

NWSSP Partnership Committee - March 2021

Thu 18 March 2021, 10:00 - 12:00

TEAMS



Agenda

10:00 - 10:05 5 min

1. Agenda

1.1. Welcome and Introductions

Margaret Foster

1.2. Apologies for absence

Margaret Foster

1.3. Declarations of Interest

Margaret Foster

1.4. Draft minutes of meeting held on 21 January 2021

Margaret Foster

 NWSSP Partnership Cttee Minutes - 01.2021 FINAL.pdf (8 pages)

1.5. Action Log

Margaret Foster

 1.5 Action Log March 2021.pdf (1 pages)

10:05 - 10:55 50 min

2. Items for Approval

2.1. Annual Plan

Alison Ramsey

 NWSSP Annual Plan for approval - 18 March 2021.pdf (3 pages)

2.2. Laundry Update (FROM PART B)

Neil Frow

-  March 21 SSPCv5.pdf (5 pages)
-  Aneurin Bevan UHB Laundry Report March 2021 SSPC version.pdf (10 pages)
-  Betsi Cadwaladr UHB Laundry Report March 2021 SSPC.pdf (11 pages)
-  Swansea Bay UHB Laundry Report March 2021 SSPC.pdf (10 pages)
-  SLA Schedules DRAFT.pdf (11 pages)

2.3. Temporary Medicines Unit

Neil Frow

 Temporary Medicines Unit SSPC Paper 02 03 21 v1.0.pdf (5 pages)

2.4. Scan for Safety

Jonathan Irvine/Andy Smallwood

- 📄 SSPC Scan for Safety Wales.docx (4 pages)
- 📄 Scan for Safety Wales Full Business Case V0.7NWSSP updated 12.3.21.pdf (108 pages)

2.5. All-Wales Network of Mediators

Gareth Hardacre

- 📄 SSPC Paper Mediation Network.pdf (5 pages)

2.6. E-Scheduling Update

Gareth Hardacre

- 📄 NWSSP Committee Paper Update on Procurement of All Wales E-scheduling for District Nurses.pdf (4 pages)

10:55 - 11:20
25 min

3. Service Updates

3.1. Cyber Security Overview

Nick Lewis

11:20 - 11:30
10 min

4. Chair/Managing Director's Report

4.1. Chair's Report

Verbal

4.2. Managing Director's Update

Neil Frow

- 📄 SSPC MD Update March 21.pdf (5 pages)

11:30 - 11:35
5 min

5. Project Updates

5.1. PMO Highlight Report

Alison Ramsey

- 📄 PMO Monthly Update Febv5final.pdf (14 pages)

11:35 - 11:55
20 min

6. Governance, Performance & Assurance

6.1. Finance & Workforce Report

Andrew Butler/Gareth Hardacre

- 📄 SSPC Finance and Corporate Services March 21.pdf (30 pages)

6.2. Corporate Risk Register

Andrew Butler

- 📄 SSPC Corporate Risk Register March 2021.pdf (4 pages)

11:55 - 12:00 **7. Items for Information**

5 min

7.1. Welsh Risk Pool MoU

Alison Ramsey

 MOU_1 March 2021.pdf (8 pages)

7.2. Future Generations Commissioner Report

Neil Frow

 Procuring Well-being in Wales.pdf (49 pages)

7.3. Finance Monitoring Reports

Andrew Butler

 NWSSP MMR Dec 20 Narrative.pdf (12 pages)

 NWSSP MMR Jan 21 Narrative.pdf (12 pages)

 NWSSP MMR Feb 21 Narrative.pdf (11 pages)

7.4. Audit Committee Highlight Report

Peter Stephenson

 26012021 SSPC Audit Committee Assurance Report.pdf (4 pages)

12:00 - 12:00 **8. Any Other Business**

0 min

NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE

MINUTES OF MEETING HELD THURSDAY 21 JANUARY 2021

10:00 – 11:30

Meeting held on TEAMS

Part A - Public

ATTENDANCE	DESIGNATION	ORGANISATION
MEMBERS (OR EXEC DIRECTOR SUBSTITUTES):		
Margaret Foster (MF)	NWSSP Chair	NWSSP
Neil Frow (NF)	Managing Director	NWSSP
Huw Thomas (HT)	Director of Finance	Hywel Dda
Geraint Evans (GE)	Director of Workforce & OD	ABUHB
Chris Turley (CT)	Director of Finance	WAST
Martin Driscoll (MD)	Executive Director of Workforce	Cardiff & Vale
Kathryn Jones (KJ)	Executive Director of Workforce	Swansea Bay
Pete Hopgood (PH)	Director of Finance & IT Services	PTHB
OTHER ATTENDEES:		
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Gareth Hardacre (GH)	Director of Workforce & OD	NWSSP
Malcolm Lewis (ML)	Medical Director	NWSSP
Martyn Pennell (MP)	Finance	HEIW
Nigel Mccann (NM)	Finance	BCUHB
Donna Hill (DH)	Assistant Director of Workforce	CTMUHB
Darron Dupre (DD)	Union Representative	Unison
Gareth Price (GP)	Personal Assistant	NWSSP
Carly Wilce (CW)	Interim Corporate Services Manager	NWSSP
PRESENTERS		
Tony Chatfield (Item 2.1)	HCS – National Clinical Logistics Manager	NWSSP
Alison Ramsey (Item 2.2)	Director of Planning, Performance & Informatics	NWSSP
Andy Smallwood (Item 4.2)	Assistant Director of Procurement	NWSSP

Item		Action
1. STANDARD BUSINESS		
1.1	Welcome and Opening Remarks The Chair welcomed Committee members to the January 2021 Shared Services Partnership Committee meeting.	
1.2	Apologies Apologies were received from: <ul style="list-style-type: none"> • Sue Hill, BCUHB (Nigel McCann deputising); • Chris Lewis, C&VUHB (Martin Driscoll deputising); • Hywel Daniel, CTMUHB (Donna Hill attending); • Eifion Williams, HEIW (Martyn Pennell attending); • Neil Lewis, PHW; • Chris White, Swansea Bay UHB (Kathryn Jones attending); • Steve Ham, Velindre; • Steve Elliott, Welsh Government; and • Peter Stephenson, NWSSP (Carly Wilce attending). 	
1.3	Declarations of Interest No declarations of interest were disclosed.	
1.4	Minutes of Meeting held on 19 November 2020 The draft minutes of the November 2020 meeting were reviewed and accepted with no issues raised.	
1.5	Matters Arising from Meeting on 19 November 2020 All actions to be discussed are complete or on the agenda.	
2. Service Updates		
2.1	Health Courier Services Tony Chatfield, Head of Health Courier Services (HCS) presented a comprehensive update to the Committee on the significant challenges faced since March 2020. The services response to the Covid-19 Pandemic circumstances has been exceptional, the team adapted to the new ways of working and continued to supply, collect and distribute a significant amount of medical and non-medical supply/stock to NHS sites across Wales, whilst ensuring that the appropriate governance arrangements, and social distancing controls were in place and complied with. TC explained that in an average year, approximately 60m items would be transported by HCS for NHS organisations. In 2020, that figure is more than 630m items, with 580m being PPE. The additional demand on the service has resulted in an increase of its workforce by 50%. At first, staff were sourced through external agencies, but	

Item		Action
	<p>were swiftly relocated to the NWSSP bank to reduce the costs. A major concern is fatigue and staff overall welfare, which needs to be managed carefully.</p> <p>The current vaccine rollout has brought many new challenges in terms of distribution and storage requirements. Once in receipt of vaccine supplies, it was quickly deemed necessary that existing security arrangements would need to be enhanced, whilst ensuring that it was kept in accordance with regulated storage requirements.</p> <p>The Committee were united in their appreciation of the achievements of the HCS team, and CT stated that the feedback received from his team regarding the service provided by HCS has been very positive.</p>	
2.2	<p>Planning Update</p> <p>Alison Ramsey Director of Planning, Performance & Informatics presented NWSSP's strategic plan to the Committee. In line with the current requirements from Welsh Government, this is a one-year plan, but one that blends the current operational focus with the longer-term objectives of NWSSP. The Ministerial priorities remain unchanged, but it reflects the current four harms - Harm from Covid itself, Harm from an overwhelmed NHS and Social Care system, Harm from reduced non-Covid activity, and finally harm from wider societal actions/lockdown.</p> <p>The Committee discussed and reviewed the outline plan. The Director will meet individual Committee members over the next few months to ensure that local strategic requirements are considered in developing the full plan. The final version of the plan will be reviewed and signed off at the March Committee meeting prior to submission to Welsh Government.</p>	
3. Chair/Managing Director's Report		
3.1	<p>Chair's Report</p> <p>Due to the shortened meeting there was no Chair's report.</p>	
3.2	<p>Managing Director's Report</p> <p>The main issues noted were:</p> <ul style="list-style-type: none"> • IP5 - The facility has continued to provide NHS Wales a number of strategic benefits over the past 12 months. It 	

Item		Action
	<p>has proved to be invaluable during the first and second waves of the COVID pandemic together with adding important resilience during the BREXIT preparations. The Minister has recently endorsed NWSSP proposals within the overall IP5 Programme Business Case and has also agreed to cover the additional recurring running costs. Work on the PHW laboratory is almost complete and final checks are being worked through. The SLA for the support to the UK Lighthouse Laboratory has been agreed and ownership will transfer to NHS Wales in approximately 18 – 24 months.</p> <ul style="list-style-type: none"> • Transforming Access to Medicine - The TRAMS Programme Business Case (PBC) has been endorsed by the Chief Pharmacists Group and subsequently approved at the November 2020 Committee for submission to Welsh Government, who subsequently had some queries which have now been addressed. In particular some changes had been made to the accounting treatment of project implementation and transition costs which had been discussed with Audit Wales. In addition even though the project would generate cumulative revenue savings, proposals have been developed to close the temporary non-recurring revenue funding gap in year 3 and 4. The PBC will now be presented to the Welsh Government Infrastructure Investment Board at the end of January 2021 for formal scrutiny as part of the government approval process. • Temporary Medicines Unit - The TMU, established with Welsh Government funding in response to COVID-19, has now produced its first batches of product. This follows months of hard work by staff from across NHS Wales, including input from the NHS Wales national quality assurance lead, in supporting the creation of the Unit and in particular in the development of the operating model and quality management processes This recently culminated in a rigorous inspection from the Medicines and Healthcare Products Regulatory Agency, resulting in the granting of a wholesale distribution license as well as a production license at IP5. We continue to work with our host, Velindre Trust, in developing the Quality and Safety Committee arrangements which the Committee signed off in September 2020. • The service will initially supply key medicines needed for Health Board critical care units in ready-to-use syringes. Capacity is for 2,600 syringes a week to be supplied, 	

Item		Action
	<p>ensuring continuity of supply, and saving significant hours of nurse time to be redirected towards patient care, across all of Wales. The unit has also been involved in supporting the additional distribution of COVID vaccines and related consumable supplies, as part of the national contingency response. Welsh Government have also confirmed funding for the Unit for the next two years.</p>	
4. Items for Approval/Endorsement		
<p>4.1</p>	<p>Digital Workforce Systems Scheduling</p> <p>GH presented a proposal relating to adoption of a Once for Wales e-scheduling system contract for District Nursing. This work is being taken forward at the request of Welsh Government and follows on from several pilots in Health Boards, which have been considered successful. The e-scheduling system is provided by Malinko, and enabled District Nursing teams to work more safely and efficiently, reducing non-clinical contact time and duplicate visits; and also gave the opportunity to interface mileage usage to the Expense system, which supports more accurate payment of expenses with reduced administration function. Funding has been made available by Welsh Government to support the national roll-out of the e-scheduling system, and the Committee were asked to support a single tender action with Malinko to take this matter forward.</p> <p>There was discussion on the length of the contract. GH stated that dependant on the commercial offering from Malinko, it is proposed that NWSSP enter into a short-term contract, which will enable NHS Wales to explore the market further and to enter into a competitive procurement exercise, exploring additional efficiencies/service improvements through the development of a technical specification, and opportunities for further cost savings via economies of scale.</p> <p>PH referred to the lack of an organisational sign off to implement system and asked that this was noted for the minutes.</p> <p>Notwithstanding the above, the Committee ENDORSED the proposal to pursue a single tender action direct award to Malinko.</p>	
<p>4.2</p>	<p>Scan for Safety</p> <p>Andy Smallwood, Assistant Director of Procurement Innovation Systems, presented a paper for approval from the Committee for the submission of the full business case to Welsh Government in relation to the Scan for Safety programme.</p>	

Item		Action
	<p>There have been significant pressures in turning round the procurement of the new system within a significantly compressed timeline for implementation. Following a delay last year due to COVID, and a change of specification, the Project Team are now in the final stages of tender evaluation and the business case is to be submitted to WG before the end of January 2021. The change in specification mandated additional standards to allow for easier interfacing with the National Data Resource at NWIS, as well as providing LHBs with flexibility around system integration.</p> <p>AS explained that nine suppliers were approached via the NHS Commercial Solutions Framework for Inventory Management Systems, and five returned tenders which are currently being analysed. All bids are below £5m over the five-year initial period (option to extend for three further years) and therefore the FBC will be significantly below the original estimate of c£8m for 5 years. An award would be made following a demonstration session.</p> <p>The Committee APPROVED the proposal.</p>	
<p>4.3</p>	<p>Once for Wales Concerns Management Database</p> <p>The SSPC is the lead body for the development of the database which replaces the disparate versions of Datix in use across NHS Wales. The database development programme is hosted by the Welsh Risk Pool and comprises a small central team who are responsible for the all-Wales elements. Following the successful procurement process and in preparation of the implementation and roll-out phase, the governance arrangements have been reviewed.</p> <p>The procurement phase has been led by a Steering Group / Programme Board, which comprises key staff from across NHS Wales. As the programme enters the implementation phase, it is felt that the Programme Board should be separated from the Steering Group to allow the latter to focus on operational delivery and the Programme Board to provide strategic oversight. The Terms of Reference have been updated to reflect this change.</p> <p>The creation of a more strategic Programme Board necessitates identification of appropriate individuals to be members. Nominations have been sought from each Chief Executive. The first of the new style of meetings was held on 24th November 2020 and all organisations were represented.</p> <p>The Committee APPROVED the revised Terms of Reference.</p>	

Item		Action
4.4	<p>Amended Standing Orders</p> <p>AB presented the SSPC Standing Orders and asked the Committee to review and approve amendments to the Scheme of Delegation prior to submission to the Velindre UNHT Board for formal approval.</p> <p>The Committee APPROVED the amendments to the Standing Orders.</p>	
5. Project Updates		
5.1	<p>PMO Highlight Report</p> <p>The Committee reviewed and noted the programme and projects monthly summary report, which highlighted the team's current progress and position on the 30 different schemes being managed.</p>	
6. Governance, Performance & Assurance		
6.1	<p>Finance & Workforce Report</p> <p>As at Month 8, NWSSP are reporting a break-even position, with an underlying underspend position of £1.8m. Review of the forecast position has resulted in a declaration of a further distribution of £1.25m to NHS Wales. The Welsh Risk Pool forecast outturn remains at £121m, with the continued expectation that £13.8m will be funded under the risk sharing agreement with contributions from health organisations. There were two financial risks surrounding the ESR recharge from DHSC and the oracle Service Improvement Fund. Staff sickness levels remain at a historically low level and most key performance indicators are on track.</p>	
6.2	<p>Corporate Risk Register</p> <p>The Committee noted the Corporate Risk Register, containing three red risks:</p> <ul style="list-style-type: none"> • The replacement of the NHAIS system which has had some technical difficulties but is still on track to go live with parallel running now underway; • The in-house development of the replacement Ophthalmology Payments system is on track, and a number 	

Item		Action
	<p>of Health Boards went live with this before Christmas. The remaining Health Boards will go-live by 31 March; and</p> <ul style="list-style-type: none"> The signing of a BREXIT deal is good news but for the time being the risk will stay red while the implications of the deal are considered. 	
6.3	<p>Gifts & Hospitality Annual Report The Committee noted the annual report of Gifts, Hospitality & Sponsorship Declarations for 2019-20.</p>	
7. Items for Information		
7.1	<p>Finance Monitoring Reports The Committee noted the reports.</p>	
8. ANY OTHER BUSINESS		
8.1	There were no further items raised.	
<p>DATE OF NEXT MEETING: Thursday, 18 March 2021 from 10:00-13:00 By Teams</p>		

Item 1.5

ACTION LOG

SHARED SERVICES PARTNERSHIP COMMITTEE (SSPC)

UPDATE FOR 18 MARCH 2021 MEETING

List No	Minute Ref	Date	AGREED ACTION	LEAD	TIMESCALE	STATUS MARCH 2021
1.			N/a – no actions to be brought forward from January meeting.			



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

MEETING	Shared Services Partnership Committee
DATE	18 March 2021
AGENDA ITEM	TBC
PREPARED BY	Alison Ramsey Director of Planning, Performance and Informatics
PRESENTED BY	Alison Ramsey Director of Planning, Performance and Informatics
RESPONSIBLE HEAD OF SERVICE	Alison Ramsey Director of Planning, Performance and Informatics

TITLE OF REPORT

NWSSP Annual Plan for 2021-22

PURPOSE OF REPORT

SSPC are asked to approve the NWSSP Annual Plan for 2021-22.

1. BACKGROUND

Welsh Government require NHS organisations to prepare an Annual Plan for 2021-22 in line with the Annual Planning Framework published in December 2020.

The approach is a departure from the 3-year Integrated Medium Term Plan (IMTP) of previous years. The requirement is a one-year plan but to blend operational focus with longer term objectives.

We are required to set out how NWSSP will align our 5 strategic objectives to the Ministerial Priorities:

1. Prevention
2. Reducing Health Inequalities
3. Primary Care

4. Mental Health
5. Timely Access to Care

Additionally, we must demonstrate what we are doing to support:

- Decarbonisation
- Welsh Language and
- Social Partnership Bill

The national framework also requires us to set out our response to the Four Harms of COVID-19, including our contribution to the vaccination campaign.

Approach

We kicked off our internal planning arrangements on 17th December 2020 with a planning event. All Divisions were asked to present their initial 'Plan on a Page'.

This was followed up in January with more detailed discussions on draft service, finance and workforce planning proposals with each Division as part of our regular Quarterly Reviews.

The Director of Planning, Performance and Informatics has met with SSPC members to discuss the indicative plan and confirm key priorities for 2021-22.

We had a very positive Touchpoint meeting with Welsh Government planning team on 2 March. This was followed by a Touchpoint meeting with the Finance Delivery Unit on 8 March.

Key messages

A presentation on the key aspects of the NWSSP Annual Plan will be given at the meeting.

A copy of the Annual Plan is enclosed as **Appendix A**.

Looking forward to 2021 and beyond, we must apply our learning from our response to the pandemic and realise the return on investment made in new ways of working including the adoption of new technologies. We intend to grow further our services to primary care, consolidate our work with social services where it makes sense to do so, and also explore opportunities to work with the foundational economy in Wales.

We are already making good progress on a number of key service developments planned for 2021 which include the implementation of Scan for Safety, investment in Transforming Access to Medicines (TRAMs) and

the transfer of existing Laundry Services across to NWSSP, as the first phase of planned longer term service improvement.

We are submitting a balanced Financial plan for 2021-22.

We have agreed a comprehensive People plan for 2021-22 that includes our 'This is our NWSSP' internal culture programme, adaption to agile working as well as our recruitment and retention strategy.

We have plans to build on our existing Digital Plan and update our strategy during 2021-22, now that we have rolled out Microsoft Office 365 across NWSSP.

Our plan is ambitious but proportionate. By focussing on the policy landscape and what our customers and partners need, during 2021-22, we will:

- 1. Support the NHS in reducing the four harms of COVID19, including the vaccination campaign.**
- 2. Continue to deliver the basics well, with a strong focus on end user experience.**
- 3. Review our processes and tailor services to customer priorities as they restart areas such as planned care.**
- 4. Implement a number of 'Once for Wales' solutions that deliver service improvement and transformation.**
- 5. Apply our learning from the pandemic and embed new efficient and sustainable ways of working across the organisation.**
- 6. Put the voice, health and wellbeing of our staff at the heart of our plans.**

Detailed divisional plans are complete and at design stage before publication on the NWSSP website.

A bank of case studies has also been completed and will be published alongside the Annual Plan.

2. RECOMMENDATION

Committee Members are asked to:

- Consider the presentation at the SSPC meeting on 18 March 2021.
- Approve the NWSSP Annual Plan for 2021-22.



GIG
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NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:
All Wales Laundry

The report is **not Exempt**

Teitl yr Adroddiad/Title of Report

All Wales Laundry

**ARWEINYDD:
LEAD:**

Neil Davies, Director of Specialist Estates Services

**AWDUR:
AUTHOR:**

Ian Rose, Head of NWSSP PMO

**SWYDDOG ADRODD:
REPORTING OFFICER:**

Neil Frow, Managing Director NWSSP

**MANYLION CYSWLLT:
CONTACT DETAILS:**

Neil Frow, Managing Director NWSSP

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

To provide an update on current progress of the All Wales Laundry planned TUPE in April 2021.

Llywodraethu/Governance

**Amcanion:
Objectives:**

To develop a service model that is fit for purpose, complies with modern standards, provides a sustainable and resilient laundry service and represents an operational model delivering best value for money for NHS Wales.

**Tystiolaeth:
Supporting evidence:**

New Standard BS EN 14065

Ymgynghoriad/Consultation:

Completed between Feb – Jul 2020

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
Argymhelliad/ Recommendation		Outline the recommendation of the report <ul style="list-style-type: none"> The Committee is asked to NOTE and APPROVE the report contents 					

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 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://gov.wales/docs/dhss/publications/150402standardsen.pdf
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open or closed Assess if the information can be disclosed into the public domain, if not it will need to be presented as a part 2 agenda item.

All Wales Laundry

1. CEFNDIR/BACKGROUND

The All Wales Laundry Review formally commenced in May 2016, with the NHS Wales Shared Services Partnership Committee (SSPC) approving the programme initiation and subsequent review of the Laundry production units within NHS Wales.

