next review by June 2022.

- 23 We sought to place reliance on the ISAE 3000 report of the IBM Service Auditor, PwC, on the general IT controls applied at IBM. PwC conducted the review in accordance with the ISAE 3000 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. For the period 1 April 2021 to 31 March 2022, PwC concluded that the ESR payroll general IT controls and environment were suitably designed and operated effectively with the exception of the one area noted below. PwC qualified their opinion on one control objective covering the ESR system logical access security. Recommendations have been made in prior years for the NHS ESR Central Team and IBM to strengthen the IT controls around access security between the development and live payroll application environments. This control has been put in place by the ESR central Team in mid June 2021. PwC has not identified any other areas in their 2021-22 work for improvement or recommendations to the IT controls used by the NHS ESR Central Team and IBM.
- 24 Further details of our findings and progress against actions for the ESR Payroll systems administration control agreed with Shared Services can be found in **Appendix 1**.

Recommendations

25 **Exhibit 1** sets out the recommendations that we have identified in 2021-22. NWSSP should take action to address these recommendations. The appendix to this report also sets out progress made against all the previously reported recommendations that remain in progress and ones that have been completed in 2021-22.

Exhibit 1: 2021-22 recommendations

Recommendations
<div><div>Prescription Pricing System</div><div>R 2021-22.01</div><div>Reduce the number of users with access to create, amend or delete user access to the prescription pricing system. Access to higher level or privileged accounts should be restricted to an appropriate number.</div><div>R 2021-22.02</div><div>Review user access rights to the prescription pricing system on a regular basis, for example, at least annually, to ensure that users have appropriate access rights, and that any potential leavers, or inactive users are identified and their access amended appropriately.</div><div>R 2021-22.03</div><div>Update the prescription pricing change control policy to record and confirm that it has been updated and include this in the document revision history.</div><div>R 2021-22.04</div><div>Update the Service Level Agreement (SLA) with DHCW to specifically name the prescription pricing system within its scope, update the document revision history and expected review dates, include details around the responsibilities and frequency in taking of data backups and monitoring the successful completion of backups.</div></div>

Recommendations

NHAIS

No recommendations have been made on NHAIS in 2021-22

Oracle FMS

R 2021-22.05

Obtain a regular confirmations of backup success or failures from Version 1, the software supplier, that full data backups are taken as planned should they be required in the event of a system continuity incident. These assurances should be received regularly, for example, on a daily or weekly summary basis.

ESR Payroll system IT controls

R 2021-22.06

Increase the number of ESR system administrators in place to at least two separate user accounts. This reduces a potential single point of failure if only one systems administration is in place.

R 2021-22.07

Introduce regular monitoring checks by the ESR system administrators of the ESR access security reports available in ESR and consider ways of automating the production and monitoring of these reports including exception reporting.

Appendix 1

Issues and recommendations arising from the review of National Hosted NHS IT Systems in prior audit years and in 2021-22 – NHS Wales Shared Services Partnership

Exhibit 2: issues and recommendations from 2021-22

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
Prescription Pricing System – IT controls work						
2021-22.01	During our fieldwork in March 2022 we identified that 29 users had access to create, amend or delete user access to the prescription pricing system. We consider this to be a very high number of users with this higher level access	Reduce the number of users with access to create, amend or delete user access to the prescription	Medium	Yes	Simon Johnson-Reynolds - Service Improvement Manager	Management comment Completed In the past the ability switch between live and test environments

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	<p>account to authorise and manage user accounts.</p> <p>It is good practice to restrict access to higher level or privileged accounts to an appropriate number of staff.</p>	<p>pricing system. Access to higher level or privileged accounts should be restricted to an appropriate number;</p>				<p>was completed with a separate Application (Admin DT) which required users requiring this function being in a System Access group. Since a new version of the processing app has been released that includes a function to change environments managed within the application negating the need for those users being in the SA group. As result the SA group has been reduced to just those</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
						in data capture support.
2021-22.02	<p>We identified that a review of user access rights to the prescription pricing system does not take place on a regular basis, for example, at least annually.</p> <p>This is good practice to ensure that users have appropriate access rights, and that any potential leavers, or inactive users are identified and their access amended appropriately.</p>	Review user access rights to the prescription pricing system on a regular basis, for example, at least annually, to ensure that users have appropriate access rights, and that any potential leavers, or inactive	Medium	Yes	Simon Johnson-Reynolds - Service Improvement Manager	<p>Management comment</p> <p>PCS Business support have a leaver process where these individuals will be removed from systems via Access Control within the systems and Active Directory. Where users are</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
		users are identified and their access amended appropriately;				inactive due to sickness or maternity leave or secondment there isn't presently a policy removing access to systems. Consideration will need to be given to whether this practice would impact the services concerned when the users returned. However, an annual audit could be implemented where an active list of users is reviewed by Service leads to identify users that require action.

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
						Also PCS will need to follow an NWSSP corporate policy as connectivity via o365 maybe managed differently
2021-22.03	<p>The prescription pricing system has a documented change control policy in place. We could not identify and confirm whether it has been updated recently. We understand the change control policy was last updated in 2017.</p> <p>It is good practice to have a review by date and confirm a review has taken place to evidence, even if no changes</p>	Update the prescription pricing change control policy to record and confirm that it has been updated and include this in the document revision history.	Medium	Yes	Simon Johnson-Reynolds - Service Improvement Manager	<p>Management comment</p> <p>Completed</p> <p>The Change Control Policy referred was a generic policy for PCS. The Data Capture team have specific well documented</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	are required, that the control check has been undertaken.					procedures for version builds, testing and version release including a release log and since the visit a library of Standing Operating Procedures competed.
2021-22.04	A corporate wide Service Level Agreement (SLA) with Digital Health Care Wales is in place but it is high level and does not specifically name the prescription pricing system (whilst other IT systems are named) within its scope. In addition, it can be strengthened by adding a document revision history and	Update the Service Level Agreement (SLA) with Digital Health Care Wales to specifically name the prescription pricing system	Medium	Yes	Neil Jenkins – Chief Digital Officer	Management comment Work in progress The SLA is a corporate document, but we will request that it is updated as

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	expected review dates, including details around the responsibilities and frequency in taking of data backups and monitoring the successful completion of backups.	within its scope, update the document revision history and expected review dates, include details around the responsibilities and frequency in taking of data backups and monitoring the successful completion of backups.				suggested in the recommendation.
Oracle Financial Management System – IT controls work						

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
2021-22.05	We identified that the Oracle central team e-business services do not currently receive a regular confirmation of backup success or failures from Version 1, the software supplier. The Oracle central team should receive assurances from the supplier, Version 1, that full data and system backups are taken as planned should they be required in the event of a system continuity incident.	Obtain a regular confirmations of backup success or failures from Version 1, the software supplier, that full data backups are taken as planned should they be required in the event of a system continuity incident. These assurances should be received regularly, for example, on a	Medium	Yes	Stuart Fraser – Head, CTeS	Management comment Work in progress This matter is in hand and Version 1 working on either automatic alterations update or a reporting dashboard to confirm completion this is expected to be addressed by the end of August 2022.

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
		daily or weekly summary basis.				
ESR Payroll systems administration – IT controls work						
2021-22.06	During our audit fieldwork in March 2022, it was identified that there is only one ESR system administrator in place for a number of months since early 2022. This presents a potential single point of failure as only one systems administration is in place. We were informed that recruitment for replacement would be commenced later in 2022. It is good practice to have at least two systems administrators to set	Increase the number of ESR system administrators in place to at least two separate user accounts. This reduces a potential single point of failure if only one systems	Medium	Yes	Samantha Graf – Head of People and Business Partnering	Management Comment Completed An additional 1 WTE Workforce Information Analyst appointed April 2022, bringing

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	up user access and to allow for cover should it be required also to be able to complete monitoring of payroll user accounts.	administration is in place.				establishment to 2 WTE.
2021-22.07	There are a number of access security reports available in ESR, however these are not all used or currently reviewed infrequently or in response to a particular issue. The ESR system administration function should initiate weekly monitoring checks of the ESR access security reports in ESR and consider ways of automating the production and monitoring of these reports including exception reporting.	Introduce regular monitoring checks by the ESR system administrators of the ESR access security reports available in ESR and consider ways of automating the production and monitoring of	Medium	Yes	Samantha Graf – Head of People and Business Partnering	Management Comment Work in progress This will require development work through MO365 and potentially changes to cost centres. A scoping meeting will need to be arranged to

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
		these reports including exception reporting.				determine whether automation is possible. Capacity in RPA team may also be an issue.

Exhibit 3: issues and recommendations from prior audit years

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
Prescription Pricing System – IT controls work						
2020-21.01	The last IT Disaster Recovery (DR) system test was in March 2020 and the IT DR plan dated March 2021 requires a testing schedule every two years. It is good practice to test the recovery of IT systems at least annually. The DR plan should be amended to document and require an annual testing requirement.	Test the Prescription Pricing systems IT Disaster Recovery (DR) plans at least annually. The DR plan should be amended to document and require an annual testing requirement.	Medium	Yes	Simon Johnson-Reynolds - Service Improvement Manager	Completed Test of the Prescription Pricing system IT Disaster Recovery was carried out on the 26/02/22. The DR plan has been updated to reflect the test, and that the DR plan is reviewed,

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
						updated, and signed off annually.
National Health Application and Infrastructure Services – IT controls work						

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
2020-21.02	<p>We identified during our fieldwork in April 2021 a number of issues with the NHAIS system administration access and review of user access activity:</p> <ul style="list-style-type: none"> a) a system administrator who has left NWSSP has not had their user account deleted. b) the NHAIS user access log that records NHAIS user access and used to review user access to job functions has not been updated. This control has not been completed by the NHAIS systems administrator in 2020-21 	<p>Strengthen the NHAIS system administration access and review of user access and activity by:</p> <ul style="list-style-type: none"> a) removing the system administration access account for the NHAIS systems administrator who has left NWSSP; b) updating the NHAIS user access log that records 	High	Yes	Neil Jenkins - Head of Modernisation & Technical Services	<p>Complete</p> <ul style="list-style-type: none"> a) Administrator access account has been removed. b) User Access Log set up to a Unix file location not available to the system administrator. Resolution now in place and notification set up to ensure checks are undertaken monthly.

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	<p>and the access log could not be located.</p> <p>c) DHCW send a user access activity report to NWSSP NHAIS systems administrators to monitor access, the access report could not be located and the control has not been undertaken in 2020-21.</p>	<p>NHAIS user access and used to review user access to job functions; and</p> <p>c) reviewing the NHAIS user access activity report sent to NWSSP NHAIS systems administrators by DHCW to monitor user access.</p>				<p>C) System Administrator liaising with DHCW to access this report.</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
Oracle Financial Management System – IT controls work						
2020-21.03	<p>CTES has completed and a gap analysis assessment of the Oracle FMS to the Information Security Management Standard (ISO 27001) to identify potential improvement areas.</p> <p>The outcome will be a set of recommendations for implementation during 2021-22.</p> <p>It is good security management practice to assess and baseline a comparison to the ISO 27001 standard.</p>	Complete the accreditation to the Information Security Management Standard (ISO 27001) to identify potential improvement areas.	Medium	Yes	Stuart Fraser – Head of CTeS	<p>Work in progress</p> <p>It was agreed by the All Wales Oracle (STRAD) Board in 2021 that this should be deferred due to high priority projects and in particular the requirement to complete the major Oracle system upgrade and that we will seek to obtain accreditation by 31</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
						December 2022. A dedicated project manager has been appointed to progress this action and good progress is now being made, with gap analysis underway and outcomes recorded.
2020-21.04	CTES provides FMS services to the consortium of Welsh NHS organisations. It is good practice IT service management to conform or be accredited to the Information Technology Service Management (ISO 20000) standard.	Complete CTES accreditation to the Information Technology Service Management (ISO 20000) standard for service management.	Medium	Yes	Stuart Fraser – Head of CTES	Work in progress As above noted in recommendation 2020-21 – 03.

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	<p>CTES have completed the gap analysis and we were informed during our fieldwork that they aim to complete accreditation during 2021-22 cycle.</p> <p>CTES consider there are benefits to complete accreditation to the Information Technology Service Management (ISO 20000) standard for service management.</p>					
2020-21.05	The last IT DR test was completed in November 2019 and the scheduled test in November 2020 was deferred due to disruptions	Complete the Oracle FMS IT Disaster Recovery (DR) test in 2021-22 as soon as is practically	High	Yes	Stuart Fraser – Head of CTeS	<p>Work in progress</p> <p>It was agreed that a full Business</p>

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	caused the pandemic. We were informed during our fieldwork that the next scheduled IT DR test would not be until after both the Oracle version upgrade to 12.2.9 has been completed in October 2021 and the February 2022 Oracle patch release.	possible ensuring all NHS organisations attend the next scheduled test.				Continuity (BC) & DR test involving all Health Board & Trust Finance departments would be undertaken during a weekend in February 2022 across all FMS Services. This unfortunately had to be cancelled due to Storm Eunice and the operational issues that taking down the FMS ledger would have caused. This was rearranged initially for May after the

Issues identified during IT audit work						
Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
						financial year end however this also needed to be cancelled by to Cardiff and Vale who formally requested we cancel the DR exercise as this clashed with a weekend power circuit infrastructure upgrade. It was agreed at the June 2022 all-Wales STRAD meeting that the DR review would be undertaken in November 2022.

ESR Payroll systems administration – IT controls work

Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
2019-20.01	Local HR staff manage access to the local HR side of the ESR payroll and those with HR administrator access for recruitment and applications can allocate payroll related User Resource Profiles (URP's). However, they are not permitted to use these roles and this access is restricted to approximately 2-3 staff per NHS organisation.	Establish a monitoring report of local HR administration staff that have allocated ESR users to payroll URP's when they are not permitted to. Monitor the report produced on a quarterly basis.	Medium	Yes	Angela Jones - Assistant ESR Programme Director, Workforce & OD	Completed URP reports are run from ESR on a quarterly basis for validation/amendments as appropriate. On completion, the URP access in ESR is updated. URPs are monitored across the organisation and not just for the payroll department.

ESR Payroll systems administration – IT controls work

Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	It was identified during the audit fieldwork that there is no scheduled reporting or monitoring of this potential HR administration user activity.					This is incorporated into the Workforce Information Manager's business as usual work programme for continuity.
2020-21.06	The six monthly control review of all payroll access to ESR User Resource Profiles (URPs) was not completed in early 2021 as planned due to COVID disruptions. During our fieldwork in	Complete the six monthly control review of all payroll access to ESR User Resource Profiles (URPs). This was not completed in early 2021 as planned due to COVID disruptions and was last completed in October 2020.	Medium	Yes	Stephen Withers – Head of Payroll	Completed The six-monthly URP review has taken place in December 2021. The next audit is scheduled for July 2022.

ESR Payroll systems administration – IT controls work

Ref	Issue	Recommendation	Priority	Agreed	NWSSP responsibility	NWSSP actions & current status – June 2022
	April 2021 it was identified that the last review was in October 2020 and the next review was being planned for later in 2021. We were also made aware during our audit that Employment Services were considering strengthening this control to quarterly reviews thereafter.					



Audit Wales

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



GIG
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Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM: 4.2

21 July 2022

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Integrated Medium Term Plan Progress Report
– Quarter 1

ARWEINYDD: LEAD:	Alison Ramsey, Director of Planning, Performance, and Informatics
AWDUR: AUTHOR:	Helen Wilkinson, Planning and Business Change Manager
SWYDDOG ADRODD: REPORTING OFFICER:	Helen Wilkinson, Planning and Business Change Manager
MANYLION CYSWLLT: CONTACT DETAILS:	Helen.wilkinson3@wales.nsh.uk / MS Teams

Pwrpas yr Adroddiad: Purpose of the Report:

The purpose of this report is to provide the Partnership Committee with an update on the progress of our Integrated Medium-Term Plan (IMTP) for Quarter 1.

This report will also be shared with the Welsh Government.

Llywodraethu/Governance

Amcanion: Objectives:	<p>Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement.</p> <p>Value for Money - To develop a highly efficient and effective shared service organisation which delivers real terms savings and service quality benefits to its customers.</p> <p>Customers and Partners – Open and transparent customer-focussed culture that supports the delivery of high quality services.</p>
Tystiolaeth: Supporting evidence:	The NWSSP IMTP 2022/2025, as approved by the Partnership Committee in January 2022 and submitted to the Welsh Government.

Ymgynghoriad/Consultation :

Supporting evidence provided by NWSSP Divisions.

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
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**Argymhelliad/
Recommendation**

The Committee is asked:

- to note the position, we are reporting at the end of Quarter 1;
- to consider the level of detail you require within section 7 for future reports, or to continue with a risk-based approach; and
- to provide any feedback on the reporting format, structure, tone, and content for informing future reports.

**Crynodeb Dadansoddiad Effaith:
Summary Impact Analysis:**

Cydraddoldeb ac amrywiaeth: Equality and diversity:	Not applicable
Cyfreithiol: Legal:	Not applicable
Iechyd Poblogaeth: Population Health:	Not applicable
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	Not applicable
Ariannol: Financial:	Not applicable
Risg a Aswariant: Risk and Assurance:	Assurance that NWSSP are on track to achieve the 2022/23 IMTP objectives.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	Not applicable.

Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open.
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**NWSSP Integrated Medium Term Plan
2022/25 Progress Report**
-
2022/23 Quarter 1



Report author: Helen Wilkinson
Version: 1.0
Date: 8th July 2022

Adding Value Through Partnership, Innovation and Excellence

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1. Background

This is our first report to the Partnership Committee to provide assurance that we are on track to deliver our IMTP objectives for 2022/23.

We have developed an effective way of monitoring our progress against each of the objectives we set for year 1. This system was designed using 'Microsoft Lists' which is accessible to our staff through our current Microsoft licensing arrangements and the tool enables collaboration and integration across divisions and the organisation.

The tracking system has been set up to monitor all divisional specific objectives through one 'List' with filtering functionalities that allow for ease of use but still allow for transparency and collaboration amongst the teams.

Key enabling teams, including People and Organisational Development, Digital and Planning Performance and Informatics are also utilising the 'Microsoft's Lists' functions through tailored objectives identified through the IMTP process, along with our Decarbonisation plan. Utilising 'Lists' throughout NWSSP provides consistency in our approach to monitoring the IMTP, as well as realising the return on investment in Microsoft Office 365.

We understand that this is a new way of working for our teams and that we need to provide flexibility and adaptability to this work. We are aiming to reduce duplication, improve monitoring and reporting whilst having the ability to provide 'Live' data throughout the year.

This Quarter 1 report is our starting point and will provide you with a broad overview as to our position at the end of the quarter. As we progress through Quarter 2, we will develop rigour to our reporting and foresee that it will have a greater focus on those objectives that are being reported as 'off track', this will give us the opportunity to explore and understand the surrounding issues.

2022/23 will also be a year of transition as we develop new measures of our performance. We are looking at how NWSSP adds value in terms of quality

and socio-economic benefit alongside cost reductions and savings generated.

Our work going forwards will enable us to develop outcome measures that are meaningful and align with A Healthier Wales and the Duty of Quality aims. Moving into Quarters 2 and 3 we hope to provide reports on specific outcome measures that can identify 'Delivering savings to our partners' and 'Our people and customers feel happier and valued'.

We welcome feedback on the report from our partners.

2. Key Areas of Focus

All our plans within the IMTP are aligned directly to Ministerial Priorities and NWSSP Strategic Objectives, to ensure we have organisational focus. In Quarter 1 we have seen significant progress being made towards achieving our IMTP objectives for Year 1, 2022/23. This section will highlight several key areas of focus for NWSSP in the coming year.

Quality and Improving Health Outcomes

We are transitioning in 2022/23 to realign how we measure our performance, and within this look at how we can add value alongside cost reduction and savings generation. We have started to develop our thinking, for example:

- The Medical Examiner team ensure standard processes are applied equally to every death across Wales to ensure consistency and independence.
- Our Welsh Risk Pool team are working in collaboration with NHS organisations to identify lessons learnt, share best practice and improve quality through consistent and standardised All Wales approaches.
- Legal and Risk General Medical Practice Indemnity work is continuing with training programmes, improved processes, and support for Putting Things Right Concerns.
- Our Pharmacy Technical Services are providing access to new health and manufacturing technologies.
- Primary Care Services are developing a suite of dashboards to help support sustainable primary care.
- Our Recruitment Modernisation Programme is moving forwards to make process changes and create efficiencies and agility.

Infrastructure Programmes

We are continuing to drive forward with modernising the **laundry** services for Wales and we are now in a position where our business cases have been produced outlining two new proposed builds. The **Pharmacy Technical Service** is a transformation programme with infrastructure within it and we

have now completed the service model process mapping and the site and locality selection stakeholder workshops have been held.

Our **Scan for Safety** programme is progressing, and we are working closely with our partners, Digital Health and Care Wales and Welsh Government on system interfacing. We have experienced some concerns regarding the central server cyber security, which required mitigation prior to the physical server creation at Cardiff and Vale University Health Board data centre. The server has now been created and recent cyber testing shows no significant vulnerabilities (testing continues). Server availability will be mid-July dependent on successful testing.

What do our key areas of focus mean to you, our partners?

<div> <div>Medical Examiner</div> <ul style="list-style-type: none"> ✓ Identifiable themes and trends across Wales. ✓ Prevention of formal action through Putting Things Right. ✓ Identification of learning. </div>	<div> <div>Pharmacy Technical Services</div> <ul style="list-style-type: none"> ✓ Equity of access across Wales to high quality, safe and effective injectable medicines. ✓ Supply chain resilience. ✓ Improved nursing capacity from supply of ready-to-administer products. ✓ Product standardisation. ✓ Education and skills transformation. ✓ Laboratory space secured for quality </div>
<div> <div>Welsh Risk Pool</div> <ul style="list-style-type: none"> ✓ Scrutiny and sharing of lessons learnt. ✓ Electronic tools to obtain real-time service user feedback. ✓ Improved patient information. ✓ Reduced events leading to harm. </div>	<div> <div>General Medical Practice Indemnity NHS</div> <ul style="list-style-type: none"> ✓ All Wales training packages. ✓ Early support to GP practices responding to Putting Things Right concerns. </div>
<div> <div>Primary Care Services</div> <ul style="list-style-type: none"> ✓ Improved intelligence will be available to inform service planning and performance monitoring at Health Board, cluster and practice levels. ✓ Answer questions around prescribing variations for Health Boards, clusters and practices. </div>	<div> <div>All Wales Laundry</div> <ul style="list-style-type: none"> ✓ Ensure compliance to new Laundry Standards. ✓ Support decarbonisation programme through lower carbon emissions. ✓ Increased value and safe laundry. ✓ Consistent and quality supply of laundry. ✓ Modern facilities to replace aging ones. </div>
<div> <div>Scan for Safety</div> <div>11 July 2022</div> <ul style="list-style-type: none"> ✓ Release clinical time to focus on patient care through automation and improved </div>	<div> <div>Recruitment Modernisation Programme</div> <ul style="list-style-type: none"> ✓ Enhanced service and customer/applicant experience. ✓ Reduced time to hire. </div>



3. Quarter 1 analysis

Overview analysis

NWSSP's 5 strategic objectives are underpinned by **135 divisional objectives across 15 divisional level IMTPs**. Quarter 1 is based on a self-assessment by the divisional Heads of Service, and this will be scrutinised through the quarterly review process later in July.

At the end of Quarter 1, **1%** of our divisional objectives have been '**completed and closed**', **76%** of our objectives are '**on track**' to be completed, **15%** are '**at risk of being off track**', **4%** are '**off track for delivery**' and **4%** have '**not yet started**'. **Figure 1** below shows the objective status's overall, and **Figure 2** shows the break down by division.

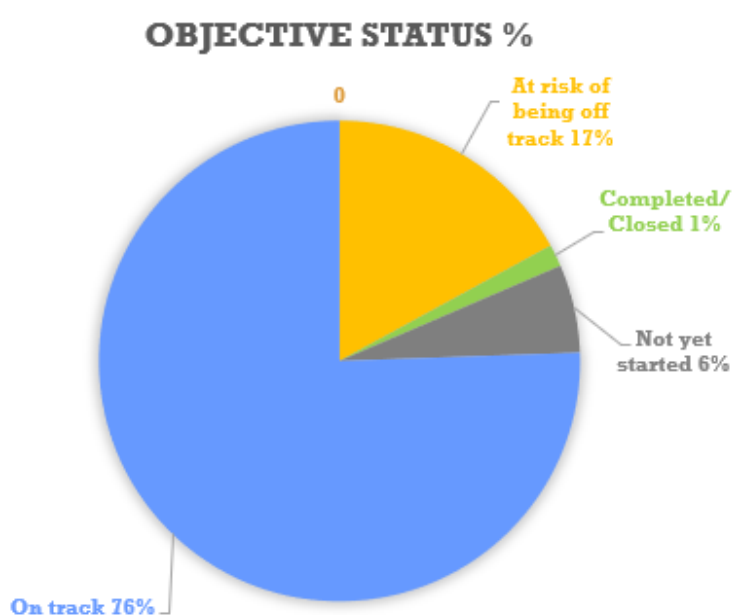


Figure 1 – Objective Status

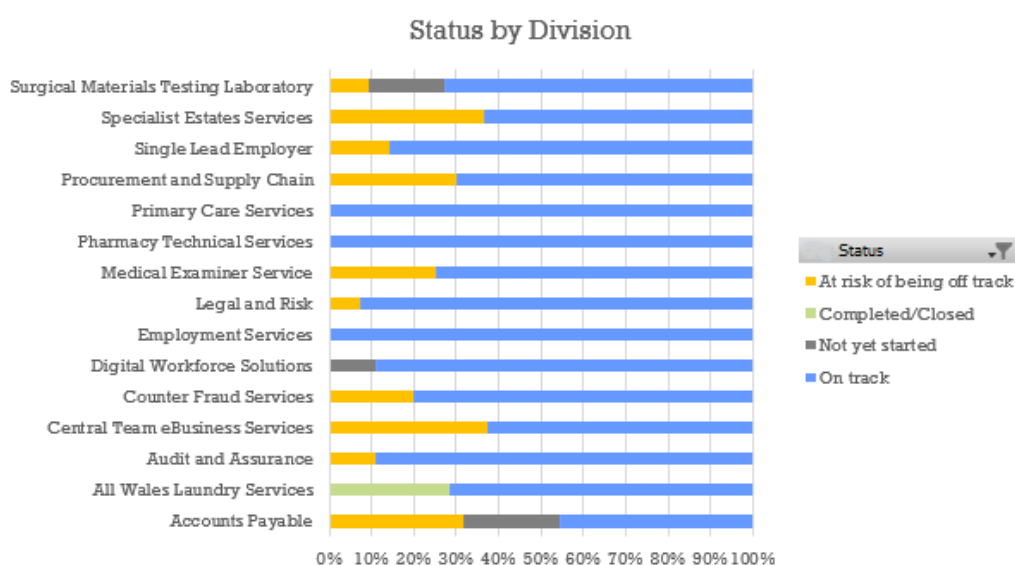


Figure 2 – Objective Status breakdown by division

What do our quarter 1 divisional plans mean to you, our partners?

NHS Finance and Managing within Resources

- ✓ Revised and enhanced procurement category strategies.
- ✓ Development of staff benefit schemes across NHS Wales.
- ✓ Draft paper submitted to assess viability of raising emergency purchase orders.
- ✓ Roll out of an All Wales cloud based dispatch system for Laundry services underway.

Population Health

- ✓ 25% of expenditure for suppliers have net zero carbon plans.
- ✓ Interlaboratory study for compression garments underway.

COVID-19 Response

- ✓ Planned COVID-19 lawyer appointments on track.
- ✓ Continuing to support the Personal Protective Equipment and vaccine distribution.
- ✓ Audit plans approved for 2022/23 with a focus on recovery pressures post COVID-19.

NHS Recovery

- ✓ Improving supply chain resilience through extension in nationally stocked product ranges.
- ✓ Audit plans focused on key risks around client service pressures.
- ✓ New methods developed and qualified for manufacture of infusion bags and syringes as part of our increased Pharmacy Technical Services portfolio.

Supporting the Health and Care Workforce

- ✓ Expanded high input complainant service.
- ✓ Draft career pathways in procurement have been developed to enhance workforce capability and capacity.
- ✓ Review of functionality and configuration of e-learning completed.
- ✓ E-learning modules refreshed in line with industry software.



Working alongside Social Care

- ✓ Delivery of agreed personal protective equipment for health and social care sites in Wales.

A Healthier Wales

- ✓ Target for new Welsh suppliers to NHS Wales exceeded.
- ✓ Project team set up to take forward the national e-prescribing programme with Digital Health Care Wales.

Mental Health and Emotional Wellbeing

- ✓ Focus on NWSSP staff health and wellbeing.
- ✓ Training plans and competency review frameworks being developed in the Medical Examiner Service.

4. Ministerial Priorities

Overview of Ministerial Priorities

Ministerial Priorities are embedded through our plans and are closely aligned to divisional objectives, which can be seen in **Figure 3** and our People and Organisational Development plan, which can be seen in **Figure 4**. It is worth noting that some objectives are aligned to more than one Ministerial Priority and they are weighted towards NHS Finance and Managing within Resources. Going into the IMTP for 2023/24 this is an area we will focus on to ensure we achieve a better balance across all objectives.

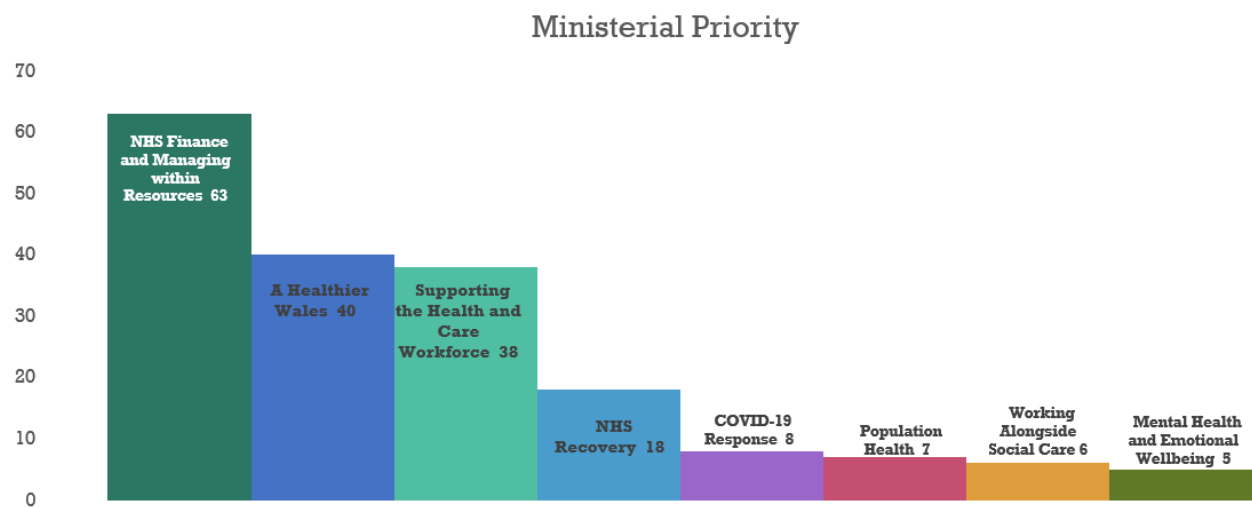


Figure 3 – Divisional objective aligned to Ministerial Priorities.

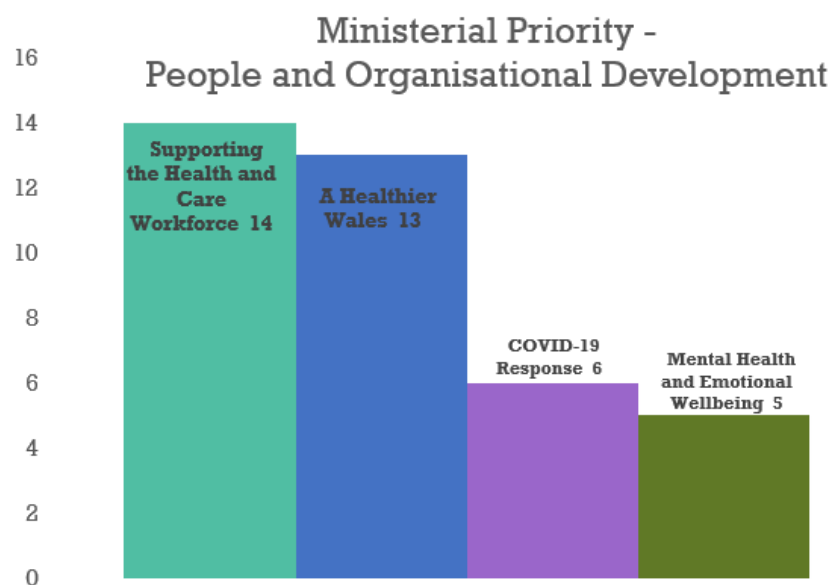


Figure 4 – People and Organisational Development objective linked to Ministerial Priorities.

Decarbonisation

Our Decarbonisation Action Plan for 2022-23 was submitted on time to Welsh Government and featured both local and national actions to support the wider NHS Decarbonisation Strategic Delivery Plan. Our work on embedding decarbonisation into NWSSP in 2022/23 is continuing. We have made progress in moving our local action plans forward and have very recently received feedback from Welsh Government which we are acting upon.

We have received £440k investment which will advance and support the National Decarbonisation and Climate Change Programme Board initiatives. This is planned to include support for programme management and additional specialist posts for procurement and specialist estates.



Welsh Government are hosting a virtual peer review event in July to look at all Decarbonisation Action Plans which will strengthen our work going forwards on a national and local level.

In quarter 1 we have:

- ✓ Continued with our replacement programme of diesel engine vehicles with low emission/battery electric vehicles.
- ✓ Continued to embed our agile working strategy which is considering the NWSSP estate and measures to support staff to work in an agile fashion.
- ✓ Baseline work has been completed for 2021/22 NHS Wales expenditure for carbon emissions, which is circa 940,000 CO² emissions.
- ✓ A monitoring/reporting system for 2022/23 has been implemented for NHS expenditure for net zero carbon emissions.

Foundational Economy

We recognise the need to deliver sustainable and responsible products, provisions, and services as part of our Foundational Economy plans. We are focussed on delivering an agreed work plan where we are actively exploring opportunities beyond the already agreed contracts.

In Quarter 1, new Welsh suppliers to NHS Wales were identified and we are continuing to explore opportunities through the remaining quarters. Our

work to realign and integrate procurement services activity to deliver the objectives of the National Operating Model at a local, regional, and national level are on-track.

5. People and Organisational Development

Our People and Organisational Development plan is moving at pace, with **80%** of the objectives reported as **'on track'** to be completed within 2022/23, and **20%** are currently reported as being **'at risk of being off track'** as shown in **Figure 5**. Our plan is split into key areas of focus as shown in **Figure 6** which provides an overview of how our objectives are aligned.

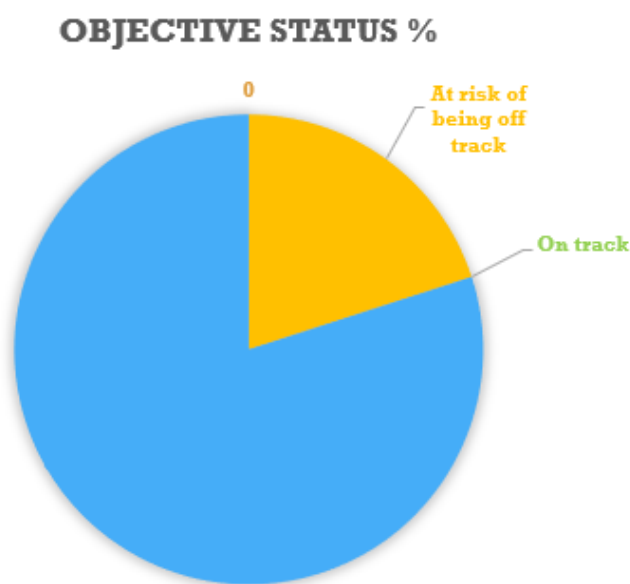


Figure 5 – People and Organisational Development Objective Status Q1

RAG Status by Key Focus Area

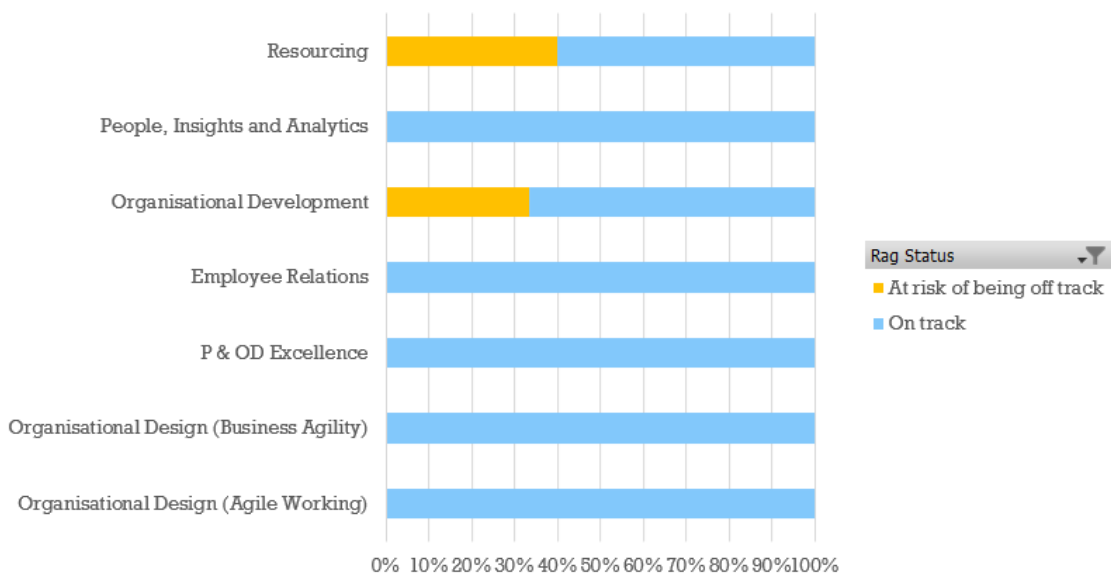


Figure 6 – Key Focus Areas

We have developed a Health and Wellbeing Framework for 2022-24 and we have already introduced a wide range of activities and initiatives for our people because of this. We have recognised that we need to provide additional responses to support our people during the current cost of living crisis.

As a result, in quarter 1 we have developed several commitments to promote and introduce financial support resources, continue with our Health and Wellbeing conference (20 October 2022), offer new flexible and agile approaches to working hours, and strengthen our financial and debt advice through our Employee Assistance Programme.

What does our People and Organisational Development plan mean to you?

We understand that putting our people at the centre of our considerations and committing to support them throughout the year and beyond ensures that you, our partners, have services that are striving to deliver excellence.

6. Digital Plan

Our Digital plans are pivotal to moving our services forward and in enabling digital transformation. Our key digital themes: to support cloud first, agile strategy and enable digital empowerment, are the focus of our plan. We are working closely with our partner Digital Health and Care Wales on several objectives within this plan.

We identified **17** projects to be included with this part of our plan and they are closely aligned to divisional projects and programmes of work. In quarter 1 we can report that **12** of these objectives are '**in progress**', **2** have '**not yet started**', **2** have been '**completed**' and **1** has been '**closed**'.

What does our Digital plan mean to you?

- ✓ We are reviewing Primary Care Services data management solutions to streamline provision of service and performance management data.
- ✓ We are working towards a single integrated solution to manage Primary Care workforce data.
- ✓ As part of the scan for safety programme of work we are progressing the tracking of medicines, via bar code technology, through their life cycle from procurement to administration.
- ✓ We are developing bespoke legal case and document management solutions which will support the work of our legal team.
- ✓ Our local projects and programmes of work are contributing to improving our efficiencies as an organisation which will directly impact the services, we provide to you.

7. Quarter 1 divisional review process

Our internal quarterly review process provides the opportunity for both scrutiny and assurance to our Senior Leadership Group. The process for quarter 1 starts on 25th July 2022 and will give our divisions the opportunity to discuss areas of concern where objectives fall into the categories '**off track**' '**not yet started**' and '**at risk of being off track**'.

23 divisional objectives are currently '**at risk of being off track**' and **8** have '**not yet started**', these objectives will become points of focus in the divisional quarterly reviews.

The quarterly review process will enable us to explore and understand the issues divisions are facing and update the Partnership Committee in future reports with a revised position, planned mitigation and any agreed changes to the original objective, as applicable.

8. Finance Plan

In line with our IMTP forecast we reported a break-even financial position to the end of June 2022. Our full year forecast outturn also remains at break-even, although this assumes a significant level of funding will be received from Welsh Government for energy, national insurance and COVID-19 recovery cost pressures which is currently anticipated 'at risk'.

Please see the Finance Report Item on the Partnership Committee agenda for further details.

9. Performance

KPI Status Trend	Apr-22	May-22	Jun-22
	0	0	0
	9	6	3
	22	26	31
Not Available	0	0	4

The in-month June performance was generally good with 31 Key Performance Indicators (KPI) achieving the target against the total of 34. However, 3 KPIs did not achieve the target and are considered Amber. The under target KPIs are in the areas of Recruitment and Call Handling.

Please see the Performance Report Item on the Partnership Committee agenda for further details.

10. Recommendations

The Committee is asked:

- to note the position, we are reporting at the end of Quarter 1;
- to consider the level of detail you require within section 7 for future reports, or to continue with a risk-based approach; and
- to provide any feedback on the reporting format, structure, tone, and content for informing future reports.



The report is not Exempt

Teitl yr Adroddiad/Title of Report

Performance Update Report

**ARWEINYDD:
LEAD:**

**Alison Ramsey, Director of Planning,
Performance, and Informatics**

**AWDUR:
AUTHOR:**

**Richard Phillips, Business and Performance
Manager**

**SWYDDOG ADRODD:
REPORTING
OFFICER:**

**Andy Butler, Director of Finance and
Corporate Services**

**Pwrpas yr Adroddiad:
Purpose of the Report:**

The purpose of this report is to provide the Shared Services Partnership Committee (SSPC) with an update on performance as at 30th June 2022.

Llywodraethu/Governance

**Amcanion:
Objectives:**

Value for Money - To develop a highly efficient and effective shared service organisation which delivers real terms savings and service quality benefits to its customers.

Excellence - To develop an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of technology.

Staff - To have an appropriately skilled, productive, engaged and healthy workforce.

**Tystiolaeth:
Supporting
evidence:**


NWSSP IMTP 2022-25

Ymgynghoriad/Consultation :

Senior Leadership Group

Adduned y Pwyllgor/Committee Resolution (insert ✓):						
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE
						✓
Argymhelliad/ Recommendation		<p>The Shared Services Partnership Committee is requested to NOTE:</p> <ol style="list-style-type: none"> 1. The significant level of professional influence benefits generated by NWSSP to 30th June 2022. 2. The performance against the high-level key performance indicators to 30th June 2022. 3. The ongoing work to develop outcome measures during 2022-2023. 				

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	No direct Impact
Iechyd Poblogaeth: Population Health:	No direct Impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct Impact
Ariannol: Financial:	Professional Influence Benefits for NHS Wales
Risg a Aswiriant: Risk and Assurance:	Organisation Performance Assurance
Safonau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	No direct Impact
Deddf Rhyddid Gwybodaeth/ FOIA	Open



NWSSP Performance Information Report July 2022

*Adding Value
Through Partnership,
Innovation and Excellence*

Purpose

The purpose of this report is to provide the Shared Services Partnership Committee (SSPC) with an update on Key Performance Indicators (KPIs) for Quarter 1 (1 April 2022 – 30 June 2022).

Health Organisations will also receive their individual performance reports before end of July.

In 2021-22 the NWSSP Senior Leadership Group (SLG) agreed a definition to our RAG traffic light system :

- Red - an unacceptable result, there is a problem that needs rectification (Opportunity to improve).
- Amber - there may be a problem, we should investigate.
- Green - an acceptable result, we are on target.

Key Messages

The in-month June performance was generally good with 31 KPIs achieving the target against the total of 34 KPIs.

However, 3 KPIs did not achieve the target and are considered Amber. For these indicators where the target is missed there is a brief explanation included.

Professional influence benefits amount to £36.5M at end of Quarter 1.

Professional Influence Benefits

The main financial benefits accruing from NWSSP relate to professional influence benefits derived from NWSSP working in partnership with Health Boards and Trusts. These benefits relate to savings and cost avoidance within the health organisations.

The benefits relate to Legal Services, Procurement Services, Specialist Estates Services and Accounts Payable*.

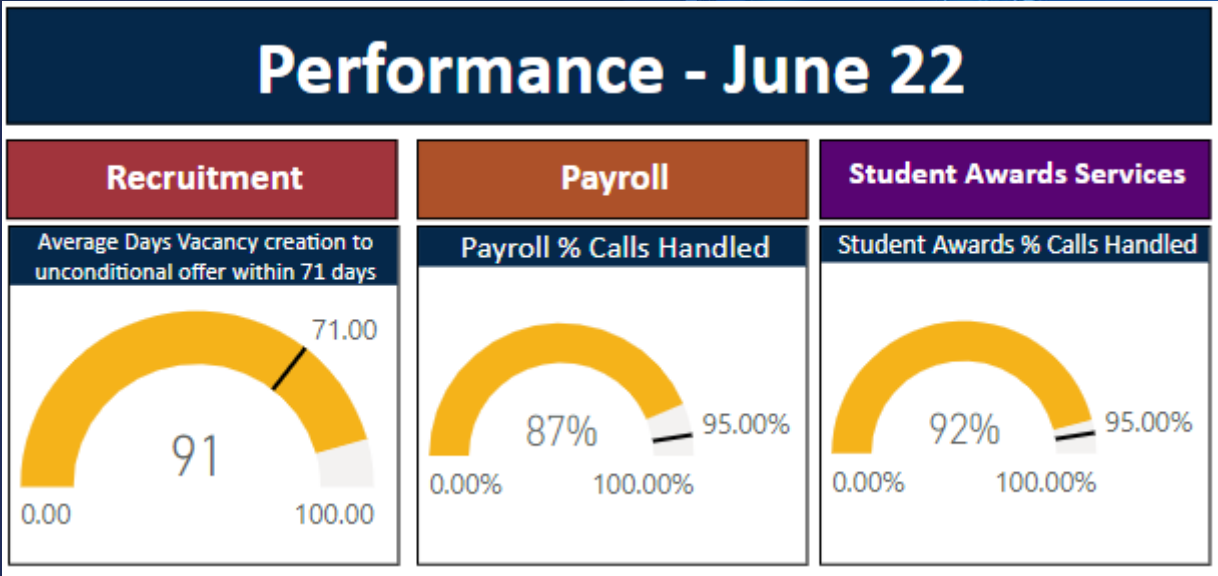
Counter Fraud will be included from July 2022.

* Accounts Payable professional influence benefits includes statement reconciliation, priority supplier programme and the prevention of duplicate payments.








The indicative financial benefits across NHS Wales arising in the period April 2022 – June 2022 are summarised as follows:

Service	YTD Benefit £m
Specialist Estates Services	1
Procurement Services	7
Legal & Risk Services	28
Accounts Payable *	0.5
Total	36.5

Summary Position by exception – 3 KPIs currently off target



Summary of Key Performance Indicators – June 22












		21/22		22/23				
KFA	KPIs	Target		March	April	May	June	Trend
Audit & Assurance								
Excellence	Audits delivered for each Audit Committee in line with agreed plan	100%	Monthly				100%	
Excellence	Audits reported % of planned audits	3%	Cumulative	72%	88%	98%	3%	
Excellence	% of audit outputs in progress		Cumulative	26%	12%	2%	23%	
Excellence	Report turnaround management response to draft report [15 days]	75%	Cumulative	66%	68%	70%	Not Applicable	
Excellence	Report turnaround draft response to final reporting [10 days]	80%	Cumulative	99%	99%	99%	Not Applicable	
Procurement Services								
Value for Money	Procurement savings *Current Year	£5.8m	Cumulative	£23,719,264	Not Available	£6,473,720	£7,289,179	
Accounts Payable								
Value for Money	Savings and Successes		Monthly		£184,426	£329,568	Not Available	
Excellence	All Wales PSPP – Non-NHS YTD	95%	Quarterly	95.00%	Reported Quarterly	Reported Quarterly	Not Available	
Excellence	All Wales PSPP –NHS YTD	95%	Quarterly	85.20%	Reported Quarterly	Reported Quarterly	Not Available	
Customers	Accounts Payable % Calls Handled (South)	95%	Monthly	83.70%	87.00%	89.90%	Not Available	
Employment Services								
Payroll								
Excellence	Overall Payroll Accuracy	99.60%	Monthly	99.70%	99.67%	99.62%	99.74%	
Customers	Payroll % Calls Handled	95%	Monthly	82.34%	68.09%	87.26%	72.50%	
Recruitment								
All Wales								
Excellence	All Wales - % of vacancy creation to unconditional offer within 71 days		Monthly	49.10%	50.80%	51.90%	44.80%	
Excellence	Average Days Vacancy creation to unconditional offer within 71 days		Monthly	83.50	75.60	83.60	91.20	
Recruitment Responsibility								
Excellence	Recruitment - % of Vacancies advertised within 2 working days of receipt	98.00%	Monthly	92.70%	98.90%	98.10%	99.90%	
Excellence	Recruitment - % of conditional offer letters sent within 4 working days	98.00%	Monthly	96.60%	97.50%	95.30%	98.50%	
Customers	Recruitment % Calls Handled	95%	Monthly	96.90%	94.60%	97.10%	95.50%	

NB. The June 2022 Accounts Payable information is not available at the time of writing, this is due to the reliance of some of the information being received from the Health Organisations and Welsh Government.

Summary of Key Performance Indicators – June 22

KFA	KPIs	Target		March	April	May	June	Trend
Student Awards								
Excellence	% of NHS Bursary Applications processed within 20 days	100.00%	Monthly	100.00%	100.00%	100.00%	100.00%	
Customers	Student Awards % Calls Handled	95%	Monthly	95.11%	91.52%	92.13%	91.75%	
Primary Care								
Excellence	Primary care payments made in accordance with Statutory deadlines	100%	Monthly	100%	100%	100%	100%	
Excellence	Prescription - keying Accuracy rates (Payment Month)	99%	Monthly	99.68%	99.71%	99.68%	99.74%	
Excellence	Urgent medical record transfers actioned within 2 working days	100%	Monthly	100%	100%	100%	100%	
Customers	Patient assignment actioned within 24 hours of receipt of request	100%	Monthly		100%	100%	100%	
Customers	Category A Cascade alerts to be issued within 4 hours of receipt	100%	Monthly	100%	100%	100%	100%	
Legal & Risk								
Value for Money	Savings and Successes	£65m annual target	Monthly	£3,128,562	£4,270,589	£5,992,822	£17,311,308	
Excellence	Timeliness of advice acknowledgement - within 24 hours	90%	Monthly	100%	100%	100%	100%	
Excellence	Timeliness of advice response – within 3 days or agreed timescale	90%	Monthly	100%	95%	100%	95%	
Welsh Risk Pool								
Excellence	Time from submission to consideration by the Learning Advisory Panel	95%	Monthly	100%	100%	100%	100%	
Excellence	Time from consideration by the Learning Advisory Panel to presentation to the Welsh Risk Pool Committee	100%	Monthly	100%	100%	100%	100%	
Excellence	Holding sufficient Learning Advisory Panel meetings	90%	Monthly	100%	100%	100%	100%	
Specialist Estates Services								
Value for Money	Professional Influence	£16m annual	Monthly	£538,546	£803,995	£168,832	£140,349	
Excellence	Timeliness of Advice - Initial Business Case Scrutiny	95%	Monthly		100%	Not Applicable	100%	
Customers	Issues and Complaints	0	Monthly		0	0	0	
CTES								
Excellence	P1 incidents raised with the Central Team are responded to within 20	80%	Cumulative	100%	100%	100%	100%	
Customers	BACS Service Point tickets received before 14.00 will be processed the	92%	Monthly	100%	100%	100%	100%	

Summary of Key Performance Indicators – June 22

				21/22	22/23				
KFA	KPIs	Target		March	April	May	June	Trend	
Digital Workforce									
Customers	DWS % Calls Handled	70%	Monthly	64.70%	68.90%	82.80%	89.20%		
SMTL									
Excellence	% of incident reports sent to manufacturer within 50 days of	90%	Monthly	100%	100%	100%	100%		
Excellence	% delivery of audited reports on time (Commercial)	87%	Monthly	100%	100%	96%	93%		
Excellence	% delivery of audited reports on time (NHS)	87%	Monthly	Not Applicable	Not Applicable	100%	Not Applicable		
Customers	% delivery of Technical assurance evaluations on time	87%	Monthly		100%	100%	100%		
Pharmacy Technical Services									
Excellence	Service Errors	<0.5%	Monthly		0%	0%	0%		
Medical Examiners Service									
Excellence	Deaths Scrutinised	60%	Monthly				72%	79%	
All Wales Laundry									
Excellence	Orders dispatched meeting customer standing orders	85%	Monthly				98%		
Excellence	Delivery's made within 2 hours of agreed deliver	85%	Monthly				100%		
Excellence	Microbiological contact failure points	85%	Monthly				93%		
Customers	Inappropriate items returned to the laundry including Clinical waste items	<5	Monthly				5		

Employment Services – Recruitment

All Wales

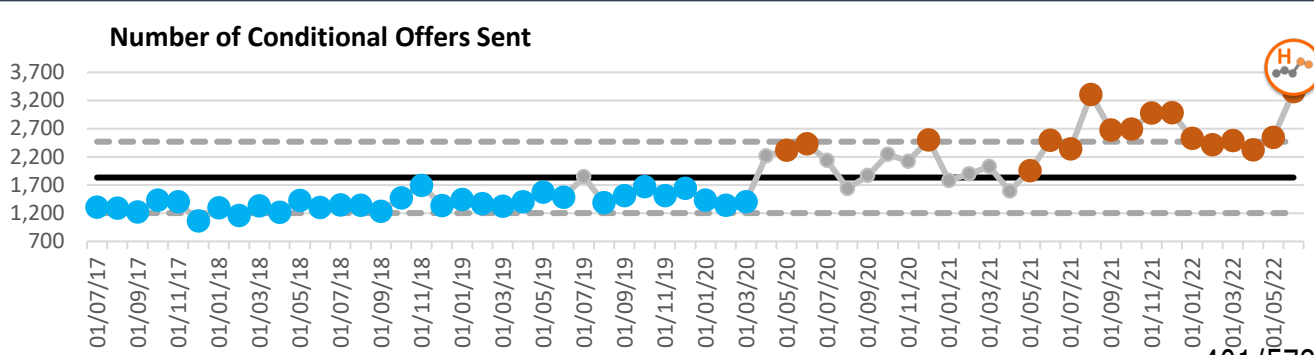
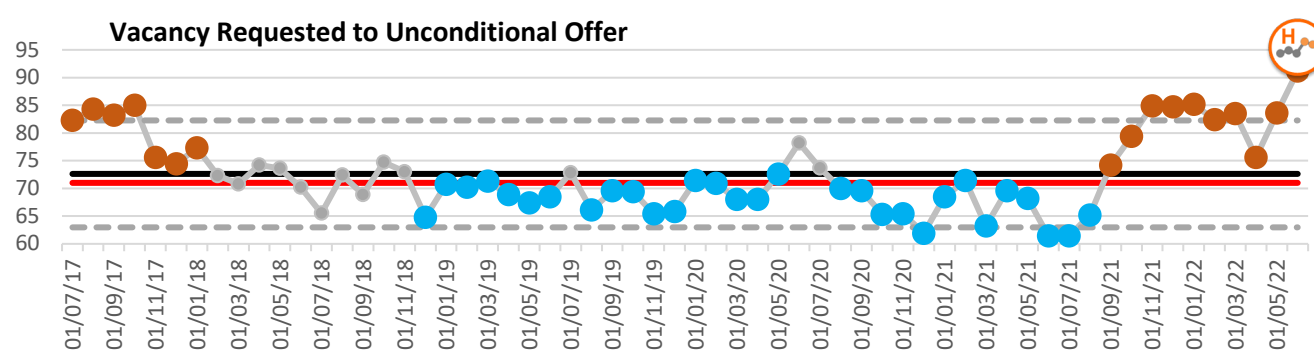
The target of creation to unconditional offer within the 71 days has been missed with an average of 91 days. Only 45% of the records were within the 71 days target. The increase in time to hire for June was due to ongoing work on older records for appointees where they are likely to have already started in post.

Recruitment are engaging with all organisations on our recruitment modernisation programme to make improvements under 3 key themes of Education, Process and Technology. The Recruitment Business Partners are meeting with the health organisations regularly and the first Programme Board took place on 6th July 2022, to share the programme and progress implementation on some of the key changes that can support a reduction in the Time to Hire and an improved customer experience.

The table below highlights the variation of performance that exists within each organisation for April – June 22.

The recruitment teams are still currently experiencing unprecedented levels of demand compared to 2018, which has meant compliance with the KPI measures has been missed. The activity and performance is shown in the charts below.

Recruitment		Vacancy Creation to Unconditional Offer			
Org	Target	Apr-22	May-22	Jun-22	
AB	71	102	102	94	
BCU	71	85	88	84	
CV	71	80	85	85	
CTM	71	97	99	116	
HD	71	59	76	79	
HEIW	71	48	80	61	
DHCW	71	53	57	84	
NWSSP	71	63	65	82	
PTHB	71	80	76	73	
PHW	71	60	68	65	
SBU	71	73	87	75	
VEL	71	74	87	114	
WAST	71	113	111	127	
All Wales	71	76	84	91	



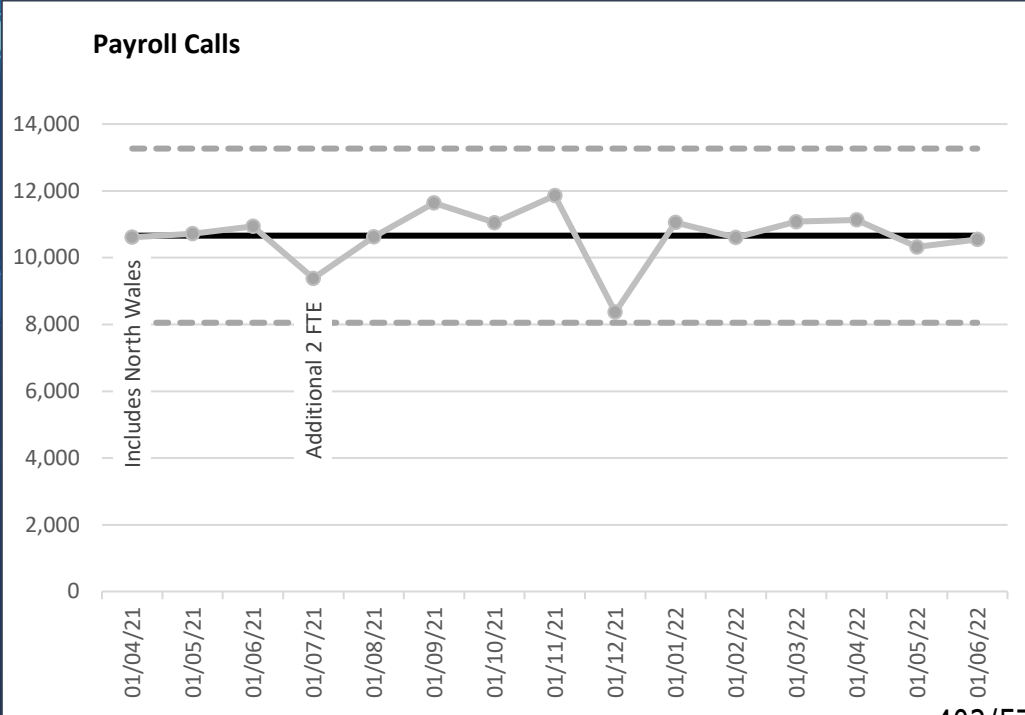
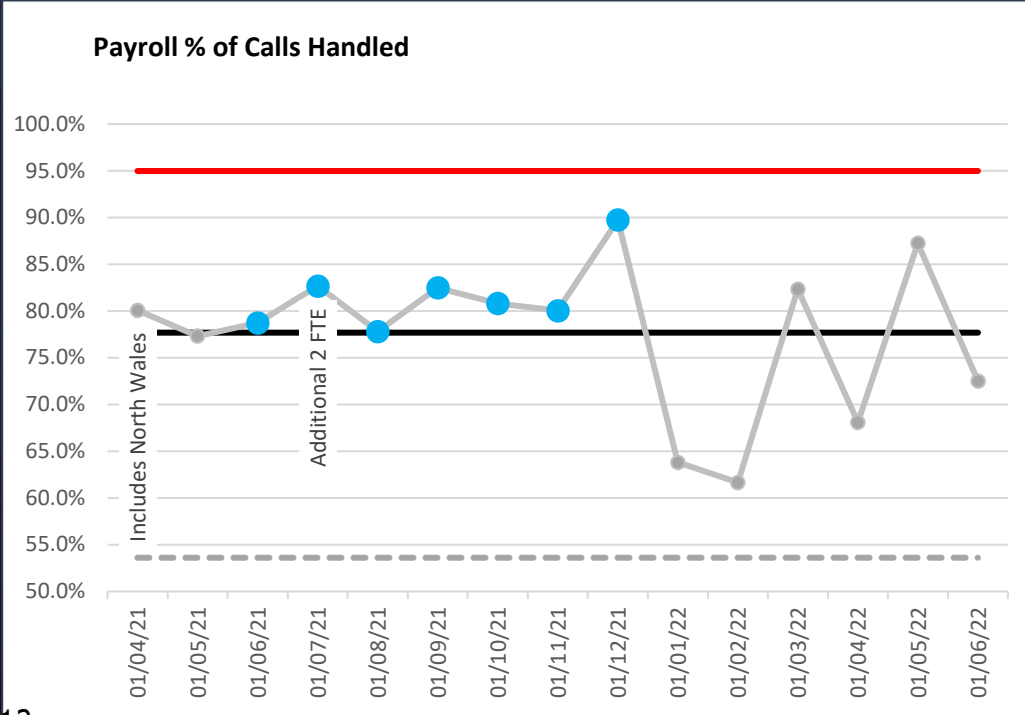
Employment Services – Payroll % Calls Handled

For the month of June, 73% of calls were handled against the target of 95%. The May performance was 87% and 68% in April.

Performance has deteriorated this month and continues to remain behind target due to unprecedented high volumes of calls and the complexities of calls received due to queries around P60 and P11D . In addition, there has been sickness within the team coupled with vacancies. There are planned interviews during July to increase the capacity of the team to improve performance.

As you would expect when the payslips are made available and actual pay day are the pressure points where a high volume of calls is received on a couple of days and where most of the unanswered calls can be attributed to.

The charts below show performance and activity over the last 15 months.

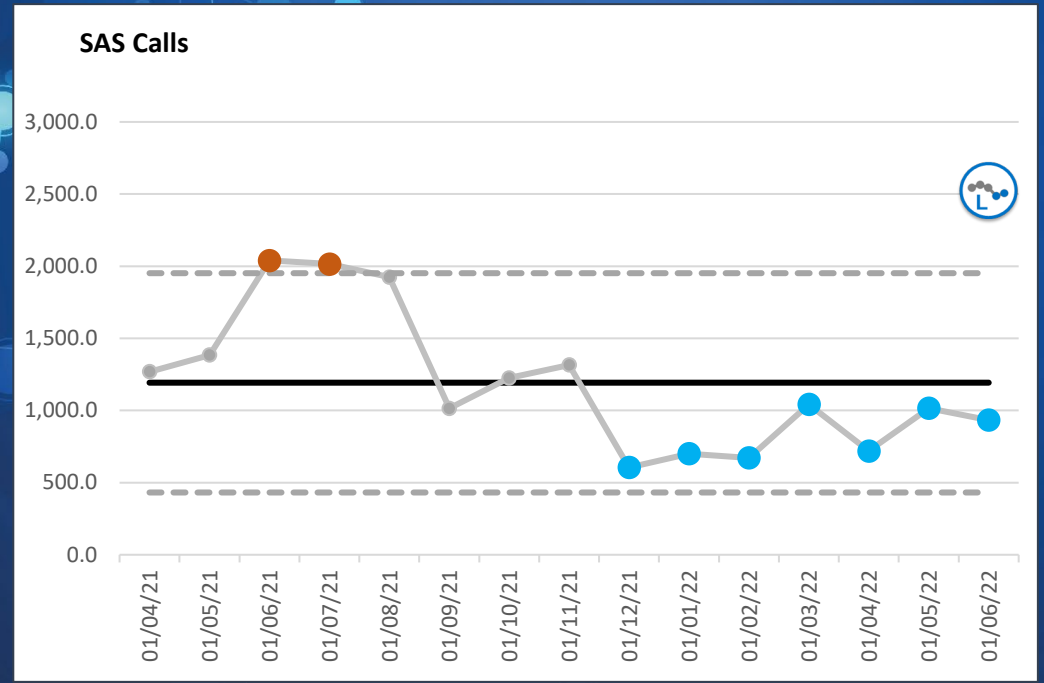
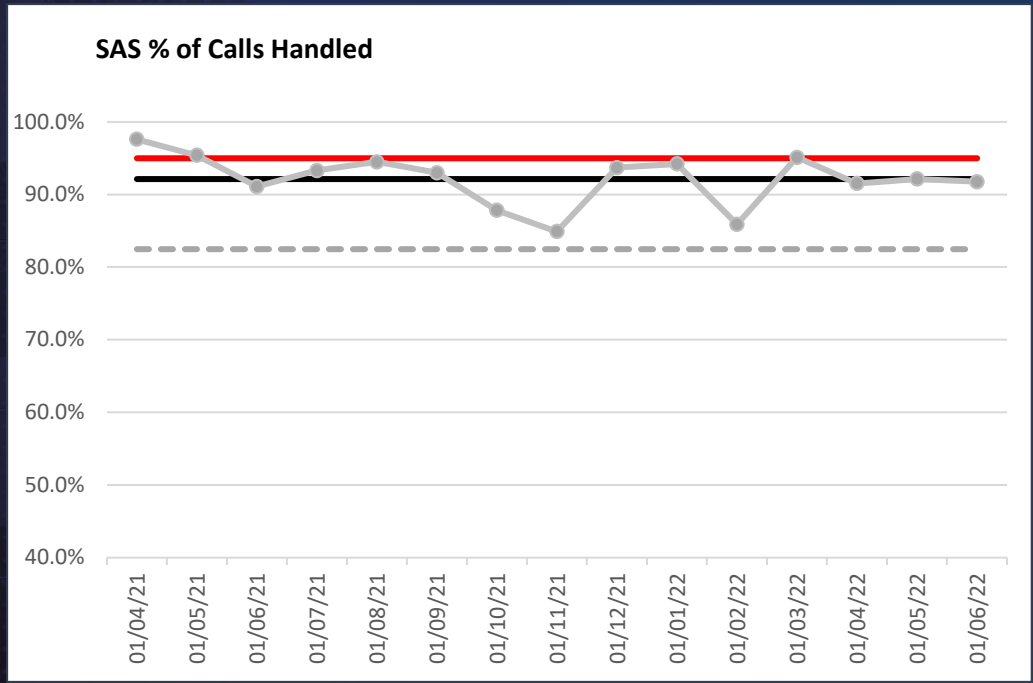


Student Awards Services – % of calls Handled

For the month of June, 92% of calls were handled against a target of 95%.

Performance has remained constant for the last 3 months, at this time of year the volume of bursary applications is high and the priority has been to process these in a timely manner, this has had an affect on the call handling performance due to the need to rotate bursary assessors on to call handling. Sickness within a small team has also added to the under performance.

The charts below show performance and activity over the last 15 months.



Realigning how we measure our performance

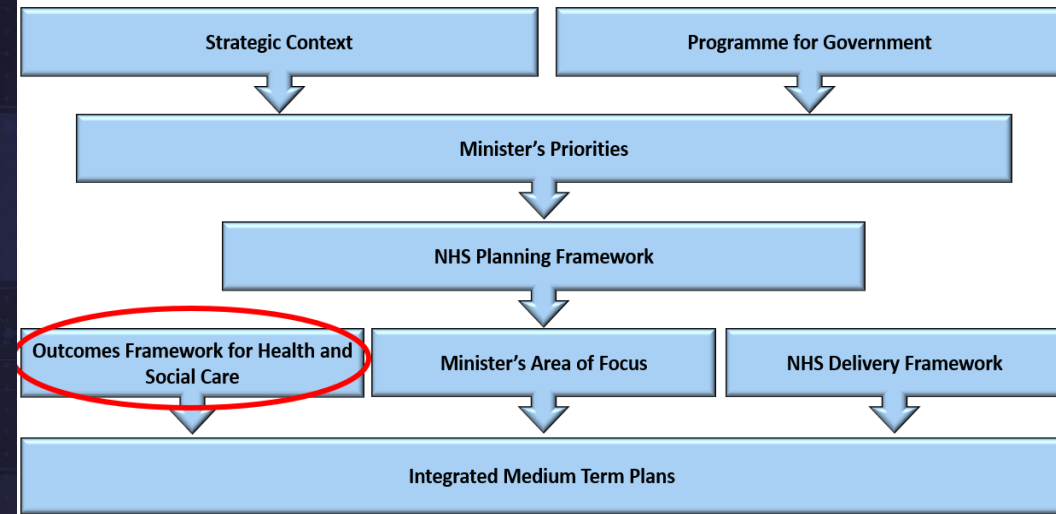
The NHS Wales Performance Framework for 2022-23 has been published.

This is an interim framework whilst further work is undertaken to identify outcome focused measures that deliver the priorities outlined in the NHS Planning Framework and the Health and Social Care Outcomes Framework (in development).

NWSSP is involved in developing these outcome measures with the Health organisations and sits on the national group.

We will also be involved in a sub group working with the 'non Health boards' including DHCW and HEIW to develop others more applicable to our services.

How will the Outcomes Framework Inform NHS Service Planning?



Realigning how we measure our performance

NWSSP is in the process of identifying our own outcome focused measures through the Adding Value work which will align with 'A Healthier Wales' quadruple aim and the Duty of Quality aims.

A snap shot of how this is evolving shown on the right.

This is something we would want to develop further with the members of the Partnership Committee during this year.



Summary

The Shared Services Partnership Committee is requested to **NOTE**:

- The significant level of professional influence benefits generated by NWSSP to 30th June 2022.
- The performance against the high-level key performance indicators to 30th June 2022.
- The ongoing work to develop outcome measures during 2022-2023.



The report is not Exempt

Teitl yr Adroddiad/Title of Report

Project Management Office Update Report

**ARWEINYDD:
LEAD:**

**Alison Ramsey, Director of Planning,
Performance, and Informatics**

**AWDUR:
AUTHOR:**

**Ian Rose, Head of Project Management
Office & Service Improvement**

**SWYDDOG ADRODD:
REPORTING
OFFICER:**

**Ian Rose, Head of Project Management
Office & Service Improvement**

**Pwrpas yr Adroddiad:
Purpose of the Report:**

The purpose of this report is to provide the Shared Services Partnership Committee with an update on progress with key projects.

Llywodraethu/Governance

**Amcanion:
Objectives:**

Value for Money - To develop a highly efficient and effective shared service organisation which delivers real terms savings and service quality benefits to its customers.

Excellence - To develop an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of technology.

Staff - To have an appropriately skilled, productive, engaged and healthy workforce.

**Tystiolaeth:
Supporting
evidence:**

NWSSP IMTP 2022-25 approved by SSPC in January 2022.

Ymgynghoriad/Consultation :

Senior Leadership Group

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
Argymhelliad/ Recommendation		The Committee is asked to NOTE the progress with key projects.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
yfreithiol: Legal:	Compliance with procurement regulations where applicable
Iechyd Poblogaeth: Population Health:	No direct Impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct Impact
Ariannol: Financial:	Compliance with financial instructions and processes where applicable
Risg a Aswiriant: Risk and Assurance:	
Safonau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	Capacity constraints are highlighted against each project where applicable
Deddf Rhyddid Gwybodaeth/ FOIA	Open



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PMO Report

NWSSP PMO Monthly Update – July 2022

Prepared by Ian Rose

Date of Updates provided: 08th July 2022

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Monthly Summary
<p>The Project Management Office (PMO) is currently supporting 22 live schemes of varying size, complexity and providing a range of support from different points within the project lifecycle.</p> <p>Within the PMO, we have 7 Project Managers (PMs) and 2 Assistant Heads also acting as Project & Programme Manager Business Partners supporting schemes all of which are at different points within the project or programme lifecycle.</p> <p>The schemes have different Senior Responsible Owners (SRO) or Project Executive Leads across a number of NWSSP directorates and Healthboards.</p> <p>Also, within the schemes the breakdown of scheme size and coverage ranges from:</p> <ul style="list-style-type: none"> • 59% (13 Schemes) All Wales – Typically where the scheme covers multiple Healthboards, and the schemes seek to implement products utilised on a multi Healthboard or all Wales basis. • 9% (2 Schemes) Healthboard – Typically supporting schemes for Healthboards but where NWSSP play a role in the service provision • 32% (7 Schemes) NWSSP – Typically serving internal purpose for one or more NWSSP Divisions <p>A number of initiatives are in the pipeline for onboarding which will increase the number of ongoing supported activities.</p> <p>There are specific Programme Board or Steering Group arrangements in place for Laundry, TRAMs and Agile estates, that involve PMs from the PMO but performance is reported separately.</p>
Committee Recommendation
<p>The committee is requested to:</p> <ul style="list-style-type: none"> • Note the update on progress with key projects.

Key Trend information and Initiative Overview

Initiatives – 22

All Wales	SRO	RAG	SIZE	Revised Completion	Original Completion	% Completion	Support Type
Demographic Transformation	Ceri Evans	Green	Large	31/07/2023	31/07/2022	62%	Project Management
Medical Examiner	Andrew Evans	Amber - Cost	Large	31/10/2022	31/03/2021	85%	Project Management
Performers List	Neil Jenkins	Green	Medium	31/03/2023	31/03/2022	37%	Project Management
Single Lead Employer Phase 3	Ruth Alcolado	Green	Medium	31/07/2022	30/09/2022	96%	Project Management
Student Awards System Existing Stabilisation and New System Spec	Darren Rees	Red - Scope/Quality	Medium	31/03/2023	31/03/2021	20%	Project Management
TRAMS Phase 2 OBC Developments	Neil Frow	Amber - Cost	LargeXorg	31/12/2023	31/03/2022	15%	Project Management
TRAMS SE Wales Hub	Neil Frow	Amber - Cost	Large	31/10/2022	31/03/2022	40%	Project Management
Occupational Health Checks	Rebecca Jarvis	Green	Large	31/12/2022	31/03/2022	60%	Project Management
All Wales Laundry OBC Development	Neil Davies	Not PMO Measured	LargeXorg	31/12/2022	31/12/2022	0%	Project Management
Digital identity checking software	Darren Rees	Green	Large	30/09/2022	31/03/2022	34%	Project Management
FPPS GP Payments	Neil Jenkins	Green	Large	31/07/2022	01/05/2020	60%	Project Management
CVB	Hazel Robinson	Not PMO Measured	Medium	TBC	TBC	Not PMO Measured	Project Consultancy
Decarbonisation Project Phase 2 Support	Neil Davies	Green	Medium	TBC	TBC	Not PMO Measured	Project Consultancy
Healthboard	SRO	RAG	SIZE	Revised Completion	Original Completion	% Completion	Support Type
Cwm Taf Phase 2 Community Dressings	Emma Williams	Green	Medium	31/10/2022	31/10/2021	77%	Project Management
Community Dressings Powys - Phase 1	Stephen Powell	Green	Medium	31/07/2022	31/03/2022	82%	Project Management
NWSSP	SRO	RAG	SIZE	Revised Completion	Original Completion	% Completion	Support Type
Cleric Procurement of New System / contract	Tony Chatfield	Blue	Small	30/06/2022	31/12/2020	100%	Project Management
Data Management	Andrew Evans	Green	Large	01/09/2024	01/09/2024	40%	Project Management
Patient Medical Records and Scanning Service Accommodation Review	Scott Lavender	Green	Large	31/08/2023	31/03/2022	20%	Project Management
Contact Centre (Scoping & Requirements)	Andrew Evans	Green	Medium	30/06/2022	31/03/2022	90%	Project Management
L&R Case Management System implementation phase	Mark Harris	Amber - Time	LargeXorg	28/02/2023	31/03/2022	59%	Project Management
IMBL Scanner implementation	Andrew Evans	Green	Small	31/08/2022	31/08/2022	75%	Project Consultancy
CAF Remediation	Andy Butler	Green	Medium	TBC	TBC	0%	Project Management

Key Individual Project/Programme Updates		
Project Name	Project Manager	Project Exec/SRO
Medical Examiner	Bethan Rees	Andrew Evans (PCS)
Monthly Update (key/issues (blockages)/risks)		
Status – Amber (Overall) Green (Time) Red (Cost) Green (Quality) Recent Gateway Review? No		
Objective Project Management of the set up and go live of the Medical Examiner service		
Progress Update The bill is scheduled to pass through Parliament in the Autumn, which will enable the service to move onto the next implementation phase and increase scrutiny of cases to full capacity prior to legislation being in place. Project Closure has been agreed for 31 October 2022. A full closure report will be completed to review and capture any lessons learnt from the implementation.		
Main Issues, Risks & Blockers The only risk that remains relates to the financial process and the required funding letter from Welsh Government but funding is not deemed to be at risk in the absence of such letter and the Programme Director, Board and finance lead have accepted the risk on that basis.		

Key Individual Project/Programme Updates		
Project Name	Project Manager	Project Exec/SRO
Student Awards	Bethan Rees	Lisa Williams / Darren Rees
Monthly Update (key/issues (blockages)/risks)		
Status – Red (Overall) Green (Time) Red (Cost) Green (Quality) Recent Gateway Review? No		
Objective To provide replacement workflow management system for the student awards service which provides bursary payments to healthcare students in NHS Wales. This is due to the existing system reaching end of service life without the option to extend the support contract arrangements beyond March 2023.		
Progress Update <ul style="list-style-type: none"> The Student Award System (SAS) contract support agreement with Kainos is in place to end of Mar-23. This option has now been exhausted and further extensions would contravene Procurement OJEU rules & regulations. The Business Case is currently being updated to develop new software for Student Awards and Student Streamlining. Given the tender closes on 08 July 2022, it is likely that this will now be presented as a full business case supported by a firm tendered price. 		

- Procurement have assessed a timeline that allows sufficient time to award the contract and deliver implementation of a Minimum Viable Product by Apr-23 go live.
- Funding risks remain which are being explored and mitigated in parallel with the agreed procurement stage and will be monitored as a failure to meet the Apr-23 deadline would potentially disrupt service continuity and could introduce potential delays to student bursary payments as part of the student awards service.

Main Issues, Risks & Blockers

- A lack of funding could impact ability to award the contract and meet the desired timeline, which would affect product quality & disrupt service continuity post Mar-23, however this can be mitigated in part through NWSSP IT team maintaining the legacy system but without supplier support and knowledge.
- Limited-service resources to support the system requirements development and future implementation within the service. This could impact on timescales and implementation of new software, therefore affecting delivery of new product on 01 April 2023 but is being addressed through the allocation of new resources to support the project from within the service.
- Vulnerability and end of support for legacy software and hardware remains a risk but will be mitigated through any new system implementation.
- GDPR risk from hosting end-of-life systems. Higher risk of a full records management breach, risks around the fragility of an unsupported system and the potential of data loss or corruption of thousands of student data records which could pose potential monetary penalties of several million pounds for a loss.
- An assurance from Swansea Bay University Healthboard (SBUHB) is required to continue indefinitely hosting the legacy service at least until Mar-23 where successful implementation of a new system will remove the need for any future support. If we do not successfully implement a new system, however it would place continued risk on the existing arrangements and require indefinite support from SBUHB. This is currently being revisited for clarification through discussion with the NWSSP Chief Digital Officer and a counterpart in SBUHB and being followed up week commencing 11th July.

Project Name	Project Manager	Project Exec/SRO
Laundry Transition	Ian Rose	Neil Frow
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Amber (Overall) Amber (Time) Amber (Cost) Green (Scope)		
<u>Recent Gateway Review?</u> No, However the Laundry Transformation Parent Programme has		
<u>Objective</u>		
As part of the laundry transformation programme, the transition project was initiated to devise an approach to transferring laundry budget for the three laundries in Llansamlet,		

Glan Clwyd and Greenvale. This was approved by the Committee and also verified within the Healthboards in Mar-21 as part of transferring the laundry services for NHS Wales to NWSSP.

Progress Update

Three Laundries continue to operate on the agreed basis as a result of the transfer in Apr-21:

- **Glan Clwyd – Complete.**
- **Llansamlet – Complete.**
- **Aneurin Bevan / Greenvale** – Aneurin Bevan University Healthboard (ABUHB) Estates & Facilities currently reviewing the Memorandum of Terms of Occupancy (MOTO) and discussion arranged between ABUHB and Laundry Assistant Director to discuss any final comments which is expected to take place week commencing 27th June.

Main Issues, Risks & Blockers

No issues observed on the basis MOTO agreement is not legally binding and service will remain uninterrupted.

Consideration should be given to accelerating the laundry IT service provision from ABUHB to DHCW to mitigate any potential IT service disruption which whilst being minimal and affecting a small number of users, it would not jeopardise linen production.

Programme Name	Programme Manager	Project Exec/SRO
TRAMs Programme	Peter Elliott	Andrew Evans (Welsh Gov) & Neil Frow
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Amber (Overall) Green (Time) Red (Cost) Green (Scope)		
<u>Recent Gateway Review?</u> – No Gateway Reviews have been commissioned by the SROs.		
<u>Objective</u> To create a leading Medicines Preparation Service, serving patients across Wales, in a way that is safe, high quality, equitable, sustainable and economically efficient.		
<u>Progress Update</u>		
<ul style="list-style-type: none"> • Site and locality selection workshops were completed during May and June, well supported by Healthboard and Trust stakeholders. Programme Board endorsed the result of the scoring on 20 June 2022. The results will be fully documented in Strategic Outline Case (SOC) for Southwest and North Projects and the Outline Business Case (OBC) for the Southeast Project and formal endorsement from stakeholders sought in due course. • Space is being secured for the Quality Control Lab in the vacant laboratory space in IP5. This will help control the cost of the new build hub and will facilitate early benefit realisation in advance of the hub being built. 		

- Discussions, supported by NWSSP Specialist Estates Service (SES) are ongoing to determine the fees required to complete the Southeast OBC. It is anticipated that fees and funding will be agreed to recommence design work by 01 August 2022. The OBC is now expected to be completed during Q2 and Q3 of the current year.
- It is therefore anticipated that the Southeast Full Business Case (FBC) work will begin not before Q4, dependent on both OBC approval and the availability of fee funding at that point.
- Process mapping report has been finalised and will be presented to the Chief Pharmacist Group in Jul-22.
- Organisational Change Policy (OCP) 1 (for 8 senior posts) opened formal consultation on 20 May 2022, duration now extended to 7 weeks so ending on 08 July 2022. It is planned to have the staff identified and seconded for 1 day per week during Q3. During this time, they will remain in their substantive Healthboard or Trust posts, and the actual TUPE transfer will follow when they move to NWSSP full time. Planning of OCP2 (for around 230 staff) is ongoing.
- Education and Training Project is successfully delivering new science-based qualifications to the service, in partnership with HEIW, with significant recurring funding for both courses and training posts being secured for a variety of roles.
- The Clinical Reference Group has been convened with the assistance of the NWSSP Medical Director, this group will meet quarterly from Aug-22 to ensure alignment with ePrescribing and clinical product and protocol standardisation initiatives.
- Engagement with UK peer projects on standardising the product catalogue and commissioning product stability studies is ongoing with a first call held with Northern Ireland, alongside existing engagement with England and Scotland.

Main Issues, Risks & Blockers

- Securing fees to complete the SE Wales OBC.
- Ongoing cost inflation in the construction and scientific equipment markets. This is not necessarily TRAMS specific but a global market pressure that will act on all major capital projects. Based on current position, the programme remains **"Amber"**.
- Level of engagement received from Healthboard Workforce stakeholders to conduct OCP1 for 8 posts has been mixed, resulting in delays to the formal consultation and risk to the smooth delivery of this change. This needs to be remedied before the much larger and more complex OCP2 process begins, involving around 360 staff. A detailed Project Plan is being prepared for OCP2, including Team Plans for the actions needed by each Healthboard and Trust partner. These actions will be monitored and escalated as required via TRAMS Programme Board and onward to WODs or SSPC as required. Chief Pharmacists are also expected to take a role in mobilising workforce resources and driving actions from within their own organisations.

Project Name	Project Manager	Project Exec/SRO
Cyber Assessment Framework Remediations	Peter Elliott	Neil Jenkins
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope)		
Recent Gateway Review? – No		
Objective To provide remediations to vulnerabilities identified by the organisational Cyber Assessment Framework (CAF), with a particular focus on those risks rated red in the report.		
Progress Update The Project Board has been established and a series of initial team meetings have been held.		
A series of actions have been planned including: <ul style="list-style-type: none"> • Creating NWSSP level workflows for Senior Leadership Group (SLG) and senior manager use during Incident Response and Disaster Recovery <ul style="list-style-type: none"> ◦ Provide training exercises and packages in support of the workflows • Updating the register of System Owners and ensuring that all system owners understand their role • Identifying a cost-effective solution managing the lifecycle of assets including: <ul style="list-style-type: none"> ◦ Physical assets such as laptops and network switches ◦ Non-windows assets including phones and photocopiers ◦ Software assets such as on-premise applications ◦ Third party managed service applications • Updating the NWSSP Portfolio Management Approach to include a Digital Foundation stage. This will help each time we replace applications ensuring the right approach is undertaken. • Providing input to the forthcoming NWSSP Digital Strategy • Implement a Network Monitoring System 		
Main Issues, Risks & Blockers <ul style="list-style-type: none"> • Risks of not mitigating our vulnerabilities are <ul style="list-style-type: none"> ◦ Fines as a % of turnover due to loss of data through hacking ◦ Reputational Damage to failure of service from being locked out of our IT systems by ransomware • Availability of the NWSSP IT Security Manager is a known constraint, as a single point of resilience. Protected work time has been agreed but it is a recognised issue that this resource is in high demand across all NWSSP services. Mitigation is to use alternative resources where appropriate and support the Security Manager with a Project Plan and direct support as appropriate. • We have around 200 software applications in NWSSP. Assuming a 5-year lifecycle this means we should be replacing around 40 applications per year, nearly 1 per week. The resources to manage this cycle effectively may not currently be in place: <ul style="list-style-type: none"> ◦ Technical Resources in NWSSP IM&T ◦ Resource from the NHS Wales 365 MSO Centre of Excellence 		

<ul style="list-style-type: none"> ○ Service Resources in the departments to participate in specification, testing, acceptance, and deployment. ○ Specialist Procurement Resources <p>An update on the resources planned to report to the Chief Digital Officer is due in July as part of a rescheduled Project Board, the date of which is to be confirmed.</p>
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Project Name	Project Manager	Project Exec/SRO
Cleric	Peter Elliott	Tony Chatfield
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Recent Gateway Review?</u> – No		
<p><u>Objective</u> Providing logistics software for Health Courier Service that is secure, and technically, commercially, and operationally sustainable.</p> <p><u>Progress Update</u> The new application went live on 16 May 2022.</p> <p>Some issues have arisen with work allocation requests timing out, and these are actively being progressed with the Cleric Service Desk under the managed service contract and no service impacts have resulted to date but these remain under scrutiny.</p> <p>The legacy servers and links through the firewalls and demilitarized zone (DMZ) will be quarantined, decommissioned, and disposed by NWSSP operational IT team in a controlled way.</p> <p>Project Closure is awaiting completion of the quarterly Contract Review with Cleric which is currently with Procurement to arrange.</p> <p><u>Main Issues, Risks & Blockers</u> None</p>		

Project Name	Project Manager	Project Exec/SRO
FPPS GP Payments – PCS	Gill Bailey	Ceri Evans
Monthly Update (key/issues (blockages)/risk assessments)		
<p><u>Status-</u> Green (Overall) Green (Time) Green (Cost) Amber (Quality)</p> <p><u>Recent Gateway Review?</u> – No</p> <p><u>Objective</u> The existing National Health Application and Infrastructure Services (NHAIS) system is a business-critical system used across NHS England and Wales to manage patients' registrations for primary care, contractor payments including General Medical Services (GMS) practitioners and to deliver screening services. NHS England have developed a replacement system and consequently the GMS (GP) payment module of NHAIS will be de-commissioned.</p> <p>NWSSP Primary Care Services have entered into an agreement with Business Services Organisation, Northern Ireland to replicate their own system known as Family Practitioner</p>		

Payments System (FPPS) for NHS Wales. The project aim is to implement FPPS for NHS Wales.

Progress Update

Following input of Enhanced Services (ES) claims by Practices into the new system FPPS, successful payment made to GP Practices processed through oracle via Accounts Payable.

All Contractor payments are now being processed through oracle following the successful completion of the above as well as GP prescribing payments processed in May and June.

Prior to the identification of a Post Payment Verification (PPV) issue, progress against the project plan stood at 99%.

Whilst the core aim of the project has been achieved as reported above, there are elements of functionality that still require development as manual work arounds have been put in place to deliver an operational system.

To address the issues that have arisen during the technical go live phase, replace manual workarounds and to facilitate the transfer of the project to business as usual, a transition plan has been devised with deliverables prioritised. Progress is standing at 60%.

A Management Board has been established to confirm priorities, review the management structure, and facilitate handover to business as usual which is anticipated to be at the end of Jul-22.

Main Issues, Risks and Blockers

During the technical go live phase, the following issues have been identified resulting in the quality RAG status being amended to amber:

- PPV requirement not yet met;
- Practice required to upload an evidence sheet to support PPV which is creating additional work for Practices;
- Practices submitting incorrect information, not in the right format;
- Practice statements providing a breakdown of payments not automatically generated from system;
- CSV upload required for Practices to import information directly into their management account system

Manual workarounds have been implemented to address the above issues to enable delivery of an operational system but to also ensure there is no impact on external stakeholders, primarily GP Practices.

Project Name	Project Manager	Project Exec/SRO
Demographics Transformation - PCS	Gill Bailey	Ceri Evans
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope) <u>Recent Gateway Review?</u> – No		
<u>Objective</u>		

The existing National Health Application and Infrastructure Services (NHAIS) system is a business-critical system used across NHS England and Wales to manage patients' registrations for primary care, contractor payments including General Medical Services (GMS) practitioners and to deliver screening services. The existing NHAIS and Open Exeter non-core functionality will need to be replaced.

Implementation of replacement functionality such as:

- Use of Welsh Demographic Service provided by DHCW – complete
- Implement replacement NHAIS local hardware hosting (legacy infrastructure) to ensure continuity of service up to and during transition - complete
- Implementation of alternative **data** extract provided by DHCW
- Implementation of in-house application known as '**Notify**' that monitors the movement of medical records
- Implementation of **Primary Care Registration Management System (PCRM)** provided by NHS Digital
- **De-commission** NHAIS local boxes

Progress update

Project team meeting held on 22 June 2022 to review work stream progress and update project plan with realistic dates.

Data: Discussions are ongoing to establish the extent of the work required to provide replacement data feeds from DHCW.

Notify: Data issues identified. Meeting held with DHCW to review sample of 'curious' data to identify root cause of erroneous information. Further investigation has revealed that the data inaccuracies are linked to user error. DHCW agreed to undertake further analysis to identify solution.

PCRM: Dependent upon NHS Digital to confirm transition date which is unlikely to take place this financial year.

Main Issues, Risks and Blockers

The team have been made aware of a risk for NHS Digital. The risk is that NHS Digital may not have subject matter expertise, if staff resources are reduced in the event of retirement/long term sickness, to continue to support the NHAIS systems until NHAIS decommissioning is completed.

The impact would be NHS Digital would struggle to achieve its Service Level Agreement with PCS and may be unable to resolve specific system issues or deliver required software changes resulting in patient registrations not undertaken in a timely manner. NHS Digital have discussed the position with PCS and DHCW to explore contingency options.

PCS have developed in-house application known as Notify to monitor the movement of medical records but is reliant upon a data feed provided by DHCW. Data integrity issues have been identified with a recommendation for collaborative working between PCS and DHCW to provide a resolution. As this work is not within the current workplan of DHCW due to the delayed implementation of PCRM, DHCW is currently considering if resource is available to support this task and when. If Notify can be implemented this will reduce the functionality on NHAIS and therefore reduce the risk identified above.

Programme Name	Project Manager	Project Exec/SRO
Citizen Voice Body, Wales	Gill Bailey	Chris Jones
Monthly Update (key/issues (blockages)/risk assessments)		
Status- (Overall) (Time) (Cost) (Scope) Not PMO measured		
Recent Gateway Review? – No		
<p><u>Objective</u> Welsh Government sponsored programme to implement a new statutory body.</p> <p>Following programme gateway review, the role of the PMO is to provide support to two recommendations:</p> <ul style="list-style-type: none"> • Set out risk management arrangements for workstreams and between the project and CVB, once it is established from 1 April 2022 and for later project phases • Develop a detailed project delivery plan working back from 1 April 2023 <p><u>Progress Update</u> Risk management approach and risk register approved by Implementation Board on 30 May 2022. Document published to Welsh Government file management system with responsibility for maintaining and updating handed over to Chair/Leads of each workstream.</p> <p>Draft programme plan created with information from existing work plans initially added. Meetings with workstream leads are continuing to finalise the content.</p> <p>Attended follow up gateway review to assess progress against the recommendations outlined above. Received positive feedback on the support and work undertaken thus far.</p> <p><u>Main Blockers/Observations</u> None</p>		

Project Name	Project Manager	Project Exec/SRO
Performers List & WNWRS	Alison Lewis	Andrew Evans
Monthly Update (key/issues (blockages)/risk assessments)		
Status – Green (Overall) Amber (Time) Amber (Cost) Green (Scope)		
Recent Gateway Review? – No		
<p><u>Objective</u> Any General Practitioner (GP), optometrist, dentist, or pharmacist offering primary care in any NHS Wales setting is required to be registered on the Performers List for Wales and are required to meet the national health service regulations.</p> <p>Primary Care Services (PCS) manages the listing process on behalf of Local Healthboards in accordance with the provisions of an SLA (Service Level Agreement) The process is underpinned by a legacy IT solution, elements of which are end of life and there is a requirement to migrate these to up to date, supported platforms.</p>		

The Wales National Workforce Reporting System (WNWRS) is a primary care workforce tool providing necessary identification of all GPs and health professionals employed in GP practices to be covered by General Medical Practice Indemnity and enabling greater workforce planning. Ongoing funding for WNWRS has been agreed and is provided by Welsh Government.