Throughout the last four years, a number of significant milestones have been achieved and a number of key decisions have been made to support the continual development of the All Wales Laundry Programme Business case.

The key milestones and decision points already approved include decisions by the Shared Services Partnership Committee, whereby approval or endorsement was given to the following:



It is **important** to note throughout the process items that have been previously approved or endorsed remain unchanged:

- The **preferred option** - Three LPUs (Laundry Production Units) to provide the future service, **endorsed** by SSPC Nov 2018.
- A Single Service Provider, **endorsed** by SSPC March 2019
- Centralised and Single Management of the Service, **approved** by the SSPC in March 2019 as NHS Wales Shared Services Partnership Committee.

These decisions act as the basis for the next planned steps, which the Laundry Transfer Project running in parallel to the ongoing programme business case development will seek to execute to conclude the transfer to NWSSP (NHS Wales Shared Services Partnership) of the existing Laundry Production Units into NWSSP by April 2021.

2. Current Update

This update is to advise the SSPC on the current update in relation to the planned transfer of the All Wales Laundry service into NWSSP from the existing five Health Board locations.

This transfer is taking place in two phases:

Transferring into NWSSP Phase 1

The project is seeking to transfer three existing laundries located in:

- Llansamlet (Swansea Bay University Health Board)
- Green Vale (Aneurin Bevan University Health Board)
- Glan Clwyd (Betsi Cadwaladr University Health Board)

The transfer will mean **customers** who currently have their laundry service provided by one of these laundries will continue to receive the **same service "as is"** with **no** anticipated change in delivery arrangements or cost attributed to that service at the present moment.

However, it does mean **NHS Wales Shared Services** will become the service provider from April 2021 to the customers served from the three locations highlighted.

To support the process three SBARS (Situation, Background, Assessment & Recommendation) Reports have been developed for submission to the relevant Board as appropriate.

These have been issued to the Board Secretary and Executive Director responsible for the service.

As the services transfer into NWSSP focus will also be placed in developing a robust Health & Safety programme to address the elements identified through the due diligence process and seek to implement corrective actions as required in accordance with the HSG65 process.

Transferring into NWSSP Phase 2

In relation to the remaining laundries located in:

- Glangwilli (Hywel Dda University Health Board)
- Church Village (Cwm Taf Morgannwg University Health Board)

The transfer of the remaining laundries will seek to take place in the **coming months** at an agreed date, and the laundry service provided will continue, **"as is"** with **no** anticipated change in service delivery arrangements.

It is also the intention of NWSSP to continue existing arrangements in full or part until successful conclusion of the All Wales Programme Business Case currently estimated to conclude in 2024.

SLA/Schedule

To support appropriate placement of Service Level Agreements (SLAs) and applicable schedules an initial SLA and Schedule document has been developed partly informed by the limited existing Health Board agreements currently in place which have not been updated for a significant time and further data made available from the Health Boards as part of the transfer due diligence activity.

These focus on the three Laundry Production Units being transferred in April but will need further review and update once the services transfer into NWSSP post April and further review in Jul 2021

The overarching principle supporting the initial SLA and Schedule seeks to ensure a continuation of existing arrangements without deviation from existing cost and product volume frequency.

3. ARGYMHELLIAD/RECOMMENDATION

The Committee are asked to:

- **NOTE** the progress of the transfer.
- **APPROVE** the SLA.
- **NOTE** the contents of the SBARs.

March 2021

SBAR– Aneurin Bevan University Health Board (Green Vale) Laundry Transfer

Situation

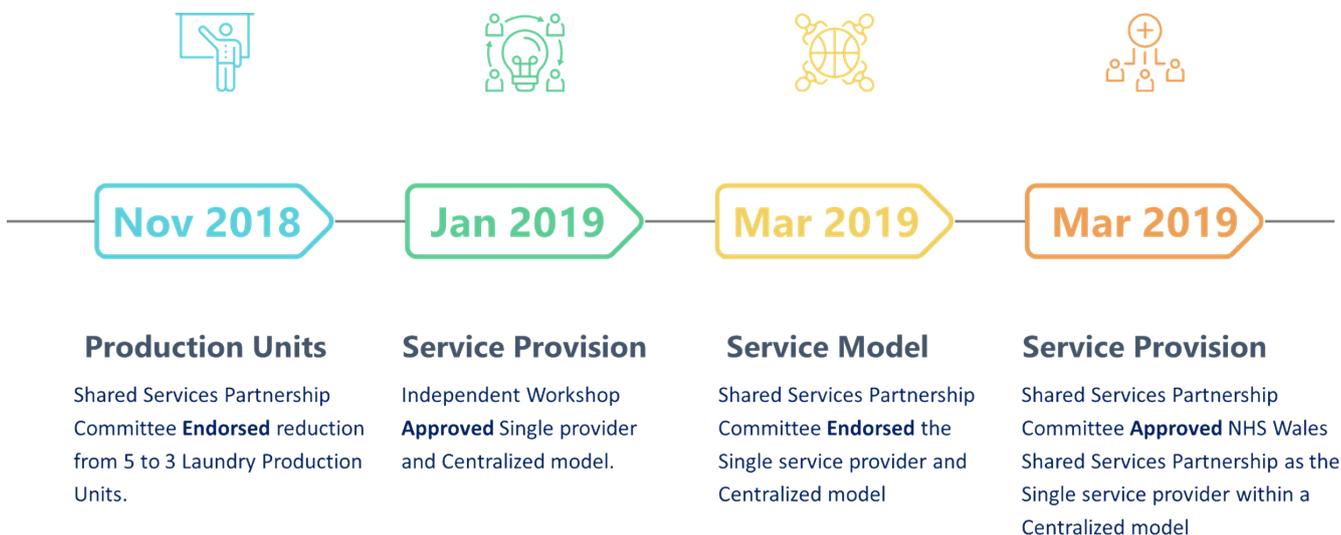
This document outlines the guiding principles and critical success factors against which the agreed transfer of the All Wales Laundry Service will be completed.

Background

The All Wales Laundry Review formally commenced in May 2016, with the NHS Wales Shared Services Partnership Committee (SSPC) approving the programme initiation and subsequent review of the Laundry production units within NHS Wales.

Throughout the last four years, a number of significant milestones have been achieved and a number of key decisions have been made to support the continual development of the All Wales Laundry Programme Business case.

The key milestones and decision points already approved include decisions by the Shared Services Partnership Committee, whereby approval or endorsement was given to the following:



It is **important** to note throughout the process items that have been previously approved or Endorsed remain unchanged:

- The **preferred option** - Three LPUs (Laundry Production Units) to provide the future service, **endorsed** by SSPC Nov 2018.
- A single service provider, **endorsed** by SSPC March 2019
- Centralised and Single Management of the Service, **approved** by the SSPC in March 2019 as the NHS Wales Shared Services Partnership.

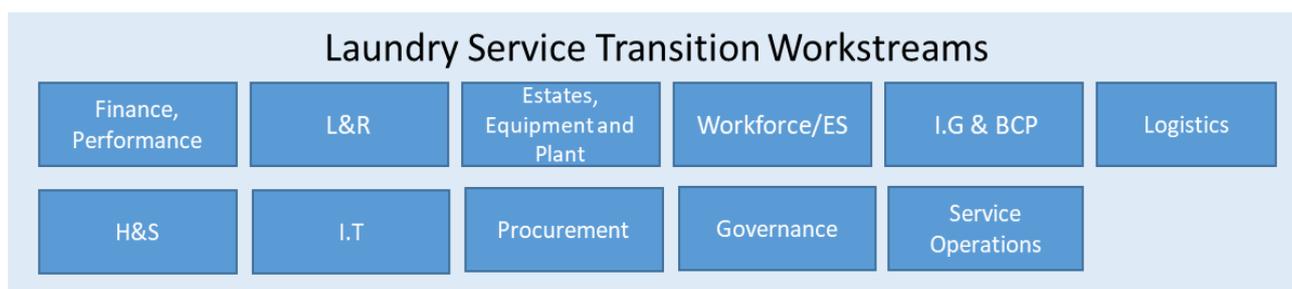
These decisions act as the basis for the next planned steps, which the Laundry Transfer project running in parallel to the ongoing Programme Business case development will seek to execute to conclude the transfer to NWSSP (NHS Wales Shared Services Partnership) of the existing Laundry Production Units into NWSSP by April 2021.

Originally, the intention was to complete the transfer in October 2020 but due to the pandemic and winter pressures, this was delayed until April 2021. To support this transfer the establishment of a project board is taking place with focus on drafting a set of guiding principles and a number of supporting workstreams.

The **guiding principles** seek to propose high-level objectives across:

- Land & buildings.
- Equipment & plant.
- Finance (transfer of expenditure to provide service, based on costs **baseline** April 2019 & March 2020).
- Transport and logistics (drivers & fleet)
- Products & equipment to provide the service (cages, linen & detergents etc.)
- Workforce/resource to manage, operate, maintain and deliver the service¹.
- Continuation of existing service provision processes, procedures and contracts.

Workstreams to support this activity:



Critical Success Factors

The elements identified as critical to enable the transfer are:

- **Finance** – Identification and agreement of a baseline covering both pay and non-pay expenditure within an agreed timeframe that excludes pandemic influence or variation. This is key to ensuring NWSSP is able to maintain service provision and cover all expected costs based on agreed time range in scope for the baseline currently set at 2019/20 FY.
- **Workforce** – Identification of the workforce within scope of TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) that provide the current service, ensuring all key roles and a core baseline of workforce transferred to operate and continue service production.
- **Customers** - Existing customers identified to enable continuation of existing arrangements and appropriate communication in relation to the change of ownership and management.
- **Transport** – ensuring existing fleet operations remain intact to allow continued transport of linen to existing drop/collection points

¹ Within known existing demarcation points in line with the scope of the laundry project i.e. excluding linen rooms for example.

- **Product & Stock** – ensuring the availability of existing stock/linen and products required to continue the service operation, product and delivery of linen.
- **Support Services** – Continuation of externally provided support services for the laundry such as engineering, maintenance, or other critical services deemed essential to support day to day laundry operation
- **Health & Safety** – Evaluation and development of a special programme of Health & Safety improvements post April.

Assessment

In relation to **Aneurin Bevan University Health Board (Green Vale) Laundry**, the objective is to maintain the provision of laundry services “**as is**” but to complete a number of actions to allow the seamless transfer and ongoing provision of services to existing customers:

The intention remains to maintain the service within its **current model**, with anticipated variation in terms **not** anticipated until the commissioning of the new and refurbished Laundry Production Units as stipulated by the ongoing All Wales Laundry Programme Business Case currently estimated in 2024.²

Caveats exist which will remain ongoing and part of continual dialogue **POST APRIL** with the intention to secure the firm baseline to allow NWSSP to operate and fund the existing Laundry services without regress in service production as an absolute minimum.

- **Land & Buildings on/in which house the Laundry**

The Laundry is located at the same location as the Grange University Hospital in Llanfrechfa.

Property Location: Llanfrechfa Grange Hospital, Cwmbran NP44 8YN.

Transfer Objective

Transfer the ownership of both the land and building to NWSSP upon the completion of a survey and condition reports.

Constraints &/or Dependencies

- Completion of a building survey as part of standard transfer processes

- **Transport to provide the service**

Through the support of health board transport colleagues as baseline position for Laundry transport has been provided which states a fleet of vehicles that are leased currently provide transport from the laundry to its customers.

The current fleet comprises – 5 Vehicles

- 4 Business as usual day-to-day usage
 - 11.5t Isuzu
 - 5.5t Isuzu
 - 7.5t Hire Trucks Days Rental *2
- 1 COVID Support Usage
 - 7.5t Hire Trucks Days Rental

² Estimated and subject to change based on the business case process

Currently the driver resource is provided by – 5 WTEs including agency usage and existing vacancies.

Transfer objective

Transfer the existing Laundry Fleet and in scope drivers to ensure delivery of the service is maintained, "as is".³

Constraints &/or Dependencies

- Ongoing assessment of current arrangements and review of resource, fleet and licensing requirements.
- Driver Vacancies are identified and mitigated.
- Finance captured within the finance pay & non-pay baseline.
- Resources include a supervisor.

• **Finance to provide the service**

With the support of health board finance colleagues, the Laundry costs established are based on a review of the pre COVID baseline year of 2019/20 and these costs were discussed with the Director of Finance on 12th March 2021 and it was agreed that the costs would be subject to a final review by the Health Board before sign off.

Overriding Principles

- There should be no detrimental financial impact on the health board and NWSSP as a result of the transfer.
- The 2019/20 pre Covid actual non pay costs will be used as the financial baseline for 2021/22 once adjusted for inflation.
- Any unexpected significant costs or liabilities that come to light post transfer will be subject to further discussion.

The process under which NWSSP will charge for Laundry Services will be quarterly in advance.

Service cost from April 2021:

Aneurin Bevan

	£
Pay	1,851,390
Non Pay	<u>1,151,073</u>
Total costs	3,002,463
Income	<u>(1,800,368)</u>
Net cost	<u>1,202,095</u>

³ Subject to evaluation of data received.

Key Assumptions

Staff costs

- Staff will transfer to NWSSP with their full budget including on costs.
- Budgets for any vacancies will be fully funded.
- 0.2 WTE Band 6 Finance and 0.2 WTE Band 6 workforce support included

Non-pay costs

- Laundry operating cost budget will transfer to NWSSP based on 2019/20 actual costs (pre Covid) baseline adjusted for inflation.
- Operating costs will be compared to prior years and if significant variances exist individual line adjustments will be made on an exception basis.

Income

- Laundry income will be baselined against the 2019/20 actuals.
- The proposed net cost of the service to the existing laundry providers will be based on the total operating costs less the anticipated invoiced income.
- Invoices to other laundry customers will be raised using the existing methods followed by the individual laundry units.

Overheads

- Where relevant Health Boards will not charge NWSSP for occupying and using the laundry sites unless the budget has been transferred.
- Where relevant Laundry staff will continue to have access to their existing mobile phones, laptops, PCs and peripherals and the use of photocopiers/printers etc.
- Where relevant if support is currently provided by the health board for the laundry but not included in the budget transferred to NWSSP that service will continue.

Finance Data is provided in Appendix B

• Workforce within the Laundry

The Greenvale (Aneurin Bevan) laundry workforce in scope are those that support the laundry production including support roles such as driver and maintenance engineering.

Significant effort has been invested by colleagues from NWSSP, health boards and staff side which have supported the robust identification of the existing resources and the TUPE process.

Transfer Objective

TUPE transfer the **existing** Laundry workforce including bank/agency and any vacancy expenditure.

- Total Workforce Headcount –66
- Total Workforce WTEs – 63.99

A full breakdown of roles and data is attached in Appendix A

Constraints & Dependencies

- Workforce scope remains those within the LPU⁴ Production environment
- Identification of required budgets within the finance workstream
- Ensure all key existing roles are captured and transferred to ensure the day to day operation is enabled to continue As Is.

• **Plant & Machinery to provide the service**

The Laundry exists with full end-to-end equipment and machinery to enable the production of linen for the health board and its customers.

Transfer Objective

Transfer ownership of the existing plant and machinery used to provide end-to-end linen services for the Greenvale LPU, novating any lease arrangements as necessary.

Constraints &/or Dependencies

- Provision of an asset register (5k plus Value)
- Provision of the Inventory (Sub 5k value)
- Identification of required budgets within the finance workstream
- Completion of an inspection report for forward risk and management purposes.

• **Products & Equipment to provide the service**

The Laundry consumes and utilise a range of products to enable day-to-day operation.

Transfer Objective

Transfer ownership of the existing linen products and consumables such as detergent and Linen stock to continue the provision of end-to-end linen services from the Greenvale LPU and its existing customers.

Constraints &/or Dependencies

- End of year/annual stock take required.
- Procurement adjustments, novations and cessations.
- Budget identified for stock and product purchasing.

• **Existing Service provision processes, procedures and contracts**

To support and underpin day-to-day operations a number of contractual arrangements exist to ensure the laundry can operate. Procurement teams are working through the respective detail to ensure continuation of all required contracts and process are managed to support the April transfer of service.

⁴ LPU – Laundry Production Unit

Transfer Objective

Transfer (Novate) ownership of the existing, appropriate, agreements and contracts to provide end-to-end linen services for the Greenvale LPU.

Continuation of LPU specific processes e.g. business continuity planning where support external to the LPU is required.

Constraints &/or Dependencies

- Dependant procurement contract novation
- Engagement with Laundry colleagues
- Dependency on Procurement teams
- Provision and Confirmation of existing agreements
- Transport evaluation
- Continuation of any externally ⁵provided maintenance or support.

• **Service Level Agreements & Performance Data**

The Laundry currently provides services to a range of customers including:

- Aneurin Bevan University Health Board
- Cardiff & Vale University Hospital / Health Board
- Powys Teaching Local Health Board
- Private customers
- Welsh Ambulance Services NHS Trust
- Breast Test Wales (BTW) Velindre University NHS Trust
- National Blood Transfusion Service.

Transfer Objective

A generic Service Level Agreement (SLA) and appropriate schedules will be formulated on behalf of NWSSP to form the initial basis of the continuation of existing arrangements at the same cost to the health board and any existing customers and will be approved by the SSPC (Shared Services Partnership Committee).

This has been developed using data identified through due diligence, engagement with LPU management and where possible utilising limited existing documentation. It is important to note this will be further developed at timely intervals as the service evolves.

In further support, Quarterly Service Reviews will be established to consider all aspect of the service from both a supplier and customer prospective in relation to how the partnership is working for both parties and any reflection on the SLA and Schedules, quality of service provided.

Constraints &/or Dependencies

- Identification/Use of existing Service Level Agreements (SLAs) between the HB and its customers
- Data to provide a baseline for NWSSP to develop an SLA which continues the existing services provided

⁵ Externally – External to the workforce and operation within the LPU, for example HB Estates Support, Facilities support or 3rd party contractors

- **IT and Technology**

The laundry staff currently use IT equipment, systems and hardware as required by their role. This ranges from minimal ESR usage to use of MS365 applications and relevant hardware. Laundry plant and equipment also can potentially utilise network and other IT infrastructure as part of the day-to-day operation.

Transfer Objective

To support the transfer is it requested continuation of existing I.T. support arrangements continue until such as time whereby transfer, replacement or migration of assets can be undertaken in a safe and consistent manner.

Constraints &/or Dependencies

- Dependant on MS365 and SharePoint developments to enable migration activity into NWSSP.
- Identification of Assets.
- IT survey of laundry⁶

It is proposed a staged transfer is approved to allow the NWSSP to run the service from April 2020 with a further stage to address elements in relation to asset transfers and other more complex elements.

Transfer Stage 1

Workforce
Finance
Fleet
Critical Procurement

Transfer Stage 2

IT
Completion of Land/Building Ownership
Continuation of Procurement activity

Establishment of regular service and finance reviews to ensure adequate budget and workforce has been transferred in line with expectations set against the baseline period of 19/20 and to allow review of any other matters that emerge post transfer.

To support the continuation of the services as currently provided from the Laundry to its customers, it is also requested that underpinning support services continue to be provided until suitable transfer, novation, migration activities be scheduled as listed above.

These services would typically include:

- Continuation of Health board provided services
 - IT Support and continued system & hardware access.
 - Health board provided Facilities and maintenance externally provided from the Laundry own engineering or support teams.

⁶ Post Pandemic Restrictions

Appendix A Workforce detail

- High Level Detail by Role

ABUHB	
Laundry Management	2
Laundry Engineering	6
Laundry Production	53
Laundry Transport	5
Grand total	66

Workforce Data



greenvale
workforce data.xlsx

Appendix B Finance Data

Aneurin Bevan Non pay	Final
30210 M&SE : Disposable	51
32000 Provisions	137
32240 Hotel Services - External Contracts : Other	28,040
32400 Staff Uniforms & Clothing	1,342
32410 Protective Clothing	2,173
32510 Cleaning Materials	1,785
32520 Laundry Equipment	119
32530 Laundry Materials	112,078
32540 Laundry Maintenance	56,814
32710 B&L : Non-Disposable	341,210
32810 Other General Supplies & Services	531
33010 Stationery	1,866
33020 Books, Journals & Subscriptions	(60)
33200 Postage & Carriage	205
33610 Travel & Subsistence	7
33800 Leased Cars : Contract	3,560
34000 Vehicle Running Costs : Fuel	40,165
34010 Vehicle Running Costs : Other	192
34020 Vehicle Maintenance	3,367
34030 Vehicle Leases	55,738
34040 Vehicle insurance	4,912
34050 Taxi & Other Vehicle Hire	12,164
34070 Fleet Operating Licence	401
34080 Other Transport Costs	10,401
34200 Training Expenses	948
35000 Electricity	37,792
35010 Gas	247,267
35020 Water	48,978
35030 Sewerage	12,485
35200 Rates	39,976
35320 Contract : Hygiene & Sanitary	235
35330 Contract : Pest Control	779
35540 Computer Hardware Purchases	206
35570 Computer Maintenance	2,728
35820 Materials - Electrical	28
35830 Materials - Building	740
35900 Engineering Contracts	29,348
37030 Payments In Lieu Of Notice	2,275
37430 Performing Rights	3,051
37470 Miscellaneous Expenditure	28
37660 Recharge : Drugs	113
37670 Recharge : IT Services	735
37710 Recharge : Miscellaneous	1,466
Grand Total	1,106,375
Inflation uplift for 2020/21	22,128
Inflation uplift for 2021/22	22,570
Total non pay costs after adjustments	1,151,073
Aneurin Bevan Pay costs	£
Establishment pay cost	1,815,088
Inflation uplift 2021/22	36,302
Total pay costs after uplift	1,851,390

March 2021

SBAR Betsi Cadwaladr University Health Board - Glan Clwyd Laundry Transfer

Situation

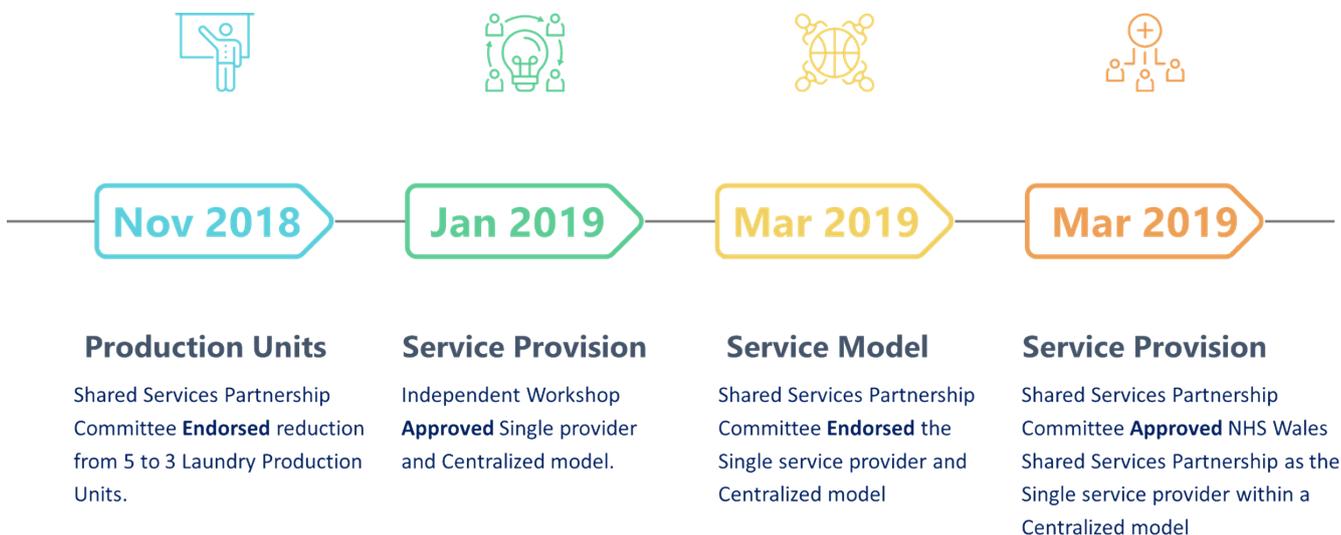
This document outlines the guiding principles and critical success factors against which the agreed transfer of the All Wales Laundry Service will be completed.

Background

The All Wales Laundry Review formally commenced in May 2016, with the NHS Wales Shared Services Partnership Committee (SSPC) approving the programme initiation and subsequent review of the Laundry production units within NHS Wales.

Throughout the last four years, a number of significant milestones have been achieved and a number of key decisions have been made to support the continual development of the All Wales Laundry Programme Business case.

The key milestones and decision points already approved include decisions by the Shared Services Partnership Committee, whereby approval or endorsement was given to the following:



It is **important** to note throughout the process items that have been previously approved or Endorsed remain unchanged:

- The **preferred option** - Three LPUs (Laundry Production Units) to provide the future service, **endorsed** by SSPC Nov 2018.
- A single service provider, **endorsed** by SSPC March 2019
- Centralised and Single Management of the Service, **approved** by the SSPC in March 2019 as the NHS Wales Shared Services Partnership.

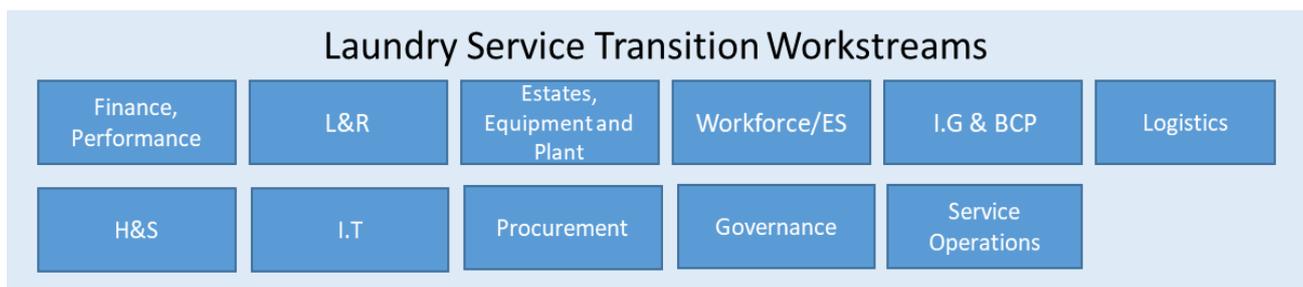
These decisions act as the basis for the next planned steps, which the Laundry Transfer project running in parallel to the ongoing Programme Business case development will seek to execute to conclude the transfer to NWSSP (NHS Wales Shared Services Partnership) of the existing Laundry Production units into NWSSP by April 2021.

Originally, the intention was to complete the transfer in October 2020 but due to the pandemic and winter pressures, this was delayed until April 2021. To support this transfer the establishment of a project board is taking place with focus on drafting a set of guiding principles and a number of supporting workstreams;

The **guiding principles** seek to propose high-level objectives across:

- Land & Buildings.
- Equipment & Plant.
- Finance (Transfer of expenditure to provide service, based on costs **baseline** April 19 - March 20).
- Transport and Logistics (Drivers & fleet)
- Products & Equipment to provide the service (Cages, linen & Detergents Etc.)
- Workforce/Resource to manage, operate, maintain and deliver the service¹.
- Continuation of existing service provision processes, procedures and contracts.

Workstreams to support this activity:



Critical Success Factors

The elements identified as critical to enable the transfer are

- **Finance** – Identification and agreement of a baseline covering both pay and non-pay expenditure within an agreed timeframe that excludes Pandemic influence or variation. This is key to ensuring NWSSP is able to maintain service provision and cover all expected costs based on agreed time range in scope for the baseline currently set at 19/20 FY.
- **Workforce** – Identification of the workforce within scope of TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) that provide the current service, ensuring all key roles and a core baseline of workforce is transferred to operate and continue service production.
- **Customers** - Existing customers identified to enable continuation of existing arrangements and appropriate communication in relation to the change of ownership and management.
- **Transport** – ensuring existing fleet operations remain intact to allow continued transport of linen to existing drop/collection points.

¹ Within known existing demarcation points in line with the scope of the laundry project i.e. excluding linen rooms for example.

- **Product & Stock** – ensuring the availability of existing stock/linen and products required to continue the service operation, product and delivery of linen.
- **Support Services** – Continuation of externally provided support services for the laundry such as engineering, maintenance, or other critical services deemed essential to support day to day laundry operation.
- **Health & Safety** – Evaluation and development of a special programme of Health & Safety improvements post April.

Assessment

In relation **the Glan Clwyd Laundry**, the objective is to maintain the provision of laundry services “as is” but to complete a number of actions to allow the seamless transfer and ongoing provision of services to existing customers.

The intention remains to maintain the service within its **current model**, with anticipated variation in terms **not** anticipated until the commissioning of the new Laundry Production Unit as stipulated by the ongoing All Wales Laundry Programme Business Case currently estimated in 2024.²

Caveats exist which will remain ongoing and part of continual dialogue **POST APRIL** with the intention to secure the firm baseline to allow NWSSP to operate and fund the existing Laundry services without regress in service production as an absolute minimum.

- **Land & Buildings on/in which house the Laundry**

The laundry is co-located within the grounds of the Ysbyty Glan Clwyd Hospital.

Property Location: Ysbyty Glan Clwyd Rhuddlan Road, Rhyl LL18 5UJ

Transfer objective

Continue use of the existing laundry to allow ongoing provision of currently provided services whilst the establishment of a MOTO (Memorandum of Terms of Occupation) agreement is developed subject to desired surveys.

The laundry building will remain in the ownership of the health board due to the location being within the Glan Clwyd Hospital site. NWSSP will seek to agree a MOTO³ agreement to allow determine the principles of the continued use of the Laundry.

Constraints &/or Dependencies

- Completion of a building survey as part of MOTO agreement processes.
- The laundry building will remain in the ownership of the health board due to the location being within the Glan Clwyd Hospital site.
- Continuation of health board provided support services in support of the laundry.

² Estimated and subject to change based on the business case process

³ Moto – Memorandum of Terms of Occupation

- **Transport to provide the service.**

Through the support of health board Transport colleagues as baseline position for Laundry transport has been provided which states a fleet of vehicles that are leased/rented currently provide transport from the laundry to its customers.

The current fleet comprises – 4

- Long Term Lease 7.5 HGVs * 2
- Short Term Lease 7.5 HGVs * 1
- Box body Luton Van * 1

Currently the driver resource is provided by – 3.2 WTEs

- Supervisor * 1
- Relief Laundry Assistants * 2.2

Transfer objective

Transfer the existing Laundry Fleet and in scope drivers to ensure delivery of the service is maintained, “as is”.⁴

Constraints &/or Dependencies

- Assessment of current arrangements and review of resource, fleet and licensing requirements
- Finance captured within the finance pay & non-pay baseline
- Resources include a supervisor

- **Finance to provide the service**

With the support of health board finance colleagues, the Laundry costs established are based on a review of the pre COVID baseline year of 2019/20 and these costs were discussed with the Director of Finance on 12th March and it was agreed that the costs would be subject to a final review by the Health Board before sign off.

Overriding Principles

- There should be no detrimental financial impact on the health board and NWSSP as a result of the transfer.
- The 2019/20 pre Covid actual non pay costs will be used as the financial baseline for 2021/22 once adjusted for inflation.
- Any unexpected significant costs or liabilities that come to light post transfer will be subject to further discussion.

The process under which NWSSP will charge for Laundry Services will be quarterly in advance.

⁴ Subject to evaluation of data received.

Service cost from April 2021:

Betsi Cadwaladr

£

Pay	1,542,407
Non Pay	<u>1,018,170</u>
Total costs	2,560,577
Income	<u>(46,241)</u>
Net cost	<u><u>2,514,336</u></u>

Key Assumptions

Staff costs

- Staff will transfer to NWSSP with their full budget including on costs.
- Budgets for any vacancies will be fully funded.
- 0.2 WTE Band 6 Finance and 0.2 WTE Band 6 workforce support included.

Non pay costs

- Laundry operating cost budget will transfer to NWSSP based on 2019/20 actual costs (pre Covid) baseline adjusted for inflation.
- Operating costs will be compared to prior years and if significant variances exist individual line adjustments will be made on an exception basis.

Income

- Laundry income will be baselined against the 2019/20 actuals.
- The proposed net cost of the service to the existing laundry providers will be based on the total operating costs less the anticipated invoiced income.
- Invoices to other laundry customers will be raised using the existing methods followed by the individual laundry units.

Overheads

- Where relevant Health Boards will not charge NWSSP for occupying and using the laundry sites unless the budget has been transferred.
- Where relevant Laundry staff will continue to have access to their existing mobile phones, laptops, PCs and peripherals and the use of photocopiers/printers etc.
- Where relevant if support is currently provided by the health board for the laundry but not included in the budget transferred to NWSSP that service will continue.

Finance Data is attached in Appendix B

• **Workforce within the Laundry**

The Glan Clwyd Laundry workforce in scope are those that support the laundry production including support roles such as driver and maintenance engineering.

Significant effort has been invested by colleagues from NWSSP, health boards and staff side which have supported the robust identification of the existing resources and the TUPE process.

Transfer Objective

TUPE transfer the **existing** Laundry workforce including bank/agency and any Vacancy expenditure.

- Total Workforce Headcount – 57
- Total Workforce WTEs – 47.94

A full breakdown of roles and data is attached in Appendix A

Constraints &/or Dependencies

- Workforce scope remains those within the LPU⁵ Production environment
- Identification of required budgets within the finance workstream

- **Plant & Machinery to provide the service**

The Laundry exists with full end-to-end equipment and machinery to enable the production of Linen for the health board and its customers.

Transfer Objective

Transfer ownership of the existing plant and machinery used to provide end-to-end linen services for the Glan Clwyd LPU, novating any lease arrangements as necessary.

Constraints & Dependencies

- Provision of an asset register (5k plus Value)
- Provision of the Inventory (Sub 5k value)
- Identification of required budgets within the finance workstream
- Completion of an inspection report for forward Risk and management purposes

- **Products & Equipment to provide the service**

The Laundry consumes and utilise a range of products to enable day-to-day operation.

Transfer Objective

Transfer ownership of the existing linen products and consumables such as detergent and Linen stock to continue the provision of end-to-end linen services from the Glan Clwyd LPU and its existing customers.

Constraints &/or Dependencies

⁵ LPU – Laundry Production Unit

- Identification of current stock levels.
- Procurement adjustments, novation's and cessations.
- Budget identified for stock and product purchasing

- **Existing Service provision processes, procedures and contracts**

To support and underpin day-to-day operations a number of contractual arrangements exist to ensure the laundry can operate. Procurement teams are working through the respective detail to ensure continuation of all required contracts and process are managed to support the April transfer of service.

Transfer Objective

Transfer (Novate) ownership of the existing agreements and contracts to provide end-to-end linen services for the Glan Clwyd LPU.

Continuation of LPU specific processes e.g. Business Continuity Planning where support external to the LPU is required.

Constraints &/or Dependencies

- Dependant procurement contract novation
- Engagement with Laundry colleagues
- Dependency on Procurement teams
- Provision and Confirmation of existing agreements
- Transport evaluation
- Continuation of any externally ⁶provided maintenance or support

- **Service Level Agreements & Performance Data**

The Laundry currently provides services to a range of customers including:

- Betsi Cadwaladr University Health Board
- Welsh Ambulance Services NHS Trust (WAST)

Transfer Objective

A generic Service Level Agreement (SLA) and appropriate schedules will be formulated on behalf of NWSSP to form the initial basis of the continuation of existing arrangements at the same cost to the health board and any existing customers and will be approved by the SSPC (Shared Services Partnership Committee).

This has been developed using data identified through due diligence, engagement with LPU management and where possible utilising limited existing documentation. It is important to note this will be further developed at timely intervals as the service evolves.

In further support, Quarterly Service Reviews will be established to consider all aspect of the service from both a supplier and customer prospective in relation to how the partnership is working for both parties and any reflection on the SLA and Schedules, quality of service provided.

⁶ Externally – External to the workforce and operation within the LPU, for example HB Estates Support, Facilities support or 3rd party contractors

Constraints &/or Dependencies

- Identification/Use of existing SLAs between the HB and its customers
- Data to provide a baseline for NWSSP to develop a Service Level Agreement (SLA) which continues the existing services provided.

• **IT and Technology**

The laundry staff currently use IT equipment, systems and hardware as required by their role. This ranges from minimal ESR usage to use of MS365 applications and relevant hardware. Laundry Plant and Equipment also can potentially utilise network and other IT infrastructure as part of the day-to-day operation.

Transfer Objective

To support the transfer is it requested continuation of existing I.T. support arrangements continue until such as time whereby transfer, replacement or migration of assets can be undertaken in a safe and consistent manner.

Constraints &/or Dependencies

- Dependant on MS365 and SharePoint developments to enable migration activity into NWSSP.
- Identification of Assets.
- IT survey of laundry⁷

High Level Timeline of Planned Events

Transfer Stage 1

Workforce
Finance
Fleet
Critical Procurement

Transfer Stage 2

IT
Development of a MOTO agreement for the building and land
Continuation of Procurement activity

Establishment of regular service and finance reviews to ensure adequate budget and workforce has been transferred in line with expectations set against the baseline period of 19/20 and to allow review of any other matters that emerge post transfer and also focusing on maintaining a continuation of quality and continuity of service.

To support the continuation of the services as currently provided from the Laundry to its customers, it is also requested that underpinning support services continue to be provided until suitable transfer, novation, migration activities be scheduled as listed above.

These services would typically include:

⁷ Post Pandemic Restrictions

- Continuation of health board provided services
 - IT Support and continued system & hardware access.
 - Health board provided facilities and maintenance externally provided from the Laundry own engineering or support teams.

Appendix A Workforce detail

- **High Level Detail by Role**

Betsi Cadwaladr UHB	
Laundry Management	8
Laundry Engineering	3
Laundry Production	42
Laundry Transport	3
Vacancy	1
Grand Total	57

- Workforce Data Sheet



BCU workforce
Data.xlsx

Appendix B Finance Data

Betsi C Non pay	Final
30100-Dressings	9
30210-M&SE : Disposable	317
31310-Laboratory Chemicals	79,040
31370-Laboratory Quality Control	1,089
32000-Provisions	192
32230-External Contracts : Laundry	30
32400-Staff Uniforms & Clothing	11,140
32410-Protective Clothing	1,585
32500-Cleaning Equipment	(34)
32510-Cleaning Materials	581
32520-Laundry Equipment	8,684
32530-Laundry Materials	(389)
32540-Laundry Maintenance	20,736
32700-B&L : Disposable	741
32710-B&L : Non-Disposable	241,063
32810-Other General Supplies & Services	34
33000-Printing Costs	3
33010-Stationery	100
33200-Postage & Carriage	30
33210-Packing & Storage	2,698
33610-Travel & Subsistence	427
33800-Leased Cars : Contract	72,824
34000-Vehicle Running Costs : Fuel	43,557
34010-Vehicle Running Costs : Other	12,642
34020-Vehicle Maintenance	2,934
34040-Vehicle Insurance	3,346
34045-Vehicle Insurance Excess	250
34050-Taxi & Other Vehicle Hire	0
34080-Other Transport Costs	10,179
34200-Training Expenses	5
34230-ALS Courses / Training	480
34250-Lecture Fees	0
35000 -Elec	38,207
35010- Gas	0
35020 - Water	86,339
35030 - Sewarage	40,075
35020- Steam costs	262,702
35200-Rates	35,000
35320-Contract : Hygiene & Sanitary	600
35500-Furniture & Fittings	(2)
35820-Materials - Electrical	1,360
35900-Engineering Contracts	(51)
37470-Miscellaneous Expenditure	110
Grand Total	978,634
Inflation uplift for 2020/21	19,573
Inflation uplift for 2021/22	19,964
Total non pay costs after adjustments	1,018,170
Betsi Cadwaladr pay costs	£
Establishment pay cost	1,512,517
Inflation uplift 2021/22	29,890
Total pay costs after uplift	1,542,407

March 2021

SBAR– Liansamlet Laundry Transfer

Situation

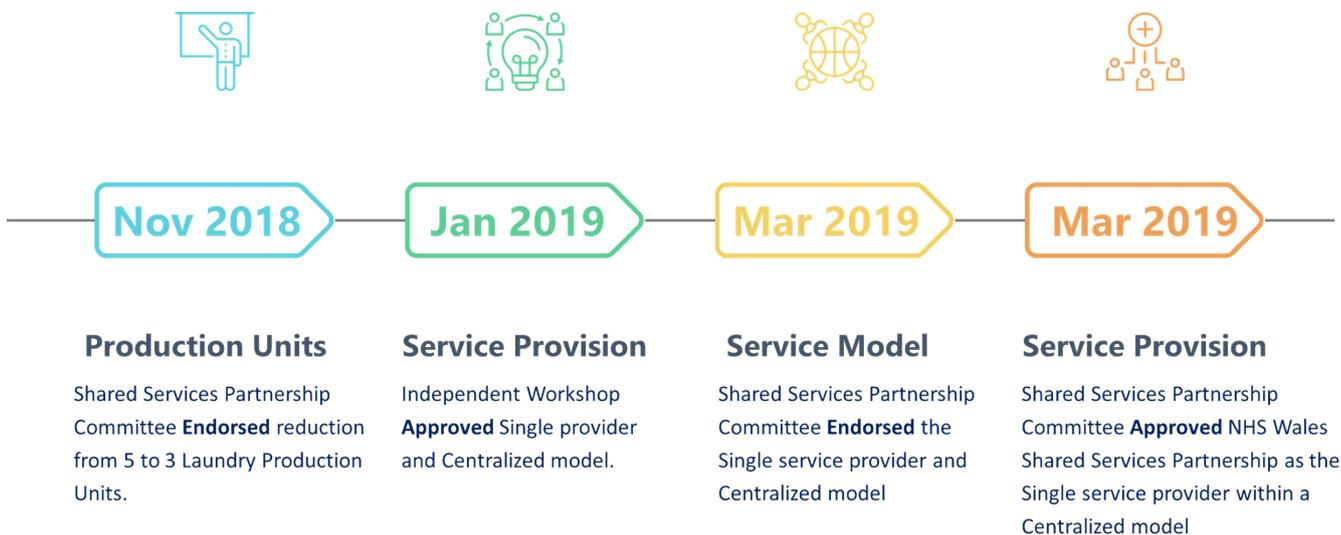
This document outlines the guiding principles and critical success factors against which the agreed transfer of the All Wales Laundry Service will be completed.

Background

The All Wales Laundry Review formally commenced in May 2016, with the NHS Wales Shared Services Partnership Committee (SSPC) approving the programme initiation and subsequent review of the Laundry production units within NHS Wales.

Throughout the last four years, a number of significant milestones have been achieved and a number of key decisions have been made to support the continual development of the All Wales Laundry Programme Business case.

The key milestones and decision points already approved include decisions by the Shared Services Partnership Committee, whereby approval or endorsement was given to the following:



It is **important** to note throughout the process items that have been previously approved or Endorsed remain unchanged:

- The **preferred option** - Three LPUs (Laundry Production Units) to provide the future service, **endorsed** by SSPC Nov 2018.
- A Single Service Provider, **endorsed** by SSPC March 2019
- Centralised and Single Management of the Service, **approved** by the SSPC in March 2019 as the NHS Wales Shared Services Partnership Committee.