Implementation of an integrated software system to capture Performers List and WNWRS data in accordance with regulations and national data, architecture, Information Governance and IT security standards.

Progress Update

Prior Information Notice (PIN) has been issued to market.

Now organising demo days with suppliers over the next 6 weeks, which will follow a revised format of:

1. Demonstration by the service to the suppliers underlining from the PIN exactly what is required
2. Supplier presentations back of their proposed solutions
3. Indicative costings from the suppliers to support the Business Case process

Work will be ongoing concurrently during this period to prepare the tender spec

Main Issues, Risks and Blockers

- Desire from the service to have the option to extend if the contract implementation can't be achieved for 01 April 2023, this will enable continuity of service for WNWRS System whilst implementation is being progressed with the supplier. Procurement have stated that this can only be done once the implementation timeline for the new system is known.
- OBC not yet ready to present to SLG – work ongoing with the service leads to define tangible benefits to support the case.

Project Name	Project Manager	Project Exec/SRO
Data Management – PCS	Alison Lewis	Neil Jenkins
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Amber (Time) Amber (Cost) Green (Scope)		
<u>Recent Gateway Review? – No</u>		
<u>Objective</u>		
To create solutions that enable data driven service development and performance management, and consistent views of PCS data which is accessible through streamlined channels.		
<u>Progress Update</u>		
The data exploration contract now extended to 01 July 2022.		

Project Board considered the gap issue for the GMS Data, who agreed to delay GMS review for now, and revisit once the FPPS project is further progressed however timescales cannot be confirmed at present. Possible solution for some aspects of data now getting from Northern Ireland which potentially may mean that we may not need IDPP to do the work, could replicate within PCS resources.

Project Board has determined to take future maintenance of data sets in house, and the resources to do this are currently being established within the PCS team.

Once the findings of the exploration contract is received, Project Board will determine the plan for further implementation, including preparation of Business Cases as required.

Main Issues, Risks and Blockers

- Time to establish internal service resource to exploit the full benefits of the analysis done to date, and to extend the scope to cover additional service areas.

Project Name	Project Manager	Project Exec/SRO
L&R Case Management System	Jenna Goldsworthy	Mark Harris
Monthly Update (key/issues (blockages)/risk assessments)		
Status – Amber (Overall) Amber (Time) Amber (Cost) Amber (Scope)		
<u>Recent Gateway Review? – No</u>		
<u>Objective</u>		
The Legal & Risk Service (L&RS) current document storage solution (Virtual Cabinet) and the case management system are outdated and require upgrading. Business Case for a replacement system submitted to and approved by Digital Priorities Investment Fund (DPIF), Welsh Government.		
Following a tender process, DXC were awarded a contract to design, create and implement a case management system, document storage and sharing solution using Microsoft Dynamics 365.		
The project has been set up to implement the new solution above.		
<u>Progress Update</u>		
Due to the issues identified below, the position has been escalated to the Senior team within DXC. There is concern that the outstanding contractual obligations may not be delivered within the cost envelope agreed. L&RS have given DXC a deadline of 2 weeks; 6 July 2022 to assess the position and propose a way forward. Whilst an initial summary of the position has been provided by DXC, the proposal to deliver the remaining elements of the contract is still outstanding.		
L&RS are in the process of drafting and assessing contingency options if the issues are not resolved.		
Due the delays encountered with the supplier providing the requirements, the March 2022 invoice has been delayed for payment.		
<u>Main Issues, Risks & Blockers</u>		

Data migration

It was highlighted that a key element of the work; transforming and migrating the data, was not included in the original scope of work for DXC with the expectation that L&RS would complete this. To ensure this work is completed successfully, it has been agreed that DXC will provide additional support of 4 hours per week with the cost being met by L&RS. NWSSP IT Security are currently creating user acceptance documents that the DXC team will need to sign, prior to being allowed access to the on-premise environment.

Go Live Delay

Due to the delay caused by DXC, the Go Live date has been moved to 23 January 2023. There is a risk that the system will not go live before the current L&RS disaster recovery environments are due to be decommissioned on 07 February 2023. DHCW and NWSSP IT are reviewing the disaster recovery and system management plans to find a solution in case the Go Live is not met in January 2023.

Scope Issues

The DXC team have highlighted that in some areas of the design, the way the sales team predicted the system could be achieved, cannot be done in the way it was originally stated. The DXC Team are confident that the original requirement can be done, however, following on from the workshops, the DXC team and the project team from L&RS have noticed that L&RS processes are much more complex and will require alternative methods to achieve the required results. The DXC team are working through the requirements which now includes a solutions architect on the project for 3 days a week.

DXC Hours Overspend

The DXC team have spent an additional 1000 hours on the design and analysis than the original planned 350 hours (Total 1350 hours). This is the first time this has been highlighted to NWSSP. The DXC Project Manager is checking if the additional hours have been charged to NWSSP. This is a concern, and we are awaiting further details from DXC Project Manager.

DXC (Supplier Delay)

There is a delay with DXC Team resources keeping on top of tasks which is delaying the timeline of the project. This has been caused in part, due to the change in staff of the DXC Project Manager and Solutions Architect. Additionally, the previous DXC Project Manager stated that not enough resource has been allocated to the project at this time. Meetings have been held with DXC to discuss the current blockers. Mitigations that have been established including additional team meetings to review the delayed tasks and the supplier increasing resources within their team. The project plan is also being reviewed. This issue has been escalated internally and to the suppliers Senior Leadership Group, we are awaiting a response.

Project Name	Project Manager	Project Exec/SRO
Patient Medical Records Accommodation – PCS (note change of project name)	Jenna Goldsworthy	Scott Lavender
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Amber (Time) Green (Cost) Green (Scope)		
Recent Gateway Review? – No		

Objective

The PCS team are undergoing an accommodation review of the Medical Records and Stores and Distribution teams driven by:

- Property lease expiry
- The need to secure additional storage space to ensure business as usual
- Enable expansion of the medical record service.

Produce business case and implement preferred option.

Progress Update

Immediate

Keys received for the 13,000 sq. ft storage space w/c 6 June 2022. A removal company has been hired to move the boxes from the 5,000sq. ft building to the new unit by the end of Jun-22 which has subsequently been completed on time. The decision to use external resources to move the boxes was taken to ensure staff are available to onboard a large GP Practice to PCS stores in Jun-22 and to ensure PCS are out of the 5,000 sq. ft building by the end of Jun-22 to prevent PCS having to pay another 3 months' rent on the building.

Whilst the external company is emptying the 5,000 sq ft building, additional deceased records are being moved from Brecon House by PCS Staff to the new unit to further ease capacity in Brecon House and allow the team to maintain their services.

Lease expiry

PCS, in consultation with Heads of Primary Care, have agreed a 5% uplift in the charges to GP Practices for the services provided. Consequently, the business case has been amended to reflect this.

Following approval of the Business Case by PCS SMT and NWSSP SLG, the document will be submitted to Shared Service Partnership Committee in Jun-22.

Main Issues, Risks & Blockers

Due to the delays caused by changes in the market and changes in scope of the business case, there is a risk that the implementation of the desired solution may not be in place before the existing building lease for Brecon House (Mar-23) expires which would prevent PCS stores from performing their services. Contingency options are currently being considered by the project board.

If PCS cannot secure a new premise, this will have an impact on:

- Existing services whereby should an existing GP expand PCS may not be able to host the additional medical records; and
- PCS will not be able to extend the medical record services to new GPs.

Project Name	Project Manager	Project Exec/SRO
Single Lead Employer – Phase 3	Jenna Goldsworthy	Ruth Alcolado
Monthly Update (key/issues (blockages)/risk assessments)		

Status- Green (Overall) **Green** (Time) **Green** (Cost) **Green** (Scope)

Recent Gateway Review? – No

Objective

Establish NWSSP as the Single Lead Employer (SLE) for all trainees within NHS Wales by adopting a phased implementation approach. Establish arrangements to manage all trainee rotations whilst employed by NWSSP under the SLE model in partnership with HEIW and the Host Education and training providers (HBs).

Progress Update

On-boarding plan on target with project closure scheduled for the end of July.

Ad Hoc Locum Payments -

Healthboard	Status	Comments
HDuHB	Completed	290 locum shifts paid via SLE in Jun-22
CTUHB	Completed	203 shifts paid to 86 trainees in Jun-22
ABuHB	Pilot extension	Successful pilot undertaken in May-22. The payment of locum shifts through SLE has been extended to other specialities in Jun-22. All specialities expected to come on board by Jul-22. Follow up progress meeting scheduled for 19 July 2022.
CVuHB	Completed	Pilot successfully completed with 60-70 trainees in Apr-22. Scheme was expanded to all SLE Trainees in Jun-22 with 225 shifts paid to 102 trainees. No issues with expansion and transfer to business as usual agreed at meeting on 23 June 2022.
Velindre	Pilot to begin	Meeting held with Velindre 15 February 2022 with agreement to expand ad hoc locum payments to include Velindre trainees. First locum payments made in Apr-22 and May-22. Meeting to be arranged in July to review process before transfer to business as usual.

Main Issues, Risks & Blockers

None

Programme Name	Project Manager	Project Exec/SRO
Customer Contact Centre	Bethan Clift	Andrew Evans
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope)		
Recent Gateway Review? – No		
<u>Objective</u>		
Review and improve how our customers interact with NWSSP.		

Supporting Infrastructure – Following the development of both core telephony and future contact centre requirements, the project team (which comprises NWSSPs IT team) are reviewing the product specification before the technical lead can identify contact centre solutions for the business case. It has been agreed to jointly develop a combined business case that contains options for telephony and a future contact centre solution.

Given that the Office 365 (o365) E5 licences have been negotiated in the revised Microsoft agreement, the programme board agreed that the project will be utilising a TEAMS Voice option and that previous options that are not TEAMS voice are to be discounted.

Whilst the business case continues to be developed, the technical lead is waiting for details from Digital Health Care Wales (DHCW), Gamma and Microsoft to confirm recommended solutions between direct routing and Microsoft direct call plans.

Further discussions with DHCW have identified that NWSSP need technical solution details for the o365 tenancy changes and associated implications of a particular telephony solution. This dependency on DHCW is currently causing a delay to the projects progress.

In the interim, the programme board have requested to join DHCWs telephony and contact centre project. Over the coming weeks the programme board will need to decide whether NWSSP progress separately or join DHCW and re-plan accordingly. This is dependent on the extension of the current Mitel contract; procurement is seeking the option to extend the contract passed March 2023.

Contact Centre Model – The proposed theoretical contact centre model has been agreed and will form part of the **supporting infrastructure** business case.

Improvement Model (NWSSP website) - Activities undertaken with payroll have now been signed off, with the work package sitting with NWSSPs communication manager to create a demo of the landing page before being testing with users. In addition, work has now commenced with other Services to replicate the work undertaken with Payroll. The most frequent queries to Recruitment Services, the Student Award Service and the Car Lease Management Scheme are being mapped and categorised for inclusion, alleviating the need for further calls into the contact centre. It is anticipated that this work will be completed by the end of July and the process will continue to be deployed with other divisions of NWSSP.

Main Issues, Risks & Blockers

Supporting Infrastructure

While waiting for DHCW response, it is causing delays to the project schedule, consequently, if NWSSP do decide to join efforts with DHCW there is a risk of not implementing a replacement telephony system by the end of 2022/23.

If the decision is made to progress on our own, a lapse of 4 weeks to submit the tender has been highlighted following a review of the procurement plan. If further delays are experienced, there is a risk that the replacement telephony system may not be implemented by the end of 2022/23.

Procurement seeking the option to extend the current Mitel contract to ensure continuity of service.

Project Name	Project Manager	Project Exec/SRO
Community Dressings Phase 2 CTMuHB	Bethan Clift	Emma Williams
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope) Recent Gateway Review? – No		
<u>Objective</u> To support Cwm Taf Morgannwg University Healthboard (CTMUHB) with the implementation of a standardised approach to the supply and management of wound care products within the Community setting to release nursing time back to patient care. Phase 2: Implementation of a new service to be provided by NWSSP Supply Chain, Logistics & Transport.		
<u>Progress Update</u> Following the verification of the business case by the Cwm Taf Morgannwg University Healthboard financial panel, the review meeting proceeded, and the below core activities have progressed: <ul style="list-style-type: none"> • Cabinet roll-out – cabinets allocated and ready for delivery to bases • Standard Operating Procedure issued • It was highlighted that two of the original in scope bases have merged – A meeting has been arranged to discuss and agree storage position • Health Courier Services have reviewed and reissued delivery schedules Implementation activities on track for new service to go live on 05 September 2022.		
<u>Main Issues, Risks & Blockers</u> None		

Project Name	Project Manager	Project Exec/SRO
Community Dressings Phase 1 Powys	Bethan Clift	Stephen Powell
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope) Recent Gateway Review? – No		
<u>Objective</u> To support Powys Teaching Healthboard with the implementation of a standardised approach to the supply and management of wound care products within the Community setting to release nursing time back to patient care. Phase 1: Facilitate development and approval of Business Case by Powys Teaching Healthboard .		
<u>Progress Update</u>		

Following the last project team meeting, the Project Executive has reviewed the Business Case and prepared a summary paper which will be submitted to their SLG recommending progress with NWSSP. Project team meeting arranged for 12th July 2022 to review current position.

Main Issues, Risks & Blockers

None

Project Name	Project Manager	Project Exec/SRO
Decarbonisation Action Plan	Bethan Clift	Neil Davies
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope)		
<u>Recent Gateway Review? – No</u>		
<p><u>Objective</u> The NHS Wales Decarbonisation Strategic Delivery Plan (SDP) was published in March 2021, with the strategy outlining plans to achieving a wide range of objectives by 2030. In line with these objectives all health organisations are directed to set out a Decarbonisation Action Plan (DAP) specific to each organisation by 31st March 2022.</p> <p><u>Progress Update</u> Welsh Government (WG) has put in place a National Programme Board for Decarbonisation and Climate Change. NWSSP are expected to play a part in influencing change through two of the four core workstreams; Specialist Estates and Procurement. Consequently, NWSSP have received confirmation of recurrent funding to progress with;</p> <ul style="list-style-type: none"> • Mirror the national programme board workstreams and the delivery of the NWSSP commitments including engagement with Healthboards and Trusts plan; and • Continue to oversee delivery of the NWSSP organisational decarbonisation plan. <p>Whilst not all of the below are specific to NWSSPs action plan, there is cross-over of core activities currently in progress;</p> <ul style="list-style-type: none"> • Mirror the national programme board workstreams and the delivery of the NWSSP commitments including the engagement with HB/Trust plans; • Continue to oversee delivery of the NWSSP organisational decarb plan; • SES Team – appointment made for a new Environment & Facilities Management Advisor aiming to start during Aug-22; • Decarbonisation and Climate Change Programme lead and Project Manager roles advertised with interview process being completed during July; • Communication is underway with the SES Information Officer to continue to raise awareness of carbon emissions with NWSSP staff. Expected to be completed by end of June; 		

- A draft for Electric Vehicle (EV) charging best practice guide is expected to be completed by end of Aug-22. This will specifically address initiative 17 in the Strategic Delivery plan; and
- SES team are evaluating and reporting back on proposals for Photovoltaics, solar panels, at IP5, Newport and Picketston, St Athan.

Main Blockers/Observations

To enable the project team to collate NWSSP's baseline footprint, Procurement Services need to extrapolate the NWSSP procurement data from the Velindre's Qlikview data. At present, this data is still being worked through and is required to support the ability to understand data at all required levels.

Confirmation of funding has been received from Welsh Government, which is being used to secure the resource required to support this programme moving forwards.

Project Name	Project Manager	Project Exec/SRO
Agile Estates Strategy	Bethan Clift	Neil Davies
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Status-</u> (Overall) (Time) (Cost) (Scope) Not PMO Measured		
<u>Recent Gateway Review?</u> – No		
<p><u>Objective</u></p> <p>NWSSP has committed to adopting an agile approach to its workforce model building on the success of this flexibility during the pandemic. However, in parallel, a project has been initiated to consider the future accommodation and space utilisation needs for NWSSP to support agile working.</p> <p>A steering group has been established with a supporting delivery team in place. We are working with ETL, an external company with specialist knowledge in space planning and utilisation.</p>		
<p><u>Progress Update</u></p> <ul style="list-style-type: none"> • Lexica (as ETL are now known as) and Plan B solutions are progressing towards the Stage 2 report and have issued a draft for review. • A revised draft will be issued in time for the next Project Team meeting, scheduled for the end of June. • The key point of discussion is the timing and direction of Phase 3, following the discussions and options considered in Phase 2. 		
<p><u>Main Blockers/Observations</u></p> <p>Previously reported slippage of one week due to need to translate the survey and slip issue date remains.</p>		

Project Name	Project Manager	Project Exec/SRO
Pure Digital Solution – Payroll Modernisation (Previously known as Payroll e-Forms)	Rhiann Cooke	Stephen Withers
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Amber (Cost) Green (Scope) Recent Gateway Review? – No		
<p><u>Objective</u> Procure and implement a solution to replace current manual payroll processes dealing with new starters, staff movement and leavers as well as timesheets used to capture additional hours and shift work.</p> <p><u>Progress Update</u> Two options identified to provide a solution:</p> <p>Option 1- The provision of a digital solution from NHS Wales Centre of Excellence (COE), hosted by DHCW, to design and build an appropriate solution to meet the objective.</p> <p>Following a significant review of the requirements by COE, a proposal for resource to support the development was submitted to the COE Project Board but rejected due to insufficient COE resource.</p> <p>Discussions are continuing with DHCW to provide a Microsoft digital solution. A proposal is being drafted to support the development of a platform to digitalise the current macro-enabled spreadsheets and manual processes within the payroll function. Upon the conclusion of these discussions, the project team will be expanded to include Healthboard representatives.</p> <p>Option 2- The provision of a digital solution from an external provider if option 1 is not considered feasible. This will require a tender exercise with the support of Procurement services.</p> <p>This option is not being progressed at this stage.</p> <p>To note, dedicated Project Manager support has been paused until way forward has been confirmed.</p> <p><u>Main Issues, Risks & Blockers</u> The risk that DHCW are unable to provide a firm commitment to progress the development which will cause further delays to the project as Option 2 will need to be re-visited.</p>		

Project Name	Project Manager	Project Exec/SRO
Occupational Health Checks	Rhiann Cooke	Rebecca Jarvis
Monthly Update (key/issues (blockages)/risk assessments)		

Status- Green (Overall) **Green** (Time) **Green** (Cost) **Green** (Scope)
Recent Gateway Review? – No

Objective

NWSSP have the responsibility to contract and manage an Occupational Health system on behalf of NHS Wales. The system enables Healthboards and Trusts to manage their Occupational Health records. The existing contract is due to expiry on 30th November 2022.

- Development of product specification
- Procurement of replacement web-based software solution
- Implementation of procured software solution ensuring a seamless transition with full ongoing support.

Progress Update

Following development of a product specification in consultation with Occupational Health leads, system users and clinicians from Healthboards and Trusts, a tender was published and closed on 20 June 2022. Five tender offers received.

Tender evaluation is still in progress. Two extra sessions were scheduled to complete the analysis, with the final session due to take place on 11th July. It is anticipated that the contract will be awarded by the end of July. The focus for the project team will then be on implementing the successful solution to commence on 01 December 2022.

Main Issues, Risks & Blockers

Following a short delay in publishing the tender, the date for evaluation of offers was updated to ensure project remains on track.

The evaluation of tender responses will provide clarity around the resource and time implications for solution implementation. This will inform whether a Voluntary Ex Ante Transparency (VEAT) notice will be required to extend the current contract arrangements. This will ensure business continuity resulting in no impact to stakeholders.

Project Name	Project Manager	Project Exec/SRO
Digital Identity Checks	Rhiann Cooke	Darren Rees
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope) Recent Gateway Review? – No		
<u>Objective</u> Due to increase in recruitment activity and new guidance issued by the Home Office, project aim is to implement bi-lingual software that will validate new employees' identity digitally. This will eliminate the need to undertake face-to-face pre-employment checks to enable resource to be re-directed to recovery and added value tasks.		
<u>Progress Update</u> The project team are working closely with the preferred supplier, TrustID, to finalise the processes for the Digital Identity Check System. This has proved to be a complex task due to the different scenarios needing consideration and mapping, to cover all eventualities. The information will inform TrustID implementation plan and confirm the go-live date.		

Discussions with TRAC to include a key question on the job application form to determine the route to be used for the identity check; digital or face-to-face have concluded positively. Tasks and timescales have been integrated into the project plan.

Communication with Healthboards and Trusts regarding the new system began at the start of the project and will be continued in preparation of the go-live date, once determined.

Main Issues, Risks & Blockers

Contract sign-off delayed whilst Supplier is in the process of obtaining Cyber Essentials Plus certification. TrustID reported on 20 May 2022 that they were unable to achieve the original target date of 27 May 2022 due to audit constraints to meet the regulations of Digital Right to Work (RtW) and Disclosure and Barring Service (DBS) schemes. TrustID have provided an updated deadline for completion of Cyber Essentials Plus as 12 August. TrustID are now accredited on the IDVT government framework for providing the digital ID checking service.

TrustID have agreed to start to work on developing a bi-lingual solution, at their risk, pending contract sign-off to ensure the product is delivered by the 01 October 2022.

At this stage, the impact is minimal as work is due to commence on the Welsh translation and it is anticipated that the actual implementation of the software can be undertaken in the available timeframe by 01 October 2022 as per the Home Office requirements.

Additional risk captured relating to the NHS Employers Identify checking standard as they still reference seeing original documents in person. The implementation of the solution provided by TrustID provides satisfactory assurance for the Home Office and DBS agency, which is a higher level of check than the human eye and is a more secure way of receiving documents from individuals. It is hoped that NHS Employers will amend their guidance. The position will be monitored, and actions put in place if needed.

Project Name	Project Manager	Project Exec/SRO
IBML Scanner Implementation	Rhiann Cooke	Ceri Evans
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Green (Overall) Green (Time) Green (Cost) Green (Scope)		
<u>Recent Gateway review?</u> – Non applicable		
<u>Objective</u>		
Installation and upgrade of 3 scanner machines for Primary Care Services located in Mamhilad and Companies House offices.		
<u>Progress Update</u>		
It has been agreed to re-categorise this project from Project Management consultancy to full Project Management support. This is to recognise the additional activities and tasks involved in delivering the project.		
<u>Phase 1:</u>		
Delayed as the need for further testing has been identified as part of the parallel run of the old and new machines. The testing environment needs to be extended to ensure that quality and output is maintained prior to full transition. A revised completion date of 1 st August has been agreed.		

PCS Software Developers successfully designed and implemented a solution negating the need for Atalasoft licence renewal and further costs associated with this.

Phase 2 (Companies House 1):

Delayed by 7 days and will now commence on 02 August 2022 due to current scanning workload and specialist staff annual leave.

Phase 3 (Companies House 2):

It is anticipated that phase 3 will begin 06 September 2022.

Contact has been made with other scanning departments within NHS Wales and 2 of the 3 scanners will now be utilised within Cardiff and Vale UHB and Aneurin Bevan alleviating the anticipated disposal costs. A further communication will be drafted regarding the 3rd scanner to see if this can also be utilised within other areas.

An updated 3-year maintenance contract was agreed by PCS, SMT in May. The project team are currently working through the finance and procurement for:

- ongoing installation costs which were not included within the original tender
- increase in maintenance costs to the amount originally quoted as a consequence of revised contract term and redefined requirement.

Main Issues, Risks & Blockers

It has been established that the old scanners are approximately 60cm smaller than the new machines replacing them. This will affect the current configuration in the scanning room in Companies House, Mamhilad is unaffected as there is sufficient space. To accommodate the new machines, the existing shelving will need to be dismantled and moved within the current space.

A further consideration has been highlighted; there will be a period where the existing live server setup in Companies House will need to run consecutively with the new setup in Pontypool. A solution for this has been identified and the areas of potential risk highlighted.

Discussions are ongoing with product specialists from General Ophthalmic Service and Contracts Management to reconfirm that there are no issues with the transfer over to the new scanner. This has been delayed due to staff sickness and is being addressed with the new completion date for phase 1 highlighted.

NHS WALES SHARED PARTNERSHIP SERVICES COMMITTEE
People and Organisational Development (OD) Report

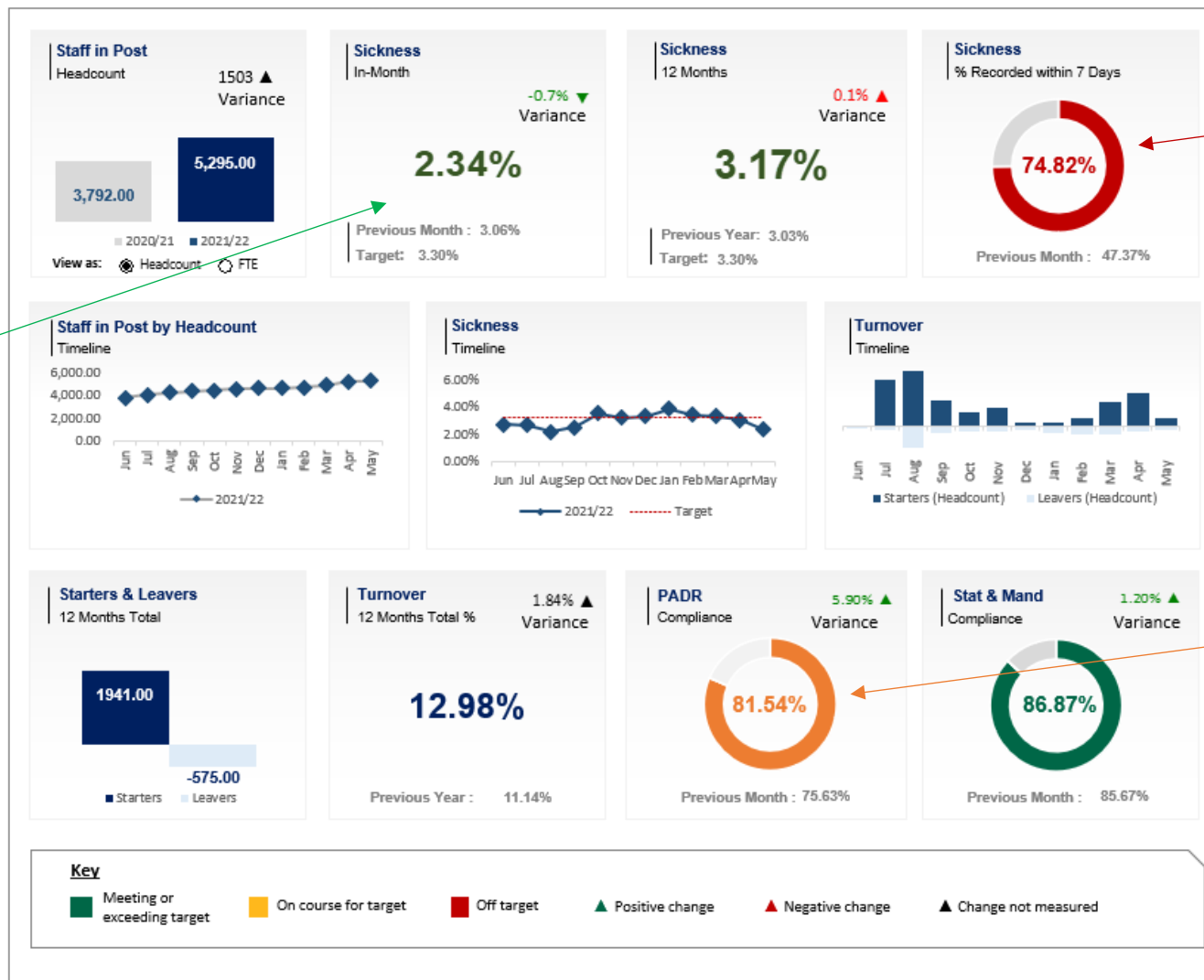
MEETING	Shared Services Partnership Committee (SSPC)
REPORT DATE	June 2022
REPORT AUTHOR	Sarah Evans, Deputy Director of People and OD
RESPONSIBLE DIRECTOR OF SERVICE	Gareth Hardacre, Director of People, OD and Employment Services
TITLE OF REPORT	Report of the Director of People, OD and Employment Services
PURPOSE OF REPORT	
<p>The purpose of this report is to provide SSPC with a comprehensive update of current workforce performance across the organisation through a range of workforce information key performance indicators (KPIs). The report also provides an update on current work programmes being undertaken by the People and OD Function as well as any organisational change activity.</p> <p>Please note, that the report is in a new format and is now split into sections, starting with a workforce summary showing key performance indicators, followed by the initiatives the team are leading/supporting regarding the Employee Value Proposition and lastly the interventions/activities concerning the employee experience. This new format should showcase the moments that matter to NWSSP employee's and encourage open and honest conversations taking place in relation to the strategic objective to have an appropriately skilled, productive, engaged and healthy workforce.</p>	

Full Dashboard

Once opened, please click 'Editing' to open in desktop

Top reasons for absence by FTE days lost:

1. Mental ill health
2. Chest/Respiratory
3. Other known cause not classified elsewhere – work needs to be done here to make sure managers are keeping in contact with their staff and updating ESR accordingly.



Improvement needs to be made on reporting sickness within 7 days as this impacts on the monthly reporting of sickness absence percentages and reasonings

Increase by 5.90% from previous month

Laundry increased to 51.16% following support from People and OD

Overall 11 Divisions are in Green and 2 have work to do. Further detail can be found in the Full Dashboard link above.

EMPLOYEE VALUE PROPOSITION

What we mean by Employee Value Proposition:

“An Employee Value Proposition (EVP) is our core benefits that make up our wider employer brand. It is a promise between us as an employer and a potential applicant; what can NWSSP and our culture offer them, in exchange for their talent, skills, and experience.”

In this section we look at key developments and activities in relation to attraction, resourcing and onboarding, including our internal Bank service.

Bi-lingual Advertisement

As of 1st June, all advertisements are required to be bi-lingual. People and OD are working closely with recruiting managers and the Welsh Language Unit to ensure we adhere to this legal requirement. Internal processes have been amended and are being monitored to ensure there is no unnecessary delay in making vacancies live on TRAC and NHS Jobs3.

Laundry Resourcing

The Apprenticeship programme, which is to be introduced in September 2022 is continuing at pace. Recruitment and Selection Processes are currently being considered and a bi-lingual poster and brochure has been developed for the students to promote the scheme.

Recruitment

We are currently working with Recruitment to look at modernising the application process to a 'Quick Apply' approach using TRAC. Candidates will complete limited sections of applications form, such as personal details, previous employment, right to work and then attach a CV. We will also ask 5 quick questions which will aid with the first sieve/short-listing of the applicants I.e., have you the right to work in the UK? have you a full driver's license? etc. (These will change depending on the role and the essential criteria.) This should help attract external candidates and be in line with our competitors. We are also looking at our company information that we send out/show on the website for candidates, giving it a refresh and an update, including our 'offer/benefits' and details about our organisation, adding value and showcasing our brand.

Reward and Recognition

We are in the process of refreshing the Incremental Credit Process, which will hopefully include an automated process, to onboard new starters more smoothly. The process will be forwarded to SLG for approval, once complete.

Work Placements

Following recent updates to the Work Placement Process, work is commencing to link with all services to understand the work placement opportunities on offer within each service in order to promote these within local communities and via a variety of external communication mechanisms.

EMPLOYEE VALUE PROPOSITION CONTINUED

General Bank – Monthly Use

- 185 staff actively engaged on the bank in May (39 removed from collab bank)
- Total spend of £245,576 (once collab bank spend removed)
- In line with trend for the last 4 months of the financial year when adjusting for year-end specific adjustments in March

Agency Use

- Agency spend for April down to £47,098 (from £69,221 in May)
- 37x staff engaged via Agency in last month

Current Recruitment

- Busiest month of 2022 in terms of EOIs, with 32 requests for bank staff received and placed
- Job fayre/recruitment days attended at Cardiff DWP and Career Wales with 58 staff actively recruited

Agency Spend by Reason and Service		
Service	£	People Engaged
Audit	-12,510	7
Corporate	14,570	2
PS - Local Procurement	1,548	2
PS – Sourcing	244	1
PS - Supply Chain	4,005	1
Laundry	39,240	24
	47,098	37

Resource Bank

Service	£	
Accounts Payable & E-Enablement	10,292.83	4
Audit & Assurance	480.75	1
Collaborative Bank	23,363.93	39
Corporate Services	824.07	9
Employment	37,920.73	34
Health Courier Services	52,285.20	38
Laundry Services	19,825.42	17
Legal & Risk/WRP	20,420.13	22
People & OD	9,062.68	10
Planning, Performance & Informatics	3,886.34	1
Primary Care	4,563.19	5
Procurement	81,348.72	42
TRAMS	1,138.68	1
SMTL Surgical Materials Testing Lab	3,526.98	1
Specialist Estates	0.64	0
Total	268,940.29	224

EMPLOYEE EXPERIENCE

What we mean by Employee Experience:

“Employee Experience is how we provide personalisation to our staff about their experience with us an organisation. Understanding how we can provide staff with an experience that makes them want to keep working for us or to become advocates of us as an organisation when they leave. A truly positive employee experience is one where the employee feels special and appreciated for their individual contribution and talents, not simply a cog in a machine”.

In this section we look at key developments and activities in relation to induction, relationships, recognition, key projects and talent management.

Laundry

If approved at Programme Board on 22nd June, the Programme Business Case (PBC) will start a communication and engagement piece between People and OD, the Programme Director, the Laundry team and with each of the services. A Task and Finish Group will be formed, which will feed into the overall transformation group. A separate business justification case has been developed for the refurbishments at the Greenvale Laundry Site.

Transforming Access to Medicines (TrAMs)

The Organisational Change Consultation Process is well underway for the first stage of the Programme – the TrAMs Senior Leadership Tier. The consultation is due to close on 8th July and we are working closely with the Project Management Office and NHS Wales Workforce Colleagues to ensure all staff are engaged with. More informal engagement sessions are running throughout July and August and NWSSP staff will officially hear key messages about the service and localities on 1st July.

Employment Services (ES) - Workshops

ES are holding workshops with both the immediate Senior Management Team (SMT) (held in June) and wider teams (due in July), looking at the bigger picture and more meaningful data on starters, leavers, PADRs/Compliance and how we could work together to add value to the employee experience and wellbeing. The second workshop with the wider team in July will ask all to carry out SWOT analysis and start thinking of ideas and interventions to make this happen.

Supply Chain, Logistics and Transport Modernisation Programme

A meeting with Deputy Director of Procurement and Health Courier Services took place in June to discuss the progression of the Culture and Engagement Plan for the service. It has been agreed that the focus groups for staff will take place during September, as a significant number of staff are on annual leave during July/August. Leading to September the service will engage with Trade Union colleagues and will issue communication to staff in readiness for focus groups.

Phase 1 of the OCP in Lakeside Stores has been concluded, all staff will move to their new roles/location by the second week of July. Phase 2 has commenced; Regional Supply Chain Manager is currently liaising with Health Boards – communication will be issued in July.

EMPLOYEE EXPERIENCE CONTINUED

National Operating Model (NOM)

The structure for the National Operating Model has been in place within Procurement Services since April 2022, we are working closely with services to tackle any culture issues that might be a result of the change.

Agile - Overseas Working

Work is currently being undertaken in partnership with DHCW and PHW, to prepare a proposal for a Temporary Overseas Working Arrangement. This is intended for short-term overseas working, for staff who might want to extend a holiday with family who reside abroad; while the All-Wales approach is being developed for the long-term arrangements.

Flexible Retirement Options

We are in the process of finalising an updated Retire and Return Process, which will include a refreshed contract, a new Standard Operating Procedure for People and OD and a procedure for employees. This will be submitted to SLG for approval, once complete. This process should provide staff with information on available options and support wider succession planning within Divisions.

Men's Group

A monthly social and support group has been launched which is aimed specifically at men and is being led by NWSSP's male Mental Health First Aiders. This provides a safe and supportive environment for all men, or those who identify as male, to talk about any issues that are affecting their well-being.

Pay Progression Clinics

Pay Progression Clinics are being held for any managers who have staff approaching a pay step from October 2022. All managers will be required to use ESR to action pay increases for staff in pay impacting years from October and so, in addition to scheduled training, the clinics will provide any additional support that managers need to ensure they are confident in this process.

Mental Health First Aid Training Provision

Plans are underway to move Mental Health First Aid Training in-house following the achievement of Mental Health Well-being Advisor, Kerry Flower-Fitzpatrick as an accredited Mental Health First Aid Trainer, Assessor and Internal Verifier. The organisation will train additional staff and apply for centre accreditation with Safecert so that all mental health first aiders can receive their refresher training internally, and new mental health first aiders will receive accredited training in-house. This will ensure that staff are trained in alignment with NWSSP's vision and core values, and the approach will additionally reduce costs overall. In addition, options to support other NHS organisations in developing mental health first aiders are also being considered.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM: 4.6

21 July 2022

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Corporate Risk Update – July 2022

**ARWEINYDD:
LEAD:**

Peter Stephenson
Head of Finance & Business Development

**AWDUR:
AUTHOR:**

Peter Stephenson
Head of Finance & Business Development

**SWYDDOG ADRODD:
REPORTING OFFICER:**

Andy Butler
Director of Finance & Corporate Services

**MANYLION CYSWLLT:
CONTACT DETAILS:**

Andy Butler
Director of Finance & Corporate Services
01443 848552 / Andy.Butler@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

To provide the Partnership Committee with an update on the NHS Wales Shared Services Partnership's (NWSSP) Corporate Risk Register.

Llywodraethu/Governance

**Amcanion:
Objectives:**

Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement

**Tystiolaeth:
Supporting
evidence:**

-

Ymgynghoriad/Consultation:

The Senior Leadership Group (SLG) reviews the Corporate Risk Register on a monthly basis. Individual Directorates hold their own Risk Registers, which are reviewed at local directorate and quarterly review meetings.

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
Argymhelliad/ Recommendation		The Committee is asked to NOTE the report.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact
Cyfreithiol: Legal:	Not applicable
Iechyd Poblogaeth: Population Health:	No impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	This report provides assurance to the Committee that NWSSP has robust risk management processes in place.
Ariannol: Financial:	Not applicable
Risg a Aswiriant: Risk and Assurance:	This report provides assurance to the Committee that NWSSP has robust risk management processes in place.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Standard 1.1 Health Promotion, Protection and Improvement
Gweithlu: Workforce:	No impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open. The information is disclosable under the Freedom of Information Act 2000.

NWSSP CORPORATE RISK REGISTER UPDATE July 2022

1. INTRODUCTION

The Corporate Register is presented at **Appendix 1** for information.

2. RISKS FOR ACTION

The ratings are summarised below in relation to the Risks for Action:

Current Risk Rating	July 2022
Red Risk	1
Amber Risk	9
Yellow Risk	2
Green Risk	0
Total	12

2.1 Red-rated Risks

There remains one red risk relating to the inflationary impact on goods and services, particularly relating to energy. This continues to be mitigated as far as possible through the actions of the Energy Price Risk Management Group.

2.2 New/Deleted Risks

There is one new risk that has been added to the Corporate Risk Register since the last meeting of the Committee. This relates to the reputational risks associated with NWSSP's role in helping to establish the Citizens' Voice Body.

The risks associated with the replacement of the GP Payments system in Primary Care Services, and the upgrade of CLERIC in Health Courier Systems, have both been removed from the Corporate Risk Register as the new systems are working successfully in both cases.

3. RISKS FOR MONITORING

There are eight risks that have reached their target score and which are rated as follows:

Current Risk Rating	July 2022
Red Risk	0
Amber Risk	0

Yellow Risk	2
Green Risk	6
Total	8

4. RECOMMENDATION

The Committee is asked to:


- **NOTE** to the Corporate Risk Register as at July 2022.

Corporate Risk Register

Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
		Likelihood	Impact	Total Score		Likelihood	impact	Total Score				
Risks for Action												
	Escalated Directorate Risk									Risk Lead: Director of Primary Care Services		
A1	Lack of storage space across NWSSP due to increased demands on space linked to COVID and specific requirements for IP5 (added April 2021)	4	4	16	IP5 Board Additional facilities secured at Picketston	2	4	8	PCS reviewing options for medical records storage - additional space is available from Johnseys on Mamhilad site. Business Case prepared and subject to consideration for approval at July SSPC.	Business Case approved at June SLG and to go to July SSPC for approval.	➡	31-Jul-22
	Strategic Objective - Service Development									Risk Lead: Programme Director		
A2	Suppliers, Staff or the general public committing fraud against NWSSP. (added April 2019)	5	3	15	Dedicated NWSSP LCFS Counter Fraud Service Internal Audit WAO PPV National Fraud Initiative Counter Fraud Steering Group Policies & Procedures Fraud Awareness Training Fighting Fraud Strategy & Action Plan	3	3	9	Develop work plan for dedicated LCFS resource (PS 31/07/2022)	C&V have recruited an additional Band 6 LCFS and an 8A. Secondee commenced in post as dedicated LCFS for NWSSP with effect from 6/6/22.	➡	31-Jul-22
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A3	Specific fraud risk relating to amendment of banking details for suppliers due to hacking of supplier e-mail accounts leading to payments being made to fraudsters (added April 2021)	5	3	15	Documented process for bank mandate changes Role of Supplier Maintenance Team Authorisation by Senior Finance Staff Internal Audit Reviews Experian Bank Mandate Checker	2	3	6	Recent spate of attacks (Apr 22) reinforces need to maintain current controls.	Further spate of attempted frauds in April/May 2022 (4) but all stopped by team. This has reinforced the need to maintain and possibly even strengthen existing controls.	➡	30-Sep-22
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A4	Risk of cyber attack exacerbated if NWSSP, or other NHS Wales organisations, run unsupported versions of software. (added Apr 2019)	5	5	25	Cyber Security Action Plan BCP Champions Meeting Information Governance training Mandatory cyber security e-learn Internal Audit review Band 6 IT Security Officer appointed Sept 21 BCP Action Cards (updated March 22) CAF completed and report received from CRU CAF remediation project established with support from PMO. 'Exercise in a box' launch event held with SLG (face to face) on 12 May. Phishing testing has been running since February 2022 alongside proactive communications on cyber awareness.	2	5	10	Initial phase of work to review and update the service catalogue and make assessment of risk on existing systems has commenced (w/c 20th June). IT security team attended BCP meeting on 16 June to explain the process and requirements of All Divisions. Given the heightened level of risk promotion of good practice to staff and phishing testing continues. Progress against the CAF will be reported to SLG on a quarterly basis. CRU is holding a workshop with SIRO and Director of Informatics on 29 June. The need for additional resources discussed at SLG on 26 May but has yet to be agreed.	Team was strengthened in Sept 21 with additional member of staff. Following war in Ukraine staff have been reminded of good housekeeping procedures and guidance reissued. All directorates have completed or updated their action cards relating to the potential loss of IT systems and networks. Focus on this topic at May SLG.	➡	31-Jul-22
	Strategic Objective - Service Development									Risk Lead: Director of Planning, Performance & Informatics		
A5	The failure to engage with appropriate specialists (e.g. H&S/Fire Safety, Information Security/IG) sufficiently early enough when considering major developments may result in actions being taken that do not consider all relevant potential issues.	4	4	16	In-house H&S and Fire Safety Expertise Role of PMO Recent appointment of Programme Director Appointment of IP5 Facilities Manager (Jan 22)	1	4	4	PMO to ensure that Project Officers consult appropriately at outset of project. (IR-ongoing) Consider adequacy of resourcing within H&S. (AB/PS - complete)	All organisations contributing towards a Fire & Evacuation Strategy for IP5. Additional H&S staff member recruited (Jan 22)	➡	31-Jul-22
	Strategic Objective - Service Development									Risk Lead: Director of People and OD		
A6	The introduction of new technology and the promotion of the digitisation agenda may impact NWSSP staff in terms of their current roles and responsibilities. (added January 2022)	3	3	9	Learning and Development Programmes	3	3	9	There is a need to ensure that staff are provided with the learning and development opportunities to equip them with the required skills.		➡	31-Mar-23
	Strategic Objective - Staff									Risk Lead: Director of People and OD		

A7	The demand on services within Employment Services as a result of Health Boards taking on substantial numbers of staff to respond to and recover from the pandemic, is unsustainable, leading to poor levels of performance. (added November 2021)	4	4	16	Established working practices governed by Service Level Agreements and measured by reporting of KPIs on monthly basis.	3	4	12	Additional staff being recruited Use of students from Cardiff University Temporary support from other Directorates Modernisation Programme being implemented Accessing KickStart scheme	Focus on training staff on pinch points rather than whole process Backlog in applications in Student Awards reduced from 1800 to <800. Significant reduction in complaints as at March 2022 Deep Dive Presentation to SSPC March 2022	↓	31-Jul-22
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
A8	Given the level of stock holding there may be items that reach their end of life (expiry date) before being issued for use and need to be written off causing a loss to public funds and possible reputational damage to NWSSP. (added January 2022)	5	5	25	Internal Audit Review of Stores Stock Rotation - based on FIFO Donations to India and Namibia	2	5	10	SMTL working on behalf of DHCS on an Accelerated Aging Programme (SMTL 31/05/22) Produce briefing for Audit Committee (AB complete)	Wales On-Line FOI request robustly responded to on 31/1. SMTL working with DHSC to investigate whether expiry dates can be extended on some PPE equipment Schedules produced and discussed with senior finance officials in WG and Velindre. There is a need to write off significant values of PPE stock	→	31/07/2022
										Risk Lead: Director of Finance & Corporate Services		
A9	The increase in energy prices, exacerbated by the war in Ukraine, is likely to lead to significant price increases across the whole range of goods and services resulting in severe cost pressures for NWSSP and NHS Wales budgets. (added March 2022)	5	5	25	Energy Price Risk Management Group Forward purchase of energy Briefings to Welsh Government	4	5	20	Review of energy costs to March SSPC (AB) Review of general price rises to May SSPC (JI)	Paper on energy costs to March SSPC. Daily monitoring of prices and buying ahead at fixed price where possible.	→	30/09/2022
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A10	The Student Awards software is at end of life and needs replacement without which delays to student bursary payments could be significantly affected. (added May 2022)	5	5	25	Formal project management in place	3	4	12	Complete Outline Business Case Confirm whether selected route is via DHCW development or procurement from a third party supplier. Get funding approvals from Welsh Government.	SAS contract support agreement with Kainos in place to end of March 2023. This option has now been exhausted & further extensions would contravene Procurement OJEU rules & regulations. The OBC is currently being updated & an emergent option of utilising the services of the Centre of Excellence (DHCW) to develop new software for SAS & SSP is being explored & will be concluded at the end of April. The preferred option is to procure new software from the marketplace via Procurement & the deadline to submit the tender to market is 31st May, subject to funding being approved by Welsh Government.	→	31/10/2022
	Strategic Objective - Customers									Risk Lead: Director of People and OD		
A11	There is a reputational risk associated with the establishment of the Citizens' Voice Body if this does not go to plan. (added July 2022)	4	4	16	Experienced Programme Director	3	4	12	Provide options for financial systems (PB) Provide support for governance processes (PS)	Role is to assist WG in deciding options on how CVB will operate. Paul Beckett and Peter Stephenson providing advice.	✱	31/03/2023
	Strategic Objective - Service Development									Risk Lead: Director of Finance & Corporate Services		
A12	The transfer of the laundries to NWSSP expose a number of risks including concerns over health and safety and formality of customer relationships. (added April 2021)	4	4	16	All-Wales Programme Business Case Programme Board Regular updates to SLG and H&S Group on progress with Action Plan Draft SLAs approved by SSPC Appointment of Assistant Director for Laundry Services H&S Audits of Laundry Sites	3	3	9	Arrange internal audit review of Laundry service (AB/PS - complete) Prioritised report to be submitted to SLGs to monitor progress. (on-going)	Transfer has now taken place for all of the 5 laundries, although arrangements are different for Hywel Dda and Cwm Taf. Updates provided to SLG. IA review focused on Swansea Laundry provides reasonable assurance. Choice of new sites in North Wales and Swansea apparently well received.	→	31-Jul-22
	Strategic Objective - Service Development									Risk Lead: Director of Procurement Services		
Risks for Monitoring												
M1	Disruption to services and threats to staff due to unauthorised access to NWSSP sites. (Added May 2018)	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18) Increased Security Patrols at Matrix. CTSA undertake annual reviews of high risk buildings e.g. IP5, Picketston	1	4	4	Review results from security checklists (PS - 31/07/22)	Security Review undertaken and reported to SMT in Dec 2018. No major findings and all agreed actions implemented or superseded.	→	
	Strategic Objective - Staff									Risk Lead; Director Specialist Estates Services/Director of Finance and Corporate Services		
M2	There is an increased fire risk with a consequence for protection of buildings at Alder House, Brecon House and Matrix House due to a lack of compartmentation in the roof space. (added Feb 2020)	2	5	10	Fire Safety Officer Risk Assessment - assessed risk to life as low - Update Paper to Feb, May and November SMTs.	1	5	5	Discrete fire risk assessments to be undertaken for each site at the recommended intervals. Risk to remain on Corporate Risk Register to ensure sufficient monitoring. .	Landlords consider any work on compartmentation to be our responsibility. SES reported to Nov 2020 SLT where it was agreed that the risk to life is very low. Further discrete risk assessments to be undertaken and reported back to Feb 2021 SLT.	→	
	Strategic Objective - Staff									Risk Lead: Director of People and OD		