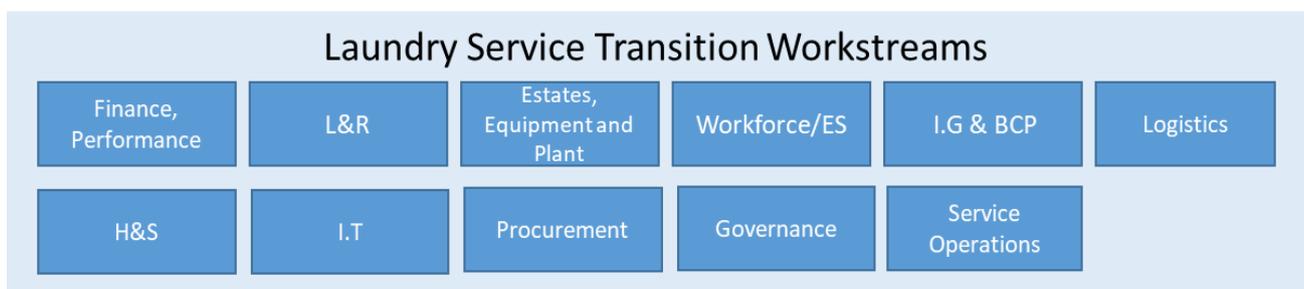
These decisions act as the basis for the next planned steps, which the Laundry Transfer Project running in parallel to the ongoing programme business case development will seek to execute to conclude the transfer to NWSSP (NHS Wales Shared Services Partnership) of the existing Laundry Production Units into NWSSP by April 2021.

Originally, the intention was to complete the transfer in October 2020 but due to the pandemic and winter pressures, this was delayed until April 2021. To support this transfer the establishment of a project board is taking place with focus on drafting a set of guiding principles and a number of supporting workstreams.

The **guiding principles** seek to propose high-level objectives across:

- Land & buildings
- Equipment & plant
- Finance (Transfer of expenditure to provide service, based on costs **baseline** April 19 - March 20)
- Transport and logistics (Drivers & fleet)
- Products & equipment to provide the service (cages, linen & detergents etc)
- Workforce/resource to manage, operate, maintain and deliver the service¹
- Continuation of existing service provision processes, procedures and contracts

Workstreams to support this activity:



Critical Success Factors:

The elements identified as critical to enable the transfer are

- **Finance** – Identification and agreement of a baseline covering both pay and non-pay expenditure within an agreed timeframe that excludes the pandemic influence or variation. This is key to ensuring NWSSP is able to maintain service provision and cover all expected costs based on agreed time range in scope for the baseline currently set at 2019/20.
- **Workforce** – Identification of the workforce within scope of TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) that provide the current service, ensuring all key roles and a core baseline of workforce is transferred to operate and continue service production.
- **Customers** - Existing customers identified to enable continuation of existing arrangements and appropriate communication in relation to the change of ownership and management.
- **Transport** – Ensuring existing fleet operations remain intact to allow continued transport of linen to existing drop/collection points

¹ Within known existing demarcation points in line with the scope of the laundry project i.e. excluding linen rooms for example.

- **Product & stock** – Ensuring the availability of existing stock/linen and products required to continue the service operation, product and delivery of linen.
- **Support Services** – Continuation of externally provided support services for the laundry such as engineering, maintenance, or other critical services deemed essential to support day to day laundry operation
- **Health & Safety** – Evaluation and development of a special programme of Health & Safety improvements post April.

Assessment

In relation to **Swansea Bay University Health Board and the Llansamlet Laundry**, the objective is to maintain the provision of laundry services “**as is**” but to complete a number of actions to allow the seamless transfer and ongoing provision of services to existing customers.

The intention remains to maintain the service within its **current model**, with anticipated variation in terms **not** anticipated until the commissioning of the new Laundry Production Unit as stipulated by the ongoing All Wales Laundry Programme Business Case currently estimated in 2024.²

Caveats exist which will remain ongoing and part of continual dialogue **POST APRIL** with the intention to secure the firm baseline to allow NWSSP to operate and fund the existing Laundry services without regress in service production as an absolute minimum.

- **Land & Buildings on/in which house the Laundry**

The laundry is located within a self-contained premises on in the Swansea enterprise Zone.

Property Location: Nantyffin Rd South, Llansamlet SA7 9RG

Transfer objective

Transfer the ownership of both the land and building to the NWSSP upon completion of a survey and condition report.

Constraints &/or Dependencies

- Completion of a building survey as part of standard transfer processes led by SES (Specialist Estates Services).

- **Transport to provide the service.**

Through the support of health board transport colleagues as baseline position for Laundry transport has been provided which states a fleet of vehicles that are leased/rented currently provide transport from the laundry to its customers.

The current fleet comprises - 3 Vehicles * 7.5 Tonne Iveco
Currently the driver resource is provided by – 3 WTEs (whole time equivalents)

² Estimated and subject to change based on the business case process

Transfer objective

Transfer the existing Laundry Fleet and in scope drivers to ensure delivery of the service is maintained, "as is".

Constraints &/or Dependencies

- Assessment of current arrangements and review of resource, fleet and licensing requirements.
- Continuation of agency driver resources when required.
- Finance captured within the finance pay & non-pay baseline.

• Finance to provide the service

With the support of health board finance colleagues, the Laundry costs established are based on a review of the pre COVID baseline year of 2019/20 and these costs were discussed with the Director of Finance on 11th March and it was agreed that the costs would be subject to a final review by the Health Board before sign off.

Overriding Principles

- There should be no detrimental financial impact on the health board and NWSSP as a result of the transfer.
- The 2019/20 pre Covid actual non pay costs will be used as the financial baseline for 2021/22 once adjusted for inflation.
- Any unexpected significant costs or liabilities that come to light post transfer will be subject to further discussion.

The process under which NWSSP will charge for Laundry Services will be quarterly in advance.

Service cost from April 2021:

Swansea Bay

	£
Pay	1,050,727
Non Pay	<u>897,233</u>
Total costs	1,947,960
Income	<u>(170,810)</u>
Net cost	<u><u>1,777,150</u></u>

Key Assumptions

Staff costs

- Staff will transfer to NWSSP with their full budget including on costs.
- Budgets for any vacancies will be fully funded.
- 0.2 WTE Band 6 Finance and 0.2 WTE Band 6 workforce support included

Non pay costs

- Laundry operating cost budget will transfer to NWSSP based on 2019/20 actual costs (Pre Covid) baseline adjusted for inflation.
- Operating costs will be compared to prior years and if significant variances exist individual line adjustments will be made on an exception basis.

Income

- Laundry income will be baselined against the 2019/20 actuals.
- The proposed net cost of the service to the existing laundry providers will be based on the total operating costs less the anticipated invoiced income.
- Invoices to other laundry customers will be raised using the existing methods followed by the individual laundry units.

Overheads

- Where relevant Health Boards will not charge NWSSP for occupying and using the laundry sites unless the budget has been transferred.
- Where relevant Laundry staff will continue to have access to their existing mobile phones, laptops, PCs and peripherals and the use of photocopiers/printers etc.
- Where relevant if support is currently provided by the health board for the laundry but not included in the budget transferred to NWSSP that service will continue.

Finance Data is attached at Appendix B

• Workforce within the Laundry

The Llansamlet Laundry workforce in scope are those that support the laundry production including support roles such as driver and maintenance engineering.

Significant effort has been invested by colleagues from NWSSP, health boards and staff side which have supported the robust identification of the existing resources and the TUPE process.

Transfer Objective

Based on the data analysed the aim is to TUPE transfer the **existing** Laundry workforce including bank/agency and any vacancy expenditure.

Total Workforce Headcount – 42

Total Workforce WTEs – 38.1

A full breakdown of roles and data is attached in Appendix A

Constraints &/or Dependencies

- Workforce scope remains those within the LPU³ Production environment
- Identification of required budgets within the finance workstream

• **Plant & Machinery to provide the service**

The Laundry exists with full end-to-end equipment and machinery to enable the production of Linen for the health board and its customers.

Transfer Objective

Transfer ownership of the existing plant and machinery used to provide end-to-end linen service for the Llansamlet LPU, novating any lease/rental agreements as necessary.

Constraints &/or Dependencies

- Provision of an asset register (5k plus Value)
- Provision of the inventory (Sub 5k value)
- Completion of an inspection report for forward risk and management purposes

• **Products & Equipment to provide the service**

The Laundry consumes and utilise a range of products to enable day-to-day operation.

Transfer Objective

Transfer ownership of the existing linen products and consumables such as detergent and Linen stock to continue the provision of end-to-end linen services from the Llansamlet LPU and its existing customers.

Constraints &/or Dependencies

- End of year/Annual Stock take required.
- Procurement adjustments, novation's and cessations.
- Budget identified for stock and product purchasing.

• **Existing Service provision processes, procedures and contracts**

To support and underpin day-to-day operations a number of contractual arrangements exist to ensure the laundry can operate. Procurement teams are working through the respective detail to ensure continuation of all required contracts and process are managed to support the April transfer of service.

Transfer Objective

Transfer (novate) ownership of the existing, appropriate, agreements and contracts to provide end-to-end linen services for the Llansamlet LPU.

Continuation of LPU specific processes e.g. Business Continuity Planning where support external to the LPU is required.

Constraints &/or Dependencies

³ LPU – Laundry Production Unit

- Dependant procurement contract novation
- Engagement with Laundry colleagues
- Dependency on Procurement teams
- Provision and Confirmation of existing agreements
- Transport evaluation
- Continuation of any externally ⁴provided maintenance or support

- **Service Level Agreements & Performance Data**

The Laundry currently provides services to a range of customers including:

- Swansea Bay University Health Board
- Cardiff and Vale University Health Board
- Aneurin Bevan University Health Board
- Public Health Wales NHS Trust
- Welsh Ambulance Services NHS Trust (WAST).

Transfer Objective

A generic Service Level Agreement (SLA) and appropriate schedules will be formulated on behalf of NWSSP to form the initial basis of the continuation of existing arrangements at the same cost to the health board and any existing customers and will be approved by the SSPC (Shared Services Partnership Committee).

This has been developed using data identified through due diligence, engagement with LPU management and where possible utilising limited existing documentation. It is important to note this will be further developed at timely intervals as the service evolves.

In further support, Quarterly Service Reviews will be established to consider all aspects of the service from both a supplier and customer perspective in relation to how the partnership is working for both parties and any reflection on the SLA and Schedules, quality of service provided.

Constraints &/or Dependencies

- Identification/Use of existing SLAs between the HB and its customers
- Data to provide a baseline for NWSSP to develop a Service Level Agreement (SLA) which continues the existing services provided.

- **IT and Technology**

The laundry staff currently use IT equipment, systems and hardware as required by their role. This ranges from minimal electronic staff record (ESR) usage to use of MS365 applications and relevant hardware.

Laundry plant and Equipment also can potentially utilise network and other IT infrastructure as part of the day-to-day operation.

⁴ Externally – External to the workforce and operation within the LPU, for example HB Estates Support, Facilities support or 3rd party contractors

Transfer Objective

To support the transfer is it requested continuation of existing I.T. support arrangements continue until such as time whereby transfer, replacement or migration of assets can be undertaken in a safe and consistent manner.

Constraints &/or Dependencies

- Dependant on MS365 and SharePoint developments to enable migration activity into NWSSP.
- Identification of Assets.
- IT survey of laundry⁵

High Level Timeline of Planned Events

Transfer Stage 1

Workforce

Finance

Fleet

Critical Procurement

Transfer Stage 2

IT

Completion of Land/Building Ownership transfer⁶

Continuation of Procurement activity

To further support Post April the establishment of regular service and finance reviews will ensure adequate budget and workforce has been transferred in line with expectations set against the baseline period of 19/20 and to allow review of any other matters that emerge post transfer and also focusing on maintaining a continuation of quality and continuity of service

To support the continuation of the services as currently provided from the Laundry to its customers, it is also requested that underpinning support services continue to be provided until suitable transfer, novation, migration activities be scheduled as listed above and appropriate projects and schemes are initiated to execute the required activity.

These services would typically include:

- Continuation of Health board provided services
 - IT Support and continued system & hardware access.
 - Health board provided Facilities and maintenance externally provided from the Laundry own engineering or support teams.

⁵ Post Pandemic Restrictions

⁶ Subject to surveys

Appendix A Workforce detail

- High Level Detail by Role

Swansea Bay University NHS Trust	
Laundry Management	5
Laundry Engineering	2
Laundry Production	32
Laundry Transport	3
Grand Total	42

- Workforce Data Sheet



SBUHB workforce
Data.xlsx

Appendix B Finance Data

Swansea non pay	Final
30050 Medical Gases	151
30210 M&SE : Disposable	1,091
32000 Provisions	28
32040 Hardware & Crockery	260
32400 Staff Uniforms & Clothing	2,508
32410 Protective Clothing	3,773
32420 PATIENTS CLOTHING	139
32500 Cleaning Equipment	46
32510 Cleaning Materials	3,741
32520 Laundry Equipment	108,927
32530 Laundry Materials	50,659
32540 Laundry Maintenance	38,639
32700 B&L : Disposable	115,257
32710 B&L : Non-Disposable	55,619
32720 B&L : Theatre Drapes	2,872
32810 Other General Supplies & Services	455
33010 Stationery	250
33030 Medical Records Folders	162
33200 Postage & Carriage	1,932
33610 Travel & Subsistence	602
33620 Excess Mileage	92
34000 Vehicle Running Costs : Fuel	21,085
34010 Vehicle Running Costs : Other	183
34020 Vehicle Maintenance	4,252
34030 Vehicle Leases	46,259
34040 Vehicle Insurance	1,557
34050 Taxi & Other Vehicle Hire	3,647
34070 Fleet Operating Licence	220
34080-Other Transport Costs	5,790
34230 ALS Courses / Training	260
34420 Security Payments (Cash Delivery e	205
35000 Electricity	50,927
35020 Water	56,375
35040 Heating Oil	254,198
35200 Rates	24,591
35320 Contract : Hygiene & Sanitary	43
35540 Computer Hardware Purchases	437
35550 Computer Software/License Fees	1,628
PSBA line estimate	2,000
35810 Materials - Mechanical	909
37470 Miscellaneous Expenditure	622
Grand Total	862,392
Inflation uplift for 2020/21	17,248
Inflation uplift for 2021/22	17,593
Total non pay costs after adjustments	897,233
Swansea pay	Final
Grand Total	1,009,926
Inflation uplift	40,801
Total pay costs after uplift	1,050,727

NWSSP SERVICE LEVEL AGREEMENT FOR PROVISION OF LAUNDRY SERVICES

THIS SERVICE LEVEL AGREEMENT is made on xx/xx/2021

BETWEEN:

- (1) **NHS WALES SHARED SERVICE PARTNERSHIP (4-5 CHARNWOOD COURT, HEOL BILLINGSLEY, PARC NANTGARW, CARDIFF CF15 7QZ (NWSSP)**
- (2) **(INSERT NAME/ADDRESS OF HEALTH BOARD OR TRUST) (HB/Trust)**

(Collectively referred to as the “Parties”)

This Agreement is not intended to be legally binding. The intention of this Agreement is to add clarity to the relationship between the Parties.

In signing this Agreement, both Parties agree that in addition to the contents of this document, the schedules appended to it are also deemed incorporated into the Agreement.

Term

This Agreement shall come into force with effect from 01/04/2021 and shall remain in place until development of the All Wales Laundry Programme activities commences, which provides for service management and provision change.

NWSSP Aim – To ensure continuation of existing laundry service arrangements from each of the three Laundry Production Units to the HB/Trust.

- Greenvale Laundry
- Glan Clwyd Laundry
- Llansamlet Laundry

Health Board/Trust Aim – To ensure continuation of services that underpin or support day-to-day operation of the Laundry Production Unit unless otherwise agreed, transferred or migrated at a later date post 1st April 2021

For Example:

- Existing IT support and Services

- Existing Health Board/Trust provided facilities and maintenance

NWSSP will aim to provide:

Service Provision

- Provide linen in a timely manner in line with the existing schedules for quality / volume and satisfaction rate
- Ad hoc provision of services will be provided and supplied as a continuation of the processes in place prior to NWSSP taking responsibility for the service.

Financial Management

- Continue existing financial processes ensuring the continuation of current cost and charging methods reviewed at timely intervals.

Quality Assurance

- NWSSP will continue the provision of linen services in line with existing standards and controls, until such point where review or emendation of the existing arrangements is feasible.

Service Management

- Provide regular service reviews on at least a quarterly basis.

Business Continuity

- The HB/Trust will ensure that any changes or variations of HB/Trust process, i.e. change of bed size or type will not be made without specific engagement with NWSSP.
- Where there are no or outdated Business Continuity Plans Shared Services will seek to update or create them as soon as practical to ensure the service continuity is maintained utilising all of the laundry production units in the provision of a contingency supply

Dispute Resolution (insert whatever existing DR procedures are used)

- Shared Services will seek to develop a customer satisfaction process which will include a dispute resolution process

NWSSP will aim to provide:

SERVICE OBJECTIVES/DELIVERABLES

- ◆ The provision and continuation of the existing Laundry service for NHS Wales UHB/Trust(s), and the achievement of identified existing Key Performance Indicator Targets within the existing volumes, customer base and financial envelope.

Llansamlet	Greenvale	Glan Clwyd
<p>The provision of linen maintaining existing volumes, customer base and financial envelope comprising of the following service components:</p> <ul style="list-style-type: none"> ▪ The delivery of clean washed linen as per existing service provision ▪ The collection of linen requiring washing as per existing service provision ▪ The provision of the existing dry cleaning service ▪ The provision of the existing sewing room service 	<p>The provision of linen maintaining existing volumes, customer base and financial envelope comprising of the following service components:</p> <ul style="list-style-type: none"> ▪ The delivery of clean washed linen as per existing service provision ▪ The collection of linen requiring washing as per existing service provision ▪ The provision of the existing Microfiber wash service 	<p>The provision of linen maintaining existing volumes, customer base and financial envelope comprising of the following service components:</p> <ul style="list-style-type: none"> ▪ The delivery of clean washed linen as per existing service provision • The collection of linen requiring washing as per existing service provision

The provision of linen within the existing volume envelope shall be monitored against the three Laundry Production Units covered within this Agreement alongside a material change Trigger Table. The purpose of the Trigger Table is to identify any material change in volumes of both a negative or positive nature for a sustained period i.e. quarterly and to act as a catalyst for a review.

Table 1 Trigger Table below illustrates the trigger parameters applied to the 2019 volume baseline to determine the material change for each of the site

Table 1 Trigger Table

Trigger Table	
Volumes	Trigger %
7,000,000	5.00%
5,000,000	6.00%
3,000,000	7.00%
1,000,000	8.00%
500,000	10.00%
250,000	15.00%
100,000	20.00%
50,000	25.00%

Table 3 Swansea Bay University Health Board Volumes Baseline

Customer	Volumes	Variation	Reduction	Increase
Swansea Bay University Health Board	4,357,772	355,557	4,002,215	4,713,329
Cardiff & Vale University Hospital	400,823	40,082	360,741	440,905
Aneurin Bevan	80,146	16,029	64,117	96,175
Public Health Wales	2,574	644	1,931	3,218
Welsh Ambulance Services NHS Trust	2,311	578	1,734	2,889

DRAFT

Table 4 Green Vale Laundry Operating Framework

ACTIVITY DESCRIPTION – SSP	ACTIVITY DESCRIPTION – UHB/TRUST	OWNER(S)	QUALITY STANDARD / PERFORMANCE INDICATOR	DEMONSTRATED BY
<p>The provision of linen maintaining existing volumes within the parameters of the 2019 volume baseline</p> <ul style="list-style-type: none"> ▪ The delivery of clean washed linen as per existing service provision ▪ The collection of linen requiring washing as per existing service provision ▪ The provision of the existing Microfiber wash service 	<p>The essence of the SLA is built on collaboration and as such all customers are asked to support Shared Services in the provision of the laundry service in the form of</p> <ul style="list-style-type: none"> ▪ Returning all items for laundering to the Linen Services in the correct and appropriate returns bags. ▪ Ensuring that no disposable items ESPECIALLY SHARPS are included in the returns. ▪ Ensuring that all items that require laundering are packaged in a manner to prevent spillage from bags. ▪ Working with Shared Services in relation to any discrepancies in the returned linen. 	<p>Laundry Manager</p> <p>Health Board nominated representative</p>	<p>Volumes delivered in line with the existing delivery schedules</p> <p>Customer feedback System</p> <p>Records of all processed linen by delivery point</p>	<p>Customer signed delivery receipts</p> <p>Positive or negative customer feedback</p> <p>Alignment of processed linen records against volumes baseline records</p>

Table 5 Greenvale Laundry Volumes Baseline

Customer	Volumes	Variation	Reduction	Increase
Aneurin Bevan	5,841,786	292,089	5,549,697	6,133,875
Cardiff & Vale University Hospital	3,965,888	237,953	3,727,935	4,203,841
Powys	357,802	35,780	322,022	393,582
Private	35,437	8,859	26,578	44,296
Welsh Ambulance Services NHS Trust	20,204	5,051	15,153	25,255
BTW-Velindre Trust	3,332	833	2,499	4,165
N.B.T.S.	1,691	423	1,268	2,114

Table 7 Glan Clwyd Laundry Volumes Baseline

Customer	Volumes	Variation	Reduction	Increase
BCUHB	4,936,282	475,552	4,460,730	5,411,834
Welsh Ambulance Services NHS Trust	128,447	32,112	96,335	160,559

DRAFT

Key Performance Indicators

KPI Section A – All Laundries

ACTIVITY DESCRIPTION – SSP	ACTIVITY DESCRIPTION – UHB/TRUST	OWNER(S)	QUALITY STANDARD / PERFORMANCE INDICATOR	DEMONSTRATED BY
<p>Product Delivery</p> <p>Volumes delivered in line with the existing delivery schedules</p>	<p>Customer signed delivery receipts</p>		<p>To be developed</p>	<p>Monthly Report demonstrating delivery times / sites / volumes</p>
<p>Product Quality</p> <p>Customer feedback System responses</p>	<p>Proactive utilization of customer feedback system</p>	<p>Laundry Manager</p> <p>Health Board nominated representative</p>	<p>To be developed</p>	<p>Positive or negative customer feedback</p>
<p>Volume Baseline Comparator</p> <p>Records of all processed linen by delivery point</p>	<p>Alignment of processed linen records against volumes baseline records</p>		<p>Trigger Table</p>	<p>Alignment of processed linen records against volumes baseline records</p>

 GIG CYMRU NHS WALES	Partneriaeth Cydwasaethau Shared Services Partnership	18/03/2021
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

Temporary Medicines Unit for COVID-19 – Approval to continue

ARWEINYDD: LEAD:	Neil Frow, Managing Director
AWDUR: AUTHOR:	Peter Elliott, Project Manager
SWYDDOG ADRODD: REPORTING OFFICER:	Neil Frow, Managing Director

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

This paper gives a progress update, and requests Committee approval for extension of the current SLA and Technical agreements for the operation of the Temporary Medicines Unit for injectable medicines due to the impact of COVID-19 up to March 2023.

Llywodraethu/Governance

Amcanion: Objectives:	<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>Excellence - To develop an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of technology.</p> <p>Staff - To have an appropriately skilled, productive, engaged and healthy workforce.</p>
Tystiolaeth: Supporting evidence:	<p>-</p>

Ymgynghoriad/Consultation :

Welsh Government, Chief Pharmacists' Group, Health Board and Trust Medical Directors.

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE	✓	ARNODI/ ENDORSE	TRAFOD/ DISCUSS	NODI/ NOTE
Argymhelliad/ Recommendation		The Committee is asked to approve the extension of the associated TMU SLA and Technical Agreements, up to March 2023.		

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	This paper extends the responsibilities of each party in the supply of injectable medicines by the TMU to the Health Boards, set out in the Technical Agreement approved in Sept 2020.
Iechyd Poblogaeth: Population Health:	The service is being extended to improve the health of the population in response to the impact of COVID-19.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	The service is being extended to improve the health of the population in response to the impact of COVID-19.
Ariannol: Financial:	No direct impact
Risg a Aswiriant: Risk and Assurance:	This paper extends the duration of the Risk and Assurance arrangements set out in the Technical Agreement previously approved in Sept 2020 and the paper previously approved on 18 May 2020.
Safonau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ FOIA	Open

Temporary Medicines Unit for COVID19 Extension of Service

SITUATION

The NWSSP TMU was inspected by the MHRA regulator in December 2020. After minor adjustments to meet the regulator's recommendations, the service opened on 25 Jan 2021. Since that date it has supplied Medicines to all the Health Boards with Acute Hospitals in Wales, meeting pressures and allowing other resources to be redeployed locally to best effect. Demand for the service remains high.

The service acts as a wholesaler, purchasing bulk medicines and consumables, preparing them into ready to administer form under Aseptic conditions, and selling them onto the Health Boards for use, principally in their Critical Care Units. Having operated 'hand to mouth' in the first few weeks, we are gradually building up a level of stock in our selected product range, which will allow us to meet peaks and troughs in demand, as well as manage any short term interruptions to manufacturing activity.

The service also continues to contribute towards the COVID-19 vaccine programme by supervising the packing and distribution of consumables packs to vaccination centres.

Regular discussions take place with Chief Pharmacists to ensure that the product portfolio meets the service needs as it recovers from COVID-19 pressures, and additional products will be brought forward to support the recovery of the service, as the peak demand from Critical Care Units hopefully subsides over the summer. It is expected however that a further peak in Critical Care demand may manifest in some form next winter, and the service intends to prepare on that basis.

REGULATORY APPROVALS

The service holds the following regulatory approvals:

- MHRA (Manufacturer Specials)
- MHRA (Wholesale Distributor Authorisation)
- GPhC registered Pharmacy
- Home Office Controlled Drugs License

GOVERNANCE

The Accountable Pharmacist is overseen by a monthly Service Management Board, on which a representative of the Chief Pharmacist Group, the Wales Quality Assurance lead, and the Welsh Government Chief Pharmacist, sit

alongside NWSSP Directors. The Service Management Board is chaired by the NWSSP Accountable Officer and has written **Terms of Reference**.

The service has in place the following agreements which were approved by SSPC in Sept 2020:

- **Service Level Agreement** with the Health Boards for the supply of medicines
- **Technical Agreement** with the Health Boards for the supply of medicines
- **Technical Agreement** with Public Health Wales for pathology analysis of environmental and product samples

An internal Technical Agreement is also in place with NWSSP Health Courier Service to define the standards for the transport, handover, and safe delivery of medicines.

The service will submit an annual **Quality Report** to the Shared Services Quality and Safety subcommittee, and this will also be shared with the Chief Pharmacists Peer Group. Additional reporting will be put in place as necessary to provide any additional assurances requested by Velindre Board.

REVENUE FUNDING

The original revenue funding award from Welsh Government was made to cover the period up to 31 March 2020. We are forecast to reach year end within this budget.

Welsh Government has now awarded revenue funding on the same basis up to 31 March 2023, which is expected to cover all the staff and non-staff costs of operating the unit.

The cost of the medicine and the associated consumables is recovered through the unit cost of the finished products supplied to Health Boards. This unit cost of the finished products is reviewed and adjusted once per quarter, to ensure it correctly matches the costs incurred.

CAPITAL INVESTMENT

The original capital investment by Welsh Government has been completed, to a total of £547K by NWSSP, and £31K by CAVUHB in their St Marys Unit, which supplies the bulk medicine to the TMU.

Following feedback from the MHRA inspection, we continue to invest incrementally in the service, and a further £53K of discretionary capital is being invested prior to year-end.

Once completed this will put the service on a sound capital equipment footing for the next two years.

STAFF CONTINUITY

Staff planning is in place to ensure continuity of production and management staff for the next two years. We have developed innovative job descriptions that allow us to appoint from a wider pool of applicants, including where appropriate scientists as well as pharmacy professionals.

LONG TERM

In the long term it is expected that the service will be incorporated into the larger new service arising from the Transforming Access to Medicines programme, for which separate Ministerial approvals are being progressed. Careful Project and Programme Management is being applied by NWSSP PMO to ensure that a sound interface is maintained between the two. The TMU staff have been included in the recent TRAMS Staff Engagement exercise

APPROVAL

The Shared Services Partnership Committee is requested to **approve** the extension of the current SLA and Technical Agreements for the NWSSP TMU for the next two years, up to 31 March 2023.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:xx

18 March 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Inventory Management Solution in support of the Scan for Safety Wales Programme

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

To seek approval to submit a Full Business Case to Welsh Government in relation to the Scan for Safety Programme funding and the requirement to contract for an Inventory Management Solution.

Llywodraethu/Governance

**Amcanion:
Objectives:**

Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement

**Tystiolaeth:
Supporting
evidence:**

Regular reporting arrangements through the Project Team/Programme/Board structure with output in the form of minutes and updates against exceptions, actions, risks and progress.

Ymgynghoriad/Consultation :

Full involvement of the Project Board including key stage approval



S4S Wales Project
Board Terms of Refer

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	
Argymhelliad/ Recommendation		The Committee are asked to APPROVE submission of the completed FBC to Welsh Government					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No impact
Cyfreithiol: Legal:	No impact
Iechyd Poblogaeth: Population Health:	Improvements to patient safety through tracking of medical devices to ensure the right product is provided to the right patient and that products can, where required, be swiftly identified and recalled in the event of product safety alerts
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	The product information captured at patient level will improve patient flow, drive best clinical practice and enhance the ability to swiftly identify and address product safety issues.
Ariannol: Financial:	Technical and Financial analysis is of the tender returns are still underway and will be completed by 28 th January 2021. However, whilst the original paper estimated a cost over 5 years of £7,999,401, the likely result of the project will be below £5m (possibly lower depending upon tender evaluation).
Risg a Aswiriant: Risk and Assurance:	Risk – WG fail to support and make funding available within the timescale required. Health Boards’ commitment to the project and implementation. Assurance – Project Board structure to manage and mitigate risks as they arise. Full Business Case highlights the risk to WG of not being able to satisfy the legal requirements of the Medicines and Medical Devices Bill.
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:	<p>There will likely be a requirement to redesign workflow at Theatre/Theatre stores level and other locations within Health Boards to maximise the benefit of the S4S system. The business case will request additional funding for posts within NWSSP for both the implementation as well as the ongoing management and analytics for continuous improvement.</p>
Deddf Rhyddid Gwybodaeth/ Freedom of Information	<p>Open. The information is disclosable under the FOI. Patient Identifiable Information captured through S4S will be subject to GDPR and Health Board data protection and data security protocols.</p>

Inventory Management Solution in support of the Scan for Safety Wales Programme

1. CEFNDIR/BACKGROUND

In January 2020, Dr Frank Atherton recommended to Chief Executives that NWSSP proceed with a project to deliver a Full Business Case for a Scan for Safety Programme to be implemented across NHS Wales. This was agreed by CEOs and funding for the project to commence was allocated.



20200121 -

NHSWEB(56)09 - Sca



20200121 -

NHSWEB(56)09 - Sca

Unfortunately, due to COVID-19 all staff associated with the project, from both WG and NWSSP, were re-assigned to COVID preparations. Prof Chris Jones re-engaged with the project in September 2020 and issued the attached letter to Medical Directors calling for nominations for a Project Board. NWSSP subsequently established a Project Board who have guided the project through.



2020.09.03 DCMO
letter to Medical Direc

2. CRYNODEB/SUMMARY

This paper outlines progress to date and seeks approval for the Full Business Case to be submitted to Welsh Government G once completed and subject to endorsement by Directors of Finance at their meeting on 19th March 2021.

Following the January 2021 Committee meeting the case was been updated to incorporate the results of the tender evaluation and submitted to WG at the end of January. The case requested Welsh Government to provide capital and revenue funding for the project. The change in specification mandated additional standards to allow for easier interfacing with the National Data Resource at NWIS, as well as providing LHBs with flexibility around system integration.

Initial feedback was provided by Welsh Government in February in respect of the proposed method of funding. Following an initial discussion at the February 2021 DoFs meeting the financial aspects of the case has been amended and it is now proposed that the revenue costs will be funded by Health Boards and Trusts. However, in recognition that there will be a time lag before benefits start to crystallise, Welsh Government are requested to provide pump priming monies in years 1 and 2 and which will be repaid in subsequent years from the benefits accruing. The financial proposals will be reviewed at the DoFs forum on 19th March 2021

3. ARGYMHELLIAD/RECOMMENDATION

The Committee are asked to **APPROVE** submission of the completed FBC to Welsh Government subject to endorsement of the funding mechanism from Directors of Finance.



Full Business Case

Scan for Safety Wales

Inventory Management Solution



Right Patient

Setting standards to make sure we always have the right patient and know **what** product was used with **which** patient, **when**.



Right Product

Setting standards to make sure our staff have **what** they need, **when** they need it.



Right Place

Setting standards to make sure that patients and products are in the right place.



Right Process

Setting standards and implementing common ways of working to deliver better and more easily repeatable patient care.

COMMERCIAL IN CONFIDENCE DOCUMENT

This document contains commercially sensitive information regarding Scan for Safety Wales and must not be shared or circulated beyond recipients authorised by NWSSP.

Executive Lead: Prof Chris Jones

Project Board Chairs: Dr Paul Buss & Jonathan Irvine

Author: Andy Smallwood

CONTENTS

List of Tables	4
List of Figures	5
Approval Signatures	6
1. Executive Summary	8
1.1 Introduction.....	8
1.2 The Strategic Case	12
1.3 The Economic Case	20
1.4 The Commercial Case	23
1.5 The Financial Case	26
1.6 The Management Case	29
1.7 Recommendation	30
2. The Strategic Case.....	32
2.1 Introduction.....	32
2.2 Organisational Overview (Part A: The strategic context)	34
2.3 National Strategic Context	37
2.4 NWSSP’s business strategy	41
2.5 Investment objectives (Part B: The case for change).....	43
2.6 Existing arrangements	49
2.7 Business needs	52
2.8 Main benefits criteria	54
2.9 Main risks.....	56
2.10 Constraints	59
2.11 Dependencies	59
3. The Economic Case	61
3.1 Introduction.....	61
3.2 Critical success factors (CSFs)	61
3.3 The procurement process.....	62
3.4 Economic appraisal	65
3.5 Estimating risks	70
3.6 Results of the economic appraisal.....	74
4. The Commercial Case.....	76
4.1 Introduction.....	76
4.2 Required services.....	76
4.3 Agreed risk transfer	78

4.4 Agreed charging mechanisms	79
4.5 Agreed contract lengths	80
4.6 Key contractual clauses.....	81
4.7 Personnel implications (including TUPE)	81
4.8 Procurement route and implementation timescales	81
4.9 Financial accountancy treatment.....	81
5. The Financial Case.....	83
5.1 Introduction.....	83
5.2 Developments since the OBC	83
5.3 Impact on the organisation’s income and expenditure	85
5.4 Source of Funding	86
5.5 Financial Arrangements	90
5.6 Overall affordability	91
6. The Management Case	93
6.1 Introduction.....	93
6.2 Programme management arrangements	94
6.3 Arrangements for change and contract management.....	97
6.4 Arrangements for benefits realisation	98
6.5 Arrangements for risk management	99
6.6 Arrangements for contract & service management.....	99
6.7 Arrangements for post project evaluation	100
6.8 Gateway review arrangements	101
6.9 Contingency plans	101
7. Appendices.....	103
7.1 Appendix 1 – Benefits.....	103
7.2 Appendix 2 – A scan of the benefits: the Scan4Safety evidence report	104
7.3 Appendix 3 – Risk Assessment	105
7.4 Appendix 4 – Procurement scoring.....	106
7.5 Appendix 5 – Financial overview.....	107
7.6 Appendix 6 – Team Structure.....	108

List of Tables

Table 1 – National Strategic context	37
Table 2 – NWSSP Business context.....	41
Table 3 - Investment Objective 1	44
Table 4 - Investment Objective 2	45
Table 5 - Investment Objective 3	46
Table 6 - Investment Objective 4	48
Table 7 – Business needs I01.....	52
Table 8 – Business needs I02.....	52
Table 9 – Business needs I03.....	53
Table 10 – Business needs I04	54
Table 11 - Main Benefits	55
Table 12 – Main risks	57
Table 13 – Critical success factors.....	61
Table 14 - Procurement Evaluation Criteria Weighting.....	62
Table 15 - Procurement Scoring for Interoperability, Functional and Desirable questions	63
Table 16 - Procurement Evaluation of Implementation plans	64
Table 17 - Procurement – summary of supplier selection	65
Table 18 - Financial benefit assumptions	66
Table 19 - Key results of the economic appraisal.....	67
Table 20 - Capital Costs.....	68
Table 21 - Revenue Cost assumptions.....	68
Table 22 - Annual recurring revenue costs.....	69
Table 23 - Estimated economic risks.....	70
Table 24 - Supplier ranking	74
Table 25 - Contracted services.....	77
Table 26 - Risk allocation	78
Table 27 - Procurement implementation timetable.....	81
Table 28 - Overview of cost changes since the SBAR 1	83
Table 29 - Overview of cost changes since the SBAR 2	84
Table 30 - Financial Cost Profile	85
Table 31 - Overview of revenue funding options.....	87
Table 32 - Proposed apportionment of revenue costs	88
Table 33 – Ongoing proposed apportionment of revenue costs	90
Table 34 - Team Roles & Responsibilities	94
Table 35 - Implementation Plan Milestones	96

Table 36 - Change control responsibilities 97
Table 37 - Individual risk management responsibilities..... 99

List of Figures

Figure 1 – NWSSP Overview 32
Figure 2 – NWSSP Services 33
Figure 3 – NWSSP Procurement Services Overview 34

Acknowledgements

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NWSSP Scan for Safety Wales Project Board Members Co-Chaired by Jonathan Irvine, Director of NWSSP Procurement Services and Dr Paul Buss, Director of Clinical Strategy, PTHB

Support for the development of the Economic Case & Finance Case provided by:
Jane Tyler, Finance Manager, NWSSP

Support for tender management and reporting, Gareth Rees, Senior Category Manager, IM&T, NWSSP and Leanne Bale, VBP Project Officer, NWSSP
Document Control

Document Version Control

Version Number	Date	Author	Summary of Changes
0.1	29.12.2020	A Smallwood	
0.2	27.01.2021	A Smallwood	Addition of comments from Jane Tyler
0.3	28.01.2021	A Smallwood	Reformatting and addition of business benefits
0.4	31.01.2021	J Griffiths	Addition of risk assessment
0.5	02.02.2021	A Smallwood	Addition of resources
0.6	04.02.2021	A Smallwood	Final draft incorporating Project Board comments
0.7	11.03.2021	J Tyler	Updated finance modelling

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety
Wales – Inventory Management Solution – Full Business Case

Endorsements and Approval

Meeting Title/Group	Date	Version	Endorsed?
Scan for Safety Wales Project Board	04.02.2021	V0.5	Yes
NWSSP Committee	21.01.2021 and 18.03.2021		Agreement to submit an FBC to WG
Welsh Government (Ministerial Approval date)			

Distribution outside Approval Route

Name/Group	Date	Version
Scan for Safety Wales IMS Selection Panel	02.02.2021	V0.5
Director of Digital Transformation C&V UHB	02.02.2021	V0.5
Chief Nursing Information Officer ABUHB	02.02.2021	V0.5

Approval Signatures

(Hard copies on file & scanned to Government)

Signed _____

Date _____

(Senior Responsible Owner)

Signed _____

Date

Jonathan Irvine, Director of Procurement and health Courier Services, NWSSP

Signed _____

Date

Andy Smallwood, Assistant Director of Procurement, NWSSP

Executive Summary

1. Executive Summary

1.1 Introduction

1.1.1 This Full Business Case seeks funding for investment, in a contract over 60 months with an option to extend for a further 36 months, for the provision of an Inventory Management Solution (IMS) and resources in support of the Scan for Safety Wales Programme, to enable traceability of and linkage of products to patients, place and procedures.

1.1.2 The term Scan4Safety relates to a DHSC England initiative, which was a formal framework, developed and published in December 2017. It intended, through the early adoption of GS1 standards, to improve everyday accuracy and efficiency of data usage and exchange within the NHS, ultimately improving patient safety. It is built around four key aspects:

- Patient – improving safety, improving care
- Product – everything recorded, everything accounted for
- Place – everything is trackable, everything is traceable
- Process – simplifying processes, releasing time to care.

Delivery of an IMS in support of a Scan for Safety programme across NHS Wales is urgently needed for several reasons:

- Improved patient safety, by providing real-time information to prevent ‘Never events’ and patient harm
- To be able to satisfy the legislation passing through the UK Parliament at present – Medicines and Medical Devices Bill and be able to contribute to the Medical Device Information System.
- To address the need for improved resilience and management of PPE and critical supplies across the NHS in Wales
- To deliver improved efficiency as NHS services return to business as usual and a reduced wastage risk as some procedures have been significantly reduced and as a result stock will be older through non-consumption
- To allow for essential cash release from a more transparent and better managed supply chain across all health organisations in NHS Wales.

1.1.3 Following an initial discussion with NHS Directors of Finance, this FBC seeks approval for a capital investment from Welsh Government of £2.226m for supplier and Health Org implementation costs. A further review will be undertaken with Finance Directors at the March 2021 meeting.

1.1.4 In addition, this FBC seeks two years of Invest to Save revenue funding from Welsh Government to allow the NHS benefits to come to fruition. From year three onwards the programme benefits will allow the NHS to cover the funding. The table below shows the proposed apportionment of revenue costs totalling £5.048m.

		April 21- March 22	April 22- March 23	April 23- March 24	April 24- March 25	April 25- March 26	May-26	TOTAL
		11 months	12 months	12 months	12 months	12 months	1 month	COSTS
Aneurin Bevan	15.2%			241,697	253,007	253,007	20,154	767,867
Swansea Bay	13.6%			215,933	226,037	226,037	18,006	686,013
Betsi Cadwaladr	18.5%			293,963	307,719	307,719	24,512	933,913
Cardiff & Vale	16.2%			257,402	269,447	269,447	21,464	817,758
Cwm Taf	16.4%			260,101	272,272	272,272	21,689	826,334
Hywel Dda	12.0%			190,659	199,581	199,581	15,898	605,718
Powys	3.0%			47,849	50,088	50,088	3,990	152,014
Velindre	1.8%			28,709	30,053	30,053	2,394	91,209
WAST	2.0%			31,408	32,878	32,878	2,619	99,784
Public Health Wales	1.3%			21,103	22,090	22,090	1,760	67,042
Welsh Government		354,200	604,300	-301,702	-315,820	-315,820	-25,158	0
Total	100.0%	354,200	604,300	1,287,121	1,347,351	1,347,351	107,328	5,047,651

1.1.5 If the contract is extended to its maximum term of 8 years an additional £1.347m per annum will be required to be funded by the NHS apportioned as per the table and for any subsequent renewal

		Ongoing Funding Annually £
Aneurin Bevan	15.2%	204,964
Swansea Bay	13.6%	183,115
Betsi Cadwaladr	18.5%	249,286
Cardiff & Vale	16.2%	218,281
Cwm Taf	16.4%	220,570
Hywel Dda	12.0%	161,682
Powys	3.0%	40,577
Velindre	1.8%	24,346
WAST	2.0%	26,635
Public Health Wales	1.3%	17,895
Welsh Government		0
Total	100.0%	1,347,351

1.1.6 Costs are apportioned across Health Organisations based on the NWSSP shares which reflect the size of each organisation. Currently no NHS cost savings from associated benefits are projected at organisation level, Due to the current pandemic situation and impact on stock holdings this has not been possible to complete. Although all benefits are estimated on a pan Wales basis,

benefits realised will be captured throughout the contract period by the Core Continuous development Team and this will enable review of these funding shares when benefits crystallise.

1.1.7 The table below summarises for illustrative purposes the potential indicative benefits over a 5 year term based on the Scan for Safety experiences in England

Benefits summary - Business Case						
	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Total (£)
Stock Holding:						
Reduction in stock holding	143,750	431,250	431,250			1,006,250
Returned inventory	143,750	431,250	431,250			1,006,250
Reduction in obsolete stock	115,000	345,000	460,000	460,000	460,000	1,840,000
Standardisation and rationalisation of product range:	115,312	1,614,375	1,868,063	1,665,113	1,581,857	6,844,720
Total Benefits - 5 Years (£)	517,812	2,821,875	3,190,563	2,125,113	2,041,857	10,697,220

1.1.8 Whilst the NHS wide financial ‘pay back’ is within the initial 5 year term, the Project Board believe that this is viewed a long-term investment in transforming the NHS and that health orgs be able to reinvest the benefits into accelerating and extending the roll-out to other services such as Pathology. The delivery of which will be captured and reported as part of the continuous improvement and benefits realisation processes articulated within this FBC.