M3	The total quantum for funding for addressing Covid-19 across Wales remains fluid and uncertain. There is a risk that the organisation's operational cost of addressing the pandemic cannot be contained within available funding resulting in a potential breach of the planned outturn for 2021-22.	3	3	9	Financial modelling and forecasting is co-ordinated on a regular basis; Financial reporting to Welsh Government on local costs incurred as a result of Covid-19 to inform central and local scrutiny, feedback and decision-making; Oversight arrangements in place at SMT level, and through the command structure. Financial Governance Committee considers VFM in all expenditure	1	3	3	Ensure that the costs directly associated with COVID-19 are identified and accurately captured. Provide regular updates to Welsh Government.	WG issued letter on 24/3/21 setting out funding allocations for 2021/22. The sum of £170m is available but this is being distributed only to HBs in the first instance.	➔	
M4	NWSSP are unable to procure sufficient orders of PPE, medical consumables and equipment resulting in clinical staff being able to treat patients safely and effectively.	5	5	25	PPE Winter Plan Finance Governance Committee Streamlined arrangements for Trust Board and WG approvals Increased limits approved for Scheme of Delegation. Regular meetings with UK and Welsh Government. Active involvement in UK Mutual Aid Schemes. Deloitte undertook consultancy work on behalf of WG to assist in this area. Internal Audit Review (Sept 2020)	1	3	3	Audit Wales published their findings on 14 April 2021 and report largely positive but action plan developed to respond to their findings.	The PPE plan has been developed in consultation with key stakeholders. Some pressure from Chief Medical Officers that may lead to Type IIR masks being totally replaced by FFP3 masks. £5m COVID expenditure authorisation limit reinstated.	➔	
M5	By requiring our staff to continue working we expose them to a greater risk of being infected with COVID-19 which may cause them significant health problems.	5	5	25	Vaccination Programme All staff encouraged to work from home where possible. Risk Assessments undertaken for all staff. Social Distancing measures in place in each office. Any staff displaying any symptoms told not to come into office or go home immediately. Testing for front-line staff Weekly Site Leads' meetings to assess position in each office.	1	3	3	Following the updated guidance issued by Welsh Government on 22 Dec additional communications have been issued to all staff. This provide information regarding access to lateral flow tests as well as signposting to the requirements for self-isolation. SLG agreed to reinforce the key message to work from home unless there is a requirement to attend site.	Current measures seem to be effective, but need to be closely monitored in view of Omicron variant. Large numbers of staff are working from home and social distancing measures are in place for those staff who need to continue to come into work. Daily reporting of absences shows that the numbers of staff reporting COVID-19 like symptoms continues to be low, but are increasing.	➔	
M6	NWSSP are unable to continue to provide business-critical services due to having insufficient numbers of staff available and able to undertake the work.	5	5	25	Identification of all business-critical services Redeployment of staff to business-critical services Increased provision of laptops and VPN Roll-out of Office 365 Use of Bomgar service for PCS Daily monitoring and reporting of absence figures. IT Update also given to weekly COVID-19 Planning & Response Group.	1	3	3	Updated BCP document covering response to COVID and possible impact of future waves presented to August SMT, and September SSPC. Throughout Oct and Nov the BCP group has asked Divisions to review and refresh BCP arrangements. Consideration of an oncall rota is something that will be taken forward in the new calendar year. Oncall arrangements in place for HCS and Supply Chain teams essential to the BAU and Vaccine	Contact details on the SLG WhatsApp group have been refreshed and updated. The daily report on staff absence shows that absence rates remain low, but OMICRON may increase rates through community transmission so will be monitored closely. The investment in hardware and software has allowed large numbers of staff to work remotely with minimal problems thus far. There are good rates of uptake for the vaccination programme.	➔	
M7	Staff wellbeing is adversely affected through concerns arising from COVID-19 either directly in terms of their health and that of their families, or financially from loss of income of a family member. This includes the risk of "burn-out" for	5	5	25	Regular communications to all staff Reminders of how to access Employee Assistance schemes Mental Health First Aiders Formal Peer Group with phone surgery times	1	3	3	Implement action plan to respond to findings from staff surveys - monitored and managed through Adapt and Future Change Group.	As previously stated, absence rates are very low. Communications are regularly issued and all Directors and Managers are tasked with regularly checking the health and well-being of their staff.	➔	
M8	GP Trainees, who are employed by NWSSP, are exposed to a level of risk of risk of catching COVID-19 but are outside the direct control and influence of NWSSP.	5	5	25	Risk Assessments by Education Supervisor - leads to decision on what PPE is to be provided. Tripartite Agreement	1	3	3	Confirming vaccination rates with staff individually as Health Board reports to total numbers vaccinated suggest under-reporting.	The tripartite agreement was agreed by the Project Board on 7/9/2020 and sets out the general duties of the host organisation for all trainees employed by NWSSP including the general duty to provide a safe working environment. Vaccination of front-line staff further mitigates this risk.	➔	
											Risk Lead: Director of People and OD	

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: 4.7 21 July 2022
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Declarations of Interest

ARWEINYDD: LEAD:	Andy Butler, Director of Finance & Corporate Services
AWDUR: AUTHOR:	Peter Stephenson, Head of Finance & Business Development
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler, Director of Finance & Corporate Services
MANYLION CYSWLLT: CONTACT DETAILS:	Andy.butler@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

To update the Committee on progress with completion of the Declarations of Interest exercise as at July 2022.

Llywodraethu/Governance

Amcanion: Objectives:	Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement
Tystiolaeth: Supporting evidence:	

Ymgynghoriad/Consultation :

Senior Leadership Group
Audit Committee

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS	✓	NODI/ NOTE	✓
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Argymhelliad/ Recommendation	The Committee is asked to note the attached report.
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Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	The exercise helps to ensure that the Nolan Principles of Public Life are upheld.
Iechyd Poblogaeth: Population Health:	No direct impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact.
Ariannol: Financial:	No direct impact.
Risg a Aswiriant: Risk and Assurance:	The Declarations of Interest exercise helps to manage any risks arising from potential conflicts in undertaking NWSSP activities.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	All of the NWSSP workforce are now required to complete a Declaration of Interest.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

1. BACKGROUND

The [Velindre University NHS Trust Standards of Behaviour Framework](#) outlines arrangements within the organisation to ensure that staff comply with requirements, including recording and declaring potential conflicts of interest. It is important to note that any private interest(s) does not conflict with NHS duties.

The Nolan Principles on Public Life were established in 1994 and have recently been extended to define public office as applying to all those

involved in the delivery of public services. The seven principles are as follows:

1. **Selflessness** - You should take decisions solely in terms of the public interest. You must not act in order to gain financial or other material benefit for family or friends.
2. **Integrity** - You should not place yourself under any financial or other obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties
3. **Objectivity** - You must make decisions solely on merit when carrying out public business (including the awarding of contracts)
4. **Accountability** - You are accountable for your decisions and actions to the public. Consider issues on their merits, taking account of the views of others and ensure the organisation uses resources prudently and in accordance with the law.
5. **Openness** - You should be as open as possible about all decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest demands.
6. **Honesty** - You have a duty to act honestly. Declare private interests relating to public duties and take steps to resolve any conflicts arising in a way that protects the public interest.
7. **Leadership** - Holders of public office should promote and support the foregoing principles by leadership and example.

It is the responsibility of all individuals to ensure that they are familiar with the requirements of Nolan Principles and every public body should develop Codes of Conduct for staff and Independent Members, which reflect these Nolan Principles and its shared values. The guidance in terms of disclosing potential conflicts of interest is to err on the side of caution and disclose more rather than less. What is important is whether a relationship could be perceived as a conflict of interest, whether or not it actually is. Guidance had been revised to require staff to highlight any family relationships in their declarations made, in accordance with our [Managing Personal Relationships at Work Protocol](#).

At April's Senior Leadership Group meeting, it was formally agreed that NWSSP would proceed to implement a lifetime declaration approach. All employees regardless of their banding will be required to complete the exercise, in line with best practice and to improve compliance rates. Members of Senior Leadership Group will still be required to complete an annual declaration and the details of which will be made publicly available on our website. Once a declaration has been submitted, staff will only need to revisit their declaration if their circumstances change. Staff are asked to complete the exercise via ESR, however for those who don't have access to the system, they are able to complete a hard copy form, which must be subsequently authorised by their Director of Service prior to being submitted

to Corporate Services for recording. Guidance on how to complete a declaration via ESR is available and should managers require this, they can contact Corporate Services for assistance.

At the current time, there is still a significant number of staff who have yet to complete the declaration. This is particularly the case in areas such as Health Courier Services and Laundry where a number of staff have limited access to ESR. We will bring the compliance position for all staff to the October Committee but for now the table below records the current position with regards to completion across the organisation, as at 07 July 2022, based on prior year requirements as follows:

- Audit & Assurance Services – **Band 7 & above**
- Finance & Corporate Services – **All**
 - *Accounts Payable division agreed **Band 6 & above***
- Employment Services – **Band 7 & above**
- Legal & Risk Services – **Band 7 & above**
- People & Organisational Development – **Band 7 & above**
- Primary Care Services – **Band 7 & above**
- Procurement Services – **Band 6 & above**
- Specialist Estates Services – **Band 7 & above**

Directorate	Headcount	Percentage Completion	Outstanding Declarations
Audit & Assurance Services	54	96%	2
Accounts Payable	5	100%	0
Employment Services	23	87%	3
Finance & Corporate Services	73	86%	10
Laundry Services	7	43%	4
Legal & Risk Services	109	90%	11
Medical Examiners	35	14%	30
People and OD	10	80%	2
Planning, Performance Informatics	19	89%	2
Primary Care Services	28	86%	4
Procurement Services	159	89%	18
Specialist Estates Services	32	100%	0
SMTL	9	100%	0
TMU	3	0%	2
Total	566	76%	88

A summary of the declarations received for each directorate will be emailed through to the Director, to develop a local Action Plan for the Management of Potential Conflicts.


2. RECOMMENDATION

The Committee is asked to **NOTE** the report.

Appendix A – List of Declarations for SLG Members and Independent Members

No.	Name	Job Title	Disclosure
1.	Neil Frow	Managing Director of NWSSP	Observer Life Science Hub Board - Attend Board Meetings Non-Paid.
			Spouse is employed by Cwm Taf Morgannwg University Local Health Board.
2.	Andy Butler	Director of Finance and Corporate Services	Spouse is an Audit Manager in Audit Wales.
			Independent member of the Arts Council for Wales Audit & Risk Committee.
			Son – is a Graduate Trainee in Swansea Bay University Health Board
			Nephew - Bursary Assessor – Student Awards Service
3.	Ruth Alcolado	Medical Director	No interests to declare.
4.	Simon Cookson	Director of Audit & Assurance Services	Independent Member of the Audit Committee at Bristol City Council.
5.	Neil Davies	Director of SES	Son who is a professional sportsman. I am a shareholder in his image rights company.
			One of my sons works for NWSSP - Procurement Services as a Category Manager.
6.	Andrew Evans	Director of PCS	No interests to declare.
7.	Gareth Hardacre	Director of People & OD	Wife is Director of Midwifery at Cwm Taf UHB.
			Son is an Admin Employee in C&V UHB
			Chair of HPMA Cymru - and National Committee Member of HPMA (a Charity for NHS HR Professionals).
8.	Mark Harris	Director of Legal & Risk Services	Wife is a GP partner in a medical centre in the Aneurin Bevan area.
9.	Jonathan Irvine	Director of Procurement Services	No interests to declare.
10.	Colin Powell	Director of Pharmacy Technical Services	No interests to declare.
11.	Alison Ramsey	Director of Planning, Performance, and Informatics	Governor on the University of South Wales Board and Chair of the Audit Committee of the University of South Wales.
12.	Gareth Jones	Independent Member	Senior Counsel (Previously Partner) - Womble Bond Dickinson UK LLP. My firm and I personally advise the Department of Health and Social Care on various arrangements relating to COVID response. My firm has acted for John Sisk & Son Limited which is named in one of the Consortia – PQQ for the nVCC. I do not have any dealings with that client. In addition, we work regularly with other consultants, such as Ove Arup, on behalf of other clients
			- 13 Years - Salary and Profit Share
			Director - Dentrain Limited - 19 Years - Dormant Company.
			Spouse/Partner is a Director at Gill Jones Consulting Limited - 2 Years - Trading Company
			Interest in Dentrain Limited - 19 years as a 50% shareholder.
			Spouse/Partner has an interest in Gill Jones Consulting Limited - 2 years - 100% Shareholder
13.	Vicky Morris	Independent Member	Spouse Partner is a Trustee of National Examining Board for Dental Nurses - 2 years - honorary Trustee
			Local Authority School Governor- St Mary's RC Primary School, Newtown, Powys - February 2022 to date.

14.	Tracy Myhill	NWSSP Chair	Senior Independent Panel Member for Public Appointments in Wales – WG Public appointment.
			Non-Executive Director - Ministry of Defence People Committee Associate Harvey Nash - now Alumi Global - executive recruitment NHS.
			Director and owner of Tracy Myhill Associates Ltd; Management Consultancy providing Organisational Development Support and Mentoring to public, private and third sector including the NHS.
			Wife Denise Campbell is Director in Tracy Myhill Associates Ltd. Management Consultancy providing Organisational Development Support and Mentoring to public, private and third sector including the NHS.
15.	Martin Veale	NWSSP Audit Committee Chair	Sport Wales - Board Member and Chair of Audit and Risk Committee 2018 – Remunerated
			Hafod (Housing Association & Care Homes) - Member of Audit and Risk Committee 2020 – Remunerated
			Pen y Cymoedd Windfarm Community Fund (charity) - Director 2019– Daily Rate
			Welsh Government Member of Audit and Risk Assurance Committee, Health and Social Services Directorate 2019– Daily Rate
			Merthyr Tydfil County Borough Council - Lay Member of Standards Committee 2019– Daily Rate
			Pembrokeshire County Council - Lay Member of Audit Committee 2017– Daily Rate
			Blaenau Gwent County Borough Council - Lay Member of Audit Committee 2020– Daily Rate
			HM Court and Tribunal Service Justice of the Peace, Mid Wales Bench 2016– Voluntary
			Coleg Gwent - Governor and Chair of Audit Committee 2015–Voluntary
			Hawthorn High School, Pontypridd - Governor 2019– Voluntary
			South Wales Police – Member of Joint Audit Committee (joint committee reporting to Chief Constable and Police & Crime Commissioner) – 2021– Daily Rate
			Mid and West Wales Fire Authority – Chair of Standards Committee – 2021– Daily Rate
			Merthyr Tydfil County Borough Council Lay Member of Governance and Audit Committee – 2022– Daily rate
			Brecon Beacons National Park Authority – Lay member of Standards Committee – 2021- Daily rate
			Rhondda Cynon Taf CBC – Governor member of Children & Young People Committee – 2022- Daily rate
			Monmouthshire County Council – Lay member of Governance and Audit Committee – 2022- Daily rate
			New 3-16 school at Hawthorn, Pontypridd – Governor of temporary governing body – 2021- Voluntary

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:5.1 21 July 2022
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

**NWSSP Decarbonisation Action Plan:
Progress Report**

ARWEINYDD: LEAD:	Neil Davies, Director, Specialist Estates Service
AWDUR: AUTHOR:	Chris Lewis, Environmental Management Advisor
SWYDDOG ADRODD: REPORTING OFFICER:	Neil Davies, Director, Specialist Estates Service
MANYLION CYSWLLT: CONTACT DETAILS:	Neil.davies4@wales.nhs.uk

**Pwrpas yr Adroddiad:
Purpose of the Report:**

Quarterly Progress Report on the NWSSP Decarbonisation Action Plan

Llywodraethu/Governance

Amcanion: Objectives:	Reduction in Carbon Dioxide emissions
Tystiolaeth: Supporting evidence:	See Report and Appendices

Ymgynghoriad/Consultation :

N/A

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
Argymhelliad/ Recommendation	The Shared Service Partnership Committee is to Note the Progress Report						

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	N/A
Cyfreithiol: Legal:	N/A
Iechyd Poblogaeth: Population Health:	N/A
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	N/A
Ariannol: Financial:	N/A
Risg a Aswiriant: Risk and Assurance:	See report
Safonau Iechyd a Gofal: Health & Care Standards:	N/A
Gweithlu: Workforce:	See report
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

1. INTRODUCTION

NWSSP developed its Decarbonisation Action Plan (DAP) in early 2022 and submitted it to the Welsh Government on 31st March 2022. The DAP sets out the measures being targeted in NWSSP to contribute to delivering against the NHS Wales Decarbonisation Strategic Delivery Plan and the Welsh Government ambition for a net zero public sector by 2030.

The DAP is focussed on the “inward” facing decarbonisation activities of NWSSP and contains over 40 actions across 9 themes.

It is a requirement of the NWSSP DAP to provide quarterly progress reports to the Shared Service Partnership Committee (SSPC).

The DAP does not cover the “outward” facing roles of NWSSP where the organisation has responsibility for leading many aspects of the Strategic Delivery Plan for NHS

Wales. These activities are reported through the Welsh Government's National Climate Change and Decarbonisation programme reporting arrangements. See Appendix 1.

2. PROGRESS

Governance Arrangements

Internal governance arrangements have been established around a Decarbonisation Steering Board chaired by Neil Davies, Senior Responsible Owner.

In addition, the DAP programme team includes Chris Lewis DAP Programme Lead and Bethan Clift, DAP Project Manager.

Activities

Work has commenced on the DAP and progress has made across a number of activities.

Specific details are included in Appendix 2.

Welsh Government Feedback

The Welsh Government are reviewing all local DAPs across Wales. The following specific feedback was received on 1st July 2022 in respect of NWSSP's DAP:

The plan is very closely linked to the NHS Wales Decarbonisation Strategic Delivery Plan, feels achievable and includes positive messaging on the leadership that is needed to drive cultural change across the organisation supported by internal leadership actions. The plan includes success measures and metrics and this good practice could be expanded across the full plan to help tracking and reporting on progress. We felt there was scope for the plan to include more on how NWSSP's leadership and cultural change will help across the NHS for example through the services delivered and also using embedded staff to help drive the right actions and behaviours.

Key questions you may want to consider as you evolve your plan include:

- It was unclear whether the plan is aiming to deliver 100% REGO energy or 100% where possible – is this something that needs clarifying in National plans?*
- The laundry services section doesn't mention reducing water consumption or use of harmful detergents – is there scope for useful actions in this area?*
- The waste management actions do not seem as ambitious as some the Health Boards are committing to where we have examples of them aiming for zero waste to landfill – is there scope for more stretch here?*
- There are a couple of initiatives focused on single-use water bottles - what is the scale of this activity and how much will it contribute to engagement and targets?*

These issues will be considered by the Decarbonisation Steering Board.

3. CHALLENGES AND RISKS

NWSSP has a central role in the delivery of a number of the initiatives within the NHS Wales Decarbonisation Strategic Delivery Plan as well as responsibility to deliver its local DAP.

This requires robust programme management to ensure the overall programme is achieved with risks reviewed and managed and, in addition, the specialist knowledge to delivery key actions is embedded in the organisation.

Both requirements require resources and NWSSP was successful with a funding bid to Welsh Government to strengthen the specialist expertise in Specialist Estates Services and Procurement Services, and to provide programme management capacity in NWSSP's Project Management Unit.

Recruitment to these positions has, however, been challenging, compounded by the recent resignation of Chris Lewis, NWSSP-Specialist Estates Services subject matter expert and DAP Programme Lead.

Building the capacity to deliver the full range of decarbonisation activity across NWSSP will be a significant challenge and a major risk to the programme.

Contingency plans to address this resource issue are being actively discussed.

Some of the activities also require additional funding and NWSSP will seek every opportunity to bid from the various Welsh Government funds established, for example, the NHS Climate Emergency Funding Programme.

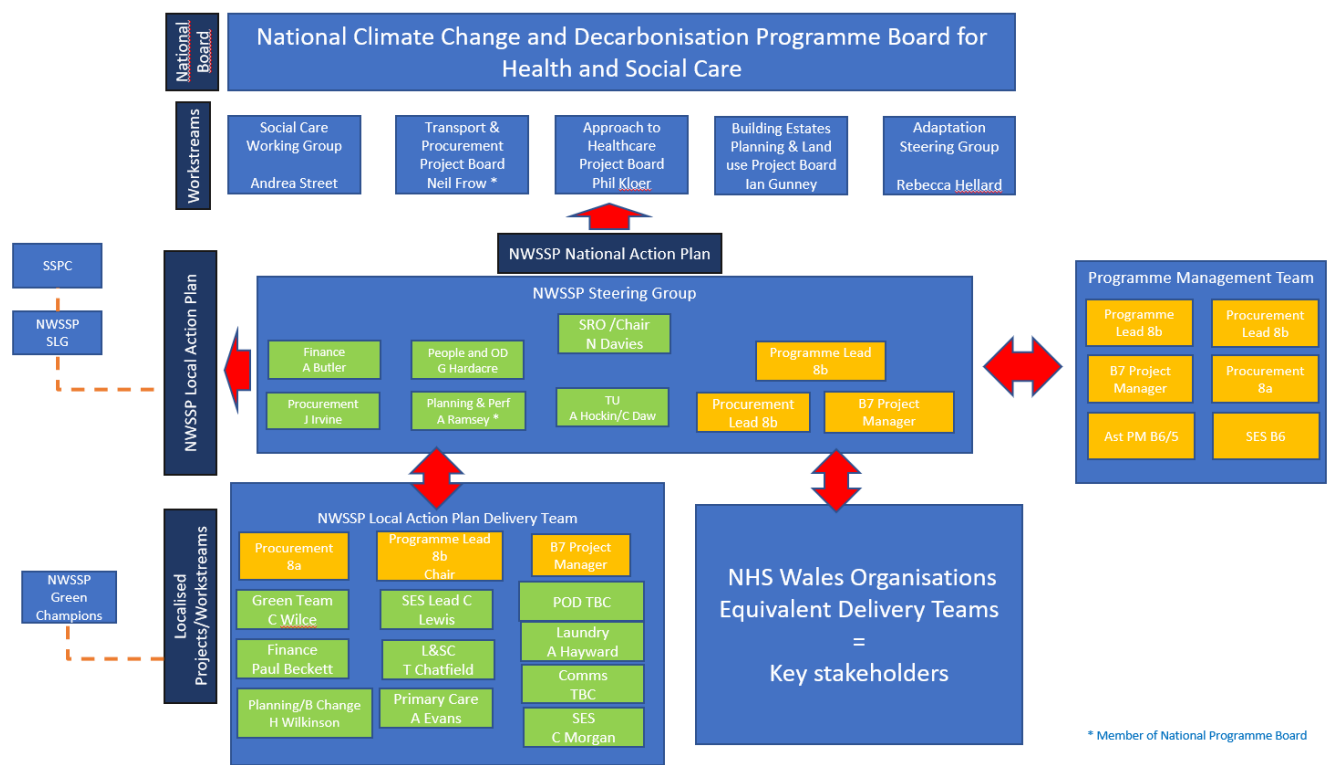
Funding is likely to be an ongoing risk to certain elements of the DAP.

4. RECOMMENDATION

The Committee is asked to note the NWSSP Decarbonisation Action Plan Progress Report.

Appendix 1

Decarbonisation Organisational Structure



Appendix 2

NWSSP’s Decarbonisation Action Plan

THEME	OBJECTIVE	ACTIONS	SUCCESS MEASURES	POSITION AT 08/07 (completed items in bold)		
LEADERSHIP / MANAGEMENT	To embed decarbonisation in the NWSSP way of working and for NWSSP to be an exemplar organisation (practice what we preach)	Establish NWSSP carbon footprint (baseline for 2020/21). Required for both external reporting and internal progress monitoring. Identify a Director lead for NWSSP Embed principles of decarbonisation across directorates Maintain ISO 14001 certification & embed decarbonisation SDP within it Link in to and embed with Green Team (ISO 14001) and the network of champions Encourage staff engagement and awareness through communications and	NWSSP to report annually to WG public sector carbon reporting Director appointed (NHD - SES) Decarb to become embedded within the SLT agenda and way of working Continued ISO 14001 certification (renewal audit) Continued ISO 14001 certification (renewal audit) To continue the NWSSP awards and the inclusion of environmental categories. Regular comms to all staff relating to decarb and environment	Report to be compiled during summer ahead of next WG report in September Complete. Closed Complete. Closed On track - next external audit due in Aug 22 Embedded in Green Team (ISO 14001) agenda and actions. Monitor in external audit etc. No update		
ENERGY / BUILDINGS	To reduce energy usage and CO2 emissions in NWSSP owned buildings and leased space	Digital strategy - NWSSP is moving away from on site servers to cloud based systems which will reduce the need for energy intensive server facilities at NWSSP sites Provision and use of EV Chargers at NWSSP sites (25 currently installed). 6x double chargers to be added in 2022 Use of roof space for solar PV (Picketston and IPS). First stage to complete feasibility assessments Where possible NWSSP sites to utilise NHS Wales REGO electricity purchase arrangement Upgrade of lighting to LED across estate is ongoing. HQ, IPS, Matrix, Denbigh in first wave	Implementation of the new systems, lead to a reduction in electricity consumption at affected sites Increasing uptake (both kWh consumed and number of users). Completion of feasibility studies. Successful installation and demonstrable savings / generation Uptake of contract at NWSSP sites. Delivery of programmes and demonstrable savings	No update Completion of remaining chargers expected mid May 22 Feasibility studies complete and received by NWSSP No update First round (EFAB funded) complete		
LAUNDRY SERVICES	To reduce the energy consumption in the NWSSP Laundry Services portfolio	Expand the scope of NWSSP ISO certification to incorporate Laundry Services Initiatives programme for energy efficiency at existing laundry estate to include: LED lighting, pipework insulation upgrades, upgrading pumps and motors to VSD, increased use of data loggers and monitoring Greenvale Laundry installing solar PV array which will generate zero carbon electricity New laundry facilities will be designed and built to BREEAM Excellent Standard and adhering to the NHS Wales Decarb SDP Laundry Services to participate in Electric HGV pilot scheme (link to Supply Chain & Logistics below)	Achieve successful ISO 14001 certification Reduction in energy consumption. Set against energy / carbon baseline report Feb 2020 Reduction in electricity consumption Achievement of BREEAM Excellent (Below)	Likely to progress with establishment of new facilities. Not in 22-23. Ongoing programme of work underway. Rollout continues. Installation complete and now operational. Business Case in development. This is a key element confirmed within it. Not in 22-23 (See below)		
WASTE MANAGEMENT	To reduce waste disposed of in NWSSP buildings and increase recycling	Moving towards paperless office principles Investigate / select a project to target single use plastics Purchase sustainably sourced materials where practicable (office supplies especially) Introduce food waste recycling at all facilities. Working with other orgs to provide services	Reduced paper purchased Scheme roll out Continue policy as per ISO14001 Introduction of food waste recycling services	No progress No progress Ongoing as per ISO 14001 objectives & targets No progress		
WATER	Reduce water use and promote health benefits of better hydration for staff	Provide drinkable water on each site to discourage the purchase of bottled water - source and issue NWSSP refillable bottles as an Continue programme of maintenance and fixes for water facilities (taps, WCs etc.)	NWSSP Water bottle scheme Continued ISO 14001 certification	No progress. Bid for WG funding support was unsuccessful Ongoing as per annual ISO 14001 objectives & targets programme		
PROCUREMENT SUPPLY CHAIN AND LOGISTICS	Integrate sustainable procurement practices in-house and improve our data availability to assist in measuring	Improve data reporting to enable NWSSP and other HBs to better report footprint. Provide procurement data in a format meeting the WG Public Sector Reporting Guide Continued replacement programme of diesel engined vehicles with low emission / battery electric vehicles. 22 new Electric Vehicles from April 2022 NWSSP to participate in a UK programme to trial battery electric HGVs. 20 months duration, 10x vehicles for 2 month duration proposed from 4 locations Introducing systems to improve the efficiency of fleet through tracking technology, scheduling software and driver training (EVs) Trial application of solar PV panels to vehicle roofs to provide auxiliary back up power and reducing engine idling. Strengthen formal link to the Procurement Services SD Group as a means for sharing good practice and encouraging innovation Investigate / select a project to target single use plastics (water bottles)	NWSSP to report annually to WG public sector carbon reporting Achieving a % of fleet on Battery Electric / Hybrid. Ambitions for 275% increase in EV miles in 2022. Projected 68,000kg CO2 saving Successful participation in trial Systems introduced and how to quantify results Successful introduction of schemes. 1 vehicle currently, second vehicle planned in 2022/23 Group meetings and projects arising from that group Successful scheme roll out	Progress has stalled as re-organisation and staff turnover impacts Vehicle conversions complete. Operational rollout during May 22 Trial vehicles expected end of June. Locations agreed. All aspects underway. Scheduling software operational May 22. Driving training commenced. Tracking software, tender issued May 22. Conversion of first trial vehicle complete. Now entering service. Staff turnover means group is currently on hold No progress		
PEOPLE & WORKFORCE	Staff to be more aware of decarbonisation aims and to become more "carbon aware"	Develop a blended approach to training and awareness raising for staff. NWSSP to target Carbon Literacy initiative. Work with Health Boards and Cynnal Cymru to develop Roll out of Carbon Literacy training by identifying and upskilling "Trainers" Make Carbon Literacy training available to staff (through online & "real time delivery" options) NWSSP is developing an Agile Working strategy which will consider the NWSSP estate and measures to support staff to work in an agile fashion. Communications - provide staff with links to tools for calculating own impacts and footprints	Refresh existing Environmental Waste & Energy e-learning package and scope out "real time delivery" model Identify and train "Trainers" Number or % of NWSSP staff completing the appropriate levels of training as relevant to role Successful delivery of the Agile Strategy will have consequential CO2 impacts (overall positive) Publicised to staff	e-learning package currently being assessed to understand the requirements for change Conversations ongoing to identify trainers from group of environmental champions Training has not yet taken place. This is dependent upon the above actions. Ongoing. Agile strategy to be delivered in July 22 Awaiting update		
TRANSPORT AND TRAVEL	To provide opportunities for staff to reduce their transport footprint and to reduce the carbon footprint of our fleet vehicles	Salary sacrifice car scheme now has 2000 across Wales - continue to promote and offer to NWSSP staff Manage and increase the provision of electric car chargers to staff and fleet Continue to operate and promote Bike to work salary sacrifice scheme Continue to roll out the provision of facilities to encourage cycling to work for staff E-Expenses provision of accurate and robust data on fleet and business travel to enable NWSSP and other organisations to accurately calculate Reduction in business miles travelled through application of agile working (IT systems, home working etc)	Scheme now has over 2000 across NHS Wales. Continue this growth. Increasing uptake (both kWh consumed and number of users) increasing uptake (number of users) Progress through Green Team /ISO 14001 objectives Timely delivery of reliable data Reduction in business miles vs a pre-covid baseline	No progress / update available No progress / update available No progress / update available No progress / update available No progress / update available No progress / update available		
CLINICAL PROCESSES	Reducing the carbon impacts of certain healthcare processes and medicines	Monitor the potential positive impact of TRAMS. Ambition for in-house modern service will be better and more efficient than the current arrangement...	To be monitored for future developments in business plan and possible inclusion	Long term programme		
GREEN INFRASTRUCTURE / BIODIVERSITY	Making the most of any green spaces to encourage nature and biodiversity	NWSSP needs to assess what green spaces and opportunities we have. Link to below action: Provide outdoor facilities to enable staff to interact with green spaces (eg benches etc)	Link to ISO 14001 Link to ISO 14001. Continued provision of facilities.	Linking to ISO 14001, not addressed in current objectives and targets Linking to ISO 14001, not addressed in current objectives and targets		
				Bold text denotes complete		
				Green text denotes on or ahead of schedule		
				Amber text denotes at risk		

Annual Governance Statement 2021/2022

NHS Wales Shared Services Partnership

Version	Approved
1	Velindre Integrated Governance Group April 2022
2	SLG 28 April 2022 draft for endorsement
3	SSPC 19 May 2022 final for endorsement
4	SLG 26 May 2022 final for endorsement
5	Audit Committee 13 July 2022 for final approval

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ANNUAL GOVERNANCE STATEMENT 2021/2022

1. SCOPE OF RESPONSIBILITY

As Accounting Officer, the Managing Director has responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and the organisation's assets for which he is personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. Effective governance is paramount to the successful and safe operation of NHS Wales Shared Services Partnership's (NWSSP) services. This is achieved through a combination of "hard" systems and processes including standing orders, policies, protocols, and processes; and "soft" characteristics of effective leadership and high standards of behaviour (Nolan principles).

The NWSSP Managing Director is accountable to the Shared Services Partnership Committee (SSPC) in relation to those functions delegated to it. The Managing Director is also accountable to the Chief Executive of Velindre University NHS Trust (the Trust) in respect of the hosting arrangements supporting the operation of NWSSP.

The Chief Executive of the Trust is responsible for the overall performance of the executive functions of the Trust and is the designated Accountable Officer for the Trust. As the host organisation, the Chief Executive (and the Trust Board) has a legitimate interest in the activities of NWSSP and has certain statutory responsibilities as the legal entity hosting NWSSP.

The Managing Director (as the Accountable Officer for NWSSP) and the Chief Executive of the Trust (as the Accountable Officer for the Trust) shall be responsible for meeting all the responsibilities of their roles, as set out in their respective Accountable Officer Memoranda. Both Accountable Officers co-operate with each other to ensure that full accountability for the activities of NWSSP and the Trust is afforded to the Welsh Government Ministers/Cabinet Secretary whilst minimising duplication.

The Governance Structure for NWSSP is presented in Figure 1 below:

Figure 1 –NWSSP's Governance Structure

Organisation map



Underpinned through the overarching Velindre University NHS Trust legal and assurance framework

2. GOVERNANCE FRAMEWORK

NWSSP currently has two main Committees that have key roles in relation to the Governance and Assurance Framework. Both Committees undertake scrutiny, development discussions, and assess current risks and monitor performance in relation to the diverse number of services provided by NWSSP to NHS Wales.

2.1 Shared Services Partnership Committee (SSPC)

The SSPC was established in accordance with the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 and the functions of managing and providing shared services (professional, technical, and administrative services) to the NHS in Wales is included within the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012.

The composition of the SSPC includes an Independent Chair, the Managing Director of Shared Services, and either the Chief Executive of each partner organisation in NHS Wales or a nominated executive representative who acts on behalf of the respective Health Body.

At a local level, NHS Wales organisations must agree Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out within the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009, into day-to-day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of NWSSP and define its way of working. These documents, accompanied by relevant Trust policies and NWSSP's corporate protocols, approved by the SLG, provide NWSSP's Governance Framework.

Health Boards, NHS Trusts and the two Special Health Authorities (Health Education and Improvement Wales (HEIW) and Digital Health & Care Wales (DHCW)) have collaborated over the operational arrangements for the provision of shared services and have an agreed Memorandum of Co-

operation to ensure that the arrangements operate effectively through collective decision making in accordance with the policy and strategy set out above, determined by the SSPC.

Whilst the SSPC acts on behalf of all NHS organisations in undertaking its functions, the responsibility for the exercise of NWSSP functions is a shared responsibility of all NHS bodies in Wales.

NWSSP's governance arrangements are summarised below.

Figure 2: Summary of Governance Arrangements



The SSPC has in place a robust Governance and Accountability Framework for NWSSP including:

- Standing Orders;
- Hosting Agreement;
- Interface Agreement between the Chief Executive Velindre University NHS Trust and Managing Director of NWSSP; and
- Accountability Agreement between the SSPC Chair and the Managing Director of NWSSP.

These documents, together with the Memorandum of Co-operation form the basis upon which the SSPC's Governance and Accountability Framework is developed. Together with the Trust's 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.

The Membership of the SSPC during the year ended 31 March 2022 is outlined in Figure 3 below. Membership was originally designed to be the Chief Executives of each Health Board and Trust but nominated deputies are allowed to attend and vote, provided they are an Executive Director of their own organisation.

Figure 3: Table of Members of the NHS Wales Shared Services Partnership Committee during 2021/2022

Name	Position	Organisation	Full/Part Year
Margaret Foster* (Chair)	<i>Independent Member</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Part Year</i>
Tracy Myhill ** (Chair)	<i>Independent Member</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Part Year</i>
Huw Thomas (Vice Chair)	<i>Director of Finance</i>	<i>Hywel Dda UHB</i>	<i>Full Year</i>
Neil Frow	<i>Managing Director of NWSSP</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Geraint Evans	<i>Director of Workforce and OD</i>	<i>Aneurin Bevan UHB</i>	<i>Part Year</i>
Sarah Simmonds***	<i>Director of Workforce and OD</i>	<i>Aneurin Bevan UHB</i>	<i>Part Year</i>
Jo Whitehead	<i>Chief Executive</i>	<i>Betsi Cadwaladr UHB</i>	<i>Full Year</i>
Catherine Phillips	<i>Director of Finance</i>	<i>Cardiff and Vale UHB</i>	<i>Full Year</i>
Hywel Daniel	<i>Director of Workforce & OD</i>	<i>Cwm Taf Morgannwg UHB</i>	<i>Full Year</i>
Claire Osmundsen-Little	<i>Director of Finance</i>	<i>Digital Health and Care Wales</i>	<i>Full Year</i>
Eifion Williams	<i>Director of Finance</i>	<i>HEIW</i>	<i>Part Year</i>
Rhiannon Beckett ****	<i>Interim Director of Finance</i>	<i>HEIW</i>	<i>Part Year</i>
Pete Hopgood	<i>Director of Finance</i>	<i>Powys THB</i>	<i>Full Year</i>
Helen Bushell	<i>Board Secretary</i>	<i>Public Health Wales NHS Trust</i>	<i>Full Year</i>
Debbie Eyitayo	<i>Director of Workforce and OD</i>	<i>Swansea Bay UHB</i>	<i>Full Year</i>
Steve Ham	<i>Chief Executive</i>	<i>Velindre University NHS Trust</i>	<i>Full Year</i>
Chris Turley	<i>Director of Finance</i>	<i>Welsh Ambulance Services NHS Trust</i>	<i>Full Year</i>

*Until 30 November 2021

**With effect from 1 December 2021

*** Replaced Geraint Evans with effect from 23 September 2021

**** Replaced Eifion Williams with effect from 20 January 2022

The composition of the Committee also requires the attendance of the following: Deputy Director of Finance, Welsh Government, Director of Finance & Corporate Services, NWSSP, Director of People & Organisational Development, NWSSP, Medical Director, NWSSP, Director of Planning, Performance, and Informatics, NWSSP and Head of Finance & Business Development, NWSSP as governance support. Trade Unions are also invited to the meetings.

Figure 4 – Attendance at the Meetings of the NHS Wales Shared Services Partnership Committee during 2021/2022

Organisation	20/05/ 2021	22/07/ 2021	23/09/ 2021	18/11/ 2021	20/01/ 2022	24/03/ 2022
Aneurin Bevan UHB	✓	✓	✓	✓	✓	X
Betsi Cadwaladr UHB	✓**	✓*	✓**	✓**	✓**	✓**
Cardiff and Vale UHB	✓	✓	✓**	✓**	X	✓**
Cwm Taf UHB	✓	✓	✓	✓	✓	✓
DHCW	✓	✓	✓	✓	✓*	✓
HEIW	X	✓	✓	✓**	✓	✓
Hywel Dda UHB	✓	✓	✓**	✓	✓	✓
Powys Teaching Health Board	✓	✓	X	✓	X	✓
Public Health Wales Trust	X	X	✓**	✓**	✓**	✓**
Swansea Bay UHB	✓**	✓**	✓**	✓**	✓**	✓
Velindre University NHS Trust	✓*	X	✓	X	X	X
Welsh Ambulance Service Trust	✓	X	X	✓	X	✓**
Welsh Government	✓	✓	✓	✓	✓	✓
Trade Union	X	✓	✓	X	X	X
Chair	✓	✓	✓	✓	✓	✓
Accountable Officer	✓	✓	✓	✓	✓	✓

✓ Denotes the nominated member was present

✓*Denotes the nominated member was not present and that an alternative Executive Director attended on their behalf

✓** Denotes that the nominated member was not present and that while a deputy did attend, they were not an Executive Member of their Board.

X Denotes Health Body not represented

No meetings of the SSPC were cancelled during 2021/22 due to the pandemic but all meetings were held virtually. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and has not therefore been possible to allow the public to attend meetings of our board and committees during the year. We did not receive any requests from the public to attend the SSPC but to ensure business was conducted in as open and transparent manner as possible during this time the following actions were taken:

- The dates of all meetings are published on the NWSSP website prior to the start of the financial year;
- The agenda is published in English and Welsh at least seven days prior to the meeting;
- All papers are published in English on the website, and minutes are also provided in Welsh, shortly after the meeting has taken place.

The purpose of the SSPC is set out below:

- To set the policy and strategy for NWSSP;
- To monitor the delivery of shared services through the Managing Director of NWSSP;
- To seek to improve the approach to delivering shared services which are effective, efficient and provide value for money for NHS Wales and Welsh Government;
- To ensure the efficient and effective leadership, direction, and control of NWSSP; and
- To ensure a strong focus on delivering savings that can be re-invested in direct patient care.

The SSPC monitors performance monthly against key performance indicators. For any indicators assessed as being below target, reasons for current performance are identified and included in the report along with any remedial actions to improve performance. These are presented to the SSPC by the relevant Director. Deep Dive sessions are a standing item on the agenda to learn more about the risks and issues of directorates within NWSSP.

The SSPC ensures that NWSSP consistently followed the principles of good governance applicable to NHS organisations, including the oversight and development of systems and processes for financial control, organisational control, governance, and risk management. The SSPC assesses strategic and corporate risks through the Corporate Risk Register.

2.2 SSPC Performance

During 2021/2022, the SSPC approved an annual forward plan of business, including:

- Regular assessment and review of:
 - Finance, Workforce and Performance information;
 - Corporate Risk Register;
 - Welsh Risk Pool;
 - Programme Management office updates.
- Annual review and/or approval of:
 - Integrated Medium-Term Plan;
 - Annual Governance Statement;
 - Audit Wales Management Letter;
 - Annual Review;
 - Standing Orders and Standing Financial Instructions;
 - Service Level Agreements.
- Deep Dives into:
 - Use of IP5;
 - National Primary Care Programme;
 - Foundational Economy;
 - Decarbonisation;
 - HCS support to Booster Campaign;
 - Procurement National Operating Model; and
 - Recruitment Modernisation Programme.

2.3 Velindre Audit Committee for NWSSP

The primary role of the Velindre University NHS Trust Audit Committee for Shared Services (Audit Committee) has been to review and report upon the adequacy and effective operation of NWSSP's overall governance and internal control system. This includes risk management, operational and compliance controls, together with the related assurances that underpin the delivery of NWSSP's objectives. This role is set out clearly in the Audit Committee's terms of reference, which were revised in April 2021 to ensure these key functions were embedded within the standing orders and governance arrangements.

The Audit Committee reviews the effective local operation of internal and external audit, as well as the Counter Fraud Service. In addition, it ensures that a professional relationship is maintained between the external and internal auditors so that assurance resource is effectively used.

The Audit Committee supports the SSPC in its decision-making and in discharging its accountabilities for securing the achievement of NWSSP's objectives in accordance with the standards of good governance determined for the NHS in Wales.

The Audit Committee attendees during 2021/2022 comprised of three Independent Members of Velindre University NHS Trust supported by representatives of both Internal and External Audit and Senior Officers of NWSSP and Velindre University NHS Trust.

Figure 5 - Composition of the Velindre University NHS Trust Audit Committee for NWSSP during 2021/22

In Attendance	April 2021	June 2021	October 2021	January 2022	Total
Members					
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	4/4
Gareth Jones, Independent Member	✓	✓	✓	✓	4/4
Janet Pickles, Independent Member	x	✓			1/2
Vicky Morris, Independent Member				✓	1/1
Audit Wales					
Audit Team Representative	✓	✓	✓	✓	4/4
NWSSP Audit Service					
Director of Audit & Assurance	✓	✓	✓	✓	4/4
Head of Internal Audit	✓	✓	✓	✓	4/4
Counter Fraud Services					
Local Counter Fraud Specialist	✓	✓	✓	✓	4/4
NWSSP					
Margaret Foster, Chair NWSSP (to 30/11/2021)	✓	✓	✓		3/3
Tracy Myhill, Chair NWSSP (from 01/12/2021)				x	0/1
Neil Frow, Managing Director	✓	✓	✓	✓	4/4
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	4/4
Peter Stephenson, Head of Finance & Business Development	✓	✓	✓	✓	4/4
Carly Wilce Interim Corporate Services Manager	✓	✓	✓	✓	4/4
Velindre University NHS Trust					
Mark Osland/Matthew Bunce, Director of Finance	✓	✓	✓	✓	4/4
Lauren Fear Director of Corporate Governance	✓	x	✓	✓	3/4

The Audit Committee met formally on four occasions during the year with the majority of members attending regularly and all meetings were quorate. An Audit Committee Highlight Report is reported to the SSPC after each Audit Committee meeting.

2.4 Reviewing Effectiveness of Audit Committee

The Audit Committee completes an annual committee effectiveness survey evaluating the performance and effectiveness of:

- the Audit Committee members and Chair;
- the quality of the reports presented to Committee; and
- the effectiveness of the Committee secretariat.