1.1.8 National Data Resource (NDR)

The Scan for Safety Wales Programme aligns significantly with the goals of the NDR and through work with the architects during the planning of the FBC we can identify that 8 of the 18 tactical objectives of the NDR are linked and supported by this FBC:

6. Support the data and information requirements of national registries / audits, where available and within agreed governance
7. Integrate and begin to utilise diagnostics data
9. Prepare for patient data requirements with patient-facing applications
11. Use the NDR to drive forward and continuously improve the interoperability of health and care systems and databases
12. Enable the data requirements of Value-Based healthcare
14. Understand and prioritise wider system data requirements (strategic, operational and clinical) and establish initial standardised reports and dashboards to meet user needs
15. Design the NDR to support AI, NLP and advanced analytics
18. Establish the functionality for safe and secure data sharing

In addition to the above alignment, the Scan for Safety Wales Programme provides additional opportunities for the operation of the NDR. The inclusion of NHS Wales wide GS1 membership and adoption of standards for product, place and patient identifiers will give the NDR consistent standards-based data signals allowing for cleaner and easier data exchange.

- 1.1.9 Several initiatives are currently underway in relation to patient identifiers and the scan for safety programme does not intend on duplicating these. The API based solution will allow for system interfacing and will also accept multiple formats of patient wristband barcodes.
- 1.1.10 In order to ensure that NHS Wales establishes key data standards from the earliest stage of the programme, a resource to be based within NWIS and linked to NDR as well as Scan for Safety. The GS1 standards implementation lead will ensure that all are maximising the benefits of common standards across NHS Wales.

1.2 The Strategic Case

The strategic context

1.2.1 The national strategic context for this investment.

National Strategic Driver	Purpose	Strategic Fit
<p>To be able to satisfy the legal requirements of the upcoming Medicines and Medical Devices Bill</p>	<p>Main requirement in relation to this project (section 18(5)) is that medical devices be tracked to patients and the information made available to the UK Government Secretary of State for Health or person appointed e.g. NHS Digital</p>  <p>M&MD Bill.pdf</p> <p>The descriptions of information specified in the provision mentioned in subsections (2)(a), (3)(a) and (3)(c)(i) may include—</p> <ul style="list-style-type: none"> (a) Unique identifiers associated with medical devices; (b) Information in relation to individuals mentioned in subsection (1)(b); (c) Information about any procedure carried out in relation to a medical device (including information about any person involved in carrying out the procedure). 	<p>The IMS is a core enabler of the Scan for Safety Wales Programme as it is the mechanism for capturing the information required in (a) Unique Identifiers.</p> <p>The IMS will be able to scan the products' barcode (GTIN) that will contain the unique identifier of the product; product code, batch number, serial number and expiry date.</p> <p>The IMS operates to GS1 data standards, but will also have the ability to capture HBIC barcodes and thus enable accurate data transfer of product information to other systems without human error.</p> <p>The IMS will operate an Application Programming Interface (API), which will allow it to interface with other local and national systems. Including the National Data Resource (NDR).</p>
National Strategic Driver	Purpose	Strategic Fit
<p>COVID-19 Welsh Government Response (NB: this is a change since the SBAR)</p>	<p>Welsh Government is responsible for the public health response to the coronavirus pandemic in Wales. It is doing this by exercising its legal powers to impose restrictions that prevent or slow the spread of coronavirus, and by overseeing the Welsh NHS, which is treating those who have become ill. Primary responsibility for the Welsh NHS lies with the Minister for Health and Social Services Vaughan Gething MS. He also has primary responsibility for public health matters, having regard to the advice of the Chief Medical Officer for Wales, Dr Frank Atherton.</p>	<p>An IMS will enable NWSSP and Health Orgs to have immediate, real-time visibility of both critical care items as well as PPE to feed into Welsh Government to support the response to the pandemic. This would include support for more accurate estimation of product demand and supply, improving safety as well as NHS efficiency as demand shifts back to business as usual.</p>

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales – Inventory Management Solution – Full Business Case

National Strategic Driver	Purpose	Strategic Fit
A Healthier Wales	<p>The Welsh Government’s Plan for health and social care outlines five main approaches that are intended to change health and social care in Wales:</p> <ol style="list-style-type: none"> 1. The health and social care system in Wales will work together so that people will not notice when they are provided with services from different organisations. 2. Services will be shifted from hospitals into communities with more services to prevent illness with early detection. 3. We will get better at measuring what really matters to people to work out which treatment and services work well, and which need to be improved. 4. We will make Wales a great place to work in health and invest in technology to support care. 5. We will make our services work as a single system across the country. 	<ol style="list-style-type: none"> 1. An IMS underpinned by data standards and linked to the local patient systems as well as the National Data Resource will contribute to the development of a single digital record for each patient through the national infrastructure; 2. Accurate visibility of product location and supply chain robustness will help to provide more resilient services closer to patients’ homes e.g. community nurses will be able to scan stock and equipment in patients’ homes; 3. The ability to link patient treatment input to captured outcomes electronically at scale will firmly place NHS Wales as a leader of data capture, linkage and ultimately learning; 4. The IMS will be designed to remove manual data entry and physical searching for products. Both of these will allow clinicians to operate at the top of their licence and reduce time spent away from patient care in low value activities. 5. The IMS will interface with both local and national systems such as Oracle and the NDR. The API nature of the IMS will mean that it will also be ready to develop along with Welsh Government’s digital agenda.
The National Clinical Framework (in development)	Development of a ‘Learning Health and Care System’ built on an ability to collect and analyse data about the treatments received by patients, the associated outcomes and derived value.	The IMS is a key foundational block of data resource. Providing the mechanism for linking products to patients and procedures and allowing a far greater granularity of data scrutiny.

National Strategic Driver	Purpose	Strategic Fit
<p>Informed Health & Care: A Digital Health & Social Care Strategy for Wales</p>	<p>Sets out the Government’s ambition to build on the progress already made and transform how the people of Wales, citizens and staff, embrace modern information technology and digital tools to deliver safer, more efficient and joined-up health and social care services, to improve outcomes and experiences of patients and service users.</p>	<p>Collaborating with other organisations through the national infrastructure developed between the Welsh Government and NWIS, to share information in a secure digital way that will improve patient care across the care pathway. Specifically: the IMS will be informed by product characteristics such as Latex content, current Medical Device Alerts or compatibility information e.g. information shared with National Joint Registry that will flag an issue with a product combination pre-surgery. All of the above will significantly assist the prevention of ‘Never events’.</p>
<p>Parliamentary Review of Health & Social Care in Wales Report January 2018</p>	<p>The report outlined the vision to deliver against four mutually supportive goals of:</p> <ul style="list-style-type: none"> • Improving the health and wellbeing of the population; • Improving the experience and quality of care for individuals and their families; • Improving the wellbeing and engagement of the workforce; • Increasing the value achieved from the resources that are invested in services. 	<p>The report contains high level recommendations, which an IMS will provide a contribution to, these include:</p> <ul style="list-style-type: none"> • Underpinned by GS1 data standards and API based, supporting the creation of one seamless system for Wales, by linking into the national infrastructure; • Creating a health & care system that is always learning, by sharing data collected to contribute to national audits; • Harnessing innovation and accelerating technology infrastructure developments by having a digital platform with the capability to support future development. • In addition, the IMS will allow clinicians more time to dedicate to patient care, by being able to access the inventory quicker. Thus, improving outcomes and reducing the low value activities such as searching for products or manually entering device information into patient records.

National Strategic Driver	Purpose	Strategic Fit
Prudent Healthcare January 2015	<p>There are 4 main principles set by the Bevan Commission and adopted in NHS Wales:</p> <ol style="list-style-type: none"> 1. Achieve health and wellbeing with the public, patients and professionals as equal partners through co-production; 2. Care for those with the greatest health need first, making the most effective use of all skills and resources; 3. Do only what is needed, no more, no less; and do no harm; 4. Reduce inappropriate variation using evidence-based practices consistently and transparently. 	<p>The IMS will provide invaluable information in relation to evidence-based practices across the NHS in Wales. The ability to use a GS1 standards-based system that will link to theatre and patient systems via API is key in identifying unwarranted variation. When aligned with outcomes data via the NDR will lead to more education around what 'is needed'</p>

1.2.2 The strategic fit in the context of NWSSP's business strategy.

NWSSP's Business Strategy	Purpose	Strategic Fit
NWSSP's digital strategy	<p>Excellence. A focus on continuous service improvement, automation and the use of technology.</p> <p>To improve the quality and efficiency of NWSSP services to stakeholders through focused investment in I.T. Technologies e.g. robotic process automation and I.T. Infrastructure</p>	<p>The IMS will operate an Application Programming Interface (API), which will allow it to interface with other local and national systems and the adoption of GS1 data standards and automatic data capture will allow accurate data transfer of product information within supply chain to other systems without human error.</p> <p>With IMS the:</p> <ul style="list-style-type: none"> - Procurement process is quicker and more automated saving time. Locating deliveries is easier and receipting of deliveries is quicker leading to increased efficiencies. - Tracking batch and expiry dates allows for improved management of stock throughout the NHS, from warehousing to in-theatre use. - Avoidance of stock expiry is key from both a cost and safety perspective. - Real-time stock visibility and clear trend analysis reduce the tendency to over-stock 'just in case'. - The need for urgent deliveries is reduced as stock from locations across the hospital, health board and warehouse is visible to the requisitioner. Real-time stock volume data allows for easier, less time-consuming stock checks.

NWSSP's Business Strategy	Purpose	Strategic Fit
<p>NWSSP - Adding value through Partnerships, Innovation and Excellence</p>	<p>NWSSP's vision of "adding value through Partnerships, Innovation and Excellence" is underpinned by strategic objectives of: -</p> <ul style="list-style-type: none"> • Value for Money. An efficient and effective organisation designed to deliver real term savings and service quality benefits for its customers • Excellence delivered via process excellence and a focus on continuous service improvement, automation and the use of technology. • Customers and partners developed with an open and transparent customer-focused culture that supports the delivery of high-quality services. • Staff who are appropriately skilled, productive and engaged. <p>Delivery will be enabled by development of transformational capabilities in such areas as:</p> <ul style="list-style-type: none"> • S4S. Scan4Safety the capability of digitally tracking products throughout the NHS from inbound logistics to patient implant recall. • IP5. Supply chain modernisation with a national warehousing and distribution model for NHS Wales to maximise cost and process efficiencies to NWSSP and NHS Wales. • Data Analytics. The ability to turn data from many streams (e.g. Oracle FMS, Oracle WMS, Procurement dashboards, TDABC, PLICS, PROMS etc.) into meaningful information. • Value Based Procurement (VBP) placing clinical and patient reported outcomes at the heart of procurement decision making. 	<p>The IMS is a core enabler of the Scan for Safety Wales Programme as it is the mechanism for capturing the Unique Identifiers that place the digital signals in the NHS Systems.</p> <p>The IMS operates to GS1 data standards but will also have the ability to capture HBIC barcodes and thus enable accurate data transfer of product information to other systems without human error.</p> <p>The IMS will operate an Application Programming Interface (API), which will allow it to interface with other local and national systems.</p> <p>Through the IMS the national warehouse IP5 will be at the heart of a modernised supply chain capability where stock levels will be optimised based on real time demand signals from point of use. Catalogues and stock holdings can be aligned to actual requirements and quickly located in the event of a product recall. Replenishment at point of clinical use can be automated from IP5 and supplier stocks all providing the right product at the right time and in the right place.</p> <p>The IMS will provide invaluable information in relation to evidence-based practices across the NHS in Wales. The ability to use a GS1 standards-based system that will link to theatre and patient systems via API is key in identifying unwarranted variation. When aligned with outcomes data via the NDR the IMS will lead to more education around what 'is needed' enhancing NHS Wales data analytics capability.</p> <p>The IMS will be able to scan the products' barcode (GTIN) that will contain the unique identifier of the product, product code, batch number, serial number and expiry date. When combined with Global Location Numbers (GLNs) that can transform procurement services understanding of total stock flows across the supply chain and care pathways facilitating a value driven, responsive, agile and customer focused procurement capability.</p>

The case for change

1.2.3 Medicines and Medical Devices bill

Currently passing through the UK Parliament is the Medicines and Medical Devices Bill. This piece of enabling legislation will be applicable UK-wide and thus cuts across the devolved nature of Health in Wales. The impact will be significant in the area of product traceability and linkage to patients. Medical devices will have to be tracked using their Unique Identification Number and linked to a patient record. Patient, product and procedural data will then need to be collated and provided to the Medical Devices Information System that will be managed by NHS Digital.

1.2.4 Capturing the Unique Device Identification Number

The scanning of unique barcodes is common in a number of industries and is seen as a key way to improve efficiency, auditing and safety. For example, when food inspectors announced that they had found traces of horsemeat in frozen beef burgers, supermarkets quickly removed and recalled affected products. Until recently, this level of track and trace was relatively new in UK healthcare – meaning, for example, that it was impossible to easily find the women in Britain who had received faulty breast implants from Poly Implant Protheses (PIP). These PIP implants are between twice and six times as likely to rupture as other implants. Despite being withdrawn ten years ago, it is estimated that around 47,000 British women had PIP implants, most of whom are still living with them as accurate, easily accessible records do not exist.

1.2.5 Value Based Health Care

The Scan for Safety Wales Programme complements ‘A Healthier Wales’ and aligns with the goals of Value Based Health care in Wales. The ability of the IMS via an interface to feed product use data into the National Data Resource will be invaluable when added into the whole patient experience and outcome review i.e. a data warehouse able to analyse the impact of specific products upon patient reported outcomes (PROMs)

1.2.6 Scan4Safety pilot sites

In 2016, the DHSC in England awarded a total of £12m, distributed between six hospital trusts in England (the Scan4Safety demonstrator sites) to investigate how consistent use of point-of-care barcode scanning might improve efficiency and safety within the NHS. The barcodes used were all compliant with GS1 standards. These standards were chosen because they guarantee that a barcode is globally unique and that it is both system and device agnostic, guaranteeing interoperability with a full range of devices and computer systems.

At Scan4Safety trusts:

- All patients have a unique GS1 barcode on their wristband which is scanned before a procedure
- All equipment used for the procedure, including implantable medical devices is scanned before use and recorded against that patient
- The location in which the procedure is to take place also has a GS1 barcode which is scanned
- At some trusts, staff have GS1 barcodes on their badges which they scan prior to a procedure. This makes it possible to accurately and efficiently record which teams were involved in which procedures.
- Have delivered c£5m of recurrent savings across the six S4S pilot trusts
- Have released 150k hours of clinical time back to care
- Reduced product recall time from c8 days to sub 35 minutes

The result is a comprehensive, real time view of stock; including that which is about to expire, as well as providing a complete audit trail. There is full visibility of what has been done to which patient, when, and where. As the Baroness Cumberlege review – First Do No Harm has shown, this is central to being able to offer safe and effective care to patients – and to being able to act quickly when something goes wrong.

1.2.7 Prevention of never events

‘Never Events’ are serious incidents that are considered preventable because reliable means of stopping them have been identified at a national level and should have been implemented by all healthcare providers.

NHS Wales report serious incidents, including ‘Never Events’ to the National Reporting and Learning System (NRLS), which is run by NHS Improvement. However, NHS Wales do not publish ‘Never Events’ separately.

According to NHS Improvement, 445 Never Events occurred in the English NHS in 2015/16. Of those, 189 were instances of wrong site surgery. These are occasions on which surgery has been performed on the wrong patient or on the wrong site – for instance, a patient who needs a left knee replacement is given a right knee replacement, or one who needs a mastectomy of the left breast has the right breast removed. The Getting it Right First Time, Programme estimate the cost to the NHS in England per annum is c£280m.

The IMS will be able to flag incorrect product selection against a procedure e.g. left knee component for right knee replacement. In addition, the flagging of Medical Device Alerts at the point of use will be available as will flagging of expiry dates to prevent use and any subsequent patient harm.

1.2.8 Clinicians’ time is precious

The Nursing Times estimate that “on average, one hour a day on every nurse’s shift is wasted searching for stock that could be better spent delivering patient care”. As part of the DHSC England Scan for Safety pilots the University Hospitals of Derby and Burton NHS Trust reported that within their Cardiac Catheterisation labs, one and a half band 7a nurses were freed up from stock-control work and released to patient care following implementation. Within NHS Wales, Cardiff & Vale UHB have embarked upon a review of practice, in conjunction with R2Consulting (experienced in delivering several S4S projects in NHS England), in order to better embrace the Scan for Safety Programme and accelerate the benefits once live. Early findings echo the above claims from the Nursing Times.

1.2.9 Efficient supply chain:

Response to COVID-19

- What were previously non-critical stock lines for PPE became amongst the most important commodities from a clinical care delivery and supply chain point of view within the course of weeks.
- New stores were established and many had to rely upon traditional stock counts and manual stock management. This made central coordination of the pandemic response labour intensive and repetitive.
- Had the IMS been in place the stock resilience would have been more assured. The ability to plan and manage stock movement informed by local and national pictures of real-time stock positions would have been of huge benefit.
- The use of a barcode data capture stock system in BCUHB for their COVID stores was complemented by the Military in their review of the PPE response to the pandemic. A recommendation was included in their report that such systems should be considered for use across the NHS in Wales. This FBC will address that requirement entirely.

Removing the risks associated with obsolete/expired stock

- Batch, serial number and expiry date are not automatically captured in existing systems across the NHS in Wales. This tends to be a manual exercise either for food items within NWSSP warehouses, or by clinicians within theatres. This allows for both transposition errors and also excessive manual intervention to ensure products have not passed their expiry date.
- The patient benefits are significant due to avoidance of expired stock use as well as avoidance of stock use which is subject to a Medical Device Alert.
- The financial benefits gained from utilising real-time IMS data and safeguards ensure stock right-off is minimised. Linked to the risk reduction to patients the risk of litigation will also reduce.

Right product, right place, right time

- A long-held belief that ‘nurses always have a secret stock somewhere’ is not an appropriate safety mechanism for NHS Wales in 2021. The IMS will capture products via their unique identification and record them in real-time against the precise locations and volumes throughout the NHS. The result will be a national and local picture of resilience and data available for planning. The removal of significant over-stocking ‘just in case’ and under-stocking as ‘I’m sure we have plenty somewhere’ to be replaced with an instant look-up to an accurate picture.

Reduction of waste

- Currently there is little distinction between waste and consumption i.e. products that fail and are thrown away are not flagged as waste, yet still contribute to the ‘volume purchased’ figures. This can be misleading in relation to cost of procedures and will skew financial projections. The introduction of an IMS will allow for usage to be categorised and include waste specific reports that will inform contract management. This is also a significant data source as NHS Wales look to deliver against its sustainability and carbon neutral targets.

1.3 The Economic Case

The Original WG SBAR paper options appraisal

1.3.1 There were two options listed within the original SBAR paper to WG:

- Do Nothing:
- **Recommended:** Fund, procure and implement IMS to enable the delivery of Scan for Safety Wales

Option 1 – Do Nothing

Advantages:	Disadvantages:
No investment costs	Patient safety – unable to track and trace medical devices and non-compliance with Medical Devices Regulations
No change to current practices or training requirements – maintain “status quo”	Loss of savings – opportunity costs
	Excess stock and wastage of expired stock
	Clinical time remains invested on stock management/ordering/checks
	Lack of control and visibility on loan kits and consignment stock
	Unable to provide patient level costing information and obtain the associated benefits
	Fragmented approach across NHS Wales to stock management

OPTION 2 – Implement Scan for Safety Wales

Advantages:	Disadvantages:
Full track and trace capability for medical devices to patient level	Initial investment
Efficiencies in the management of stock/ordering/invoicing	Initial allocation of resource to manage project initiation, implementation and roll-out
Significant savings and ROI – self funding system	
Product standardisation and rationalisation	
Release of clinical staff time from stock management responsibilities	
Patient level costing information available across NHS Wales from a common platform	
Total procedure cost visibility	
Improved data analytics capacity across NHS Wales leading to more effective negotiations with suppliers and expenditure reporting within Health Boards/Trusts	

The procurement

- 1.3.2 NHS Wales Shared Services Partnership – Procurement Services invited bids from suppliers on NHS Commercial Solutions Framework Agreement Contract 4425-2415, OJEU ref: 2017/S 090-177096 on behalf of NWSSP and Welsh Government. The ‘further competition’ opportunity was published via the Bravo e-tendering site on the 18th December 2020 with a closing date of the 14th January 2020.
- 1.3.3 A “further competition”, which is a tender process without the necessity to publish it via the Official Journal of European Union (OJEU), was held inviting the nine (9) suppliers from the Framework. There is no levy charged for the use of this Framework agreement to either NWSSP or suppliers.
- 1.3.4 The summary of points awarded by supplier is below. Due to the commercial in confidence nature of the bids, the suppliers have been anonymised:

Summary of overall results

- 1.3.5 The ranking in the table below is related to the weighted points score

Ranking	Description	Technical Score (70 max)	Commercial score (30 max)	Total score
1	Supplier E	50.18	26.20	76.39
2	Supplier C	45.60	30.00	75.60
3	Supplier A	46.36	26.48	72.84
4	Supplier B	43.55	18.74	62.29
5	Supplier D	43.71	12.27	55.99

- 1.3.6 Following the procurement exercise and financial evaluations, the preferred option is to award the contract for the Inventory Management solution to the Supplier E.