The survey questionnaire comprises self-assessment questions intended to assist the Audit Committee in assessing their effectiveness with a view to identifying potential areas for development going forward. A survey undertaken during July 2021, had a 60% response rate (nine responses received) and identified the following:

- Very positive responses received from participants in regard to the Chairing of the Audit Committee;
- The atmosphere at meetings is conducive to open and productive debate;
- All members and attendees' behaviour are courteous and professional;
- The majority of participants have found virtual meetings a positive experience;
- Members agree the Audit Committee meets sufficiently frequently to deal with planned matters and enough time is allowed for questions and discussions;
- All respondents agreed that the Audit Committee is provided with sufficient authority and resources in order to perform its role effectively; and
- The vast majority of responses indicated that the reports received by the Audit Committee are timely and have the right format and content, which enables the Audit Committee to enhance its internal control and risk management responsibilities.

2.5 Sub-Groups and Advisory Groups

The SSPC is supported by two advisory groups:

- **Welsh Risk Pool Committee**
 - Reimburse losses over £25,000 incurred by Welsh NHS bodies arising out of negligence;
 - Provide oversight of the GP Indemnity Scheme;
 - Funded through the NWSSP allocation supplemented by a risk sharing agreement with health boards and trusts ;
 - Oversees the work and expenditure of the Welsh Risk Pool; and
 - Helps promote best clinical practice and lessons learnt from clinical incidents.
- **Local Partnership Forum (LPF)**
 - Formal mechanism for consultation and engagement between NWSSP and the relevant Trade Unions. The LPF facilitates an open forum in which parties can engage with each other to inform debate and seek to agree local priorities on workforce and health service issues.

2.6 Senior Leadership Group (SLG)

The Managing Director leads the SLG and reports to the Chair of the SSPC on the overall performance of NWSSP. The Managing Director is the designated Accountable Officer for NWSSP and is accountable, through the leadership of the Senior Leadership Group, for:

- The performance and delivery of NWSSP through the preparation of the annually updated Integrated Medium-Term Plan (IMTP) based on the policies and strategy set by the SSPC and the preparation of Service Improvement plans;
- Leading the SLG to deliver the IMTP and Service Improvement Plans;
- Establishing an appropriate Scheme of Delegation for the SLG; and
- Ensuring that adequate internal controls and procedures are in place to ensure that delegated functions are exercised properly and prudently.

The SLG is responsible for determining NWSSP policy, setting the strategic direction and aims to ensure that there is effective internal control, and ensuring high standards of governance and behaviour. In addition, the SLG is responsible for ensuring that NWSSP is responsive to the needs of NHS Wales organisations.

The SLG comprises:

Figure 7 – Composition of the SLG at NWSSP during 2021/2022

Name	Designation
Neil Frow	Managing Director
Andy Butler	Director of Finance and Corporate Services
Gareth Hardacre	Director of People, Organisational Development and Employment Services
Jonathan Irvine	Director of Procurement Services
Simon Cookson	Director of Audit and Assurance
Mark Harris	Director of Legal and Risk Services
Andrew Evans	Director of Primary Care Services
Neil Davies	Director of Specialist Estates
Professor Malcolm Lewis OBE	Medical Director (until 30/09/21)
Dr Ruth Alcolado	Medical Director (wef 01/10/21)
Alison Ramsey	Director of Planning, Performance & Informatics
Colin Powell	Director of Pharmacy Technical Services
Alwyn Hockin	Trade Union Representative

In 2020/21 the SLG was supported by a Planning and Response Group to meet the challenges arising from the COVID-19 outbreak. In addition to the

core members of the SLG, the Planning and Response Group includes representation from Trade Unions, Communications, the Surgical Materials Testing Laboratory, and a number of Deputy Directors to provide an operational perspective. In 2021/22 the Group was stood back up between December 2021 and February 2022 in response to the potential threat from the Omicron variant.

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 risk of failure to the achievement of the policies, aims and objectives of NWSSP. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in NWSSP for the year ending 31 March 2022 and up to the date of approval of the Trust Annual Report and Accounts.

3.1 External Audit

NWSSP's external auditors are Audit Wales. The Audit Committee has worked constructively with Audit Wales and the areas examined in the 2021/22 financial year included:

- Position Statements (to every meeting);
- NWSSP Nationally Hosted NHS IT Systems Assurance Report;
- Management Letter 2020/21;
- Stock/Inventories Report; and
- Assurance Arrangements 2021/22.

The work of external audit is monitored by the Audit Committee through regular progress reports. Their work is considered timely and professional. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and in minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to internal NWSSP issues, the Audit Committee has been kept apprised by our external auditors of developments across NHS Wales and elsewhere in the public sector. These discussions have been helpful in extending the Audit Committee's awareness of the wider context of our work.

3.2 Internal Audit

The Audit Committee regularly reviewed and considered the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit attend meetings to discuss their work

and present their findings. The Audit Committee are satisfied with the liaison and coordination between the external and internal auditors.

Quarterly returns providing assurance on any audit areas assessed as having “no assurance” or “limited assurance” were issued to Welsh Government in accordance with the instruction received from Dr Andrew Goodall, Chief Executive NHS Wales/Director General in July 2016. During 2021/22 one internal audit report (ICT Operational Infrastructure) was rated as limited assurance. There were no reports that received a “no assurance” rating.

For both internal and external audit, the Audit Committee have ensured that management actions agreed in response to reported weaknesses were implemented in a timely manner. Any planned revisions to agreed timescales for implementation of action plans requires Audit Committee approval. A separate report on the position with implementation of audit recommendations is monitored at each Audit Committee and is also taken for action at each monthly meeting of the SLG.

Reports were timely and enabled the Audit Committee to understand operational and financial risks. In addition, the internal auditors have provided valuable benchmarking information relating to best practice across NHS Wales.

3.3 Counter Fraud

The work of the Local Counter Fraud Services is undertaken to help reduce and maintain the incidence of fraud (and/or corruption) within NWSSP to an absolute minimum.

Regular reports were received by the Audit Committee to monitor progress against the agreed Counter Fraud Plan, including the following reports:

- Progress Update at each meeting
- Annual Report 2020-21
- Counter Fraud Work Plan 2021-22.

As part of its work, Counter Fraud has a regular annual programme of raising fraud awareness for which a number of days are then allocated and included as part of an agreed Work-Plan which is signed off by the Director of Finance and Corporate Services annually.

As part of that planned area of work, regular fraud awareness sessions are arranged and then held with various staff groups at which details on how and to who fraud can be reported are outlined. During 2021/22, these sessions have been provided virtually.

In addition to this and in an attempt to promote an Anti-Fraud Culture within NWSSP, a quarterly newsletter is produced which is available to all staff on the intranet and all successful prosecutions are publicised in order to obtain the maximum deterrent effect.

Although the Work Plan for 2021/22 was signed off at the Audit Committee, it was recognised and recorded that the days being made available through the Local Counter Fraud Specialist were considered insufficient to address the fraud risk within NWSSP. This was in part due to the long-term sickness absence of the Manager of the Counter Fraud Service and also due to the increase in size and complexity of NWSSP, with significant expenditure undertaken to support the response to the pandemic. The plan was therefore approved with the contingency that additional resource could be provided by the Counter Fraud Service Wales team and Internal Audit as appropriate. Going forward, NWSSP intends to recruit its own dedicated LCFS to complement the service currently received from the Cardiff & Vale Team.

3.4 Integrated Governance

The Audit Committee is responsible for the maintenance and effective system of integrated governance. It has maintained oversight of the whole process by seeking specific reports on assurance, which include:

- The Quality Assurance and Improvement Plan arising from the 2020-21 Internal Audit self-assessment;
- Tracking of Audit Recommendations;
- Corporate Risk Register;
- Directorate Assurance Maps; and
- Governance Matters report on single tender actions, declarations of interest, gifts and hospitality received and declined.

During 2021/22, the Audit Committee reported any areas of concern to the SSPC and the Velindre University NHS Trust Board and played a proactive role in communicating suggested amendments to governance procedures and the Corporate Risk Register.

3.5 Quality

During 2021/22, the SSPC has given attention to assuring the quality of services by including a section on "Quality, Safety and Patient Experience" as one of the core considerations on the committee report template when drafting reports for SSPC meetings.

Since the start of the 2021/22 financial year, the Velindre Quality and Safety Committee gives over part of its meetings to NWSSP issues and particularly those relating to the Temporary Medicines Unit. An assurance report is produced following this meeting for review at the SSPC.

In addition, quality of service provision is a core feature of the discussions undertaken between NWSSP and the Health Boards and Trusts during quarterly review meetings with the relevant Directors.

Procurement Services maintains certification to a number of international and national standards including ISO 9001 Quality Management, BS ISO

45001 Occupational Health & Safety and Customer Service Excellence. The Regional Stores are also accredited to the food hygiene STS Code of Practice & Technical Standard for the Public Sector. In 2021 our certifications were extended to include our new IP5 Newport Store with a successful audit against the ISO 9001 Quality Management Standard and BS ISO 45001 Occupational Health & Safety Standard. Also achieving transition from OHSAS 18001 to the international standard ISO 45001.

In January 2022 our independent audit against the Customer Service Excellence standard confirmed ongoing compliance and identified seven areas of exceptional 'Compliance Plus'. Our Quality Plan includes objectives that will see us utilise these recognised Standards to standardise practice across our logistics and materials management functions, building on the foundations already created and supporting our plans for service development and modernisation.

3.6 Looking Ahead

As a result of its work during the year the Audit Committee is satisfied that NWSSP has appropriate and robust internal controls in place and that the systems of governance incorporated in the Standing Orders are fully embedded within the Organisation.

Looking forward to 2022-23 the Audit Committee will continue to explore the financial, management, governance and quality issues that are an essential component of the success of NWSSP.

Specifically, the Audit Committee will:

- Continue to examine the governance and internal controls of NWSSP;
- Monitor closely risks faced by NWSSP;
- Work closely with the Chairs of Audit Committee group on issues arising from financial governance matters affecting NHS Wales and the broader public sector community;
- Work closely with external and internal auditors on issues arising from both the current and future agenda for NWSSP;
- Ensure the SSPC is kept aware of its work including both positive and adverse developments; and
- Request and review a number of deep dives into specific areas to ensure that it provides adequate assurance to both the Audit Committee and the SSPC.

4. CAPACITY TO HANDLE RISK

The need to continue to respond to, and recover from, the COVID-19 pandemic presents a number of challenges to the organisation. A number of new and emerging risks were identified, not least in the areas of Recruitment and Payroll where a significant and sustained increase in demand for services has impacted performance. NWSSP continues to work

closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase.

The identified COVID risks were recorded in a separate risk register which was reported primarily to the Planning and Response Group, but also each and every meeting of the SLG, the SSPC and the Audit Committee. There are currently no red-rated COVID risks, other than the impact on Recruitment and Payroll services as previously highlighted.

In addition to the risks arising as a result of the COVID-19 pandemic there are other risks facing the organisation. The organisations risk profile relating to non-COVID-19 risks has included three red-rated risks in the 2021/22 financial year as follows:

- Plans for the replacement of the GP Payments system – this is no longer a red risk as at 31 March 2022;
- The impact on Employment Services and particularly Recruitment and Payroll of the response to recovering from the pandemic and a resultant significant increase in demand for these services from NHS Wales organisations; and
- The inflationary pressures, particularly on fuel and energy, as a result of the situation in Ukraine.

The SSPC has overall responsibility and authority for NWSSP's Risk Management programme through the receipt and evaluation of reports indicating the status and progress of risk management activities.

The Lead Director for risk is the Director of Finance and Corporate Services who is responsible for establishing the policy framework and systems and processes needed for the management of risks within the organisation.

The Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with its host's strategy providing a clear systematic approach to the management of risk within NWSSP. The Risk Protocol was re-approved by the Audit Committee in June 2021.

NWSSP seeks to integrate risk management processes so that it is not seen as a separate function but rather an integral part of the day-to-day management activities of the organisation including financial, health and safety and environmental functions.

The Corporate Risk Register is reviewed monthly by the SLG who ensure that key risks are aligned to delivery and are considered and scrutinised by the SLG as a whole. The register is divided into two sections as follows:

- Risks for Action – this includes all risks where further action is required to achieve the target score. The focus of attention for these risks should be on ensuring timely completion of required actions; and

- Risks for Monitoring – this is for risks that have achieved their target score, but which need to remain on the Corporate Risk Register due to their potential impact on the organisation as a whole. For these risks the focus is on monitoring both any changes in the nature of the risk (e.g. due to external environmental changes) and on ensuring that existing controls and actions remain effective (e.g. through assurance mapping).

It is the responsibility of each Director and Head of Service to ensure that risk is addressed within each of the locations relevant to their Directorates. It is also important that an effective feedback mechanism operates across NWSSP so that frontline risks are escalated to the attention of Directors.

Each Director is required to provide a regular update on the status of their directorate specific risk registers during quarterly review meetings with the Managing Director. All risks categorised as being red within individual directorate registers trigger an automatic referral for review by the SLG, and if deemed appropriate the risk is added to the NWSSP Corporate Risk Register.

Assurance maps are updated at least annually for each of the directorates to provide a view on how the key operational, or business-as-usual risks are being mitigated. The Audit Committee review all assurance maps annually.

A Risk Appetite statement has also been documented and approved by the Audit Committee. This covers nine specific aspects of NWSSP activity with a separate appetite score for each. The operationalisation of the risk appetite is through the target scores in the corporate and directorate risk registers. The Risk Appetite was reviewed again by the Audit Committee in June 2021.

NWSSP's approach to risk management therefore ensures that:

- Leadership is given to the risk management process;
- Staff are trained on how to identify and manage risk;
- Risks are identified, assessed, and prioritised ensuring that appropriate mitigating actions are outlined on the risk register;
- The effectiveness of key controls is regularly assured; and
- There is full compliance with the Orange Book on Management of Risk.

5. THE RISK AND CONTROL FRAMEWORK

NWSSP's commitment to the principle that risk is managed effectively means a continued focus to ensure that:

- There is compliance with legislative requirements where non-compliance would pose a serious risk;
- All sources and consequences of risk are identified, and risks are assessed and either eliminated or minimised; information concerning

risk is shared with staff across NWSSP and with Partner organisations through the SSPC and the Audit Committee;

- Damage and injuries are minimised, and staff health and wellbeing is optimised; and
- Lessons are learnt from compliments, incidents, and claims in order to share best practice and reduce the likelihood of reoccurrence.

5.1 Corporate Risk Framework

The detailed procedures for the management of corporate risk have been outlined above. Generally, to mitigate against potential risks concerning governance, NWSSP is proactive in reviewing its governance procedures and ensuring that risk management is embedded throughout its activities, including:

- NWSSP is governed by Standing Orders and Standing Financial Instructions which are reviewed on an annual basis;
- The SSPC and Audit Committee both have forward work plans for committee business which provide an assurance framework for compliance with legislative and regulatory requirements;
- The effectiveness of governance structures is regularly reviewed including through self-effectiveness surveys;
- The front cover pro-forma for reports for the SSPC includes a summary impact analysis section to be completed prior to submission. This provides a summary of potential implications relating to equality and diversity, legal implications, quality, safety and patient experience, risks and assurance, Wellbeing of Future Generations, Health and Care Standards and workforce;
- The Service Level Agreements in place with NHS Wales organisations set out the operational arrangements for NWSSP's services to them and are reviewed on an annual basis;
- NWSSP complete the Welsh Government's Health and Care Standards framework and ensure that Theme 2 Safe Care provides a clear picture of NWSSP's approach to health, safety, and risk management; and
- The responsibilities of Directors are reviewed at annual Performance and Development Reviews (PADRs).

5.2 Policies and Procedures

NWSSP follows the policies and procedures of the Trust as the host organisation. In addition, a number of workforce policies have been developed and promulgated on a consistent all-Wales basis through the Welsh Partnership Forum and these apply to all staff within NWSSP.

All staff are aware of and have access to the internal Intranet where the policies and procedures are available. In a number of instances supplementary guidance has been provided. The Trust ensures that NWSSP have access to all the Trust's policies and procedures and that any amendments to the policies are made known as they are agreed. NWSSP participate in the development and revision of workforce policies and

procedures with the host organisation and has established procedures for staff consultation.

The SSPC will where appropriate develop its own protocols or amend policies if applicable to the business functions of NWSSP. The Managing Director and other designated officers of NWSSP are included on the Trust Scheme of Delegation.

During the 2020/21 year, the continuing need to respond urgently to meet the unprecedented demand for Personal Protective Equipment (PPE) and other medical devices and consumables, required significant amendment to the existing Scheme of Delegation that forms part of the Standing Orders for NWSSP. The delegated authorisation limits for the Chair and Managing Director for COVID 19 were increased to £5M from 30 March 2020, and this higher limit remained in force until June 2021 when it expired. However, contracts and orders for COVID expenditure more than £5M still require approval of the Velindre Trust Board, which for expedience may need to be through the existing mechanism of Chair's action. Welsh Government approval is still required on all orders over £1m or advanced payments worth 25% or more of the contract value. Following concerns over the Omicron variant prior to Christmas 2021, the £5m limit was re-instated until 30 June 2022.

5.3 Information Governance

NWSSP has established arrangements for Information Governance to ensure that information is managed in line with the relevant ethical law and legislation, applicable regulations and takes guidance, when required from the Information Commissioner's Office (ICO). This includes established laws including Data Protection Legislation, Common Law Duty of Confidentiality, the Human Rights Act, the Caldicott Report, and specific Records Management Principles. The implementation of the General Data Protection Regulations in May 2018 increased the responsibilities to ensure that the data that NWSSP collects, and its subsequent processing, is for compatible purposes, and it remains secure and confidential whilst in its custody.

The Director of Finance and Corporate Services is the designated Senior Information Risk Owner (SIRO) in relation to Information Governance for NWSSP. NWSSP has an Information Governance Manager who has the objective of facilitating the effective use of controls and mechanisms to ensure that staff comply with Information Governance fundamental principles and procedures. This work includes awareness by delivery of an online core skills training framework eLearning module on Information Governance, classroom-based training (when possible) for identified high risk staff groups, developing, and reviewing policies and protocols to safeguard information, and advising on and investigating Information Governance breaches reported on the Datix incident reporting system.

The Information Governance Manager is responsible for the continuing delivery of an enhanced culture of confidentiality. This includes the

presence of a relevant section on the intranet and a dedicated contact point for any requests for advice, training, or work.

NWSSP has an Information Governance Steering Group (IGSG) that comprises representatives from each directorate who undertake the role of Information Asset Administrators for NWSSP. The IGSG discusses quarterly issues such as GDPR and Data Protection Legislation, the Freedom of Information Act, Information Asset Ownership, Information Governance Breaches, Records Management, training compliance, new guidance documentation and training materials, areas of concern and latest new information and law.

NWSSP has a suite of protocols and guidance documents used in training and awareness for all staff on the importance of confidentiality and to ensure that all areas are accounted for. These include email and password good practice guides, summarised protocols, and general guidance for staff. There is also a documented Privacy Impact Assessment (or “Privacy by Design”) process in place to ensure consideration of Information Governance principles during the early stages of new projects, processes or work streams proposing to use identifiable information in some form.

NWSSP has developed an Integrated Impact Assessment process to include broader legislative and regulatory assurance requirements, and the pro-forma includes the need to consider the impact of the protected characteristics (including race, gender, and religion) on the various types of Information Governance protocols.

The Information Governance Manager attends various meetings including the Trust IG and IM&T Committee and the NHS Wales Information Governance Management Advisory Group (IGMAG) hosted by NHS Wales Informatics, attended by all NHS Wales Health Bodies.

An annual report is produced on Information Governance within NWSSP. This was submitted to the SLG in April 2021.

5.4 Counter Fraud

Counter Fraud support is incorporated within the hosting agreement with the Trust. Under this agreement, local Counter Fraud Services are provided to NWSSP by Cardiff and Vale UHB.

In addition, NWSSP lead the NHS Wales Counter Fraud Steering Group (CFSG), facilitated by Welsh Government, which works in collaboration with the NHS Counter Fraud Authority in NHS England to develop and strengthen counter fraud services across NHS Wales. The Director of Finance and Corporate Services chairs the group.

The Group has a documented NHS Fighting Fraud Strategy for Wales with an accompanying action plan which is reviewed at the quarterly meetings of the CFSG. Work has also been undertaken to improve and enhance the quarterly reporting of both the Local Counter Fraud Specialists, and the Counter Fraud Services Wales Team. Reports are submitted to the meetings

of the CFSG and are then shared with both Welsh Government and the Directors of Finance Group for NHS Wales.

During 2020/21 the Group received and considered a report “Raising our Game” which was produced by Audit Wales, and which assessed the counter-fraud arrangements in place across NHS Wales and both local and central government. While the findings of the review were largely positive, there were some recommendations for all sectors, and actions to respond to these recommendations have been incorporated into a combined action plan which also includes the required actions from the Fighting Fraud Strategy.

5.5 Internal Audit

The NWSSP hosting agreement provides that the SSPC will establish an effective internal audit as a key source of its internal assurance arrangements, in accordance with the Public Internal Auditing Standards.

Accordingly, for NWSSP, an internal audit strategy has been approved by the Audit Committee which provides coverage across NWSSP functions and processes sufficient to assure the Managing Director of NWSSP and in turn the SSPC and the Trust as host organisation, on the framework of internal control operating within NWSSP.

The delivery of the audit plan for NWSSP culminates in the provision of a Head of Internal Audit opinion on the governance, risk and control processes operating within NWSSP. The opinion forms a key source of assurance for the Managing Director when reporting to the SSPC and partner organisations.

5.6 Integrated Medium-Term Plan (IMTP)

The Plan is approved by the SSPC and performance against the plan is monitored throughout the year. The 2021-2024 plan was submitted to Welsh Government in accordance with required timescales, and the current 2022-2025 plan has similarly met the required Welsh Government deadlines.

Significant work has been undertaken to revise the performance framework to ensure that it is fully integrated with the key priorities in the plan. The majority of performance targets for 2021/22 were achieved and progress against each of these is reported to the SLG and the SSPC. There is also regular reporting to Welsh Government requirement on progress against the plan through Joint Executive Team (JET) meetings.

The planning process includes substantial engagement with key stakeholders, both internally and across NHS Wales and the wider public sector, in both virtual team events and on a one-to-one basis.

5.7 Health and Care Standards for NHS Wales

The Standards for Health Service in Wales provide a framework for consistent standards of practice and delivery across the NHS in Wales, and for continuous improvement. In accordance with the programme of internal audits, the process is tested and is an integral part of the organisation's assurance framework process.

The Health and Care Standards Framework comprises seven main themes and sub criteria against which NHS bodies need to demonstrate compliance.



The process for undertaking the annual self-assessments is:

- The Corporate Services Manager undertakes an initial evaluation;
- A draft self-assessment is then presented to the SLG for discussion and further consultation is undertaken at Directorate level;
- Feedback from each Directorate is reviewed and incorporated into the self-assessment pro-forma and is then re-presented to SLG for final approval
- Once approved, it is presented to the SSPC, Audit Committee and the Trust Quality and Safety Committee.

Each theme is assessed and given an overall self-assessment rating of between 1 and 5. As a largely non-clinical service provider, not all of the sub-criteria are applicable. This process is shortly to complete for the 2021/22 financial year.

A summary of the self-assessment ratings is outlined below:

Figure 9 – Self- Assessments Rating Against the Health and Care Standards 2021/2022

Theme	Executive Lead	2021/22 Self-Assessment Rating	2020/21 Self-Assessment Rating
Governance, Leadership and Accountability	Senior Management Team	TBC	4
Staying Healthy	Director of Workforce and Organisational Development	TBC	4
Safe Care	Director of Finance and Corporate Services Director of Specialist Estates	TBC	4

Theme	Executive Lead	2021/22 Self-Assessment Rating	2020/21 Self-Assessment Rating
Effective Care	Senior Management Team	TBC	4
Dignified Care	Not applicable	Not applicable	Not applicable
Timely Care	Not applicable	Not applicable	Not applicable
Individual Care	Senior Management Team	TBC	4
Staff and Resources	Director of Workforce and Organisational Development	TBC	4

The overall rating against the mandatory Governance, Leadership, and accountability module and the seven themes within the Health and Care Standards reflects NWSSP's overall compliance against the standards and has been rated as a TBC as outlined below:

Figure 10 – NWSSP's Overall Self-Assessment Score Health and Care Standards 2021/2022

Assessment Level	1 We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what / where we need to improve	2 We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action	3 We are developing plans and processes and can demonstrate progress with some of our key areas for improvement	4 We have well developed plans and processes can demonstrate sustainable improvement throughout the organisation / business	5 We can demonstrate sustained good practice and innovation that is shared throughout the organisations / business, and which others can learn from
Rating				✓	

6. MANDATORY DISCLOSURES

In addition to the need to report against delivery of the Standards for Health Services in Wales, NWSSP is also required to report that arrangements are in place to manage and respond to the following governance issues:

6.1 Equality, Diversity and Human Rights

NWSSP is committed to eliminating discrimination, valuing diversity, and promoting inclusion and equality of opportunity in everything it does. NWSSP's priority is to develop a culture that values each person for the contribution they can make to the services provided for NHS Wales. As a non-statutory hosted organisation within the Trust, NWSSP is required to adhere to the Trust Equality and Diversity Policy, Strategic Equality Plan and Objectives, which set out the Trust's commitment and legislative requirements to promote inclusion.

NWSSP are a core participant of the NHS Wales Equality Leadership Group (ELG), who work in partnership with colleagues across NHS Wales and the wider public sector, to collaborate on events, facilitate workshops, deliver, and undertake training sessions, issue communications and articles relating to equality, diversity, and inclusion, together with the promotion of dignity and respect for all. NWSSP is proactive in supporting NHS Wales organisations with completion of their submission for all-Wales services, such as Procurement and Recruitment. We host a range of staff networks and we are developing our inclusion offering for our workforce.

The process for undertaking Equality Integrated Impact Assessments (EQIIA) has matured, and considers the needs of the protected characteristics identified under the Equality Act 2010, the Public Sector Equality Duty in Wales and the Human Rights Act 1998, whilst recognising the potential impacts from key enablers such as Well-being of Future Generations (Wales) Act 2015, incorporating Environmental Sustainability, Modern Slavery Act 2015 incorporating Ethical Employment in Supply Chains Code of Practice 2017, Welsh Language, Information Governance and Health and Safety.

With effect from March 31st, 2021, the Socio-Economic Duty placed a legal responsibility on NHS bodies when they are taking strategic decisions to have due regard to the need to reduce the inequalities of outcome resulting from socio-economic disadvantage. A presentation on this topic was given by two lawyers from our Legal & Risk Directorate to the April 2021 Informal SLG.

Personal data in relation to equality and diversity is captured on the Electronic Staff Record (ESR) system and staff are responsible for updating their own personal records using the Electronic Staff Record Self-Service. This includes ethnicity; nationality, country of birth, religious belief, sexual orientation, and Welsh language competencies. The NHS Jobs All-Wales recruitment service, run by NWSSP adheres to all of the practices and principles in accordance with the Equality Act and quality checks the adverts and supporting information to ensure no discriminatory elements are present.

NWSSP has a statutory and mandatory induction programme for its workforce, including the NHS Wales "Treat Me Fairly" e-learning module, which forms part of a national training package and the statistical data captured for NWSSP completion contributes to the overall figure for NHS Wales. A Core Skills for Managers Training Programme is provided, and

the Managing Conflict module includes an awareness session on Dignity at Work.

6.2 Welsh Language

NWSSP is committed to ensuring that the Welsh and English languages are treated equally in the services provided to the public and NHS partner organisations in Wales. This is in accordance with the current Trust Welsh Language Scheme, Welsh Language Act 1993, the Welsh Language Measure (Wales) 2011 and the Welsh Language Standards [No7.] Regulations 2018.

The work of NWSSP in relation to Welsh language delivery and performance is reported to the Welsh Government and the Welsh Language Commissioner within the Annual Performance Report. This work is largely undertaken by the Welsh Language Officer and a team of Translators.

These posts enable compliance with the current obligations under the Welsh Language Scheme and in meeting the requirements of the Welsh Language Standards. This has significantly increased the demand for translation services in the following areas:

- Service Delivery Standards;
- Policy Making Standards;
- Operational Standards;
- Record Keeping Standards; and
- Supplementary Standards.

NWSSP has made significant progress in developing and growing its Welsh language services by successfully offering all staff the opportunity to learn Welsh at work. The NWSSP website is bilingual and there has been investment in the development of a candidate interface on the TRAC recruitment system. NWSSP also offer language services to other organisations and have delivered translation and other language services to Public Health Wales, HEIW, and NWIS over recent years.

An annual report on performance with Welsh Language services is also produced and was submitted to the SLG in August 2021 and to the SSPC in September 2021.

6.3 Handling Complaints and Concerns

NWSSP is committed to the delivery of high-quality services to its customers. The NWSSP Issues and Complaints Management Protocol is reviewed annually. The Protocol aligns with the Velindre University NHS Trust Handling Concerns Policy, the Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011 and Putting Things Right Guidance.

During 2021-22, 100 complaints have been received, of which:

- 98 complaints responded to within 30 working days (98%); and
- 2 complaints responded to outside of 30 working days (2%).

The total number of complaints received represents a significant increase on the total for the previous financial year (59). 86 of the current year complaints relate to Employment Services, with the vast majority of these being received over the summer of 2021. These coincided with the surge in demand on Employment Services from the rest of NHS Wales as organisations sought to take on large numbers of additional staff to boost the recovery from the pandemic and to undertake vaccination campaigns. Measures taken by management to improve the situation in Recruitment and Payroll in particular have produced a huge decline in complaints received over recent months.

As detailed above, 98% of the complaints received were responded to within the 30-working day target. This is a significant increase in performance compared to 69% compliance during 2020-21, and 84% of these were responded to and closed down within 24 hours of receipt of the complaint.

6.4 Freedom of Information Requests

The Freedom of Information Act (FOIA) 2000 gives the UK public the right of access to a variety of information held by public bodies and provides commitment to greater openness and transparency in the public sector, especially for those who are accountable for decisions made on behalf of patients and service users.

Figure 12 – Freedom of Information Requests 2020-21

There were 83 requests received within NWSSP during 2021/22, seven of which were answered slightly over the deadline for compliance, but this was due to the complexity of the information requested within those requests and the far-ranging input required by other parties to agree the information to be supplied. Two are currently on-going but are on track to be completed within the 20-day target.

FOI Breakdown
74 answered within the 20-day target
2 currently on-going but within target
7 responded to outside of the deadline

6.5 Data Security and Governance

In 2021/22, there were 40 (2020/21 34) information governance breaches reported within NWSSP; these included issues with mis-sending of email and records management. The majority of these were down to human error and despite education effectively provided to ensure awareness of confidentiality and effective breach reporting, unfortunately errors can happen.

All breaches are recorded in the Datix risk management software and investigated in accordance with the Information Governance and Confidentiality Breach Reporting protocols, which comply with the General Data Protection Regulation (GDPR). The protocols encourage staff to report those breaches that originate outside the organisation for recording purposes.

From this, the Information Governance Manager writes quarterly reports including relevant recommendations and any areas for improvement to minimise the possibility of further breaches. Members of the Information Governance Steering Group are required to report on any incidents in their areas to include lessons learned and any changes that have been made since an incident was reported.

There was one Information Governance breach referred to the Information Commissioner's Office (ICO) for further investigation, but the ICO were content to close the case with no further action being taken.

6.6 ISO14001 – Environmental Management and Carbon Reduction

NWSSP is committed to managing its environmental impact, reducing its carbon footprint, and integrating the sustainable development principle into day-to-day business. NWSSP successfully implemented ISO14001 as its Environmental Management System (EMS), in accordance with Welsh Government requirements and have successfully maintained certification since August 2014, through the operation of the Plan, Do, Check, Act model of continuous improvement.

The ISO14001:2015 Standard, places greater emphasis on protection of the environment, continuous improvement through a risk process-based approach and commitment to top-down leadership, whilst managing the needs and expectations of interested parties and demonstrating sound environmental performance, through controlling the impact of activities, products, or services on the environment. NWSSP is committed to environmental improvement and operates a comprehensive EMS in order to facilitate and achieve the Environmental Policy. NWSSP successfully achieved its recertification of the ISO 14001:2015 standard in August and September of 2021 with British Assessment Bureau (BAB). We are currently awaiting dates from BAB for the first annual surveillance audits, but we anticipate a summertime review.

Carbon Footprint

We committed to reducing our carbon footprint by implementing various environmental initiatives and efficiencies at our sites within the scope of our ISO14001:2015 certification. As part of our commitment to reduce our contribution to climate change, a target of 3% reduction in our carbon emissions (year on year, from a baseline of carbon footprint established in 2016-17), was agreed and this was reflected within our Environmental Sustainability Objectives.

In 2021-22 we saw a continuance of COVID-19 restrictions and this meant that many of our staff were working from home, thereby significantly reducing carbon emissions through not commuting to work, albeit that these savings are difficult to measure within NWSSP.

Despite this, all of our sites remained operational and therefore all required heating and lighting. Activity in IP5 and Stores, to respond to the needs of NHS Wales and others in battling the impact of the pandemic, particularly with regards to the provision of medical equipment and PPE, significantly increased for the period. The provision of electric vehicles charging points at many sites has also increased the amount of electricity used, albeit that this is green electricity, and the provision of this facility has benefits in making electric cars and fleet vehicles more attractive to NHS Wales and its staff, thus reducing emissions from fossil fuels. However, the benefits from this fossil fuel reduction are impossible to measure for NWSSP, particularly as this facility is available to all NHS Wales staff.

In light of these challenges, NWSSP has still been able to demonstrate significant overall reductions in energy usage where it is possible to directly compare with the previous year, achieving an **overall reduction of 3.15%** in carbon emissions.

	Target	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	Achieved
Electricity CO2e	3% ↓	18% ↓	11.5% ↓	27% ↓	15% ↓	4.4% ↑	x
Gas CO2e	3% ↓	7% ↓	38% ↓	35% ↑	32% ↓	12% ↓	✓
Water CO2e	3% ↓	9% ↓	6% ↑	50% ↓	46% ↓	13.3% ↑	x
Overall Carbon Footprint	3.78% ↓	5% ↓	11.3% ↓	12% ↓	16.2% ↓	3.1% ↓	✓

Decarbonisation Action Plan

The NHS Wales Decarbonisation Strategic Delivery Plan (2021-2030) was published in March 2021 and provides a detailed road map for NHS Wales, built around 46 initiatives each of which has been assessed for the potential to help facilitate or directly reduce carbon emissions.

NWSSP led the development and publication of the Strategic Plan which sets out the NHS Wales response to the 2030 net zero ambitions. The organisation has an All-Wales lead role in Buildings, Transport, Procurement, Estates Planning and Land Use but also has responsibilities across other activity streams at both a national and local level due to our significant direct influence on key aspects of the Plan.

NWSSP has also developed its own action plan which was summarised in the IMTP for 2022-25 and progress reporting will be integrated into the IMTP monitoring process. This plan sets out how the organisation will be decarbonising our own activities. Key actions include reducing the impact of our buildings, fleet, and new laundry service, as well as working with staff to help raise the profile of decarbonisation across the organisation. This was submitted to Welsh Government at the end of March 2022 after being signed off by the SLG and reported to the SSPC.

6.7 Business Continuity Planning/Emergency Preparedness

During 2020/21 and the initial response to COVID, NWSSP Business Continuity processes were immediately implemented. This included the establishment of a Planning and Response Group, comprising the SLG plus representatives from the Trade Unions, Surgical and Materials Testing Laboratory, Deputy Directors, and Communications. In 2021/22 the Group has continued to meet as required and in particular during the period from December 2021 to February 2022, when the Omicron variant looked as though it may significantly impact services.

Staff have continued to work from home where possible and have been provided with the IT equipment to enable them to do so effectively. For staff who were required, or preferred to attend NWSSP sites, safe systems of working were implemented and enhanced to keep them as safe as possible, and in compliance with national guidance. Staff welfare is safeguarded, whether working from home or a NWSSP site, through employee support programmes including a network of Mental Health First Aiders across NWSSP who provide a point of contact for employees who are experiencing a mental health issue or emotional distress.

In addition, the NWSSP Mental Health Support Group is a virtual online group open to all colleagues and provides a supporting community where other individuals facing similar struggles can come together to find support, resources, and self-help tools. NWSSP has signed an employer pledge with Time to Change Wales; the first national campaign to end stigma and discrimination faced by people with mental health problems, which is delivered by two of Wales's leading mental health charities, Hafal and Mind Cymru.

Notwithstanding COVID-19, NWSSP is proactive in reviewing the capability of the organisation to continue to deliver products or services at acceptable predefined levels following a disruptive incident. NWSSP recognise its contribution in supporting NHS Wales to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care, in accordance with requirement for NHS bodies to be classed as a Category 1 responders deemed as being at the core of the response to most emergencies under the Civil Contingencies Act (2004).

As a hosted organisation under the Trust, NWSSP is required to take note of their Business Continuity Management Policy and ensure that NWSSP has effective strategies in place for:

- People – the loss of personnel due to sickness or pandemic;
- Premises – denial of access to normal places of work;
- Information Management and Technology and communications/ICT equipment issues; and
- Suppliers internal and external to the organisation.

NWSSP is committed to ensuring that it meets all legal and regulatory requirements and has processes in place to identify, assess, and implement applicable legislation and regulation requirements related to the continuity of operations and the interests of key stakeholders.

NWSSP has a network of BCP Champions who meet bi-monthly and who represent all directorates and major teams. The Group was refreshed in August 2021, and is chaired by the Director of Planning, Performance, and Informatics. In addition to continuing to respond to the issues caused by the pandemic, BCP measures were implemented in February 2022 due to Storm Eunice. Lessons learned from the response to the storm have been documented and formally considered by the BCP Champions.

At the end of the 2021 calendar year, NWSSP were requested to complete the Welsh Government Health Emergency Planning Report for the first time. This provides assurance over the measures in place within NWSSP to cope with and respond to major disruptive incidents and reaffirmed the robust arrangements in place within the Supply Chain and Health Courier Services who are well versed in this area. It did however identify the need to ensure that the rest of NWSSP was appropriately trained, communicated with, and engaged with key external stakeholders where appropriate. An Action Plan has been developed to address these requirements.

Cyber Security

NWSSP continues to work towards implementing the Cyber Security Framework in order to address the specific needs of the service. This is an ongoing plan covering the areas of Identify, Protect, Detect, Respond and Recover. NWSSP have already started a number of work streams including Information Workflows and Governance, Awareness and Training, Procurement of Professional Incident Response Capability, Protective Technology through the SIEM Procurement Project and Business Continuity Planning workshops across the whole of the whole of NWSSP. NWSSP have also recently implemented a robust new virtualised infrastructure based on the tenets of the framework in order to provide a safe and secure environment for NWSSP business systems.

During 2021/22 the Information Security team has been strengthened with the recruitment of an assistant to the Information Security Officer, with the whole team now reporting to the newly appointed Chief Digital Officer, who in turn reports to the Director of Planning, Performance & Informatics. During the year phishing campaigns have been run and heightened concerns over cyber security due to the war in Ukraine have led to action cards being

updated and staff reminded of required practice when dealing with IT systems and responding to e-mails and other forms of contact.

6.8 UK Corporate Governance Code

NWSSP operates within the scope of the Trust governance arrangements. The Trust undertook an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. This assessment was informed by the Trust's assessment against the "Governance, Leadership and Accountability" theme of the Health and Care Standards undertaken by the Board. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report. NWSSP have also completed the self-assessment on the "Governance, Leadership and Accountability" theme of the Health and Care Standards with a positive maturity rating of 4.

6.9 NHS Pension Scheme

As an employer hosted by the Trust and as the payroll function for NHS Wales, there are robust control measures in place to ensure that all employer obligations contained within the Scheme regulations for staff entitled to membership of the NHS Pension Scheme are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into 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.

7. MANAGING DIRECTOR'S OVERALL REVIEW OF EFFECTIVENESS

As Accounting Officer, 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 Directors and Heads of Service within NWSSP 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.

As Accountable Officer I have overall responsibility for risk management and report to the SSPC regarding the effectiveness of risk management across NWSSP. My advice to the SSPC is informed by reports on internal controls received from all its committees and in particular the Audit Committee.

Each of the Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal and external audit reports and reports on professional standards from other regulatory bodies. The Committees have also considered and advised on areas for local and national strategic

developments and a potential expansion of the services provided by NWSSP. Each Committee develops an annual report of its business and the areas that it has covered during the last year and these are reported in public to the Trust and Health Boards.

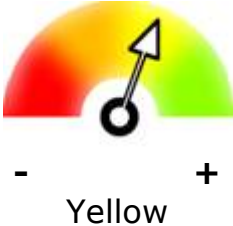
Internal Audit Opinion

Internal Audit provide me and the SSPC through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with Public Sector Internal Audit Standards by the Audit and Assurance function within NWSSP.

The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities. The overall opinion of the Head of Internal Audit on governance, risk management and control is a function of this risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The programme has been impacted by the need to respond to COVID-19 with some audits deferred as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion, the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The Head of Internal Audit opinion for 2021/2022 was that the Partnership Committee can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively:

RATING	INDICATOR	DEFINITION
Reasonable assurance		The Committee 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.

In reaching this overarching opinion the Head of Internal Audit has identified that the assurance domains relevant to NWSSP have all been assessed as providing reasonable assurance. During the year, there was one internal audit report (ICT Operational Infrastructure) which was issued with a rating of limited assurance. All other reports were either substantial or reasonable assurance or were issued as advisory reports.

Financial Control

NWSSP was established by Welsh Government to provide a range of support services to the NHS in Wales. As Managing Director and Accountable Officer, I retain overall accountability in relation to the financial management of NWSSP and report to the Chair of the SSPC.

NWSSP Financial Control Overview

There are four key elements to the Financial Control environment for NWSSP as follows:

- **Governance Procedures** – As a hosted organisation NWSSP operates under the Governance Framework of the Trust. These procedures include the Standing Orders for the regulation of proceedings and business. The statutory requirements have been translated into day-to-day operating practice, and, together with the Scheme of Reservation and Delegation of Powers and Standing Financial Instructions (SFIs), provide the regulatory framework for the business conduct of the Trust. These arrangements are supported by detailed financial operating procedures covering the whole of the Trust and also local procedures specific to NWSSP. During the pandemic, the governance arrangements have been enhanced through the establishment of a Finance Governance Committee. This continues to meet as and when required to consider and approve large scale and urgent requisitions. Membership of the Committee includes senior finance staff from NWSSP, the Velindre Director of Finance and an independent member of the Board, representatives from Counter Fraud, Accounts Payable and Legal and Risk Services. The Committee is chaired by the Director of Audit and Assurance Services, and Procurement colleagues attend the Committee to give background and context to specific requisitions.
- **Budgets and Plan Objectives** – Clarity is provided to operational functions through approved objectives and annual budgets. Performance is measured against these during the year.
- **Service Level Agreements (SLAs)** – NWSSP has SLAs in place with all customer organisations and with certain key suppliers. This ensures clarity of expectations in terms of service delivery, mutual obligations, and an understanding of the key performance indicators. Annual review of the SLAs ensures that they remain current and take account of service developments.
- **Reporting** – NWSSP has a broad range of financial and performance reports in place to ensure that the effectiveness of service provision and associated controls can be monitored, and remedial action taken as and when required.

Through this structure NWSSP has maintained effective financial control which has been reviewed and accepted as appropriate by both the Internal and External Auditors.

CONCLUSION

As indicated throughout this statement and the Annual Report the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, the wider NHS, and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition the risks. The need to respond and recover from the pandemic were with the organisation and wider society throughout 2021/22 and will continue into 2022/23 and possibly beyond. I will ensure our Governance Framework considers and responds to this need.

This Governance Statement indicates that NWSSP has continued to make progress and mature as an organisation during 2021/22 and that it is further developing and embedding good governance and appropriate controls throughout the organisation. NWSSP has received positive feedback from Internal Audit on the assurance framework and this, in conjunction with other sources of assurance, leads me to conclude that it has a robust system of control.

Looking forward – for the period 2022/23:

I confirm that I am aware of my on-going responsibilities and accountability to you, to ensure compliance in all areas as outlined in the above statements continues to be discharged for the financial year 2022/23.

Signed by:

Managing Director – NHS Wales Shared Services Partnership

Date:

Health and Safety Annual Report



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

NHS Wales Shared Services Partnership

Adding Value through partnership, innovation and excellence.

Purpose of the Report:

Annual quality management review to ensure continuing suitability, adequacy and effectiveness of the QMS and alignment with the strategic direction of the organisation.

Prepared by:

Paula Jones, Health and Safety Manager

Reporting Period:

Financial Year 2021/2022

Report Date:

May 2022

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Introduction

This report is a statement of NHS Wales Shared Services Partnership's (NWSSP) health and safety management for the financial year 2021/2022 and its intentions with regards to 2022/2023 and beyond.

The Health and Safety report covers the period **1st April 2021 – 31st March 2022**.

NWSSP has a duty of care towards its employees located in its various locations across Wales and has a legal duty to put in place suitable arrangements to manage health and safety.

To achieve our aims, we need a highly skilled, motivated, engaged and healthy workforce. Staff engagement and health and safety is a priority and will be delivered in an environment where staff are well managed and valued for their contribution.

The annual report outlines key developments and the work that has been undertaken during this reporting period and is an opportunity to consider work planned and the objectives for the year(s) ahead.

NWSSP's aim is to provide and maintain a safe and healthy environment for all that use our services. This is achieved through effective leadership by senior managers, participation of all staff and open and responsive communication channels.



This annual report has **two** main purposes:

ONE

To promote health and safety management.



TWO

To provide general information on the progress being made to improve health and safety throughout NWSSP.



The annual report reflects NWSSP's compliance with the Health & Safety Policy Statement, which requires those responsible for health and safety within NWSSP premises and during NWSSP activities to:

- Comply with health and safety legislation;
- Implement health and safety arrangements;
- Comply with monitoring and reporting mechanisms appropriate to internal and external key stakeholders and statutory bodies;
- Develop partnership working and to ensure health and safety arrangements are maintained for all.

The Director of Corporate and Finance leads on the overall direction of health and safety for NWSSP and in conjunction with the Health and Safety Manager continues to improve performance through monitoring progress, reviewing processes and discussions at the NWSSP All Wales Health and Safety Group.



Our Values:

Listening & Learning



Working Together



Taking Responsibility



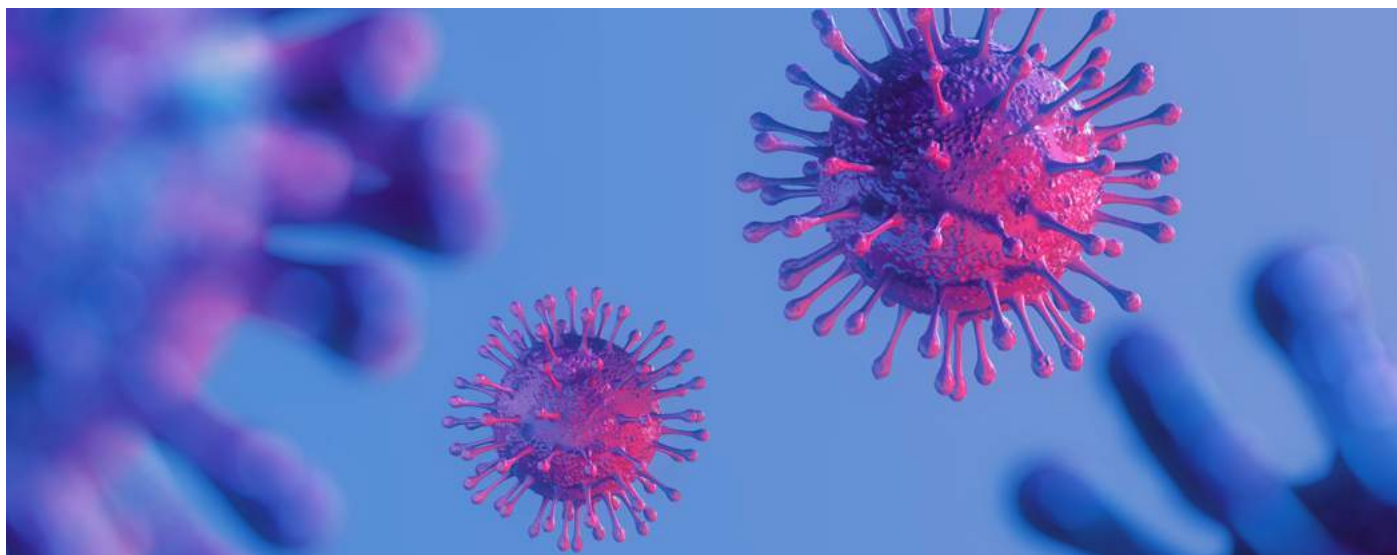
Innovating



COVID-19

Secure





On 23rd March 2020, the Welsh Government introduced new measures to achieve social distancing and key parts of these measures were underpinned by law. NWSSP had a duty to follow these. On 7th April 2020 the Welsh Government enforced 'social distancing' at work with a law requiring employers to abide by the two metre rule where "reasonable".

The main methods of preventing the spread of infection are:



Hygiene Measures



Social distancing



Ventilation

Whilst staff continued to occupy the sites across NWSSP, the control measures continued to be in place to control the spread of COVID-19 throughout 2021/2022.

The main priority continued during 2021/2022 which was to ensure that our sites continued to be COVID-secure and ensuring this remained a priority.

The Health and Safety Manager continued to work closely throughout the pandemic with the members of the Building Management Group and issues/actions were fed back to the Adapt and Future Change group.

The following actions continued to take place during 2021/2022 to ensure the sites were **Covid-19 secure**:

Five Steps to Safer Working Together – COVID-19

- NWSSP has issued the Pledge that we have compiled with the Welsh Government's guidance to managing the risk of COVID-19:



We have carried out a COVID-19 risk assessments for each site and shared the results with staff.



We have put in extra cleaning, handwashing and hygiene procedures in place.



We have invested in technology to help people work remotely.



We have taken all reasonable steps to maintain a 2-metre distance in the workplace.



We will actively implement the Test, Trace, Protect programme in the workplace.

Guidance and Information

- Continued to be vitally important during the pandemic and advice was regularly updated on the H&S webpages for COVID-19. A dedicated Covid-19 health and safety webpage continued to be promoted and updated regularly to ensure information was readily available to support staff and managers in relation to COVID-19 issues.

First Aid PPE

- Continued to be issued and monitored to all first aiders within NWSSP which was to be used during the pandemic and into the foreseeable future.
- A power point presentation was undertaken to answer any questions specifically for first aiders within NWSSP.



Generic Risk Assessments

- Generic risk assessments continued to be reviewed at sites on a regular basis.

Information to staff on access to testing and self-isolation

- Issued to staff on regular intervals throughout the pandemic.

Working in Close Proximity Guidance

- Working in close proximity guidance continued to be issued and where applicable a separate working in close proximity risk assessment continued to be reviewed/undertaken.

Generic Safe System of Work

- The generic Safe System of Work was devised by the Health and Safety Manager and continued to be updated throughout 2021/2022.

Space Planning Exercise

- Continued to take place at sites to ensure 2m rule applied.

Site Checklist

- The site checklist continued to be completed by site leads on a 3 monthly basis.

Vaccination

- The importance of **Vaccination** was reinforced to staff.

Ventilation Review

- Ventilation review was undertaken by Specialist Estates Services at our leased site.
- NWSSP continues to promote the requirement of good ventilation at sites and a poster was designed and issued.



Contractor Handbook

- Continued to be undertaken to ensure contractors on site adhered to the control measures for Covid-19.

QR Codes and NHS app

- All sites downloaded the QR code and placed in the main entrances. The NHS app was also communicated to staff to encourage to download.

Enhanced Cleaning

- Regimes continued to be implemented across the sites.

Minimum Vehicle Cleaning Standards

- Continued to be used across the sites.

Posters and Signage – Social Distancing & Hand Hygiene

- Posters and signage continued to be issued promoting good hand hygiene and social distancing.

Perspex Screen Protection/Mobile Screen Protection

- A number of Perspex screens were placed strategically within offices/sites and remained in place.

Guidance on Working From Home

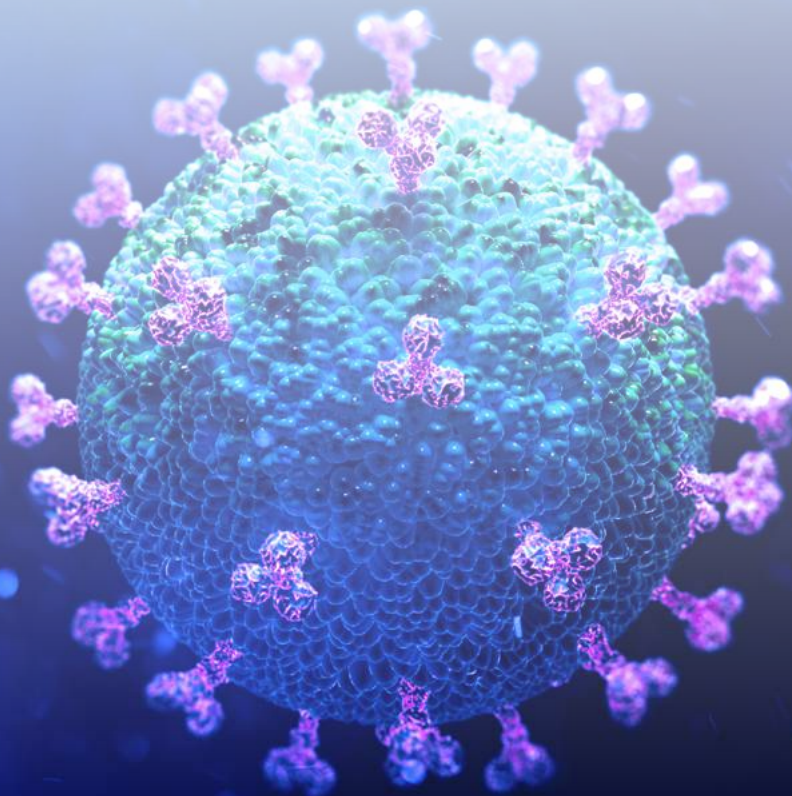
- Guidance continued to be issued to staff who could work from home during the pandemic.

Face Coverings

- Information on how to wear a face covering continued to be issued to staff and all staff where required to wear a face covering when not at their desk or within close proximity, exemptions applied.

Building Management Group

- The Building Management Group (BMG) was set up during April 2020, and continued to meet in 2021/2022.
- The BMG continued to discuss staff health, safety and welfare issues relating specifically to the adoption of social distancing regulations and effective buildings management in relation to COVID-19.
- The group comprise of the site leads from across NWSSP's estates foot print and also has Union Representation. In addition, the Health and Safety Manager sits on the group to provide advice.
- The group continues to meet on a regular basis in 2022.



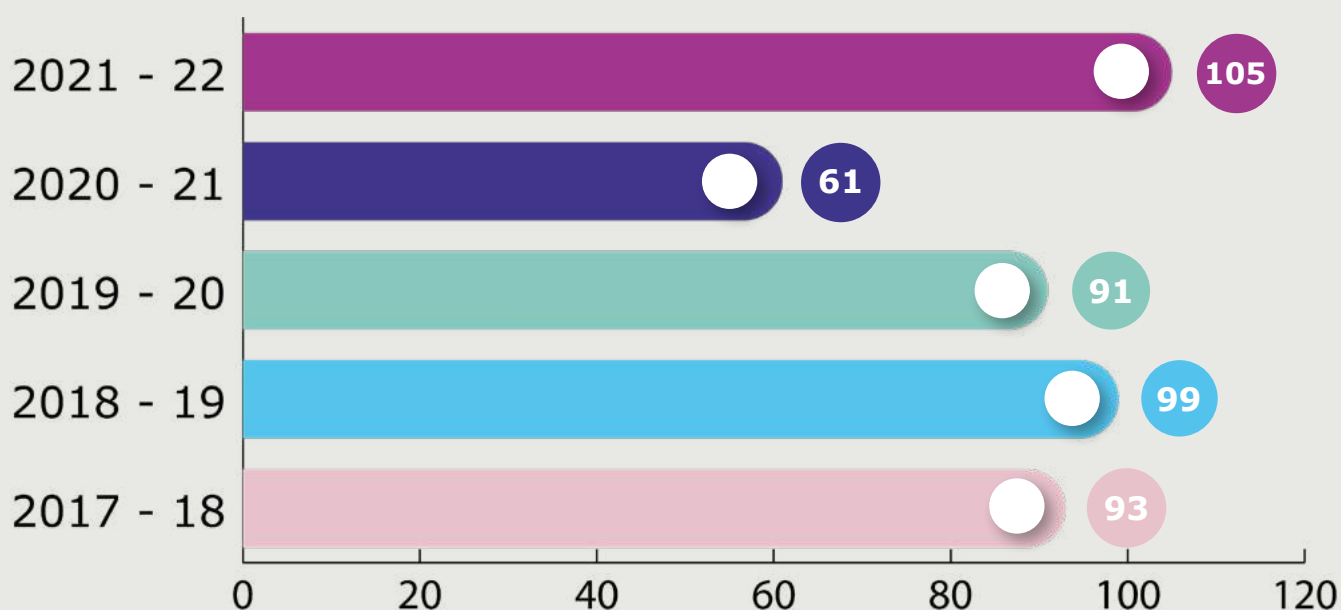
Health & Safety Incident Reporting

via Datix Cymru



Figure 1

Health and Safety Incidents within NWSSP from 2017 to 2022



It should be noted that the figures for 2019/2020 showed a marked reduction on previous years, which is inevitably partially due to the pandemic and the resultant significant drop in staff being on-site. There is also an increase in 2021/2022 due to the Laundry service transferring to NWSSP from April 2021.

Figure 2

Health and Safety Incidents by Quarter 2020/2021 VS 2021/2022

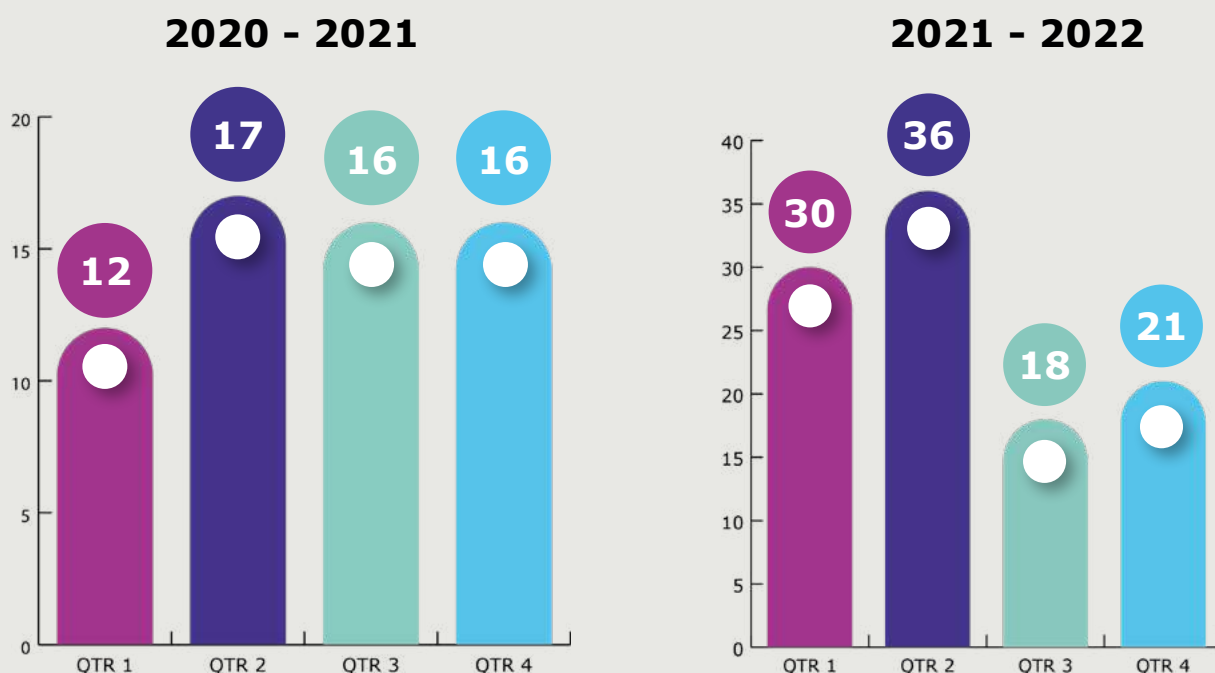


Figure 3

Health and Safety Incidents by Quarter for Service Group 2021- 2022

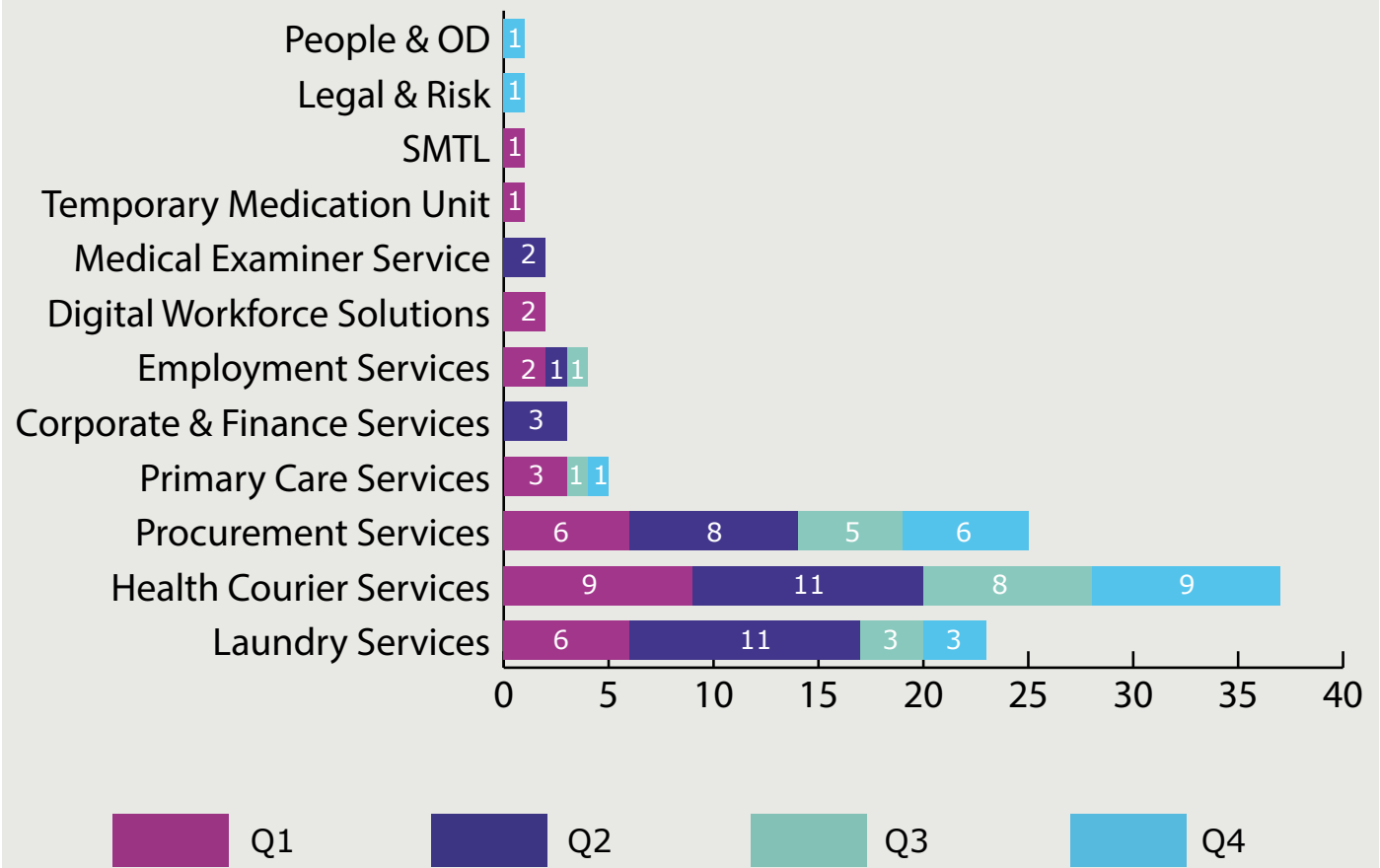


Figure 4

Health and Safety Incidents by Service Group 2017 - 2021

Service Group	2017-18	2018-19	2019-20	2020-21	2021-22	
Welsh Health Courier Service	19	20	22	18	37	↑
Laundry Services	-	-	-	-	23	Transferred to NWSSP in 2021
Medical Examiner Service	-	-	-	0	2	↑
Digital Work Solutions	-	-	-	-	2	↑
Surgical Materials Testing Laboratory (SMTL)	0	1	1	0	1	↑
Legal & risk	0	1	1	0	1	↑
People & OD	0	0	1	0	1	↑
Procurement Services	42	34	34	25	25	→
Special Estate Services	0	1	2	0	0	→
Temporary Medicines Unit	-	-	-	1	1	→
Workforce & Organisational Development	0	3	1	1	0	↓
Audit & Assurance	1	1	1	0	0	→
Student Awards	0	0	1	0	0	→
Weds	0	0	1	0	0	→
NHS Counter Fraud	1	0	1	0	0	→
Employment	16	16	16	6	4	↓
Corporate & Finance	4	13	4	4	3	↓
Primary Care Services	10	9	6	6	5	↓
TOTAL	93	99	91	61	105	

It should be noted that Laundry Services were not within NWSSP until the year commencing 2021.

Figure 5

Health and Safety Incidents by Type – 2021/2022

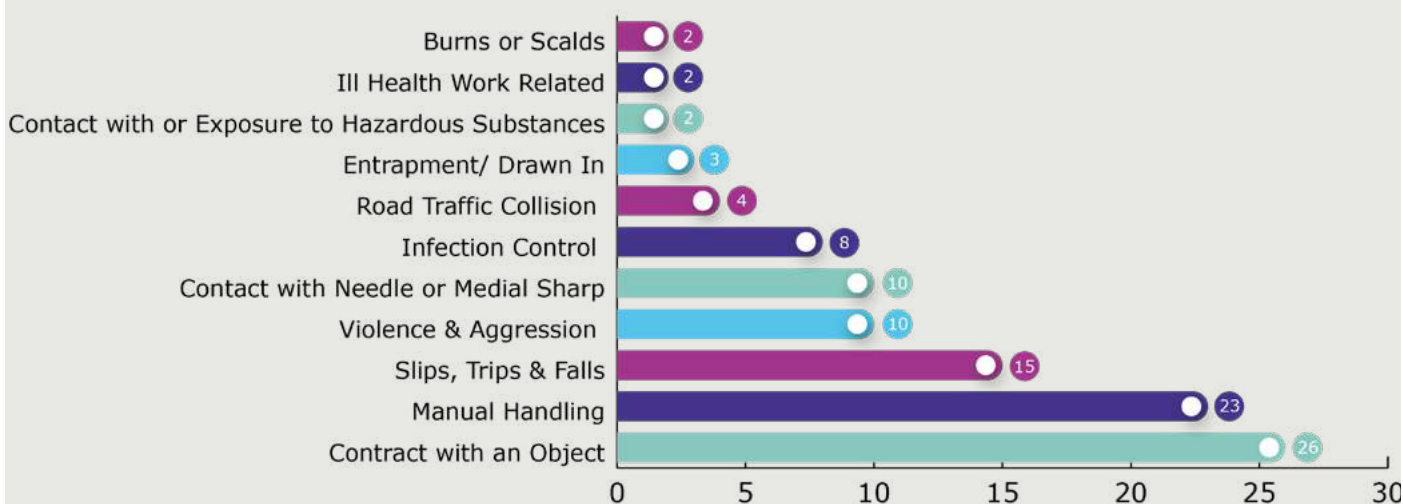
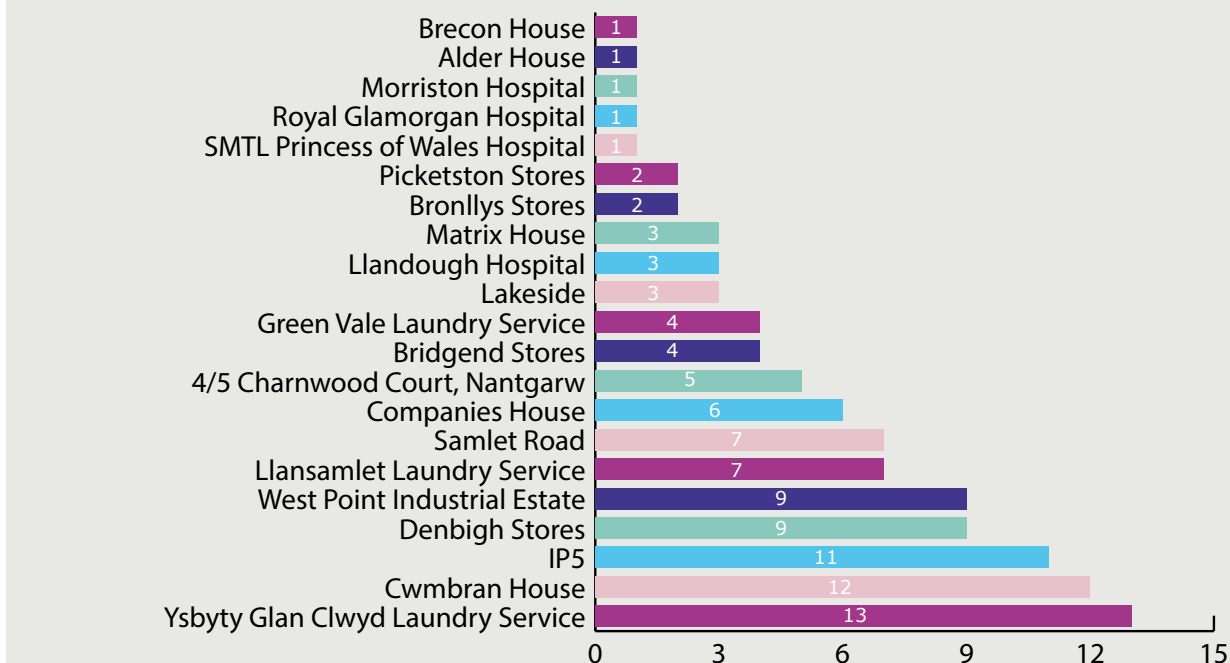


Figure 6

Health and Safety Incidents by Site – 2021/2022



To note:

- Procurement Stores/Health Courier Services and Temporary Medicines Unit are based at IP5 Imperial Park, Newport.
- Health Courier Services and Primary Care Services are based at Cwmbran House, Mamhilad Park Estate, Pontypool.

Health & Safety Objectives



During 2021/2022, the health and safety incident trends remain as:

- Contact with an object;
- Manual handling;
- Slips trips and falls;
- Violence and aggression

An increase can be seen on the previous year in relation to contact with an object, manual handling and slips, trips and falls. However, the figures for 2020/21 were significantly impacted by the pandemic, and the resultant substantial fall in numbers on-site, and 2021/22 may be more reflective of a gradual return to something approaching business-as-usual. In addition the expansion of NWSSP through taking on services such as Laundry Services has also inevitably led to an increase in incidents. However, despite the increase, the objectives set for slips, trips, and falls and violence and aggression have been achieved.

Trend Category	2019-20	2020-21	2021-22	
Contact with Object	11	11	26	↑
Manual Handling	14	12	23	↑
Slips, Trips and Falls	13	6	15	↑
Violence & Aggression	14	10	10	→

Contact with an Object

- NWSSP has not achieved its objective to reduce work related contact with an object, largely due to the introduction of the Laundry Service transferring to NWSSP in April 2021, and where 10 incidents were recorded in the year.

Slips, Trips & Falls

- NWSSP has achieved its objective to reduce work related slips, trips and falls in the workplace, aspiring to the 10% reduction over two years (based on number of incidents per 1,000 employees).

Manual Handling

- NWSSP has not achieved its objective to reduce manual handling incidents in the workplace, due again largely to the expansion in service activities.

Violence & Aggression

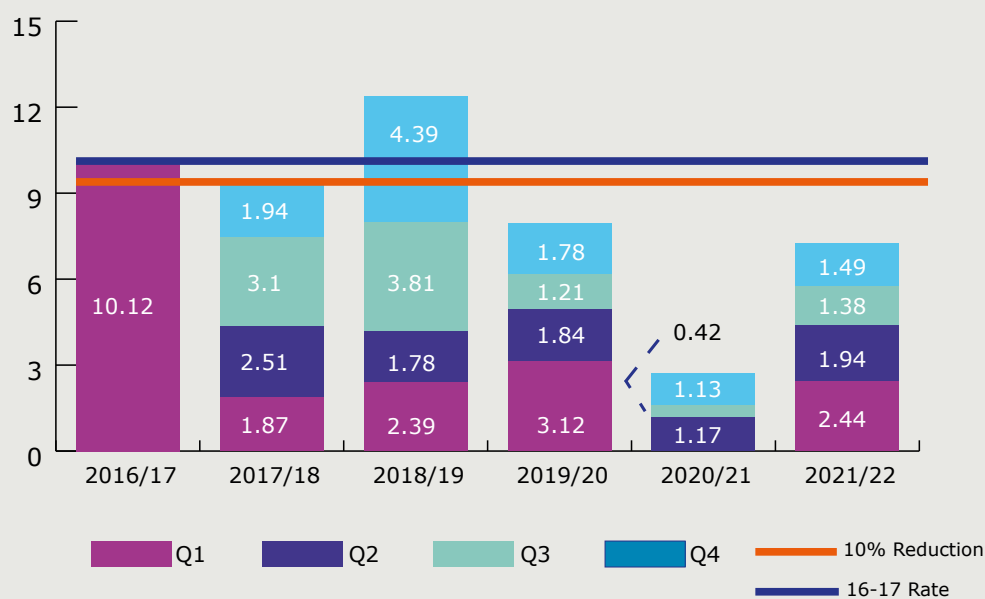
- NWSSP has achieved its objectives to reduce violence and aggression incidents, aspiring to the 30% reduction over two years.

Objective 1

Aim to reduce work related slips, trips and falls in the workplace, aspiring to a 10% reduction over two years

Figure 1

Incident rate per 1,000 employees by Quarter



NWSSP has achieved its aim to reduce work related slips, trips and falls in the workplace, aspiring to the 10% reduction over two years.

Figure 2

Slips, trips and falls by Service Group during 2021/2022

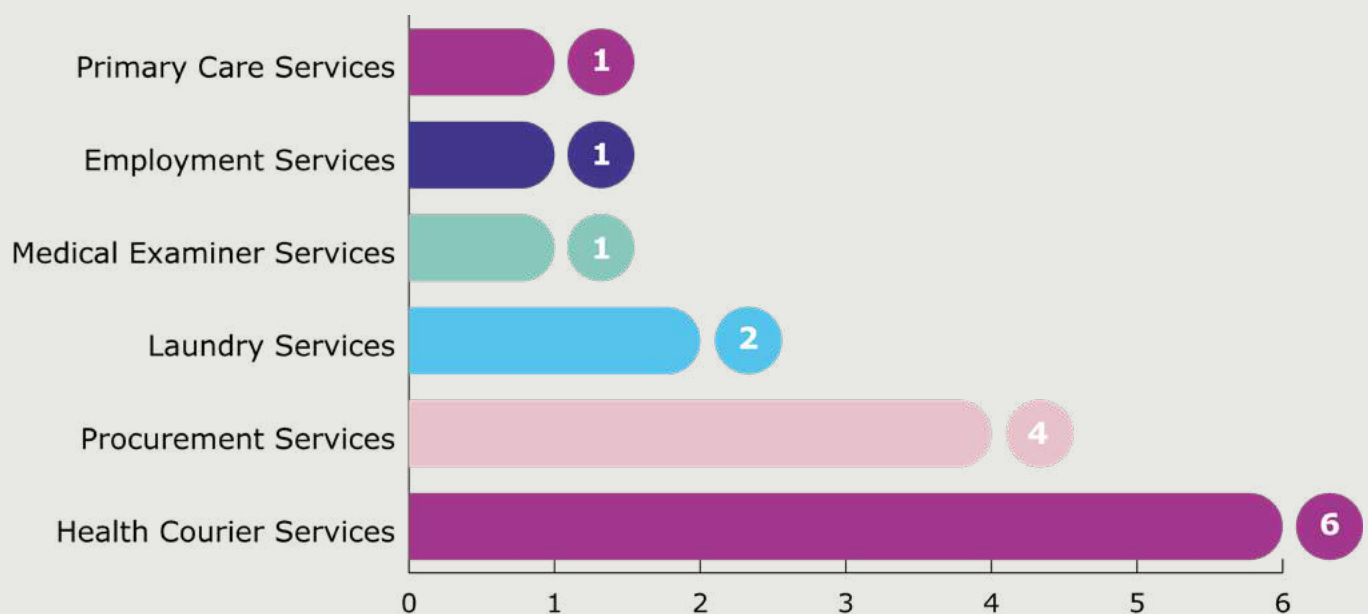


Figure 3

Slips, trips and falls by Site during 2021/2022

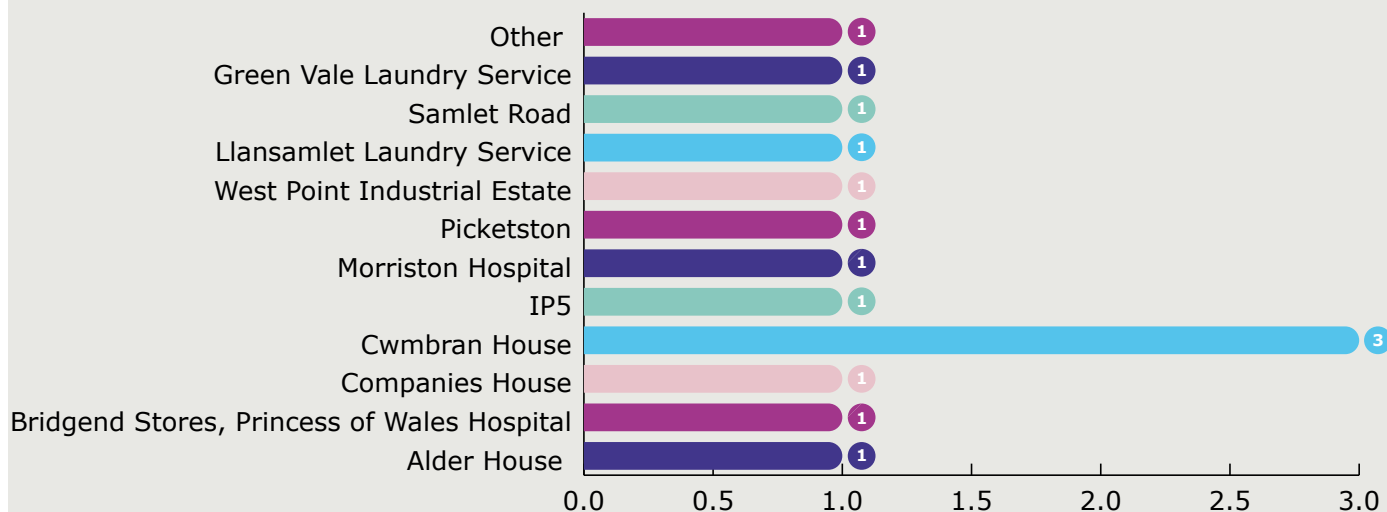
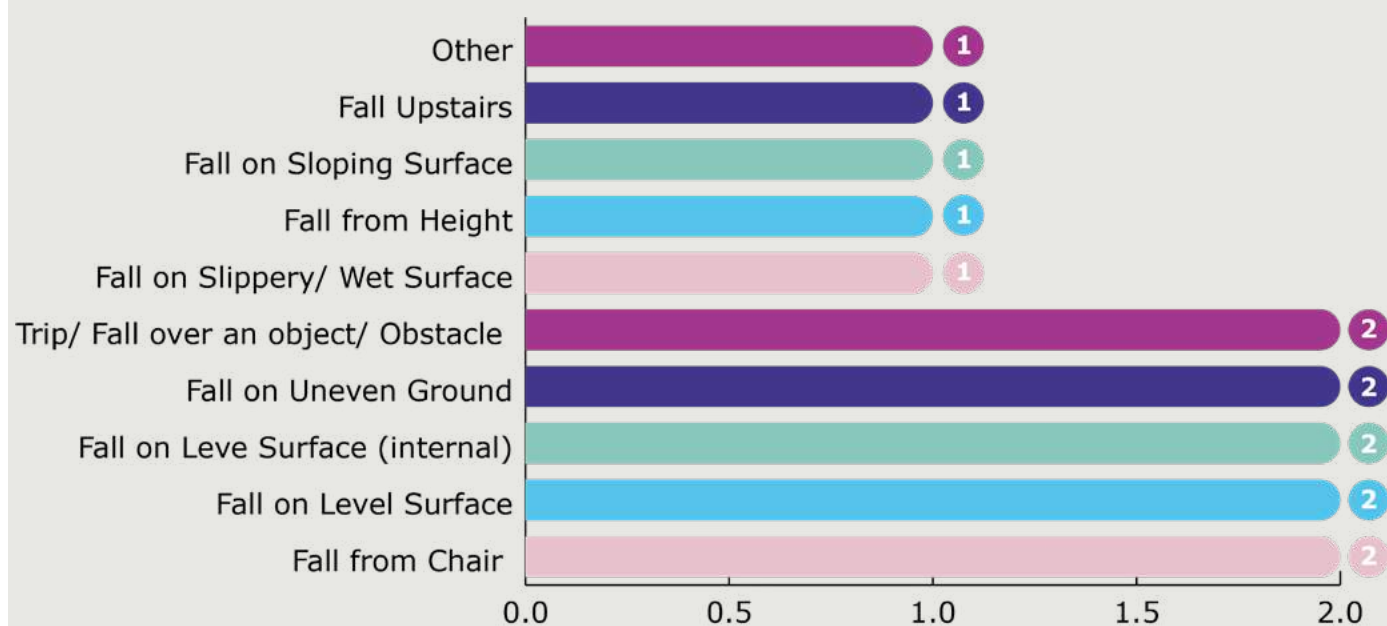


Figure 4

Slips, trips and falls by sub-category during 2021/2022



Lessons Learned

- Ensuring that walkway areas are clear of obstructions;
- Ensure staff walk on designated walkways/footpaths at all times;
- Ensuring that there are no obstructions in areas where roll cages are being loaded;
- Checking table and chairs are maintained and that no defects are visible and report and repair issues as soon as is reasonably practicable;
- Report any maintenance issues within car park areas at Health Board sites when undertaking deliveries;
- Ensuring signage is positioned in appropriate areas when cleaning is being undertaken at sites;
- Report any spillages on floors, to appropriate supervisor/manager and ensure signage is placed in area until rectified;
- Adhere to the safe system of work when operating tail lifts and roll cages;
- Encourage staff to report any slips, trips and falls in a timely manner on the Datix Cymru system.



Improvement Plan

- Implement the specific slips, trips and falls investigation template, leading to an improvement in the consistency of information and investigation outcomes, lessons learnt etc.
- Ensuring that lessons learnt are communicated across NWSSP.
- Continue to undertake Datix Cymru Training for Investigating Officers.
- Undertake training for Investigating Officers from the perspective of the Legal and Risk Team in the importance of undertaking investigations in a timely manner and gathering the relevant evidence when undertaking investigations.
- Ensure refresher training is undertaken when an incident occurs when operating tail lifts and roll cages.
- Introduction of a specific slips, trips and falls checklist.
- Regularly promote staff to use designated footpaths at sites at all times.



- Monitor the time it takes for incidents to be reported onto the Datix Cymru System.
- Monitor the time it takes for incidents to be investigated.
- Continue to promote sites to complete the Workplace checklists at all sites to identify potential hazards and to ensure good housekeeping.
- Ensure regular Spill kit training is undertaken, at relevant sites.
- Ensure regular maintenance of designated footpaths/walking areas, particularly in winter period.
- Inclement weather processes will continue to be monitored.
- Continue to ensure that outside lighting is checked on a regular basis.
- Promoting the reporting of slips, trips, and falls via the Datix System and within a timely manner.

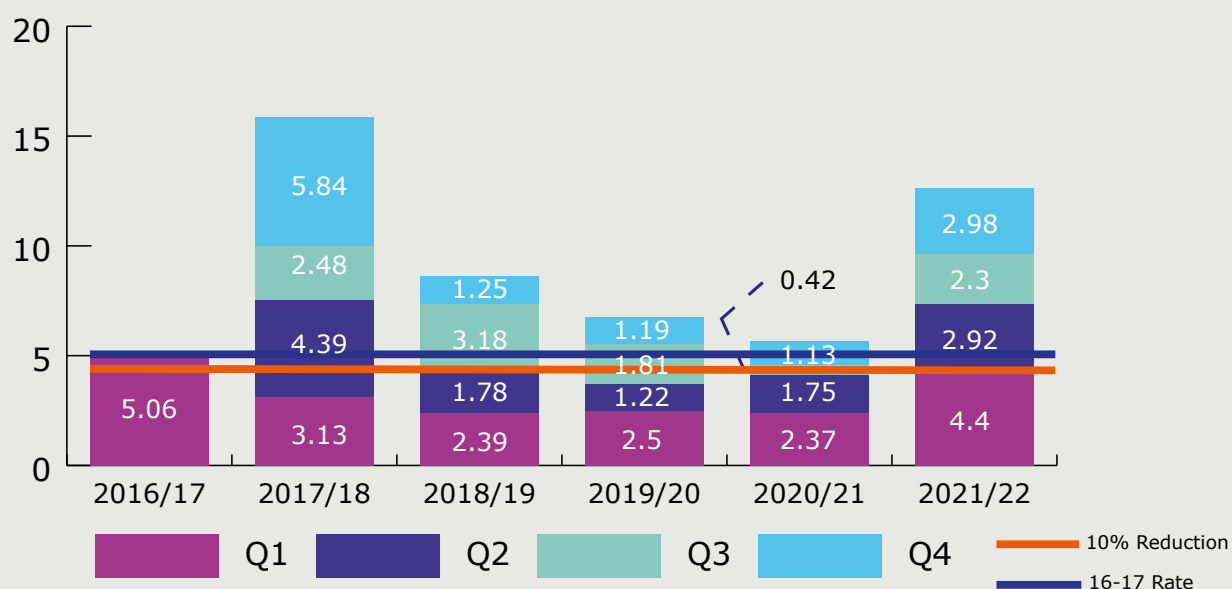


Objective 2

Aim to reduce work related contact-with-an-object incidents in the workplace, aspiring to a 10% reduction over two years.

Figure 5

Incident rate per 1,000 employees by Quarter



NWSSP has not achieved its aim to reduce work related contact with an object. This has been impacted by taking on new services, and particularly the Laundries where there were 10 incidents in the year.

Figure 6

Slips, trips and falls by Service Group during 2021/2022



Figure 7

Contact with an Object by Site during 2021/2022

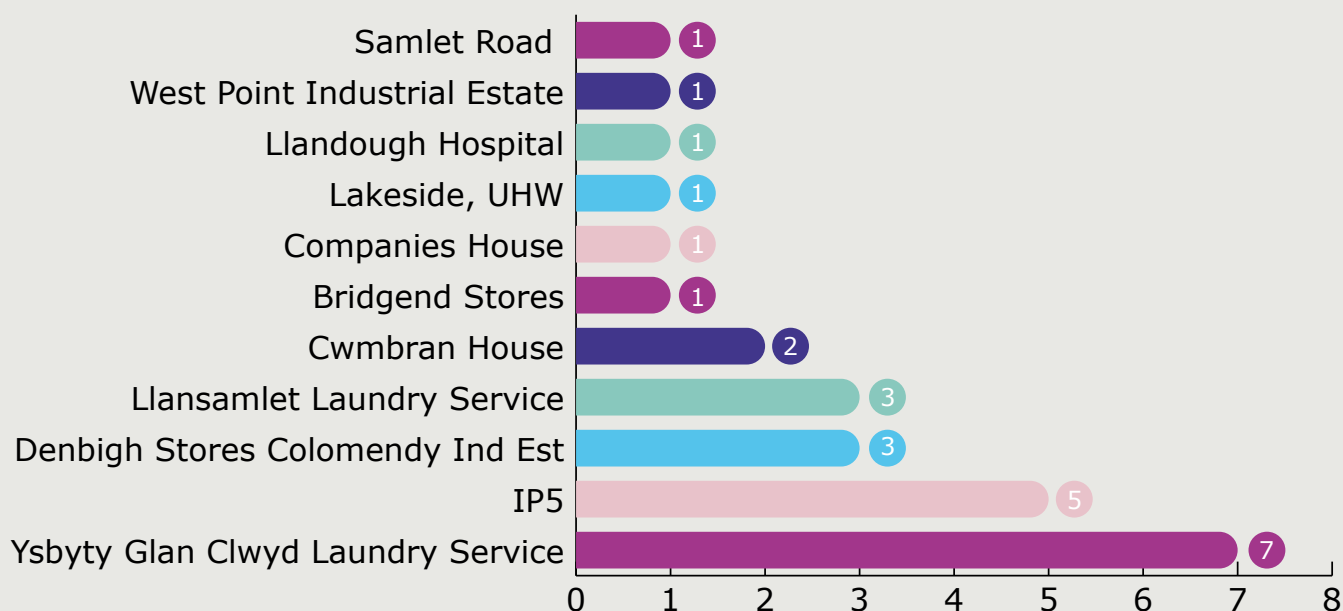
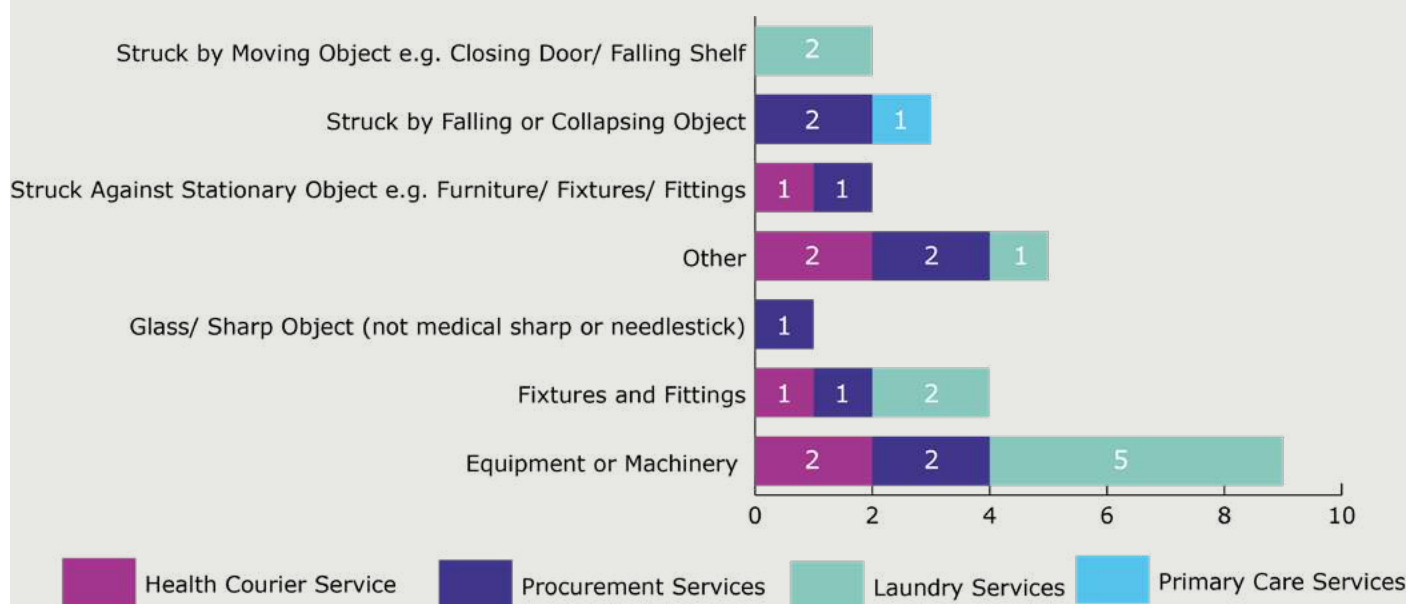


Figure 8

Contact with an Object by sub-category during 2021/2022



Lessons Learned

- Refresher training undertaken on the safe system of work for roll cages, pallet trucks and tail lifts.
- Ensure pallets are secure before attempting to unload.
- Inspect area prior to driving into location for loading purposes.
- Appropriate hazard signaged placed on sheet grabbing area.
- Roll cages to be positioned in designated areas only.



Improvement Plan

- Implement the general investigation template, leading to an improvement in the consistency of information and investigation outcomes, lessons learnt etc.
- Ensuring that lessons learnt are communicated across NWSSP.
- Continue to undertake Datix Cymru Training for Investigating Officers.
- Undertake training for Investigating Officers from the perspective of the Legal and Risk Team in the importance of undertaking investigations in a timely manner and gathering the relevant evidence when undertaking investigations.
- Ensure refresher training is undertaken when an incident occurs when operating tail lifts and roll cages.
- Ensure all relevant staff are aware of the revised roll cage training safe system of work;
- Ensure all relevant staff are aware of the tail lifts and pallet trucks safe system of work;
- Ensure all bank/agency staff receive training on the relevant safe systems of work;
- Monitor the time it takes for incidents to be reported onto the Datix Cymru System.
- Monitor the time it takes for incidents to be investigated.
- Promoting the reporting of any contact with an object incident via the Datix System and within a timely manner.

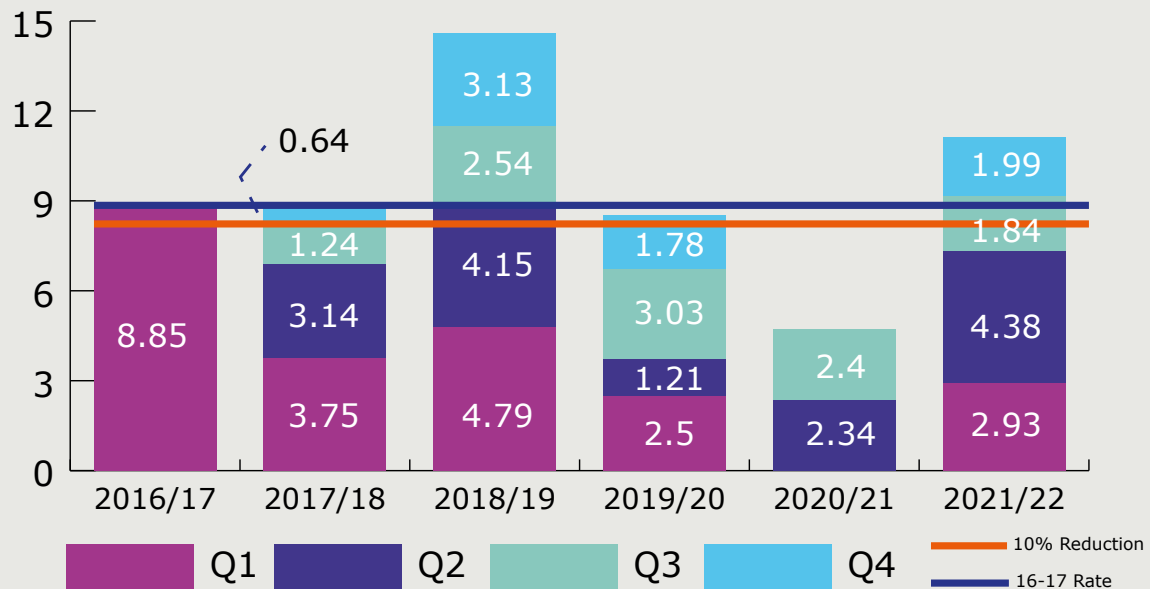


Objective 3

Aim to reduce manual handling incidents in the workplace, aspiring to a 10% reduction over two years.