1.3.7 The following table shows the results of the economic appraisal for each option.

Supplier A	Undiscounted (£)	Net Present Cost (Value) (£)	Return on Investment
Capital	3,064,779	3,016,818	Capital Investment 101.00%
Revenue	4,180,352	3,826,921	
Total Costs	7,245,131	6,843,739	Total Investment 44.52%
Less Savings	-10,697,220	-9,890,825	
Total	-3,452,089	-3,047,086	
Supplier C	Undiscounted (£)	Net Present Cost (Value) (£)	Return on Investment
Capital	2,337,080	2,304,581	Capital Investment 146.35%
Revenue	4,595,252	4,213,600	
Total Costs	6,932,332	6,518,181	Total Investment 54.74%
Less Savings	-10,697,220	-9,890,825	
Total	-3,764,888	-3,372,644	
Supplier E	Undiscounted (£)	Net Present Cost (Value) (£)	Return on Investment
Capital	2,225,852	2,193,354	Capital Investment 140.34%
Revenue	5,047,652	4,619,346	
Total Costs	7,273,504	6,812,700	Total Investment 45.18%
Less Savings	-10,697,220	-9,890,825	
Total	-3,423,716	-3,078,125	

1.4 The Commercial Case

Agreed products and services

1.4.1 The required service capability in the product for the preferred option identified is:

Key Component	Required Specification
Solution purpose	Provision of an Inventory Management Solution capable of scanning and capturing barcode information relating to Products, Patients, Places and Procedures using GS1 and other recognised barcode standards such as HIBC
Service usage	The IMS contract is underpinned with a Service Level Agreement, with contingencies to provide a minimum of 99.5% 'uptime'
Security and Access	The IMS will be hosted within Cardiff and Vale University Health Board's data centre alongside the Oracle servers that support FMS and WMS. The IMS will be accessed via the NHS Wales Active Directory allowing staff to use their existing NADEX. Access permissions will be set per health org in line with existing system access requirements
Technical Interfaces	The IMS provider will operate to API (Application Programming Interface) standards such as HL7 FHIR to assist with interfacing with the key systems across NHS Wales such as, Oracle, WPAS, NDR, various theatre systems such as Ormis, Theatreman etc.
Deployment scale	Initially the IMS will span all theatres and labs where medical devices are inserted into patients as core to the scan for safety programme. However, the aim is that all inventory across NHS Wales is held in the IMS as such the IMS will be available to load to existing android and IOS tablets. This will allow health orgs to expand its use out of theatres and labs to other service areas such a pathology which will benefit hugely from the granulation of tracking.
Implementation timing.	The IMS will begin to be rolled out from May 2021 and be 'live', as a minimum, within one theatre per health org by 31 st December 2021 and live in all theatres across NHS Wales by 31 st December 2022. The aim is for a speedier and more widespread roll-out, but this is deemed core to be able to meet the impending legislation.

Agreed risk allocation

1.4.2 Risks will be passed to the ‘party best able to manage them’. These will sit with either the IMS provider, NHS Wales or shared and will vary as the scan for safety programme evolves.

1.4.3 Risk allocation matrix

Risk category	Potential Allocation		
	IMS Provider	NHS Wales	Shared
1. Design – risk that the design cannot deliver the services to the required quality standards.			√
2. Planning – risk that approval cannot be obtained.		√	
3. Implementation – risk that the solution is not built on time to budget and specification.	√		
4. Availability and performance – risk that the quantum of IMS solution is less than required under contract.			√
5. Operating – risk that operating costs for the IMS solution vary from budget and that performance standards slip	√		
6. Volume – risk that demand for the use of the IMS exceeds the scope of the project.			√
7. Maintenance – risk the cost of maintaining the IMS varies from budget.	√		
8. Technology and obsolescence – risk that the technology results in services being provided using suboptimal solutions.	√		
9. Funding – risk that availability of funding leads to delays and reductions in scope.		√	

10. Procurement – risks that arise from contractual arrangements between two parties.		√	
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Key contractual arrangements

1.4.4 Contractual arrangements will be based on the Terms and Conditions of the NHS Commercial Solutions Framework Agreement 4425-2415 and supplemented by the System Availability Service Level agreement agreed with the selected supplier.

Agreed implementation timescales

1.4.5 Implementation milestones will be agreed in detail as part of the contract award with the selected supplier to the following high-level schedule:

Milestone Activity	Start	End
Approval of FBC by NWSSP & WG	5th February 2021	March 2021
Contract award (including 10-day standstill period)	6th April 2021	19th April 2021
Implementation core scope (1 theatre per org min pre-end of 2021)	1st May 2021	31st December 2021
Implementation full scope - live in all theatres across NHS Wales	1st May 2021	31st December 2022
Project Implementation Review	1st January 2022	31st March 2022

1.5 The Financial Case

1.5.1 From the original SBAR paper submitted to WG in January 2020 to FBC, there has been a net reduction in the cost of the solution.

FUNDING REQUIREMENT	Costs at	Costs at	Costs at	Reduction	% Reduction
	SBAR Stage	SBAR Stage	FBC Stage	in Cost	in Cost
	excl VAT	incl VAT	incl VAT	incl VAT	incl VAT
Supplier Costs	7,664,401	9,197,281	2,696,772	-6,500,509	-70.7%
GS1 Costs	135,000	162,000	162,000	0	0.0%
NHS Wales Costs	200,000	200,000	4,414,732	4,214,732	2107.4%
TOTAL COSTS	7,999,401	9,559,281	7,273,504	-2,285,777	-23.9%
Benefits	-9,834,720	-9,834,720	-10,697,220	-862,500	8.8%
TOTAL	-1,835,319	-275,439	-3,423,716	-3,148,277	1143.0%

Summary of financial appraisal

1.5.2 The proposed expenditure will have the following impact.

SUPPLIER E	April 21- March 22	April 22- March 23	April 23- March 24	April 24- March 25	April 25- March 26	May-26	TOTAL
	11 months	12 months	12 months	12 months	12 months	1 month	COSTS

Supplier Costs Capital							
Implementation Costs	120,000						120,000
Data Centre Hardware Costs	384,372						384,372

NHS Costs Capital							
GS1 Integration Costs	20,000						20,000
Version 1 Implementation Costs	50,000						50,000
S4S Lead	81,526	88,938	7,411				177,875
Core Continuous Development Team	129,177	140,921	11,743				281,841
CET S4S SWAT Team	94,407	102,989	8,582				205,979
Logistics Team	408,500	445,636	37,136				891,272
NWIS Information Lead	43,318	47,256	3,938				94,513

TOTAL CAPITAL COSTS	1,331,301	825,740	68,812	0	0	0	2,225,852
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Supplier Costs Revenue							
Licence Costs (unlimited App users)	223,300	466,900	487,200	487,200	487,200	40,600	2,192,400

NHS Costs Revenue							
NHS Datacentre Costs	71,500	78,000	78,000	78,000	78,000	6,500	390,000
GS1 Membership	32,400	32,400	32,400	32,400	32,400	0	162,000
AdviseInc Tool	27,000	27,000	27,000	27,000	27,000	0	135,000
S4S Lead	0	0	81,526	88,938	88,938	7,411	266,813
Core Continuous Development Team	0	0	129,177	140,921	140,921	11,743	422,762
CET S4S SWAT Team	0	0	43,318	47,256	47,256	3,938	141,769
Logistics Team	0	0	408,500	445,636	445,636	37,136	1,336,908
NWIS Information Lead	0	0	0	0	0	0	0

TOTAL REVENUE COSTS	354,200	604,300	1,287,121	1,347,351	1,347,351	107,329	5,047,652
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TOTAL COSTS	1,685,501	1,430,040	1,355,933	1,347,351	1,347,351	107,329	7,273,504
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Overall affordability

1.5.3 This FBC evidences that the proposed contractor’s solution offers the best value for money of all bids received and will generate a significant return on investment across NHS Wales.

1.5.4 Following discussion with NHS Directors of Finance, this FBC seeks approval for a capital investment from Welsh Government of £2.225m for supplier and Health Org implementation costs

1.5.5 In addition, this FBC seeks two years of Invest to Save revenue funding from Welsh Government to allow the NHS benefits to come to fruition. From year three onwards the programme benefits will allow the NHS to cover the funding. The table below shows the proposed apportionment of revenue costs totalling £5.048m.

		April 21- March 22	April 22- March 23	April 23- March 24	April 24- March 25	April 25- March 26	May-26	TOTAL
		11 months	12 months	12 months	12 months	12 months	1 month	COSTS
Aneurin Bevan	15.2%			241,697	253,007	253,007	20,154	767,867
Swansea Bay	13.6%			215,933	226,037	226,037	18,006	686,013
Betsi Cadwaladr	18.5%			293,963	307,719	307,719	24,512	933,913
Cardiff & Vale	16.2%			257,402	269,447	269,447	21,464	817,758
Cwm Taf	16.4%			260,101	272,272	272,272	21,689	826,334
Hywel Dda	12.0%			190,659	199,581	199,581	15,898	605,718
Powys	3.0%			47,849	50,088	50,088	3,990	152,014
Velindre	1.8%			28,709	30,053	30,053	2,394	91,209
WAST Public Health Wales	2.0% 1.3%			31,408 21,103	32,878 22,090	32,878 22,090	2,619 1,760	99,784 67,042
Welsh Government		354,200	604,300	-301,702	-315,820	-315,820	-25,158	0
Total	100.0%	354,200	604,300	1,287,121	1,347,351	1,347,351	107,328	5,047,651

1.5.6 Total cost of the project is £7.273m over the lifespan of the minimum contract period of five years. However, a contract extension is available creating a maximum of eight years in compliance with the IMS framework terms and conditions.

1.5.7 Further annual revenue funding of £1.347m will be required be met by the NHS for each of these potential 3 years of extension and any subsequent renewal.

1.5.8 It should be noted that this contract represents a fundamental shift in Inventory Management and ongoing long-term financial support for these arrangements will be required.

1.5.9 Whilst the NHS wide financial 'pay back' is within the initial 5 year term, the Project Board believe that this is viewed a long-term investment in transforming the NHS and that health orgs be able to reinvest the benefits into accelerating and extending the roll-out to other services such as Pathology

1.6 The Management Case

Scan for Safety Wales Programme and project management arrangements

- 1.6.1 A strong business case for change and effective project management will provide NWSSP and health organisations with a new IMS capability but will not automatically result in achievement of maximum benefits and sustainability post implementation. To address this, NWSSP will take a programme approach to the scheme.
- 1.6.2 The implementation of the IMS and ongoing support and evolution of the Scan for Safety Wales Programme will fall to a newly formed Scan for Safety/transformation team. The team will be a mix of redeployed NWSSP staff together with some newly funded posts outlined in this FBC. The Scan for Safety/transformation team will be responsible for overseeing activities linked to achieving the benefits and outcomes, including but not limited to:
- IMS Project – implementation of the Inventory management solution
 - Linkage to NDR
 - Maximising benefits of employing GS1 standards
 - Interfacing with existing national systems
 - Building a core analytics function to maximise use of the data
 - Using the analytics to create a continuous improvement function
 - Benefits realisation projects

Benefits realisation and risk management

- 1.6.3 The benefits register has been developed as part of this Full Business Case process and is contained in Appendix 1. The benefits register has been produced through a benefits mapping process which shows how the benefits relate to each other, the project's outputs and investment objectives. The Programme Lead will be responsible for the Benefits Management Strategy, reporting through NWSSP's aligned to current reporting of project benefits. This will include creating a roadmap for the achievement of benefits, defining the frequency of benefit reviews and the measurement techniques.
- 1.6.4 Risk management will be undertaken at programme and project level for this scheme. The programme level will be in the wider strategic context of our desired outcomes and benefits as part of the full scan for safety Wales aims. At project level, risk management will be focussed on the delivery of the inventory management solution's outputs e.g. successful implementation of the solution and interfacing. The risk assessment is contained within Appendix 3

Post project evaluation arrangements

- 1.6.5 A Post Project Evaluation will be undertaken in Q4 of 2021/22 financial year. The report will review the implementation and appraise whether the project has delivered its anticipated outcomes and benefits. The Lessons Learned Report, to aid expansion to beyond the theatre environments, will be included within the End of Project Report.

1.7 Recommendation

- 1.7.1 NHS Wales Shared Services Partnership formally recommends that Welsh Government endorse the award of the contract for the Inventory Management Solution to Supplier E and provide approval of the Full Business Case submission for both the capital and revenue resources documented.



Strategic Case

2. The Strategic Case

2.1 Introduction

2.1.1 This Full Business Case (FBC) is for the provision of an Inventory Management Solution and the associated resources to enable the Scan for Safety Wales Programme to function across all health organisations within NHS Wales.

Overview of the Business Case Development Process

2.1.2 The FBC has been prepared using the agreed standards and format for business cases, as set out in Welsh Government guidance provided in Departmental Capital Investment Manuals, along with the Treasury Green Book: A Guide to Investment Appraisal in the Public Sector. Detailed guidance on the completion of the Welsh Government template is set out in Public Sector Business Cases using the Five Case Model: a Toolkit, published by the HFMA and in HM Treasury a 'Guide to Developing the Project Business Case', published in 2018.

2.1.3 The FBC is a culmination of a number of parallel work streams, unfortunately significantly impacted by the COVID-19 response across NHS Wales. As such, the process has deviated in the steps taken in order to deliver the outcome on time. The expected business planning process has not included standard SOC and OBC. An SBAR paper was submitted to WG and approval to proceed granted in February 2020. Unfortunately, all connected to the project were re-deployed to COVID-19 response actions and the project had to be paused. The project was re-established in July 2020 with a focus on establishing a project board to inform the IMS selection and the FBC for Scan for Safety.

Structure and Content of the Document

2.1.4 The approved format is the Five Case Model, which comprises of the following key components:

- the strategic case section, which sets out the strategic context and the case for change, together with the supporting investment objectives for the project;
- the economic case section, which demonstrates that the NHS Wales has selected the choice for investment which best meets the existing and future needs of the service and is likely to optimise value for money (VFM);
- the commercial case section, which outlines what the proposed deal might look like.
- the financial case section, which highlights likely funding and affordability issues and the potential balance sheet treatment of the project;
- the management case section, which demonstrates that the scheme is achievable and can be successfully delivered to cost, time and quality in accordance with accepted best practice.

2.1.5 This document provides a Full Business Case to seek funding for an investment in an Inventory Management Solution and associated resources in support of the Scan for Safety Programme to function across all health organisations in NHS Wales. The IMS is also an enabler for NWSSP's Integrated Medium Term Plan.

2.1.6 Noted deviation from original planned approach

API standards for interfacing and interoperability – During the consultation with the Scan for Safety Wales Project Board it became apparent that an all-encompassing system was not the preferred choice and indeed may work to the detriment of the national direction and the introduction of the NDR. Therefore, the specification was amended to mandate bidders to operate to Application Programming Interface API standards. This would provide the flexibility for the IMS to be used in differing ways aligned to the current and changing future needs of NHS Wales.

Requirement for the IMS to be available via an APP – During the consultation with Assistant Directors of Informatics it was requested that the IMS be made available via an APP that could work on existing devices such as Android and IOS tablets. The reason being that clinicians who would already be using such devices for other tasks such as patient observations would not have to carry, or search for, an additional device.

2.1.7 This approach will ensure that we are aligned with ‘A Healthier Wales’ and the Digital Health & Social Care Strategy for Wales.

2.2 Organisational Overview (Part A: The strategic context)

2.2.1 NWSSP overview

NWSSP is an independent mutual organisation, owned and directed by NHS Wales. It was set up on 1st April 2011 to provide a range of high quality, customer-focused professional, technical and administrative services on behalf of all Health Boards and Trusts in NHS Wales. Our aim is to support NHS Wales by creating a dedicated shared services organisation with a distinct identity, which:

- Shares common operating standards in line with best practice
- Has sufficient scale to optimise economies of scale and purchasing power and improving quality
- Has an excellent customer care ethos and focus on service quality

Thereby acting in support of the statutory Health Boards and NHS Trusts in Wales, so that they may in turn, focus on more effective local delivery of front-line services. In addition, the organisation provides professional advice and support to Welsh Government.

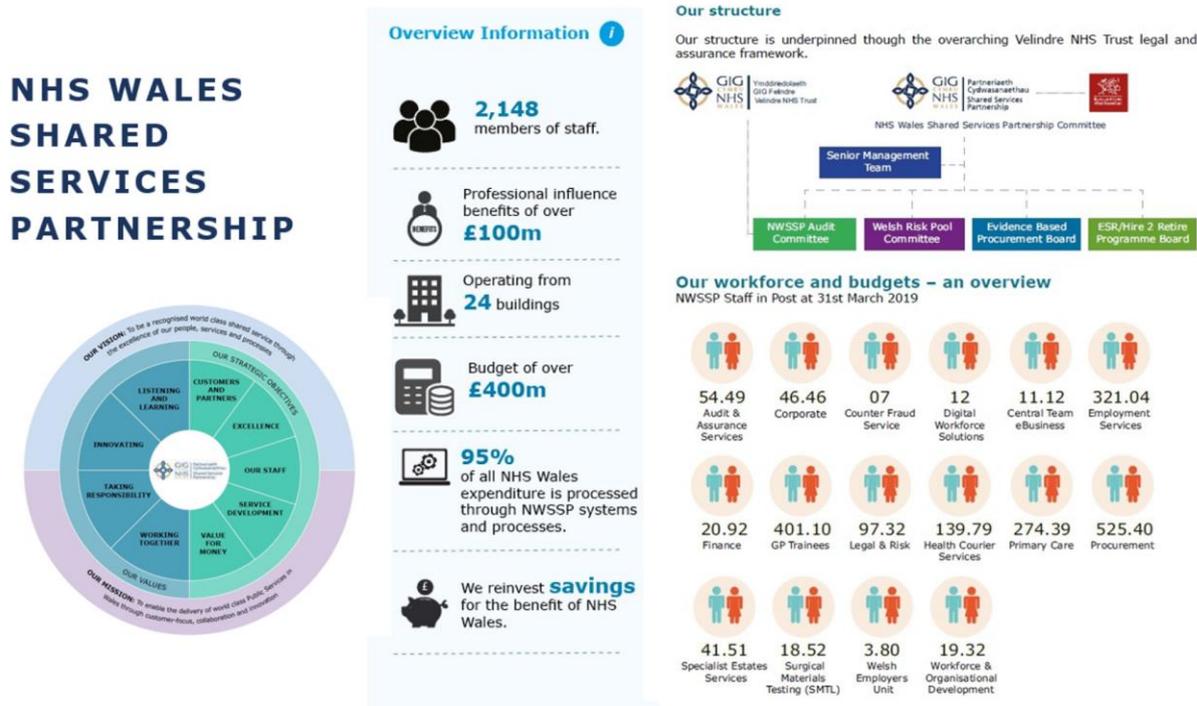


Figure 1 – NWSSP Overview

2.2.2 NWSSP Services.

Providing excellent customer service is at the heart of service delivery to individuals and communities. NWSSP is committed to creating and developing a positive approach to customer service in which we strive to consistently exceed the expectations of our customers and create an environment within which customer service is a core component of the management and delivery of services.



Figure 2 – NWSSP Services

2.2.3 NWSSP Procurement Services is part of the NHS Shared Services organisation. It has been brought together as one organisation from the former Welsh Health Supplies and the Procurement teams that were in place across NHS Wales. In conjunction with NWSSP's Finance

Directorate, it provides a complete Procurement to Payments (P2P) system for all the Health Boards and Trusts across Wales

The key focus and support to customers is through the local Procurement teams who work with the respective organisations to drive the strategic agenda. The local teams work alongside the Central Sourcing, Supply Chain and Accounts Payable teams who provide support to the wider P2P activity. This effectively provides a "one stop shop" for customers and suppliers as we work with "one voice" across Wales and very much support the collaborative agenda.