Figure 9

Incident rate per 1,000 employees by Quarter



NWSSP has not achieved its aim to reduce manual handling incidents in the workplace.

Figure 10

Manual Handling by Service Group during 2021/2022

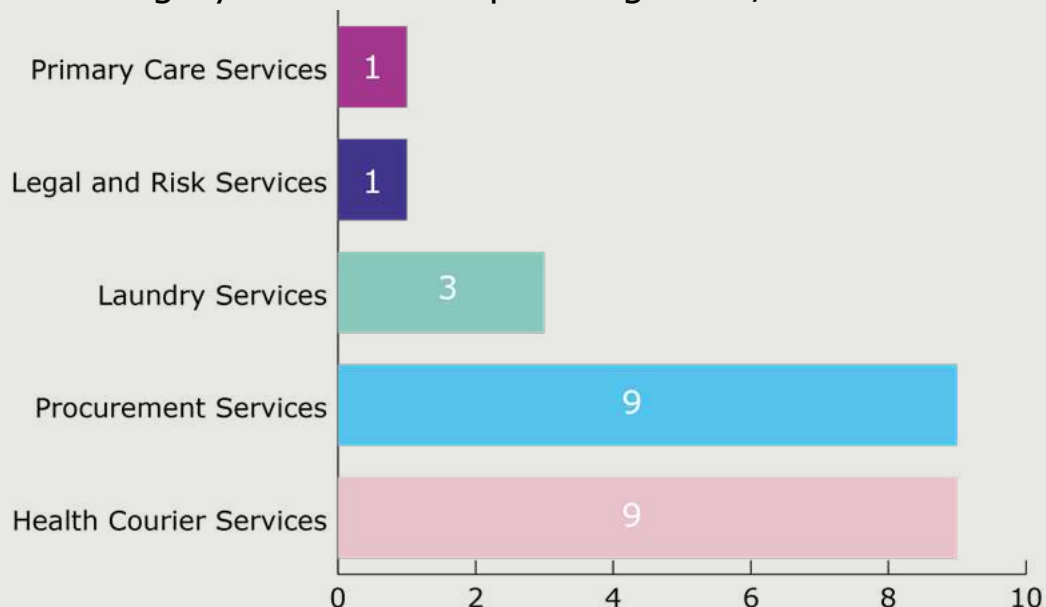


Figure 11

Manual Handling by Site during 2021/2022

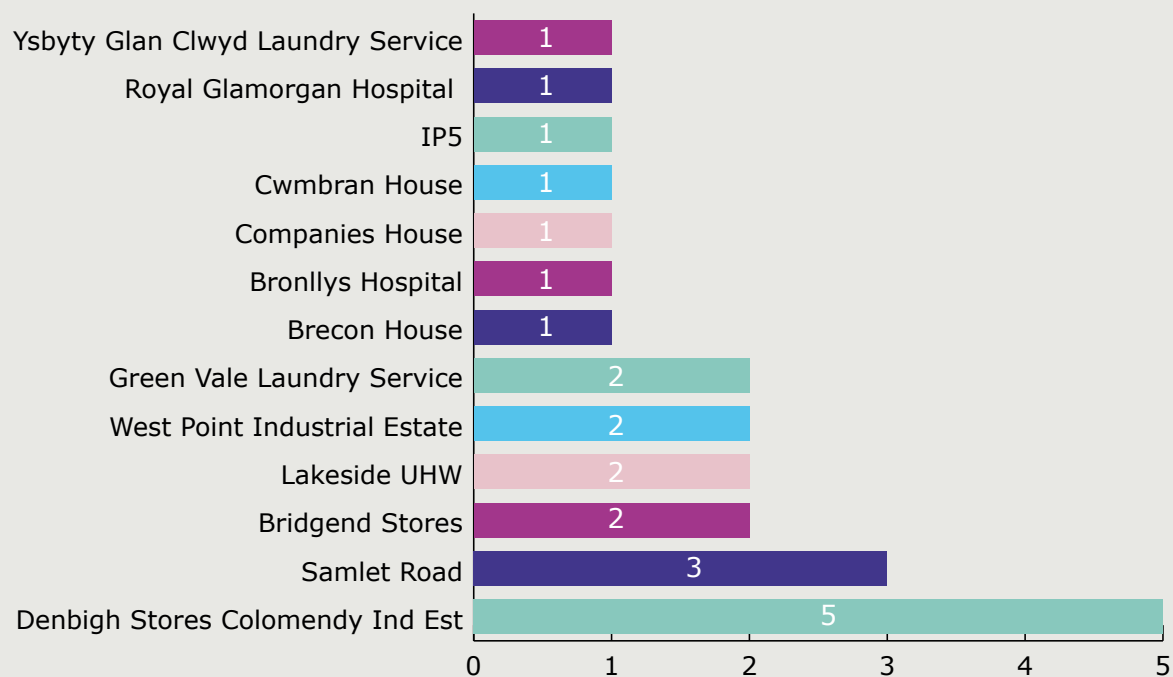
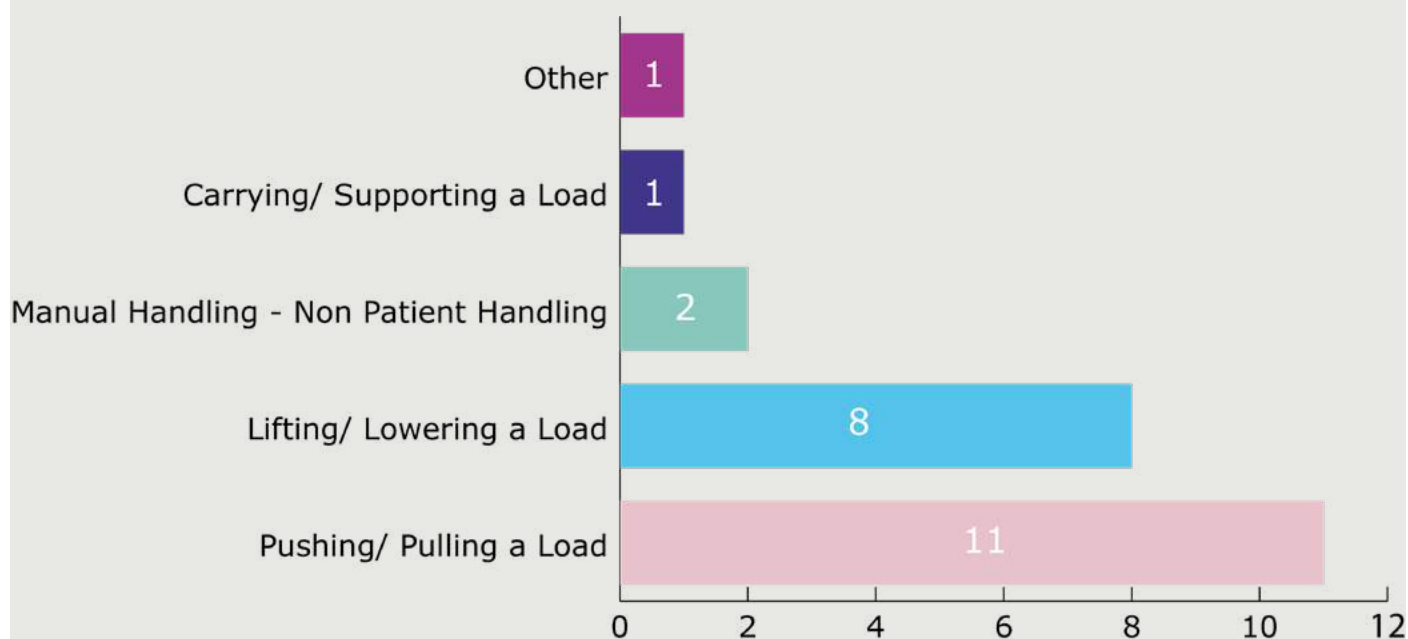


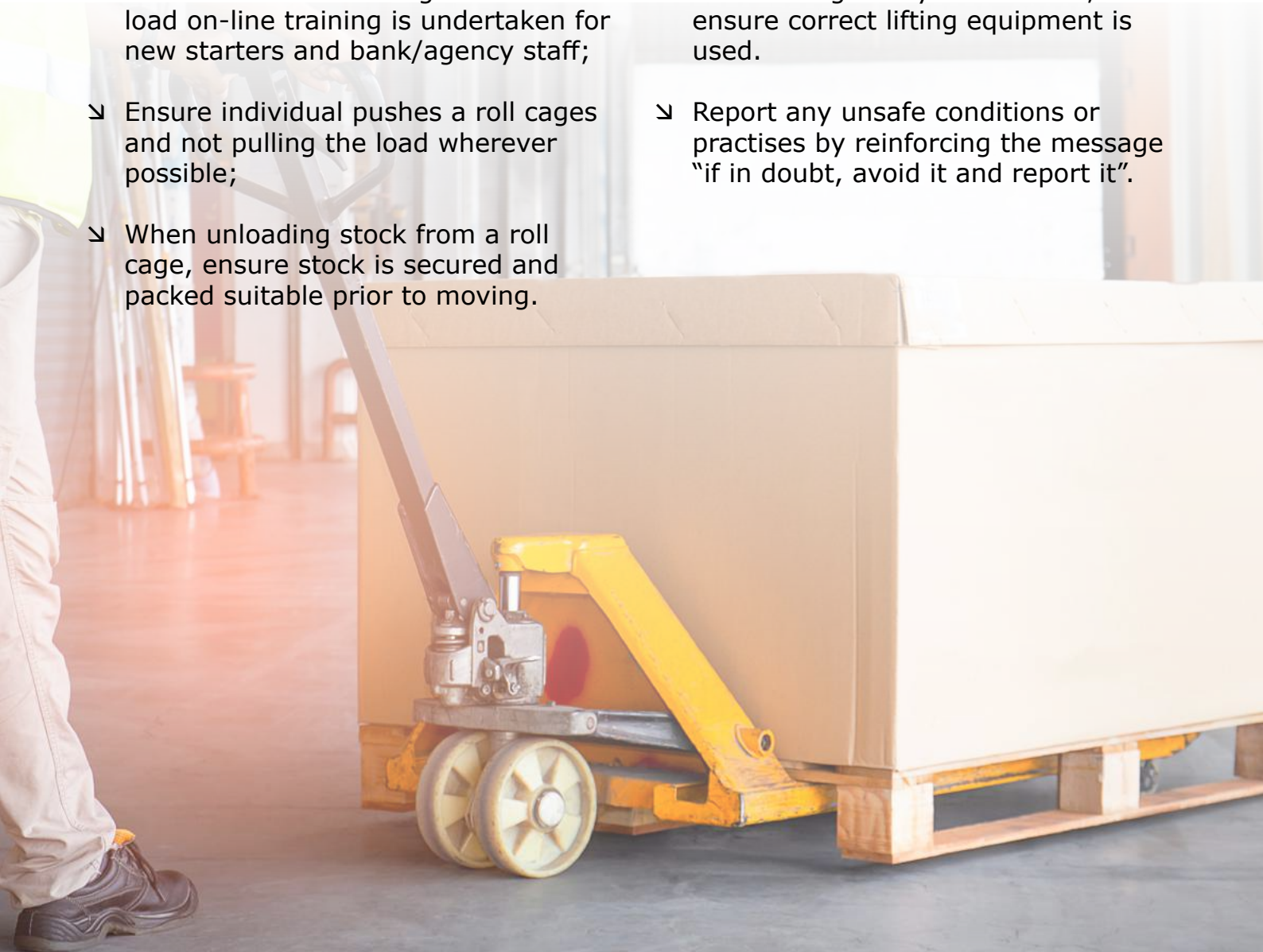
Figure 12

Manual Handling by sub-category during 2021/2022



Lessons Learned

- Ensure individual is aware of the load;
- Stock on shelving to be reviewed within Supply Chain;
- Be aware of staff medical conditions;
- Weigh roll cages prior to loading onto vehicle;
- Ensure manual handling inanimate load on-line training is undertaken for new starters and bank/agency staff;
- Ensure individual pushes a roll cages and not pulling the load wherever possible;
- When unloading stock from a roll cage, ensure stock is secured and packed suitable prior to moving.
- If an individual believes a load is too heavy, to decant at point.
- Ensure pallets are secure before attempting to unload.
- Ensure relevant staff undertake the revised roll cage safe system of work training;
- When lifting heavy stock items, ensure correct lifting equipment is used.
- Report any unsafe conditions or practises by reinforcing the message "if in doubt, avoid it and report it".



Improvement Plan

- Implement the manual handling investigation template, leading to an improvement in the consistency of information and investigation outcomes, lessons learnt etc.
- Ensuring that lessons learnt are communicated across NWSSP.
- Continue to undertake Datix Cymru Training for Investigating Officers.

- Ensure all relevant staff are aware of the tail lifts and pallet trucks safe system of work;



- Undertake training for Investigating Officers from the perspective of the Legal and Risk Team in the importance of undertaking investigations in a timely manner and gathering the relevant evidence when undertaking investigations.
- Procurement Supply Chain to review items on racking;
- Undertake site survey for deliveries to any new sites.
- Ensure refresher training is undertaken when an incident occurs when operating tail lifts and roll cages.
- Ensure all relevant staff are aware of the revised roll cage training safe system of work;

- Ensure all relevant staff undertake the on-line manual handling inanimate load training every two years.
- Ensure all bank/agency staff receive training on the relevant safe systems of work and trained in the on-line manual handling inanimate load training prior to commencing duties;
- Monitor the time it takes for incidents to be reported onto the Datix Cymru System.
- Monitor the time it takes for incidents to be investigated.
- Promoting the reporting of any manual handling incident via the Datix System and within a timely manner.



Objective 4

Develop and enhance the health and safety and risk management knowledge and skills of managers and supervisors throughout NWSSP.

Achievements

- A Health and Safety Improvement Plan has been put into place for the Laundries.
- A number of supervisors and managers have undertaken the e-learning IOSH Working/Managing Safely course.
- Regular statutory health and safety training is undertaken on an annual basis.
- Managers and site leads have been heavily involved in the implementation of the COVID-19 risk assessments throughout 2021/22.
- Guidance on what is RIDDOR has been issued to supervisors/managers.
- Implemented the manual handling investigation template, leading to an improvement in the consistency of information and investigation outcomes, lessons learnt etc.
- Continually undertook Datix Cymru training with investigating officers on the new Datix Cymru System.
- Incidents over 30 days continue to be monitored.
- Enhanced the roll cage safe system of work training and introduced the defective roll cage process.
- NWSSP All Wales H&S meetings continue to be held on a quarterly basis.
- NWSSP Regional Health and Safety Meetings continue to be held on a quarterly basis where information is communicated to supervisors and managers.
- Introduction of the 7-minute briefing, whereby recurring issues are promoted on a monthly basis.
- Implemented the CoSHH Risk Assessment process for relevant service groups.
- Continually monitored the time it took for an incident to be investigated on the Datix Cymru system.
- Continually promoted manager/supervisors to encourage staff to report incidents on the Datix Cymru System.
- Continually developed the intranet SharePoint Health and Safety webpages.



Improvement Plan

- Refer to objective 1, 2, 3 and 7.

Objective 5

Continually improve the health and safety culture within NWSSP.

Achievements

- Managers and site leads have been heavily involved in the implementation of the COVID-19 risk assessments throughout 2021/2022.

- Storyboards on CoSHH and PPE have been produced.



Corrosive - acids or bases



Toxic



Flammable liquid



Oxidizer/Reactive

- Core skills training is continually monitored to ensure compliance.
- Continually undertake Datix Cymru training with investigating officers on the new Datix Cymru System.
- Continually promote staff to report incidents in a timely manner.
- Enhanced the roll cage safe system of work safe system of work.
- QR Code has been implemented so that staff on the go can report an incident.
- Continually monitored the time it took for an incident to be investigated on the Datix Cymru system.
- Continually developed the intranet SharePoint Health and Safety webpages.

- All sites continue to ensure that all new starters undertake the First Month Site Induction Handbook.
- The H&S Manager has worked closely throughout the pandemic with the members of the Building Management Group and issues/actions are fed back to the Adapt and Future Change group.
- Quarterly H&S reports continue to be produced for SLG.
- Health and Safety objectives continue to be monitored.
- Introduction of the 7-minute briefing, whereby recurring issues are promoted on a monthly basis.



Improvement Plan

- Refer to objective 1, 2, 3 and 7.

Objective 6

Regularly monitor and evaluate the health and safety performance throughout NWSSP.

Achievements

- A Health and Safety Improvement Plan has been put into place for the Laundries.
- Regular meetings are held with Site Leads to discuss estates compliance and any issues are escalated to NWSSP All Wales H&S group.
- Quarterly reports are produced for the purpose of SLG and All Wales H&S Meeting to identify trends.
- Progress against the Health and Safety Objectives are monitored quarterly.
- Continually monitor the time it took for an incident to be reported on the Datix Cymru system.
- Continually monitor the time it took for an incident to be investigated on the Datix Cymru system.
- Continually promoted manager/supervisors to encourage staff to report incidents on the Datix Cymru System.
- Continually encourage service groups to monitor their own trends.



Improvement Plan

- Refer to objective 1, 2, 3 and 7.

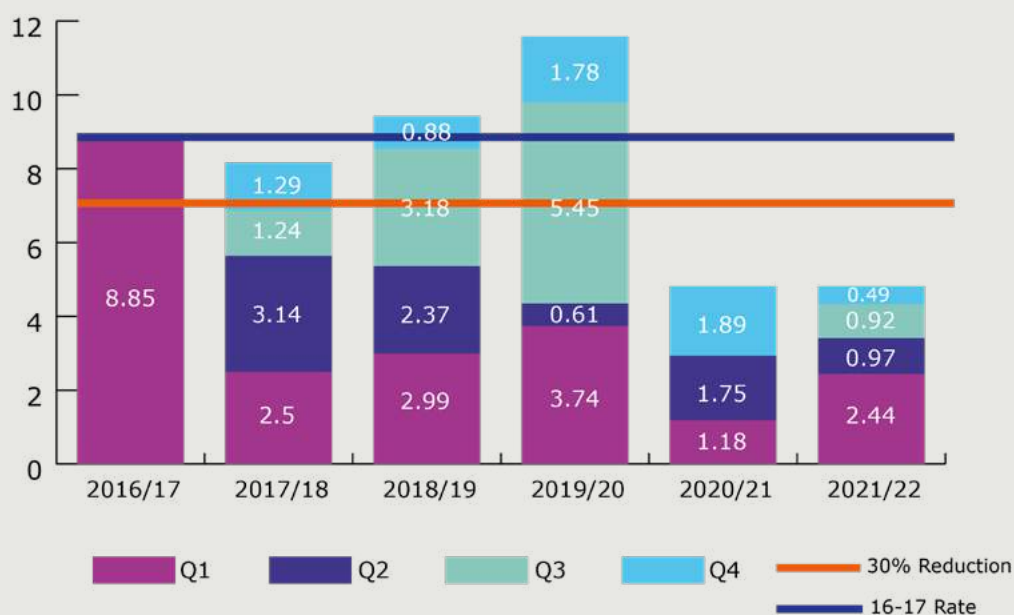


Objective 7

Promote a **zero-tolerance** culture in relation to violence and aggression incidents within NWSSP, aspiring to improve incident reporting and investigations and reduce the number of incidents by **30%** over two years.

Figure 13

Incident rate per 1,000 employees by Quarter



NWSSP **has** achieved its aim to reduce violence and aggression incidents, aspiring to the 30% reduction over two years.

Figure 14

Violence and Aggression incidents by Service Group during 2021/2022



Figure 15

Violence and Aggression incidents by Site during 2021/2022

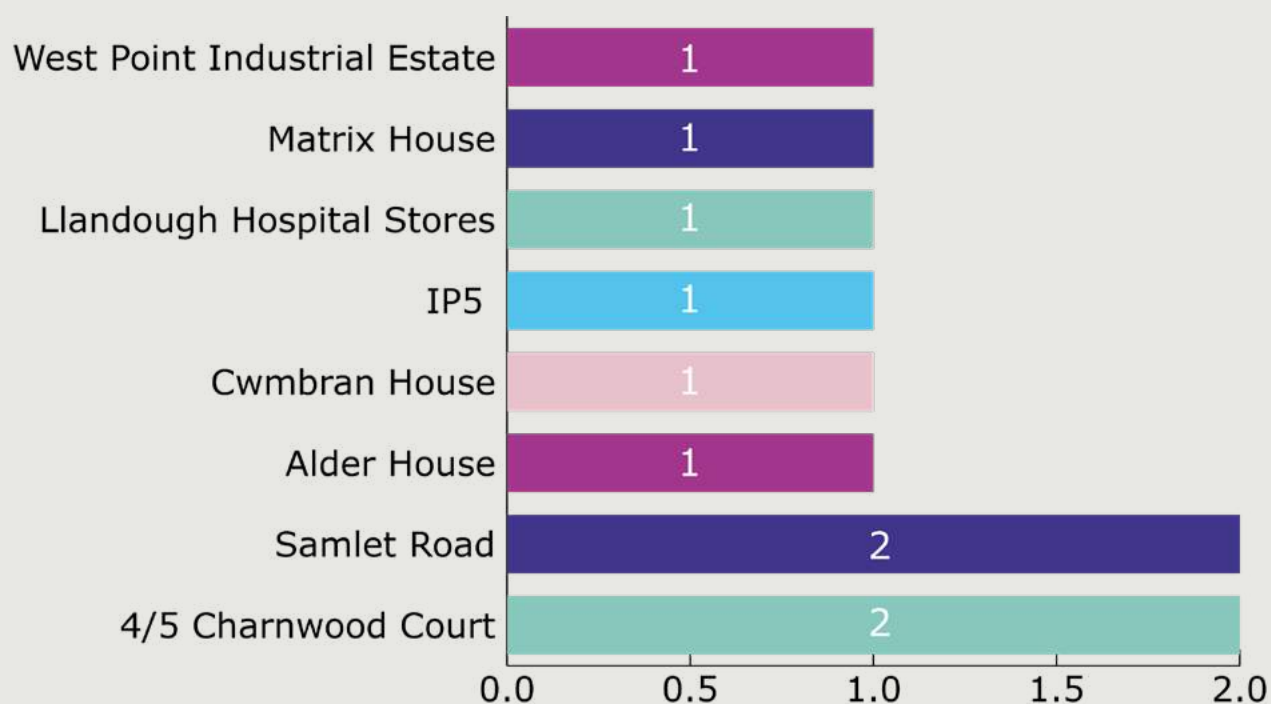


Figure 16

Violence and Aggression incidents by Sub Type and service group



Lessons Learned

- Continue to promote a zero tolerance approach to violence and aggression incidents.
- Inform Health Boards of any incidents involving their staff to NWSSP staff members.
- Ensuring that dashcam footage is reviewed in a timely manner.



Improvement Plan

- Encourage staff to report any violence and aggression incidents.
- Promote to staff that NWSSP takes a zero approach to violence and aggression in the workplace.
- Implement the general investigation template, leading to an improvement in the consistency of information and investigation outcomes, lessons learnt etc.
- Ensuring that lessons learnt are communicated across NWSSP.
- Continue to undertake Datix Cymru Training for Investigating Officers.
- Undertake training for Investigating Officers from the perspective of the Legal and Risk Team in the importance of undertaking investigations in a timely manner and gathering the relevant evidence when undertaking investigations.
- Monitor the time it takes for incidents to be reported onto the Datix Cymru System.
- Monitor the time it takes for incidents to be investigated.



Reporting of Injuries/ Diseases and Dangerous Occurrences Regulations (RIDDOR)



A total of **9** incidents were reported under RIDDOR to Health and Safety Executive in 2021/2022. The previous year, there were 5 incidents. Two incidents were specified injuries and 7 were over 7-day injuries.

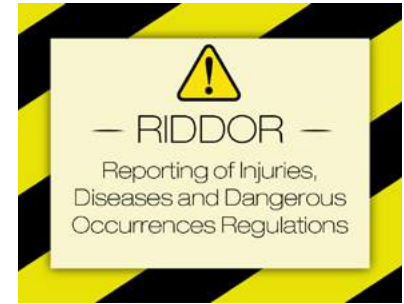


Figure 17

RIDDOR Incidents Reported During April 2021 – March 2022

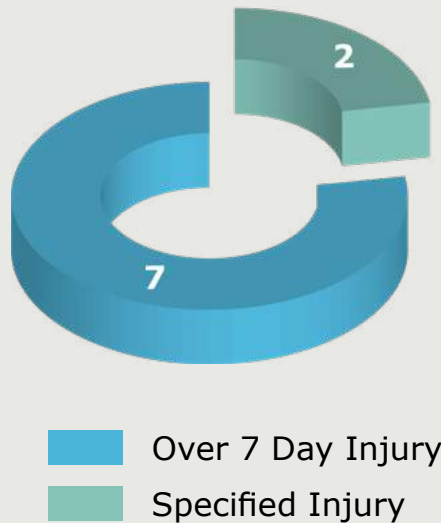


Figure 18

RIDDOR Incidents Reported by Service Group During April 2021 – March 2022

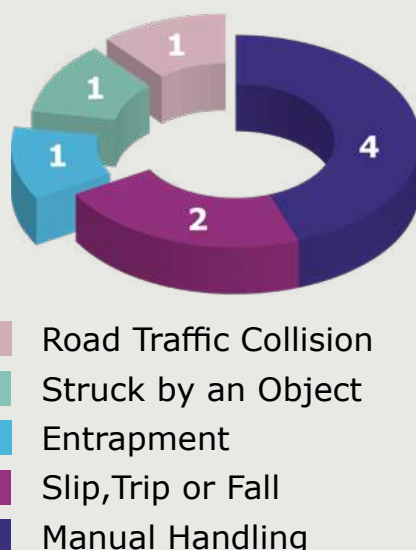
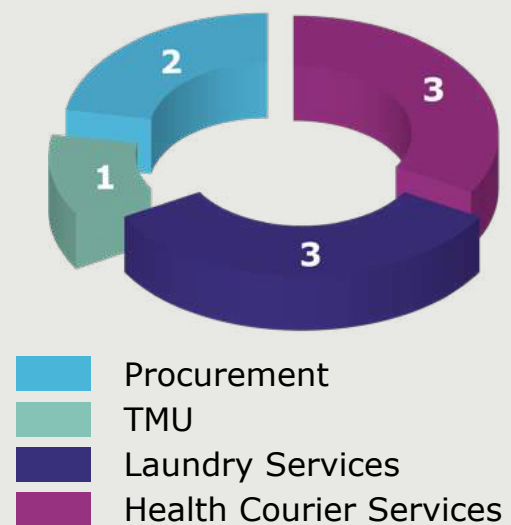
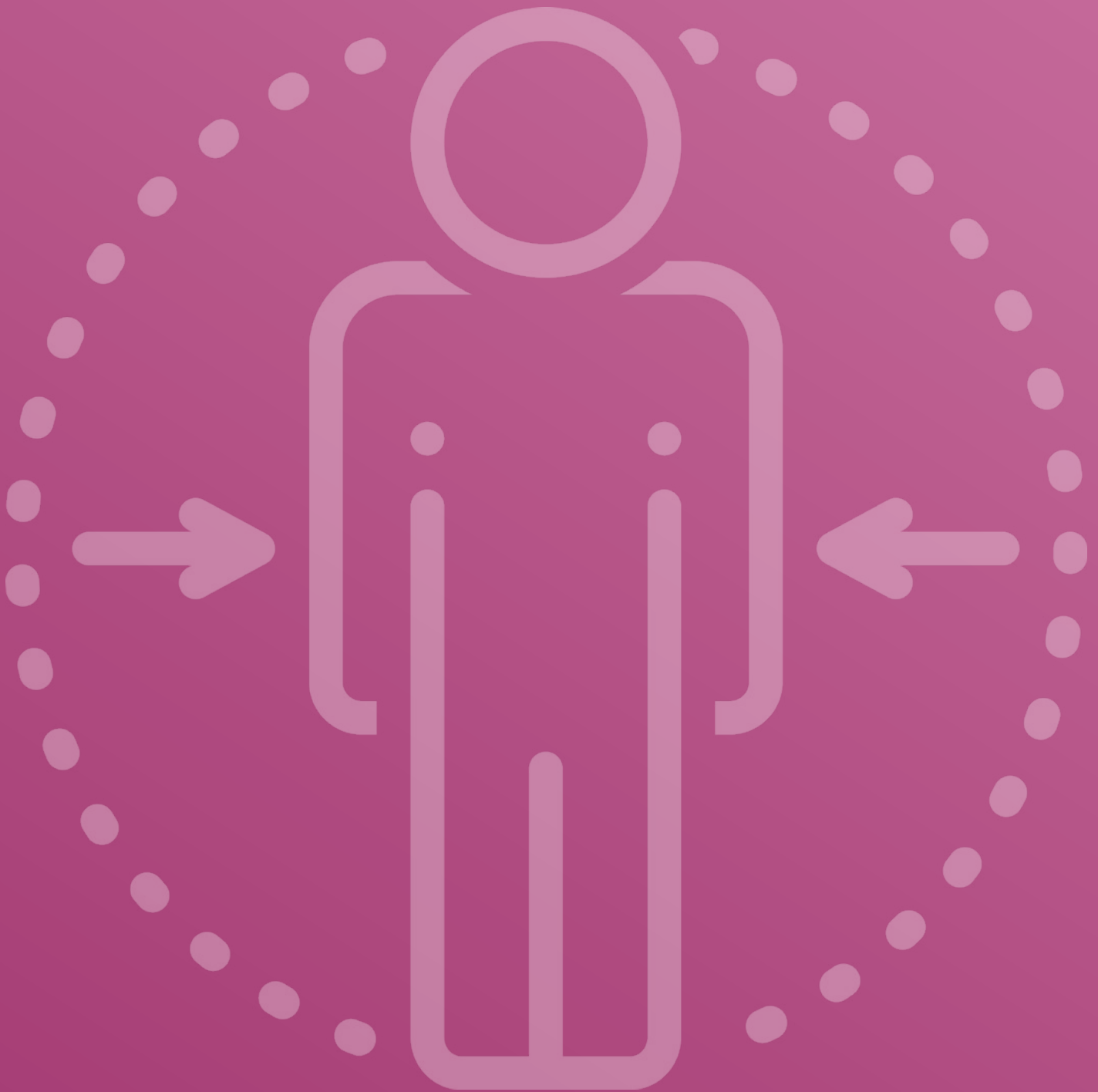


Figure 19

RIDDOR Incidents Reported by Type During April 2021 – March 2022

Single Lead Employers



The Single Lead Employer scheme (**SLE**) is an employment arrangement that was put in place to effectively manage and support all Medical and Dental trainees across Wales for the duration of their training programme.

The Single Lead Employer Team, are part of the NHS Wales Shared Services People & Organisational Development department, and work alongside Health Education Improvement in Wales and Host Organisations as part of a tripartite agreement.

The NWSSP trainees engaged as part of the scheme work in all areas of NHS Wales, providing essential clinical services. All NWSSP trainees remain employees of NWSSP whilst on placement and it is important that the Shared Services Senior Leadership Group are aware of any incidents or occurrences involving this important group of staff.

All Health Bodies in NHS Wales record incidents/occurrences via their Datix Cymru system and it is the responsibility of the Health Board to fully commit to ensuring that corrective actions are taken which may arise from an incident/occurrence; and ensuring lessons are learnt and improvements implemented as a consequence.

Once an incident/occurrence is populated onto the Datix Cymru system by a Health Board or Dental Practice involving a member of staff employed under the single lead employer scheme, the Health Board or Dental Practice has been requested to communicate this incident/occurrence to the NWSSP Health and Safety Manager in order that appropriate support and action can be taken.



Communication should be via email at NWSSP.Safety@wales.nhs.uk

Single Lead Employer incidents are not recorded in the overall NWSSP Health and Safety statistics – these are recorded separately. During 2021/2022 there have been 3 Accidents reported – Contact with Needles or Medical Sharps.

One of these incidents was **RIDDOR** reportable as a Dangerous Occurrence.



Personal Injury Claims



Personal Injury Claims

During the period April 2021 – March 2022 there were two new claims received.

Figure 1

For matters Open between 01-Apr-20 and 31-Mar-21

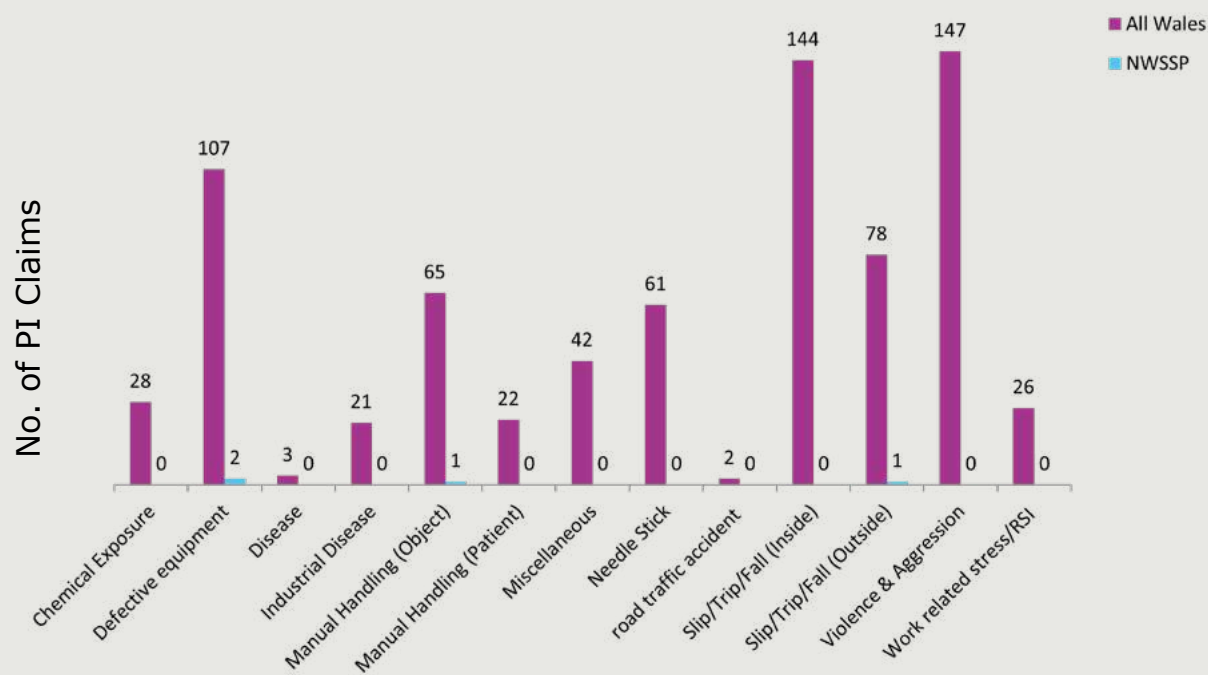


Figure 2

Defective Equipment Claims –Trend Analysis

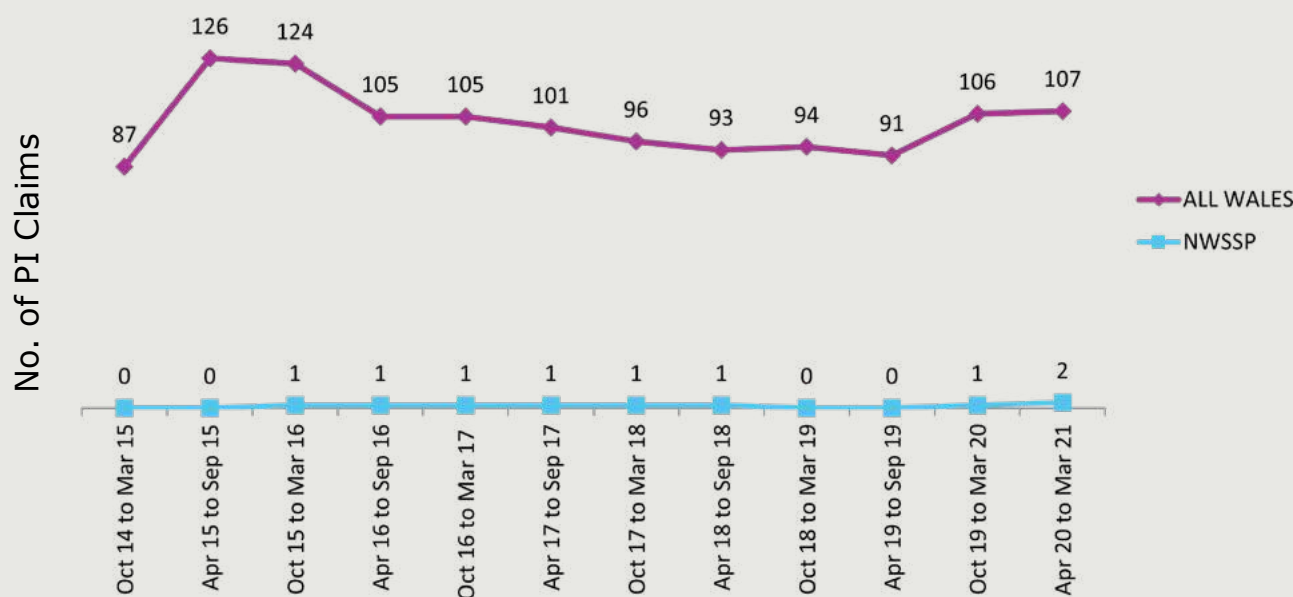


Figure 3

Manual Handling (object) –Trend Analysis

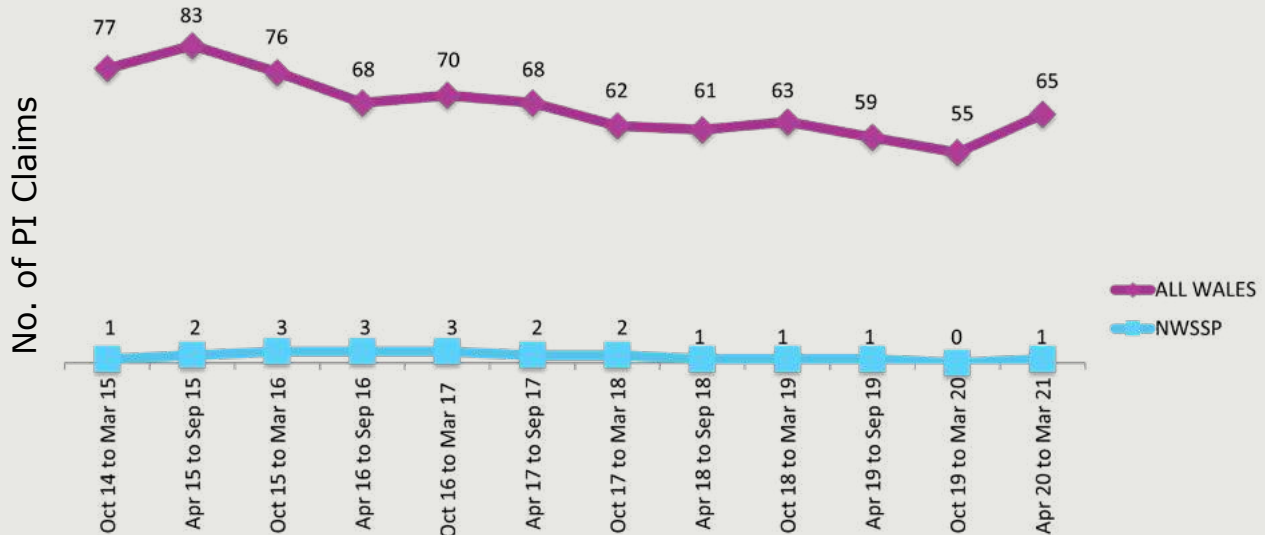
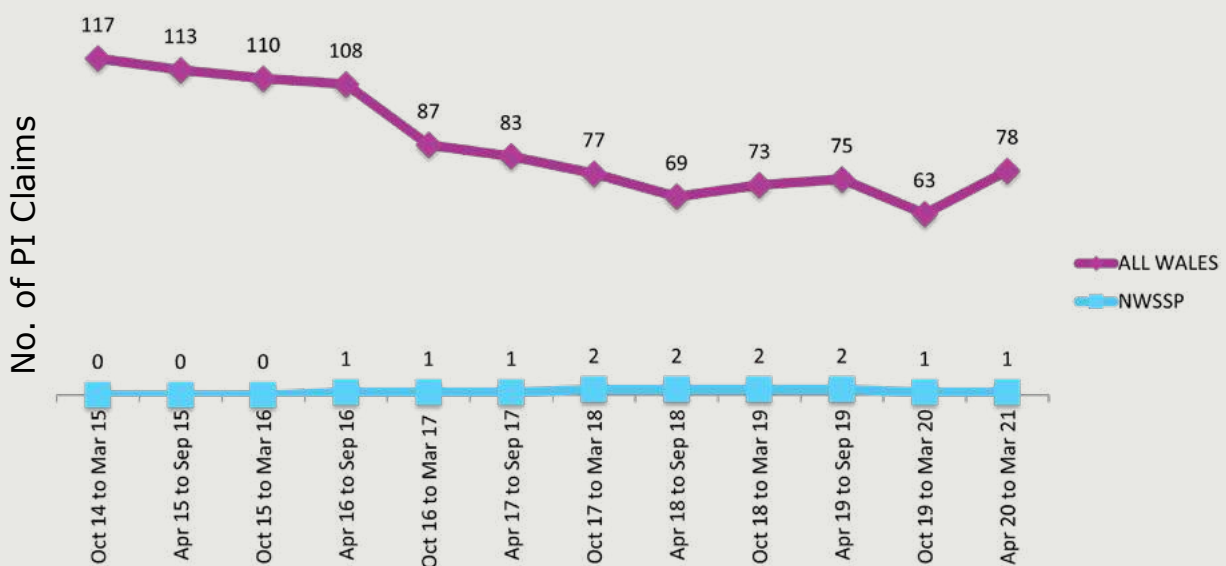


Figure 4

Slip/Trip/Fall (Outside) –Trend Analysis



Health and Safety Executive Enforcement Action



During the year there have been **no** prosecutions, enforcement actions or intervention costs by either the Health and Safety Executive (HSE) or Environmental Health.



HSE COVID-19 Spot Check at Westpoint Industrial Estate 09/09/21

Infringement Notice – Dwr Cymru Swansea Laundry

The Health and Safety Executive (HSE) continued to carry out spot checks during 2021/2022 and undertook inspections by calling, visiting and inspecting all types of businesses in most areas across Wales to ensure they were working safely since most coronavirus (COVID-19) restrictions were eased.

On 9th September, a representative for the HSE attended Westpoint site to undertake Covid Site Spot Checks. This was not targeted specifically towards NHS or Westpoint. The representative for HSE was contracted by Engage on behalf of the HSE. The outcome of the visit were no issues to be noted.

An infringement notice was received from Dwr Cymru for the Swansea Laundry. Three areas had been identified for action by middle of October 2021. All actions had been carried out.



Once for Wales Concerns Management System Datix Cymru



OFW New System

The new OFW system, Datix Cymru, was launched in NWSSP on 17th May 2021. During 2021 the national programme for the Once for Wales Concerns Management System (OFW) will launch the new Datix Cymru System.

This is a modern, cloud-based version of Datix software and will replace previous versions of Datix. The Welsh Government asked NWSSP to accelerate the introduction and roll out of the system, in order to deliver the benefits of the system as soon as possible.



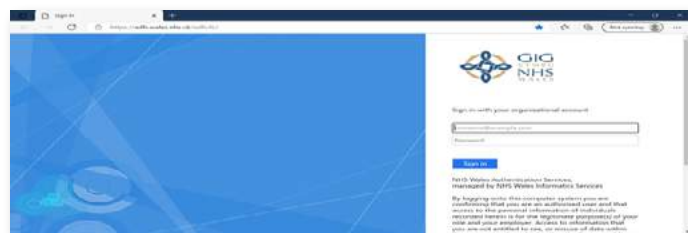
The system replaced the various versions and configurations of the Datix software currently in use across NHS Wales and provides the opportunity to provide a level of consistency in our approach to incident management.

Welsh Government requested that NHS Wales Shared Services Partnership (NWSSP) host the Central NHS Wales Datix Team who are responsible for system design, configuration, adaption and maintenance.

A poster was generated to all staff demonstrating the benefits of the Datix Cymru system and how to access the system.



Benefits of the New System



- Easy to log in - Nadex/Windows login can be used to access the system.
- Quicker process – The flow and layout of the incident form has been undertaken making it more user friendly.
- Business Intelligence tool – simpler process to access reports from the system which will improve efficiency.

During 2021, the Health and Safety Manager worked with colleagues from the Once for Wales team and Velindre NHS Trust to ensure the Datix Cymru system was launched on time within NWSSP.

All incidents reported onto the previous Datix System from 1st April 2021 to 16th May 2021 were transferred over to the new Datix Cymru system. This enables all the data will be on the new system for the financial year.

Training undertaken for Investigating Officer on Datix Cymru

A series of training sessions were undertaken during 2021/2022 by the Health and Safety Manager with investigating officer on the new Datix Cymru System.

Further sessions continue to be undertaken into 2022/2023.

Health and Safety Management System Framework



The Health and Safety Executive stipulate that areas must be subjected to Health and Safety Inspections on a regular basis.

NWSSP operates a Health & Safety Management System, utilising the HSE-approved HSG65 tool. The Health and Safety Manager maintains an annual schedule of site audits. The model is structured into a Plan, Do, Check, Act approach.

An integrated Health and Safety Management System brings consistency to the health and safety approach throughout the organisation and enables NWSSP to execute health and safety practice by building on existing management systems, policies and procedures.

The systems aids in delivering greater consistency and a more rigorous approach to managing risks to health and safety within NWSSP. It ensures that operations remain safe and reliable.

Health and Safety Management System - HSG65 Assessment Tool

The 'HSG65 Assessment Tool' used within NWSSP utilises and provides assurance to NWSSP that matters relating to health and safety are being dealt with adequately and effectively and any weaknesses in areas are brought to the attention of management and advice issued on how particular problems may be resolved and improved to minimise future occurrence.

An action plan is produced in conjunction with the manager and the Health and Safety Manager, with agreed timescales outlining specific actions for development, the delivery of which is monitored quarterly.

The objectives of the internal audits are:

- To confirm that the management system conforms with all the requirements of the audit standard;
- To confirm that the organisation has effectively implemented the planning management system;
- To confirm that the management system is capable of achieving the organisation's policy objectives.

The Health and Safety Management System Framework within NWSSP is set into the following Principles of good health and safety management.

A revised HSG65 checklist was prepared by the Health and Safety Manager in 2021 to include questions on Covid-19 when undertaking site audits/visits during 2021/2022.

The system consists of the following key categories and are stated below:

- Health and Safety Policy
- Organisation
- Health, Safety and Emergency Planning
- Selection and Training
- Consultation, Communication and Control
- General Risk Assessments
- CoSHH Assessments
- Manual Handling Assessments
- Display Screen Equipment Assessments
- Workplace Safety
 - » Fire and Emergencies
 - » First Aid
 - » Work Equipment
 - » The Workplace
- Covid-19 Secure
- Monitoring

Health and Safety Internal Site Audits Undertaken During 2021-22

A schedule of health and safety internal audits were undertaken by the Health and Safety Manager/Health and Safety Support Officer at NWSSP sites during 2021/2022.

It should be noted that due to Covid-19 restrictions imposed during 2021/2022, a limited number of site visits were carried out.

The following sites demonstrated Substantial Assurance (90% and above):

Sites Visited	% Rate
Companies House	96.64%
Withybush Receipt and Distribution Stores	92.87%
Denbigh Stores	98.68%
Glangwili Receipt and Distribution Stores	90.17%
Bronglais Receipt and Distribution Stores	90.22%
Cwmbran House - Health Courier Services	95.95%
Matrix House	93.03%
Samlet Road, Swansea - Health courier Services	90.16%

- SLG can take substantial assurance that arrangements are in place regarding the management of health and safety on site and internal control are in place. Few matters require attention.

The following sites demonstrated reasonable assurance (80% - 89%):

Sites Visited	% Rate
IP5	87.04%

- SLG can take reasonable assurance that arrangements are in place regarding the management of health and safety on site and internal control are in place. Some matters require management attention.

There were no sites which achieved limited or no assurance.



Main Themes Arising from the Internal Health and Safety Site Audits Carried Out During 2021/2022

An analysis of the key categories was undertaken to identify main themes where compliance was being under achieved.

The main categories where improvements are required in 2022/2023 include:

Health and Safety Policy

- Ensuring that all staff receive a copy of the Policy and Procedure for Health, Safety and Welfare.



Risk Assessments

- Ensuring that all hazards have been identified in the workplace and that a risk assessment has been completed.
- Ensuring that risk assessments are reviewed in relevant timescale;
- Ensuring each site has their own risk assessment inventory for all risk assessments undertaken at site.
- Ensuring that sites review risk assessments, post incident.
- Ensuring that Safe Systems of Work are reviewed, post incident.
- Ensuring staff sign receipt and understanding of their respective safe systems of work.

Consultation, Communication and Control

- Ensuring that regular team meetings are undertaken by service groups and a standard agenda item includes Health and Safety.
- Ensuring the information from the Regional Health and Safety Meetings are communicated to staff at team meetings.

COSHH

- Ensuring that Material Data Sheets are available for all CoSHH items.
- Where applicable, the implementation of CoSHH risk assessments from the Sygol System.
- Training for identified staff on CoSHH principles.



Other areas where improvements are required in 2022/2023 include:

- Ensuring that the appropriate investigation template is completed post incident;
- Ensuring that all evidence is uploaded to Datix Cymru post incident;
- Sites to be aware of their trends in relation to health and safety incidents;
- Investigation First Month Site Induction Handbooks required to be completed and within designated timescale;
- Bank staff to undertake the necessary training for their role prior to commencing;
- Training inventory to be set up at each site;
- Staff required to be fully compliant in their mandatory training requirements.
- PADR's to contain all health and safety training that is undertaken by the individual;
- All fields on the fire monthly checklists to be completed;
- Emergency evacuation plans to be reviewed;
- Fire folder to contain the relevant documents;
- Ensuring fire drills are undertaken at least annually;
- Fire risk assessment actions to be undertaken in a timely manner;
- Correct version of the Contractor Handbook to be used;
- Ensuring the Contractor Handbook is completed with all contractors;
- Ensuring a documented PPE process is in place when issuing PPE;
- DSE assessments to be completed in a timely manner;
- Ensuring first aid risk assessments are completed;
- Ensuring all first aiders have their own designated PPE;

NWSSP Health and Safety Support Officer Role

Due to the expansion within NWSSP it become increasingly demanding for the Health and Safety Manager and the approval was agreed for a Health and Safety Support Officer role to assist the Health and Safety Manager. This post commenced in January 2022.

Health and Safety Improvement Plan Laundry Services



NWSSP became directly responsible for the leadership and operation of three laundry units on 1st April 2021.

Baseline Review

As part of the due diligence exercise, prior to the transition of services in April 2021, an analysis of H&S Standards within the laundry services was undertaken. This provided an opportunity for immediate intervention in relation to H&S standards.

The baseline review was then considered in a more detailed format following the transfer of the units to NWSSP. This was conducted during It utilised a self-assessment approach, enabling local leadership teams to become increasingly familiar with the policies and procedures of NWSSP and to identify local issues requiring intervention.

NWSSP operates a Health & Safety Management System, utilising the HSE-approved HSG65 tool. To generate a baseline position, each laundry unit was asked to undertake a self-assessment of H&S standards using the HSG65 tool. This was conducted during Q1 2021-22.

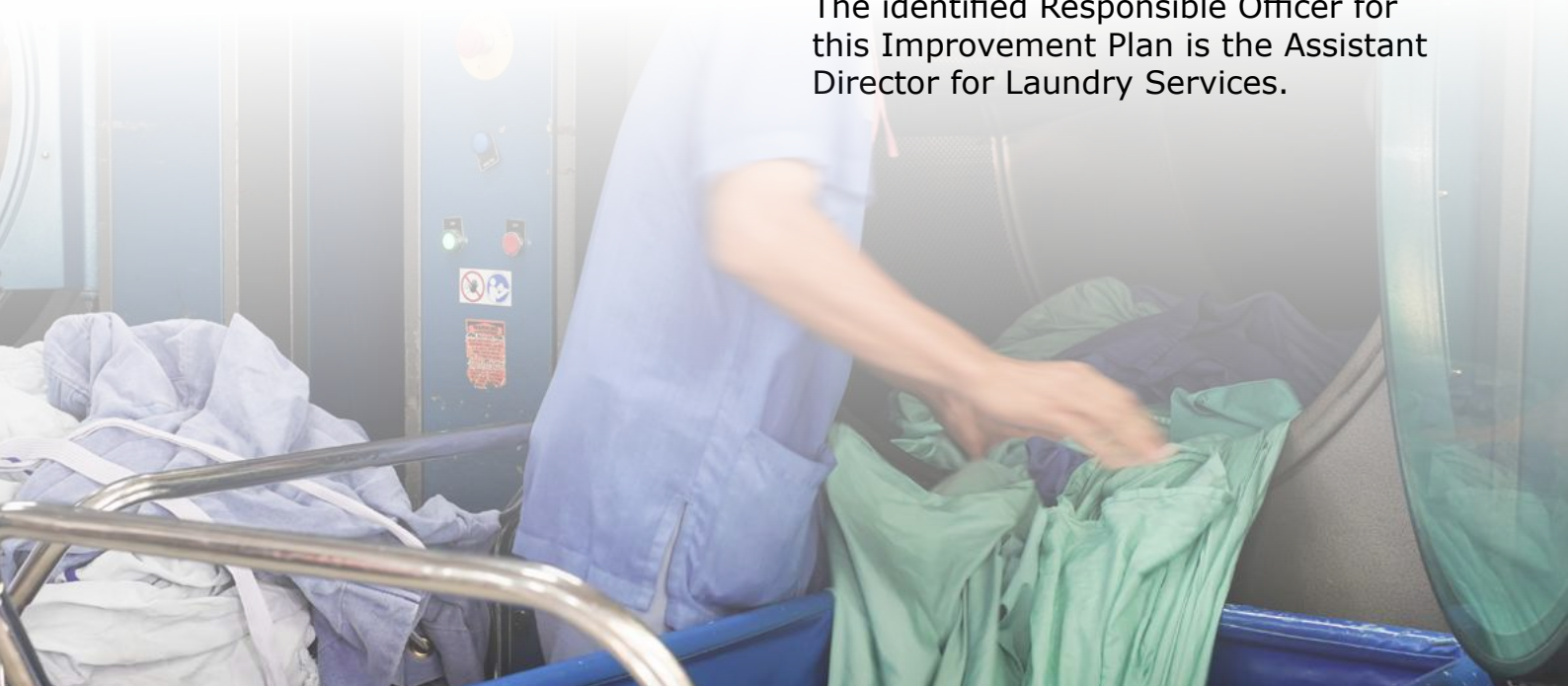
The results of the baseline review were analysed by the NWSSP Health and Safety Manager, and an action plan was developed to capture the findings arising from the HSG65 self-assessment tool - addressing issues requiring improvement.

Some of the actions identified following the baseline review have been completed by the units concerned. However, with service pressures cited as the cause, not all actions have been completed or maintained appropriate momentum. This places NWSSP at increased risk of litigation or enforcement actions.

It was therefore necessary to put into place an overall Improvement Plan and this is currently monitored by the NWSSP All-Wales H&S Group.

This Health & Safety Improvement Plan provides a structured approach to achieve essential health & safety standards within the three units operated directly by NWSSP.

The identified Responsible Officer for this Improvement Plan is the Assistant Director for Laundry Services.



Improvement Plan - Priorities

The Improvement Plan focused across the majority of the topic areas outlined in the HGS65 Management System.

To aid the action planning, the topics were presented with a priority identified by the risk rating for the laundry managers to work through during 2022/2023.

Category	Risk Rating
Selection and Training	Significant
Risk Assessments	Significant
Management of Chemicals and Substances (COSHH)	Significant
Water Safety	Significant
Infection Prevention and Control	Significant
Work Equipment	Significant
Health and Safety Policy and Organisation	Moderate
Health, Safety and Emergency Planning	Moderate
Consultation, Communication and Control	Moderate
Manual Handling	Moderate
Fire and Emergencies	Moderate
Monitoring	Moderate
Display Screen Equipment	Low
First Aid	Low
COVID-19 Secure	Low

Consultation, Communication and Control



The Director of Corporate and Finance leads on the overall direction of health and safety for NWSSP with the Health and Safety Manager continuing to improve performance through regular monitoring progress, reviewing processes and having regular discussions under the Health and Safety Committee Structure.

NWSSP has established an effective means of communication and consultation with its staff through regular health and safety specific newsletters and articles within the internal magazine, which demonstrates a proactive, positive approach to raising awareness of health and safety issues.

Regular health and safety reports are submitted to the Senior Leadership Group (SLG) on a quarterly basis. The SLG receives, discusses and scrutinises reports and provides updates on any issues associated with the management of health and safety risks. The SLG ensures that health and safety issues are integrated into its Integrated Medium Term Plan (IMTP) business planning process and appropriately actioned.

All Wales Health & Safety Group Meetings

There is an NWSSP Health and Safety Group in place with approved terms of reference. Through this structure NWSSP communicates and consults with employees on health and safety issues. The various H&S groups in place have suitable management membership to implement actions and meetings are held on a quarterly basis. In addition, trade unions are invited to attend.



Introduction of 7 Minute Briefings

During 2021/2022 a 7-Minute Briefing was devised and is issued to Site Managers and Health and Safety Reps on a monthly basis.

The aim is to provide Site Managers and H&S reps with a briefing of the main issues from the last NWSSP Health and Safety Meetings. It is concise and informative.



Regional Health & Safety Group Meetings

There are two regional health and safety groups which meeting on a quarterly basis.

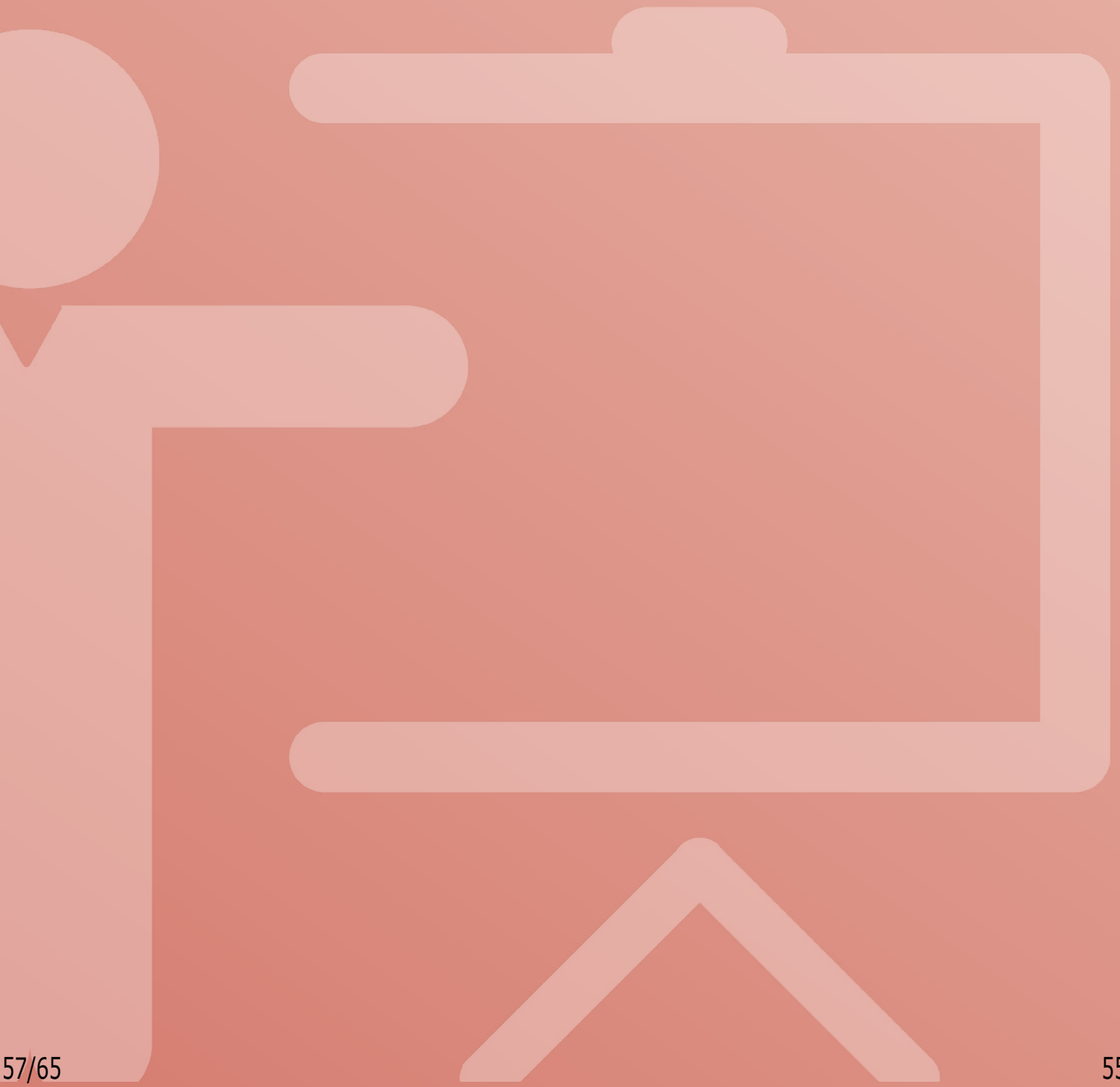


NWSSP Health & Safety Sharepoint

During 2021/2022 the dedicated health and safety webpages were updated and put into Sharepoint.

Health and Safety A-Z

Training



In addition to Specific role training the following training has been carried out:

Fire Marshal Training

Due to class room training not being able to be undertaken due to the pandemic the on-line fire marshal training continued during 2021/2022.



Manual Handling Inanimate Load Training On-line

During the pandemic alternative, interim measures were required in recognition of the challenges NWSSP were facing in releasing staff to attend and the geographical complexities around attending C&V HB class-room based training.

The on-line safer handling package was devised for NWSSP staff who have an element of manual handling requirements in their role. This training continued to be undertaken during 2021/2022.

Asbestos Awareness

Due to class room training not being able to be undertaken due to the pandemic the on-line asbestos awareness training continued during 2021/2022.

First Aid Training

Nominated individuals continue to be trained in first aid training undertaken by St John Ambulance.

Roll Cage Training

Enhanced roll cage safe system of work training has been undertaken.

IOSH Working/Managing Safely

A number of supervisors and managers continue to undertake the e-learning IOSH Working/Managing Safely course.

CoSHH Awareness

A number of staff have now attended the on line CoSHH awareness training.

Datix Cymru Training

A number of training sessions have been undertaken with investigating officers on the Datix Cymru System.

Legionella Awareness Training

Due to class room training not being able to be undertaken due to the pandemic the on-line legionella awareness training continued during 2021/2022.



Spill Management

A number of staff have now attended the on line spill management training.

Estates Compliance



The H&S Manager currently manages the estates statutory compliance for our Velindre leased sites, and also attends the Velindre NHS Trust Estates management group meetings, feeding back any issues and non- conformities.

Many of the NWSSP locations are on Trust/UHB sites and when the H&S Manager undertakes the annual site visits, issues are often addressed directly with the site managers to ensure compliance from the Health Body's perspective. This is not always easy as their priorities are patient care and not our offices on their sites.

During 2021 it was vitally important that sites ensured that the statutory estates maintenance was maintained, to ensure the safety of those who remain within the workplace.

All elements of estates compliance were continually monitored for compliance by the Health and Safety Manager.

The Health and Safety Manager for NWSSP represents NWSSP on the Velindre NHS Trust Estates/Statutory Compliance Management Group and provides updates on the collation of data for the mandatory data collection audit.



Fire Risk Assessments



Fire Risk Assessments – NWSSP Leased Sites

During 2021/2022 fire risk assessments continued to be undertaken, where applicable by the Specialist Estates Fire Safety Advisor.



The purpose of the Fire Risk Assessment is to identify potential Fire Hazards, identify steps to be taken to reduce any risks to as low as reasonably practicable, and to recommend what fire precautions and management arrangements can be put in place to ensure safety if a fire does occur. The Fire Safety Advisor within the Specialist Estates Directorate undertakes fire risk assessments for the Velindre leased sites.

Following on from fire risk assessments, the Health and Safety Manager ensures that all the actions are carried out as a consequence and works with the site leads and landlords of each site.

Fire Risk Assessments Completed During the 2021/22 Financial Year are as Follows:

- Swansea Laundry Services
- Green Vale Laundry Services
- To note - Ysbyty Glan Clwyd (completed by Health Board Fire Safety Advisor)
- Alder House
- HCS Samlet Rd Swansea
- Procurement Services Mamhilad House
- Denbigh Stores
- Picketston Storage & Distribution Warehouse (Bld 873)
- Picketston Annex (Bld 858)
- PerkinElmer - IP5
- IP5 Ground Floor (whole site)



Conclusion



The management of health and safety remains key for NWSSP with appropriate resources being provided to manage this within an expanding organisation. The continuing growth of NWSSP provides constant challenge as new services are taken on, but we are ensuring that the progress made to date within NWSSP is shared across all areas of the organisation.

It is imperative going forward that NWSSP keeps up to date with Welsh Government guidance and legislation relating to Covid-19.

Site visits/audits will continue to be undertaken by the Health and Safety Manager and Health and Safety Support Officer. It is imperative that the manager responsible for the health and safety of the site undertake the actions from the site visits, in a timely manner, within the agreed timescale set at the visit by the Health and Safety Manager, otherwise exception reports will need to be carried out. From the audits undertaken during 2021/2022 in general, there is significant evidence to demonstrate good practice across all sites and there are no areas having unacceptable risk. There were no sites which achieved limited or no assurance and the majority of the sites visited achieved substantial assurance.

In relation to the laundry services, the action plan completed as part of the health and safety improvement plan will continue to be monitored by the NWSSP All Wales Health and Safety group and issues of non-compliance will be escalated.

The current health and safety objectives will continue to be monitored. As a consequence of incidents occurring at NWSSP it is important that NWSSP continues to ensure lessons are learnt and improvement plans are put in place each year.

Health and Safety Manager

Paula Jones

 paula.jones10@wales.nhs.uk

Health and Safety Support Officer

Naomi Messenger

 naomi.messenger@wales.nhs.uk

NWSSP Health & Safety SharePoint
nwssp.nhs.wales



NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 2 – MAY 2022

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for May 2022 and should be read in conjunction with the Monitoring Return tables submitted for Month 2.

Thank you for your letter of 23rd May 2022 responding to the Month 1 monitoring return. The action points raised are addressed within this return and additional information provided where requested.

Overview of Performance and Financial Position

NWSSP's financial position for Month 2 is reported at break-even. This is based on the assumption per the IMTP financial assumptions letter issued on 14th March 2022 that we can anticipate income from Welsh Government for all additional Covid 19 expenditure, energy pressures and the National Insurance increase.

1. Movement of Opening Financial Plan to Forecast Outturn (Table A)

Table A has been populated with the recurring and non-recurring pressures, identified savings, net income generation and Welsh Government funding as detailed in our IMTP submission. As our plan was submitted in February 2022 prior to the IMTP funding assumptions letter issued in March 2022, the Covid expenditure and the equivalent funding anticipated in our opening plan has been increased to include the £0.852m of other Covid recovery expenditure. The figures have been populated using the profile from our Plan and continue to show a break-even in year and recurrent plan.

Our plan initially included an income generation assumption of £2.000m to cover additional forecast energy costs. When we submitted our plan in February 2022 it was unclear whether additional funding/income generation would be received from UHBs and/or Welsh Government. Since the IMTP funding assumptions letter, the income generation assumption has now been amended to instead anticipate £2.000m additional funding from Welsh Government (Table A line 23), although recognising that this is anticipated at risk.

The table has also been populated with the full year forecast of Covid expenditure and equivalent funding anticipated. A further reduction in the total funding requirement is forecast this month primarily due to a reduction in the volume of PPE being issued to Primary and Social Care (£2.167m per month

forecast reduced to £1.500m per month), although this is dependent upon any future changes to Infection Control guidance. The mass vaccination forecast has also been updated again during May to reflect the profile of the forecast additional creation of vaccine packs from the autumn.

Additional in year savings and income generation of £1.064m are included in Table A which are negated by the establishment of a potential reserve for reinvestment, funding of pressures and/or distribution to NHS Wales. A forecast of additional savings/income generation overachievement in future months has been included from Month 2 which increases the forecast reserve to £2.500m by the end of the financial year.

The forecast position is based on the assumption of full funding for the Covid expenditure and other income anticipated in Table E1.

2. Overview of Key Risks & Opportunities (Table A2)

This table has been populated with the risks and opportunities per our IMTP which have been reviewed and updated further during May. The key changes from the Month 1 submission are:

- The risk for the under delivery of amber schemes has been removed now that all our savings schemes are green
- The risk of additional funding not being received for other Covid costs has been reduced to £0.783m now that funding for the PPE distribution costs has been received
- The risk that turnover/vacancy factors are less than budgeted has been reduced to zero given the budgetary performance in April and May.
- The risk of additional funding for IP5 running costs not being received has been reduced to £0.136m given the Month 1 value of £0.466m included a pressure for energy costs for IP5 that are already included in our £2.000m exceptional costs forecast. The £0.136m is the non-utility related financial pressure and primarily relates to the loss of income following the closure of the Lighthouse lab. This income is now also anticipated in Table E1 (**Action Point 1.1**)
- The risk of the Microsoft costs being greater than the forecast pressure communicated to us by DHCW as part of the IMTP planning assumptions has been increased to £0.205m. This represents the negotiated additional costs to NWSSP for 2022/23 above the Year 3 costs in the expiring agreement and those previously forecast by DHCW.

- The potential opportunity that our turnover/vacancy factor is greater than budgeted has been increased to £1.000m given the current budgetary performance to date.

3. Actual Year to Date Monthly Position (Tables B, B2 & B3)

The key points to note within the year to date and forecast position are:

- The full year income forecast for 2022/23 has reduced from £605.431m as forecast in Month 1 to £598.721m in Month 2. This reduction is due to the amendment to the forecast for the Primary/Social care PPE issues which to date have been less than previously forecast based on 2021/22 issues.
- The NHS income profile increased in Month 2 as the final cohort of trainees transferred to SLE in May with a total forecast SLE income of £214.052m. This is also evidenced in the phased increase of pay costs in Table B and the Medical/Dental pay costs in Table B2.

The SLE pay and non pay forecast is detailed below. Additional pay costs are still anticipated in future months as the payment of locum shifts to SLE trainees expands, with both Cardiff & Vale and Aneurin Bevan joining the model in the next couple of months following a successful pilot in April & May. Given the variability of this locum expenditure and potential further expansion, the forecast may require further revision during the financial year:

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	TOTAL
PAY	15.978	16.607	17.051	17.051	17.051	17.051	17.051	17.051	17.051	17.051	17.051	17.051	203.097
NON PAY	0.711	0.957	0.929	0.929	0.929	0.929	0.929	0.929	0.929	0.929	0.929	0.929	10.955
TOTAL	16.689	17.564	17.980	17.980	17.980	17.980	17.980	17.980	17.980	17.980	17.980	17.980	214.052

- Forecast non-cash charges of £5.919m have been included. These vary from our IMTP submission due to a high level review of depreciation requirements as a result of the year end capital funding we received in 2021/22, inclusion of IFRS16 non-cash charges and the exclusion of charges for unapproved schemes. Depreciation charges will be reviewed fully during June and updated in line with our non-cash submission at the end of Quarter 1.
- £2.916m income and expenditure is included to Month 2 in relation to the WRP DEL budget. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts. The full year WRP forecast balances to the £134.780m (£132.521m WRP DEL and £2.259m Redress) as included in our IMTP and is phased on a straight-line basis

over remaining months. This continues to assume that the risk share agreement will be invoked for £25.345m.

Due to the additional cases that we settled and/or accounted for in 2021/22, a further detailed review of cases needs to be undertaken to provide an early indication of any impact on the forecast outturn. The first returns are due back from Organisations in July which will enable us to undertake the first detailed review of the forecast.

- £2.000m funding continues to be anticipated from Welsh Government for the exceptional energy costs. The baseline 2021/22 costs won't directly correlate to the forecast for 2022/23 due to two of the laundries (CTM & HD) only transferring to NWSSP on 1st October 2021. An adjustment for this part year effect has been made on a separate line of the exceptional costs template to reflect this in the May submission. The 21/22 baseline is therefore the actual costs for the financial year plus the part year adjustment for the two laundries that transferred mid-year.

The latest forecast is based on local knowledge from adjusted 2021/22 charges based on notified increased energy commodity charges and given we have a number of leased sites where Landlords are responsible for the energy contracts and recharges. Following the purchase of Matrix House, the site will transfer to the all Wales British Gas contract during June to minimise our reliance on more expensive externally arranged commercial energy contracts.

The majority of our energy costs are incurred in the laundries that are currently included in the UHB energy forecasts, with the majority still charged to UHBs in the first instance. Where sole metering arrangements for the laundries exist we are in the process of transferring these over to NWSSP, although it is likely that with the majority on shared metering arrangements recharges will have to continue to be made from the UHBs. We are working with UHB colleagues to streamline the recharge process so that we obtain actual costs more quickly and recognising that to Month 2 the majority of our year to date costs are estimated. In order for NWSSP to accurately reflect the cost of running the laundry service, we consider it appropriate that NWSSP record the full cost of the energy and therefore need to anticipate the exceptional energy funding as well. We will work with UHBs to ensure that there isn't any duplication of costs in the forecasts (**Action Point 1.2**).

We have arranged a meeting with the FDU and one of our data analysts in July to look to baseline All NHS Wales energy usage and costs from 2018/19 pre-pandemic to ascertain if costs are increasing solely due to price rises or whether any volume increases are accountable for increased costs.

- £0.047m of agency expenditure was reported in Month 2 which is a reduction on the Month 1 total. Due to the high level of vacancies and recruitment issues we are experiencing we are forecasting this is likely to increase during the financial year.
- Table B3 details the in month and forecast Covid19 additional expenditure. This has been collated and reviewed on a service by service basis within NWSSP and will continue to be monitored at this level.

The mass vaccination and other covid expenditure sections have been populated. The overall forecast of Covid funding required has reduced from £34.143m in Month 1 to £26.351m in Month 2. This is primarily due to a reduction in the actual and forecast expenditure to supply PPE to Primary and Social Care. Previously £2.167m per month had been forecast based on 2021/22 expenditure, however the forecast has been reduced to £1.5m per month. This may still need to be reduced further in future months given in month costs for April and May were £1.3m. We will continue to monitor this as the financial year progresses and adjust the forecast as required.

Other covid expenditure relates to the NWSSP operational support costs (PPE storage, distribution, testing), Covid recovery (Recruitment, Payroll and Accounts Payable) in addition to PPE issues as part of the mass vaccination packs and the social care and primary care PPE issues. A summary of the year to date and forecast expenditure is detailed below:

Covid Costs	YTD	22/23 Forecast
	£m	£m
Operational Costs	0.691	5.133
Covid Recovery	0.076	0.783
Mass Vacc - PPE	-	1.050
Mass Vacc - Pay & Non Pay (non PPE)	0.210	1.702
Social Care/Primary Care PPE	2.684	17.684
TOTAL	3.660	26.351

We have also reviewed the mass vaccination expenditure forecast during May. Based on the current vaccination uptake, it is estimated that we have sufficient stocks of vaccination packs created ready for delivery until September. The step up in costs from Month 6 is due to an estimated increase in pack creations to replenish stocks utilised in the first half of the financial year in addition to the potential additional requirements to meet any booster/winter campaigns.

It should be noted that the mass vaccination section of Table B3 does not reconcile to the supplementary mass vaccination table due to the inclusion of PPE in the supplementary table but the PPE costs being reported under other covid costs in Table B3.

Further to the confirmation of funding for the PPE support costs, it is only the Covid recovery funding that we continue to anticipate at risk which is separately noted in Table E1.

At the end of 2021/22 we accrued a credit note to Welsh Government totalling £41.749m to provide NWSSP with the continued cash coverage for the increased stock balance we hold. We will continue to review this monthly to identify if any further cash can be returned to Welsh Government, although this is dependent upon overall stock balances reducing.

The payment of annual leave sell back was made to bank staff in April and substantive staff in May. The pay expenditure has not increased in respect of this as we have released an element of our year end accrual to match the costs. At 1st April 2022 our brought forward annual leave accrual totalled £0.902m, costs of £0.346m have been incurred for the sell back of leave, with our remaining accrual balance totalling £0.556m at the end of May. We will continue to review the monthly payroll for any additional sell back payments in future months and advise any change to our accrual balance accordingly (**Action Point 1.6**).

4. Savings (Tables C & C3)

Table C3 has been populated with the savings schemes and income generation opportunities per our IMTP, and has been updated with additional in year schemes and actual and forecast achievements. Over achievement of savings and income generation total £1.064m to Month 2 primarily due to the large number of vacancies that we have, many of which are proving difficult to recruit. At this early stage in the financial year we are forecasting a potential £2.500m over achievement of savings and income generation based on performance to date, although we will refine this as we progress throughout the financial year (**Action Point 1.3**).

The income generation scheme noted in our IMTP as Laundry Energy Charges was included in our IMTP prior to the IMTP funding assumptions letter that was issued in mid March which enabled us to assume funding at risk for the energy cost pressures. An adjustment has been made in Month 2 so that the YTD income generation scheme impact is zero and no future income is assumed in respect of this. We are now anticipating WG funding as part of the Exceptional costs return instead (**Action Point 1.4**).

5. **Welsh NHS Assumptions (Table D)**

Table D has been left blank as requested.

6. **Invoiced Income Streams (Table E1)**

Line 1 of this table has been populated with the budgeted income streams by organisation. This includes the forecast income from UHBs/Trusts in respect of stores issues and the SLE recharges based on the agreed SLA values. As these costs are recharged based on actual expenditure incurred, these may be subject to change in future months.

Lines 2-22 have been populated with anticipated income streams for which we have yet to receive formal funding confirmation.

The values for depreciation have been updated from the IMTP figures following a high level review of our capital expenditure profile, inclusion of IFRS16 lease impacts and the removal of the non cash charges for unapproved capital schemes. These are likely to change dependent upon when/if new capital schemes are approved during 2022/23 and will be reviewed as part of the non-cash exercise for submission at the end of June.

Lines 21 and 22 have been populated in Month 2 in respect of the additional pay funding for the adjustments to the Band 1 and 2 spinal points in 2021/22 (£0.017m) and 2022/23 (£0.100m) **(Action Point 1.7)**

The split of the 'other' Covid income assumptions has been amended as requested to align with the FDU other Covid costs return **(Action Point 1.8)**

7. **Cash Flow (Table G)**

Not required for completion.

8. **PSPP (Table H)**

This table is not required for NWSSP.

9. Capital Expenditure Limit Management and Disposals (Tables I, J & K)

Tables I & J have been completed to reconcile to our opening CEL of £1.473m.

We are continuing to review our discretionary capital expenditure programme and will amend the forecast and profile as required during the financial year.

The Scan for Safety scheme has been reported with a Medium risk. This is due to the requirement forecast in our IMTP for an additional £0.130m funding for this scheme which has not yet been approved. We are continuing to review this capital scheme and update our forecast requirements as the financial year progresses.

We are in discussions with WG regarding funding for the Laundry and TRAMS capital schemes. To the end of May, expenditure totalling £0.069m has been incurred (£0.047m TRAMS, £0.022m Laundry) for which we await confirmation of capital funding.

10. Aged Debtors (Table M)

At 31st May 2022 there were 29 NHS invoices outstanding over 11 weeks of which 3 were outstanding over 17 weeks. The majority of these have now been paid or agreed for payment, with only £0.025m outstanding for payment at the submission date. We are urgently chasing for confirmed payment dates for these invoices in line with the year end guidance as we recognise these should have been paid (**Action Point 1.5**)

11. GMS (Table N)

Not required for completion by NWSSP.

12. Dental (Table O)

Not required for completion by NWSSP.

13. Other Issues

The financial information provided in this return is an accurate assessment of the NWSSP financial position at this point in time and aligns to the details provided in the NWSSP Partnership Committee and Senior Leadership Group reports.

The Shared Services Partnership Committee will receive the Month 2 Financial Monitoring Return along with the Month 3 return at the July meeting.

14. Authorisation of Return



.....
NEIL FROW
MANAGING DIRECTOR
NWSSP



.....
LINSAY PAYNE
DEPUTY DIRECTOR OF FINANCE &
CORPORATE SERVICES

14th June 2022

NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 3 – JUNE 2022

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for June 2022 and should be read in conjunction with the Monitoring Return tables submitted for Month 3.

Thank you for your letter of 29th June 2022 responding to the Month 2 monitoring return. The action points raised are addressed within this return and additional information provided where requested.

Overview of Performance and Financial Position

NWSSP's financial position for Month 3 is reported at break-even. This is based on the assumption per the IMTP financial assumptions letter issued on 14th March 2022 that we can anticipate income from Welsh Government for all additional Covid 19 expenditure, energy pressures and the National Insurance increase.

1. Movement of Opening Financial Plan to Forecast Outturn (Table A)

Table A has been amended in month to include the assumption of additional Welsh Government 'at risk' funding for the further increased energy pressures following receipt of the most recent energy forecast from British Gas received on 5th July. £3.519m is now anticipated which is £1.519m above the £2.000m originally assumed in our IMTP.

The table has also been populated with the updated Covid expenditure forecast and equivalent funding anticipated. A reduction in the expenditure has been forecast this month primarily due to a further drop in the PPE issues to Primary & Social Care in June. However, the forecast for future months has been held at the previously forecast values due to increased infection control recommendations being implemented in recent weeks as a response to the increase in Covid cases. This will be reviewed again next month.

Additional in year savings and income generation of £1.338m are included in Table A which are negated by the establishment of a reserve to be used for NWSSP investments in areas to accelerate benefits, funding of pressures and/or distribution to NHS Wales. This will also be required to fund the revenue funding reduction for Matrix House as set out in the letter from Ian Gunney on 8th July 2022. The over-achievement of savings and income generation is forecast to reach £2.500m by the end of the financial year.

The forecast position is based on the assumption of full funding for the Covid expenditure and other income anticipated in Table E1.

2. Overview of Key Risks & Opportunities (Table A2)

This table has been populated with the risks and opportunities per our IMTP which have been reviewed and updated further during June. The key changes from the Month 2 submission are:

- The risk regarding additional funding for energy cost pressures has increased from £2.000m to £3.519m following a review of the Quarter 1 actuals and updated forecast information. The risk that the energy increases are more than forecast has been reduced from £2.000m to £1.000m due to the adjusted increased forecast and the continued volatility in the energy market.
- The risk of additional funding not being received for other Covid costs has increased to £0.838m following a review and backdated correction of staff employed to support the recruitment of covid recovery staff.
- The risk regarding the funding for the Medical Examiner Service has been reduced to £2.600m following a review of the forecast funding requirement in 2022/23.
- The risk of the Microsoft costs being greater than the forecast pressure communicated to us by DHCW has been removed in month. Whilst these costs have now been agreed, the final settlement represented an increased cost to NWSSP of £0.205m over the initial planning assumption of £0.006m shared at the April DoFs meeting by DHCW which we are having to manage within our financial position (**Action Point 2.2**).

3. Actual Year to Date Monthly Position (Tables B, B2 & B3)

The key points to note within the year to date and forecast position are:

- The full year income forecast for 2022/23 has increased from £598.721m as forecast in Month 2 to £613.049m in Month 3. This is primarily due to the confirmation that pharmacy rebate income for the Vertex drug will now continue beyond August 2022 (£12.600m) in addition to the increase in the anticipated income for the increased energy forecast (£1.519m).

- The NHS income profile increased in Month 2 as the final cohort of trainees transferred to SLE in May with an updated total forecast SLE income of £213.697m. This is also evidenced in the phased increase of pay costs in Table B and the Medical/Dental pay costs in Table B2.

The SLE pay and non pay forecast is detailed below. Additional pay costs are still anticipated in future months as the payment of locum shifts to SLE trainees expands, with both Cardiff & Vale and Aneurin Bevan joining the model in the next couple of months following a successful pilot in April & May. Given the variability of this locum expenditure and potential further expansion, the forecast may require further revision during the financial year:

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	TOTAL
PAY	15.978	16.607	16.662	17.051	17.051	17.051	17.051	17.051	17.051	17.051	17.051	17.051	202.708
NON PAY	0.711	0.957	0.962	0.929	0.929	0.929	0.929	0.929	0.929	0.929	0.929	0.929	10.988
TOTAL	16.689	17.564	17.624	17.980	17.980	17.980	17.980	17.980	17.980	17.980	17.980	17.980	213.697

- We are working with HEIW regarding the funding bid for further investment in the SLE Workforce team to enhance the service provided to medical, dental and pharmacy trainees.
- The Other income spikes in Months 6, 9 and 12 due to the timing of the quarterly pharmacy rebates which are received one quarter in arrears.
- Forecast non-cash charges of £5.953m have been included which reconcile to the approved section of our non-cash submission including the IFRS16 implications. The income over our £1.551m baseline funding has been anticipated in Table E1.
- £10.277m income and expenditure is included to Month 3 in relation to the WRP DEL budget. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts. The full year WRP forecast balances to the £134.780m (£132.521m WRP DEL and £2.259m Redress) as included in our IMTP and is phased on a straight-line basis over remaining months. This continues to assume that the risk share agreement will be invoked for £25.345m.

Due to the additional cases that we settled and/or accounted for in 2021/22, a further detailed review of cases needs to be undertaken to provide an early indication of any impact on the forecast outturn. The first returns are due back from Organisations in July which will enable us to undertake the first detailed review of the future years forecast.

- £3.519m funding is now anticipated at risk from Welsh Government for the exceptional energy costs. The baseline 2021/22 costs won't directly

correlate to the forecast for 2022/23 due to two of the laundries (CTM & HD) only transferring to NWSSP on 1st October 2021. An adjustment for this part year effect has been made on a separate line of the exceptional costs template to reflect this in addition to an adjustment for energy costs that were invoiced separately in 2021/22. The 2021/22 baseline now represents the budget we have set for energy in 2022/23 with the difference to the forecast reflecting the additional funding assumption.

The latest forecast is based on actual quarter 1 charges with reference to the commodity/non-commodity charge split and the prices secured and forecast for the commodity costs by British Gas. A number of our sites have energy provided and recharged by the Landlords. We are trying to work with them to understand any fixed rate charges and the period these are fixed for to assess the future impact on our energy charges which will also be impacted by the installation of LED lights and laboratories being commissioned and decommissioned impacting our energy requirements.

The majority of our energy costs are incurred in the laundries that are currently included in the UHB energy forecasts, with the majority still charged to UHBs in the first instance. Where sole metering arrangements for the laundries exist we are in the process of transferring these over to NWSSP, although it is likely that with the majority on shared metering arrangements recharges will have to continue to be made from the UHBs. We are working with UHB colleagues to streamline the recharge process so that we obtain actual costs more quickly and recognising that to Month 3 some of our year to date costs are estimated. In order for NWSSP to accurately reflect the cost of running the laundry service, we consider it appropriate that NWSSP record the full cost of the energy and therefore need to anticipate the exceptional energy funding as well. We will work with UHBs to ensure that there isn't any duplication of costs in the forecasts.

We met with the FDU and our energy procurement colleagues in July to look to baseline All NHS Wales energy usage and costs from 2018/19 pre-pandemic to ascertain if costs are increasing solely due to price rises or whether any volume increases are accountable for increased costs. We await the detailed data from British Gas to be able to undertake the full analysis we require.

- £0.104m of agency expenditure was reported in Month 3 which is an increase on the Month 2 usage. This has been incurred as we utilise more agency to cover the increasing number of vacancies to ensure service continuity.
- Table B3 details the in month and forecast Covid19 additional expenditure. This has been collated and reviewed on a service by service

basis within NWSSP and will continue to be monitored at this level. The forecast has been reviewed in June to ensure it remains compliant with the additional guidance shared at the June Directors of Finance Meeting **(Action Point 2.1)**.

The mass vaccination and other covid expenditure sections have been populated. The overall forecast of Covid funding required has reduced from £26.351m in Month 2 to £25.668 in Month 3. This is primarily due to a reduction in the actual expenditure on PPE issues to Primary and Social Care in June. Whilst only £0.851m of PPE was issued in June, the forecast for future months remains at £1.500m due to a forecast increase in demand with the move to reinstate infection control guidance in recent weeks. We will continue to monitor this as the financial year progresses and adjust the forecast as required.

Other covid expenditure relates to the NWSSP operational support costs (PPE storage, distribution, testing), Covid recovery (Recruitment, Payroll and Accounts Payable) in addition to PPE issues as part of the mass vaccination packs and the social care and primary care PPE issues. A summary of the year to date and forecast expenditure is detailed below:

Covid Costs	YTD	22/23 Forecast
	£m	£m
Operational Costs	1.107	5.051
Covid Recovery	0.202	0.838
Mass Vacc - PPE	-	1.050
Mass Vacc - Pay & Non Pay (non PPE)	0.311	1.695
Social Care/Primary Care PPE	3.535	17.035
TOTAL	5.155	25.668

The Covid recovery forecast has increased in June due to a backdated charged to Covid for recruitment staff engaged to support the additional covid recovery posts following a detailed review.

The mass vaccination forecast remains broadly in line with the forecast reported in Month 2. Based on the current vaccination uptake, it is estimated that we have sufficient stocks of vaccination packs created ready for delivery until September. The step up in costs from Month 6 is due to an estimated increase in pack creations to replenish stocks utilised in the first half of the financial year in addition to the potential additional requirements to meet any booster/winter campaigns.

It should be noted that the mass vaccination section of Table B3 does not reconcile to the supplementary mass vaccination table due to the inclusion of PPE in the supplementary table but the PPE costs being reported under other covid costs in Table B3.

Further to the confirmation of funding for the PPE support costs, it is only the Covid recovery funding that we continue to anticipate at risk which is separately noted in Tables A2 and E1.

At the end of 2021/22 we accrued a credit note to Welsh Government totalling £41.749m to provide NWSSP with the continued cash coverage for the increased stock balance we hold. We will continue to review this monthly to identify if any further cash can be returned to Welsh Government, although this is dependent upon overall stock balances reducing. A review of the Quarter 1 position suggests that we can reduce the credit note further and we will look to meet with Welsh Government colleagues in July to discuss further.

4. Savings (Tables C & C3)

Table C3 has been populated with the savings schemes and income generation opportunities per our IMTP, and has been updated with additional in year schemes and actual and forecast achievements. Over achievement of savings and income generation total £1.338m to Month 3 primarily due to the large number of vacancies that we have, many of which are proving difficult to recruit. At this early stage in the financial year we are forecasting a potential £2.500m over achievement of savings and income generation based on performance to date, although we will refine this as we progress throughout the financial year.

5. Welsh NHS Assumptions (Table D)

Table D has been left blank as requested.

6. Invoiced Income Streams (Table E1)

Line 1 of this table has been populated with the budgeted income streams by organisation. This includes the forecast income from UHBs/Trusts in respect of stores issues and the SLE recharges based on the agreed SLA values. As these costs are recharged based on actual expenditure incurred, these may be subject to change in future months.

Lines 2-22 have been populated with anticipated income streams for which we have yet to receive formal funding confirmation.

The values for depreciation have been updated in June to reconcile to the approved section of the non-cash submission including the IFRS16 adjustments agreed.

The Covid and energy costs have been updated to reflect the most recent funding assumption as noted in the sections above.

7. Cash Flow (Table G)

Not required for completion.

8. PSPP (Table H)

This table is not required for NWSSP.

9. Capital Expenditure Limit Management and Disposals (Tables I, J & K)

Tables I & J have been completed to reconcile to our opening CEL of £1.473m.

We are continuing to review our discretionary capital expenditure programme and will amend the forecast and profile as required during the financial year.

The Scan for Safety scheme has been reported with a Medium risk. This is due to the requirement forecast in our IMTP for an additional £0.130m funding for this scheme which has not yet been approved. We are continuing to review this capital scheme and update our forecast requirements as the financial year progresses.

We are in discussions with the WG Capital Team regarding funding for the Laundry and TRAMS schemes. To the end of June, expenditure totalling £0.102m has been incurred (£0.070m TRAMS, £0.032m Laundry) for which we await confirmation of capital funding. This expenditure has been included in Tables I & J this month to reflect the expenditure despite capital funding not yet being approved (**Action Point 2.3**)

10. Aged Debtors (Table M)

At 30th June 2022 the aged debt report identified that there were 49 NHS invoices outstanding over 11 weeks. Upon further review we have identified an issue where UHBs/Trusts are making payments for multiple invoices and credit notes including stores invoices. Due to the stores consolidated billing process, they are set up as a separate debtor customer in Velindre and we have encountered allocation issues in applying remittances across the debtor accounts. The aged debt report therefore includes invoices that were paid in April, May and June. We have now agreed a system adjustment with Velindre in July to enable the allocation of funds correctly. Despite increased efforts to secure payment of all old year invoices, six invoices (5 SBU, 1 C&V) remain overdue for payment which we continue to urgently chase updates from UHB colleagues for.

11. GMS (Table N)

Not required for completion by NWSSP.

12. Dental (Table O)

Not required for completion by NWSSP.

13. Other Issues

The financial information provided in this return is an accurate assessment of the NWSSP financial position at this point in time and aligns to the details provided in the NWSSP Partnership Committee and Senior Leadership Group reports.

The Shared Services Partnership Committee will receive the Month 3 Financial Monitoring Return along with the Month 2 return at the July meeting.

14. Authorisation of Return



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NEIL FROW
MANAGING DIRECTOR
NWSSP

12th July 2022



.....
ANDREW BUTLER
DIRECTOR OF FINANCE &
CORPORATE SERVICES