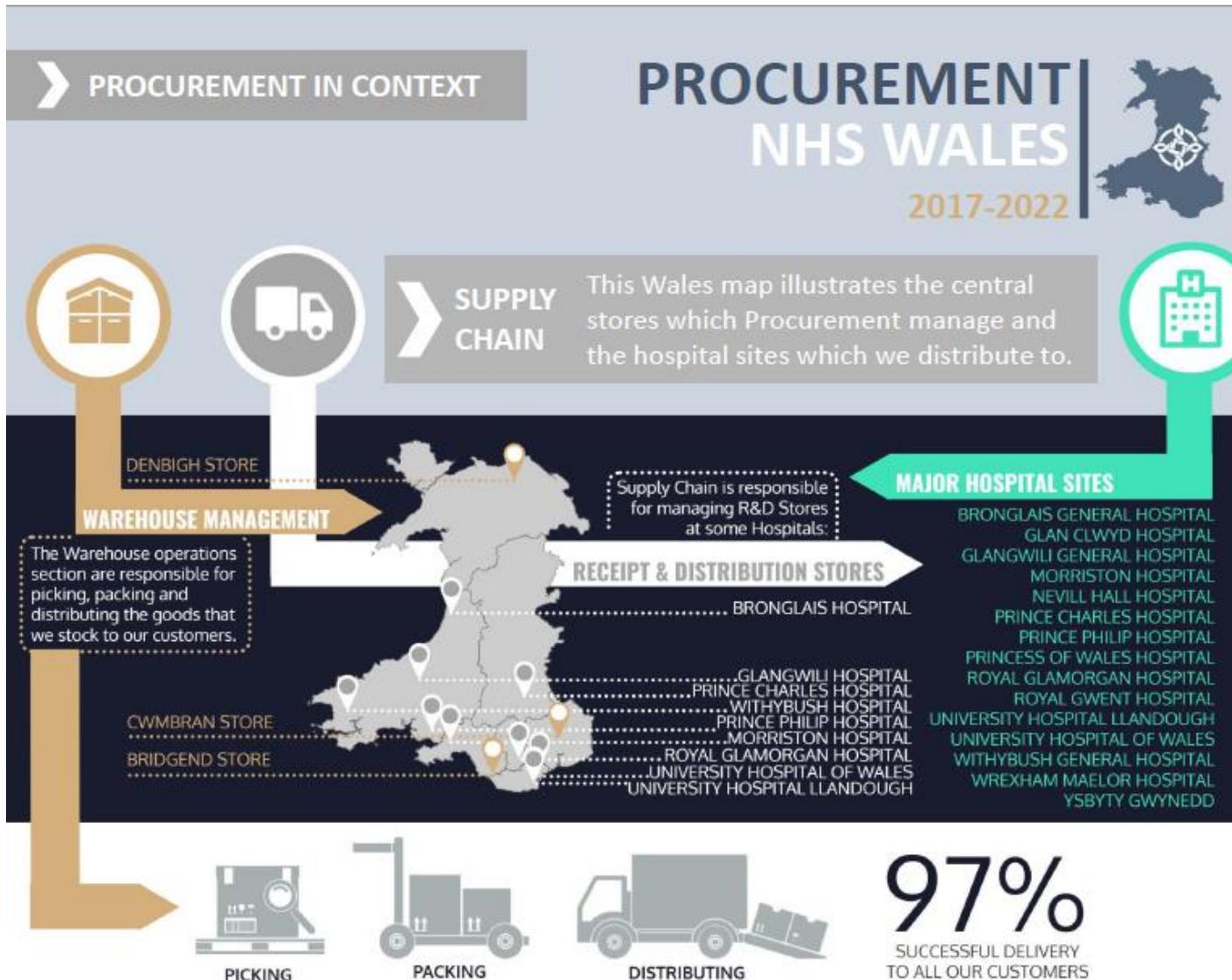


Figure 3 – NWSSP Procurement Services Overview

NWSSP Procurement Services key facts (pre-COVID, BAU):

525 staff members

>£800m contract value

Stores service with an annual trading value of £36.6m

Over 4500 customers

NHS expenditure on goods & services (influenceable spend) 18/19 - £1.5b

2.3 National Strategic Context

Table 1 – National Strategic context

National Strategic Driver	Purpose	Strategic Fit
<p>To be able to satisfy the legal requirements of the upcoming Medicines and Medical Devices Bill</p>	<p>Main requirement in relation to this project (section 18(5)) is that medical devices be tracked to patients and the information made available to the UK Government Secretary of State for Health or person appointed e.g. NHS Digital</p> <div data-bbox="521 579 573 635" style="text-align: center;">  </div> <p style="text-align: center;">M&MD Bill.pdf</p> <p>The descriptions of information specified in the provision mentioned in subsections (2)(a), (3)(a) and (3)(c)(i) may include—</p> <ul style="list-style-type: none"> (a) Unique identifiers associated with medical devices; (b) Information in relation to individuals mentioned in subsection (1)(b); (c) Information about any procedure carried out in relation to a medical device (including information about any person involved in carrying out the procedure). 	<p>The IMS is a core enabler of the Scan for Safety Wales Programme as it is the mechanism for capturing the information required in (a) Unique Identifiers.</p> <p>The IMS will be able to scan the products' barcode (GTIN) that will contain the unique identifier of the product; product code, batch number, serial number and expiry date.</p> <p>The IMS operates to GS1 data standards but will also have the ability to capture HBIC barcodes and thus enable accurate data transfer of product information to other systems without human error.</p> <p>The IMS will operate an Application Programming Interface (API), which will allow it to interface with other local and national systems. Including the National Data Resource (NDR).</p>

National Strategic Driver	Purpose	Strategic Fit
<p>COVID-19 Welsh Government Response (NB: this is a change since the OBC)</p>	<p>Welsh Government is responsible for the public health response to the coronavirus pandemic in Wales. It is doing this by exercising its legal powers to impose restrictions that prevent or slow the spread of coronavirus, and by overseeing the Welsh NHS, which is treating those who have become ill. Primary responsibility for the Welsh NHS lies with the Minister for Health and Social Services Vaughan Gething MS. He also has primary responsibility for public health matters, having regard to the advice of the Chief Medical Officer for Wales, Dr Frank Atherton.</p>	<p>An IMS will enable NWSSP and Health Orgs to have immediate, real-time visibility of both critical care items as well as PPE to feed into Welsh Government to support the response to the pandemic. This would include support for more accurate estimation of product demand and supply, improving safety as well as NHS efficiency as demand shifts back to business as usual.</p>
<p>A Healthier Wales</p>	<p>The Welsh Government’s Plan for health and social care outlines five main approaches that are intended to change health and social care in Wales:</p> <ol style="list-style-type: none"> 1. The health and social care system in Wales will work together so that people will not notice when they are provided with services from different organisations. 2. Services will be shifted from hospitals into communities with more services to prevent illness with early detection. 3. We will get better at measuring what really matters to people to work out which treatment and services work well and which need to be improved. 4. We will make Wales a great place to work in health and invest in technology to support care. 5. We will make our services work as a single system across the country. 	<ol style="list-style-type: none"> 1. An IMS underpinned by data standards and linked to the local patient systems as well as the National Data Resource will contribute to the development of a single digital record for each patient through the national infrastructure; 2. Accurate visibility of product location and supply chain robustness will help to provide more resilient services closer to patients’ homes e.g. community nurses will be able to scan stock and equipment in patients’ homes; 3. The ability to link patient treatment input to captured outcomes electronically at scale will firmly place NHS Wales as a leader of data capture, linkage and ultimately learning; 4. The IMS will be designed to remove manual data entry and physical searching for products. Both of these will allow clinicians to operate at the top of their licence and reduce time spent away from patient care in low value activities. 5. The IMS will be a National system that will interface with both local and other national systems such as Oracle and the NDR. The API nature of the IMS will mean that it will also be ready to develop along with Welsh Government’s digital agenda.

National Strategic Driver	Purpose	Strategic Fit
The National Clinical Framework (in development)	Development of a 'Learning Health and Care System' built on an ability to collect and analyse data about the treatments received by patients, the associated outcomes and derived value.	The IMS is a key foundational block of data resource. Providing the mechanism for linking products to patients and procedures and allowing a far greater granularity of data scrutiny.
Informed Health & Care: A Digital Health & Social Care Strategy for Wales	Sets out the Government's ambition to build on the progress already made and transform how the people of Wales, citizens and staff, embrace modern information technology and digital tools to deliver safer, more efficient and joined-up health and social care services, to improve outcomes and experiences of patients and service users.	This means collaborating with other organisations through the national infrastructure developed between the Welsh Government and NWIS, to share information in a secure digital way that will improve patient care across the care pathway. Specifically: the IMS will be informed by product characteristics such as Latex content, current Medical Device Alerts or compatibility information e.g. information shared with National Joint Registry that will flag an issue with a product combination pre-surgery. All of the above will significantly assist the prevention of 'Never events'.

National Strategic Driver	Purpose	Strategic Fit
<p>Parliamentary Review of Health & Social Care in Wales Report January 2018</p>	<p>The report outlined the vision to deliver against four mutually supportive goals of:</p> <ul style="list-style-type: none"> • Improving the health and wellbeing of the population; • Improving the experience and quality of care for individuals and their families; • Improving the wellbeing and engagement of the workforce; • Increasing the value achieved from the resources that are invested in services. 	<p>The report contains high level recommendations, which an IMS will provide a contribution to, these include:</p> <ul style="list-style-type: none"> • Underpinned by GS1 data standards and API based, supporting the creation of one seamless system for Wales, by linking into the national infrastructure; • Creating a health & care system that is always learning, by sharing data collected to contribute to national audits; • Harnessing innovation and accelerating technology infrastructure developments by having a digital platform with the capability to support future development. • In addition, the IMS will allow clinicians more time to dedicate to patient care, by being able to access the inventory quicker. Thus, improving outcomes and reducing the low value activities such as searching for products or manually entering device information into patient records.
<p>Prudent Healthcare January 2015</p>	<p>There are 4 main principles set by the Bevan Commission and adopted in NHS Wales:</p> <ol style="list-style-type: none"> 1. Achieve health and wellbeing with the public, patients and professionals as equal partners through co-production; 2. Care for those with the greatest health need first, making the most effective use of all skills and resources; 3. Do only what is needed, no more, no less; and do no harm; 4. Reduce inappropriate variation using evidence-based practices consistently and transparently. 	<p>The IMS will provide invaluable information in relation to evidence-based practices across the NHS in Wales. The ability to use a GS1 standards-based system that will link to Theatre and patient systems via API is key in identifying unwarranted variation. When aligned with outcomes data via the NDR will lead to more education around what 'is needed'</p>

2.4 NWSSP's business strategy

Table 2 – NWSSP Business context

NWSSP's Business Strategy	Purpose	Strategic Fit
<p>NWSSP's digital strategy</p>	<p>Excellence. A focus on continuous service improvement, automation and the use of technology.</p> <p>To improve the quality and efficiency of NWSSP services to stakeholders through focused investment in I.T. Technologies e.g. robotic process automation and I.T. Infrastructure</p>	<p>The IMS will operate an Application Programming Interface (API), which will allow it to interface with other local and national systems and the adoption of GS1 data standards and automatic data capture which allow accurate data transfer of product information within supply chain to other systems without human error.</p> <p>With IMS the:</p> <ul style="list-style-type: none"> - Procurement process is quicker and more automated saving time. Locating deliveries is easier and receipting of deliveries is quicker leading to increased efficiencies. - Tracking batch and expiry dates allow for improved management of stock throughout the NHS, from warehousing to in-theatre use. - Avoidance of stock expiry is key from both a cost and safety perspective. - Real-time stock visibility and clear trend analysis reduce the tendency to over-stock 'just in case'. - The need for urgent deliveries is reduced as stock from locations across the hospital, health board and warehouse is visible to the requisitioner. <p>Real-time stock volume data to allow for easier, less time-consuming stock checks.</p>

NWSSP's Business Strategy	Purpose	Strategic Fit
<p>NWSSP - Adding value through Partnerships, Innovation and Excellence</p>	<p>NWSSP's vision of "adding value through Partnerships, Innovation and Excellence" is underpinned by strategic objectives of: -</p> <ul style="list-style-type: none"> • Value for Money. An efficient and effective organisation designed to deliver real term savings and service quality benefits for its customers • Excellence delivered via process excellence and a focus on continuous service improvement, automation and the use of technology. • Customers and partners developed with an open and transparent customer-focused culture that supports the delivery of high-quality services. • Staff who are appropriately skilled, productive and engaged. <p>Delivery will be enabled by development of transformational capabilities in such areas as:</p> <ul style="list-style-type: none"> • S4S. Scan4Safety the capability of digitally tracking products throughout the NHS from inbound logistics to patient implant recall. • IP5. Supply chain modernisation with a national warehousing and distribution model for NHS Wales to maximise cost and process efficiencies to NWSSP and NHS Wales. • Data Analytics. The ability to turn data from many streams (e.g. Oracle FMS, Oracle WMS, Procurement dashboards, TDABC, PLICS, PROMS etc.) into meaningful information. • Value Based Procurement (VBP) placing clinical and patient reported outcomes at the heart of procurement decision making. 	<p>The IMS is a core enabler of the Scan for Safety Wales Programme as it is the mechanism for capturing the Unique Identifiers that place the digital signals in the NHS Systems...</p> <p>The IMS operates to GS1 data standards, but will also have the ability to capture HBIC barcodes and thus enable accurate data transfer of product information to other systems without human error.</p> <p>The IMS will operate an Application Programming Interface (API), which will allow it to interface with other local and national systems.</p> <p>Through the IMS the national warehouse IP5 will be at the heart of a modernised supply chain capability where stock levels will be optimised based on real time demand signals from point of use. Catalogues and stock holdings can be aligned to actual requirement and quickly located in the event of a product recall. Replenishment at point of clinical use can be automated from IP5 and supplier stocks all providing the right product at the right time and in the right place.</p> <p>The IMS will provide invaluable information in relation to evidence-based practices across the NHS in Wales. The ability to use a GS1 standards-based system that will link to Theatre and patient systems via API is key in identifying unwarranted variation. When aligned with outcomes data via the NDR will lead to more education around what 'is needed' enhancing NHS Wales data analytics capability.</p> <p>The IMS will be able to scan the products' barcode (GTIN) that will contain the unique identifier of the product; product code, batch number, serial number and expiry date. When combined with Global Location Numbers (GLNs) that can transform procurement services understanding of total stock flows across the supply chain and care pathways facilitating a value driven, responsive, agile and customer focused procurement capability.</p>

2.5 Investment objectives (Part B: The case for change)

2.5.1 The Scan for Safety Wales Programme has the following key investment objectives. The associated benefits with each of these objectives to enable us to provide health orgs across Wales with the digital information that they will need to satisfy the requirements of the Medicines and Medical Device Bill. In addition, and more fundamental, will be the enhanced information that will provide for NHS Wales to drive improved patient safety as well as finance and process efficiencies. Linked with other initiatives such as the National Data Resource, this programme will provide a significantly more granular picture of patient treatment that may help to inform improved outcomes in line with Value Based Health care.

2.5.2 Investment Objective 1: To be able to scan and capture unique device identification (UDI) numbers for products.

Table 3 - Investment Objective 1

Current Key Challenges	Proposed Solutions
<ul style="list-style-type: none"> Identifying and tracking unique product identifiers is a manual task and inefficient and cumbersome should a product recall be issued. Previous recalls have taken days' worth of clinical time to trawl manual records. 	<ul style="list-style-type: none"> Product GTINs (Global Trade Identification Number) are scanned and stored in the IMS allowing for real-time tracking and identification. This allows products requiring recall to be identified rapidly. (complete in hours not days)
<ul style="list-style-type: none"> Withdrawing products that have been subject to a Medical Device Alert. This process is too lengthy and requires many people to track orders and look for stock to quarantine etc. 	<ul style="list-style-type: none"> Linking the GTIN to the GLN (Global Location Number) will instantly identify the volume and location of affected products for speedy quarantine and prevention of use.
<ul style="list-style-type: none"> Management of stock expiry dates is a manual task in the main, meaning that there is a risk of an expired product being used on, or implanted in, a patient. 	<ul style="list-style-type: none"> GTINs include manufacturing detail such as batch number and expiry dates, once scanned into the IMS these will be able to be flagged and warnings issued to end users as expiry approaches.

2.5.3 Investment Objective 2: To enable digital information to be available to accurately link; product, patient and procedural data.

Table 4 - Investment Objective 2

Current Key Challenges	Proposed Solutions
<ul style="list-style-type: none"> Linking the UDI to patient records is a manual task completed by clinical staff in theatres. There is a risk of transposition errors 	<ul style="list-style-type: none"> GTIN is scanned by the IMS and linked to the patient via an interface to the PAS or equivalent. Thus, removing any transposition errors and saving significant clinical time.
<ul style="list-style-type: none"> Information relating to patient, product and procedures are generally held in separate systems that require costly integration or time-consuming duplicate data entry. 	<ul style="list-style-type: none"> The IMS operates to API (Application Programme Interface) standards enabling it to more easily send and receive data from other systems in the NHS such as Oracle, NDR, and local PAS etc. This is key in being able to collate the required information.

2.5.4 Investment Objective 3: To introduce product visibility throughout the whole supply chain in NHS Wales

Table 5 - Investment Objective 3

Current Key Challenges	Proposed Solutions
<ul style="list-style-type: none"> Volumes and locations of stock across the NHS in Wales are held in separate systems that are generally only visible to local users. 	<ul style="list-style-type: none"> Implement the IMS across all health orgs as well as throughout the NWSSP Logistics function and allow all users to see stock levels beyond their immediate location. This will significantly strengthen resilience planning and avoid duplicate safety stocks being built up (as seen in the COVID-19 response).
<ul style="list-style-type: none"> Local stock-outs result in urgent ordering from suppliers with associated disruption, risk and cost 	<ul style="list-style-type: none"> Real-time stock visibility and warning prompts as stock levels reduce are core to the IMS. However, additionally the requisitioner may be able to check other theatres, wards, hospitals for stock availability preventing the urgent order. IMS analytics will also allow for trend analysis to show how frequently stock levels are too low or too high to enable stock levels to be adjusted accordingly.
<ul style="list-style-type: none"> Finance stock checks are time consuming and can disrupt clinical priorities, as they are generally physical checks on site. 	<ul style="list-style-type: none"> Real-time stock visibility will be available within the IMS together with an analytic function. As the stock is recorded at an individual GTIN level then a 1-1 check is instantly available for stock audits.
<ul style="list-style-type: none"> In addition to the patient risks of being treated with an expired product, stock obsolescence is costly and time consuming to administer. 	<ul style="list-style-type: none"> Real-time stock analytics will allow for early/automated detection set against pre-defined triggers e.g. within 6 months of expiry date. The IMS analytics will also flag other users who may be able to utilise the stock within the remaining period of validity and prevent the write-off.
<ul style="list-style-type: none"> The Nursing Times estimate that “on average, one hour a day on every nurse’s shift is wasted searching for stock that could be better spent delivering patient care” 	<ul style="list-style-type: none"> Real-time stock visibility linked to GLNs will allow for instant identification of stock location. This is a key finding from the DHSC England S4S pilot sites with all recording either a £ or hours saved in nursing time allowing for improved patient care and reduction of resource pressure that may lead bank staff being used.

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales – Inventory Management
 Solution – Full Business Case

• Current Key Challenges	• Proposed Solutions
<ul style="list-style-type: none"> Product wastage is not recorded routinely and may appear in the system as being consumed rather than thrown in the bin. 	<ul style="list-style-type: none"> The IMS will capture usage categorisation allowing for specific wastage reporting. This will not only inform contract management, but allow health orgs to take action to reduce wasted products and contribute towards sustainability and carbon reduction targets.
<ul style="list-style-type: none"> Beyond products supplied via NWSSP warehouses there is little logistics planning into hospitals for direct supplier deliveries and as such excessive and duplicate journeys are frequent. 	<ul style="list-style-type: none"> The IMS will allow for full supply chain analysis including direct delivery frequency, delivery cost and impact on the environment, allowing for a more efficient and sustainable service to be developed. This will also lead to a greater control of receipt and distribution within hospitals.

2.5.5 Investment Objective 4: To better identify unwarranted variation

Table 6 - Investment Objective 4

Current Key Challenges	Proposed Solutions
<ul style="list-style-type: none"> Product procurement and use are generally not linked in an easy to analyse manner. 	<ul style="list-style-type: none"> IMS analytics linked to products used in a patient procedure will allow for greater visibility of inputs to a patient pathway that will allow for greater scrutiny in light of the outcomes captured (NDR linkage). This will allow clinicians to view impact on patient care with greater granularity.
<ul style="list-style-type: none"> Data collection and analysis for PLICS (patient-level information and costing systems) and TDABC (Time-driven activity-based costing) is a very manual and time-consuming exercise, often dealing with varying formats of data. 	<ul style="list-style-type: none"> IMS analytics will allow for information to be auto populated to models in a consistent way to allow for easier collation and scrutiny.
<ul style="list-style-type: none"> Comparison of products used in similar procedures is routinely not undertaken and if undertaken involves manual data collection and is time consuming. 	<ul style="list-style-type: none"> Automatic collection and comparison will allow for an assessment by clinical teams as to what is warranted and what is unwarranted variation and may lead to improved efficacy, efficiency and better patient outcomes.

2.6 Existing arrangements

2.6.1 Existing IMS arrangements across Wales

Before addressing the IMS arrangements across Wales it must be noted that the IMS is a mechanism to satisfy the requirements of Scan for Safety and in that respect, there are very few non-manual entry options currently available that capture, product, patient, procedure and place. The IMS needs to be viewed as one of the key enablers of satisfying this requirement.

NWSSP Logistics and Materials Management

NHS Wales has a long-established internal supply chain set up provided by NWSSP. The resilience of which was tested like never before in 2020 and continues to prove its flexibility, reliability and worth in the face of COVID19. The success of the performance of the service during 2020 however, has been more of a testament to the dedication of staff and quality processes rather than the capability of the systems in use. This should not be seen as a negative, but a missed opportunity. NWSSP is limited to only having visibility of stock within its warehouses and therefore has to rely on manual information exchanges with Health Orgs. This was an extremely labour-intensive process during the demand, supply and management of PPE and key medical equipment.

The ability to track batch and serial numbers together with expiry dates is, at present, a manual task with warehouse staff having to type information into the Oracle Warehouse Management System (WMS) (information that is all contained in a single barcode on the packaging. A momentary accurate scan as opposed to minutes of manual input with risk of transposition error).

The timing of the Scan for Safety Programme aligns with the need to upgrade the 'warehouse guns' – Mobile computers/scanners that read barcodes and manage stock data input. The replacement of these devices has been aligned with the introduction of the IMS as they will need to run WMS and IMS simultaneously in order to maximise the benefits available. The existing devices are built on a windows version that has recently ceased being supported by Microsoft and as such has become a risk to the normal running of the warehouses.

The provision of warehouse guns was built into the financial model in early drafts of the FBC. However, due to the urgency of replacement a parallel request was made to Welsh Government and capital funding has been made available to resolve within 2020/21. Therefore, this cost has been removed from the FBC.

The Oracle WMS will remain in place as a key system for NWSSP with the intention that the IMS will interface with it to provide batch serial and expiry information with a single scan feeding both systems.

Materials Management operation has been aided by ADC (Automated Demand Capture) since the system was introduced in 2002. ADC, as its title suggests is not a fully automated system, as it requires operator input post scan to trigger ordering. The ADC system is not uniformly used across the NHS in Wales and additionally is not used consistently within Health Boards. The superior IMS technology will provide a huge step up in functionality as well introducing data standards and transparency of the supply chain, locally and nationally.

NHS Wales Health Boards and Trusts

IMS are not widely adopted across NHS Wales at present. The most common solution at present are Omnicell fixed Theatre Cabinets. Some, including BCUHB's RFID cabinets have the ability to link to patient systems. These will not be replaced by the IMS, but will interface to provide a seamless picture of data linkage.

The picture across NHS Wales is relatively similar, with a few notable exceptions:

- Betsi Cadwaladr University Health Board has expanded its use of Omnicell beyond fixed cabinets to include a pilot roll-out of an IMS (Supply X). The roll-out has focussed on wards and replacement for ADC to drive improved materials management. The pilot has delivered £202,509 in savings over its 18 months of roll-out. The tender specification of the IMS as part of the Scan for Safety Programme ensures that APIs will allow BCUHB to continue with its direction of travel as all of the IMS reviewed will interface with their existing system.
- Similar to BCUHB, Swansea Bay University Health Board have recently awarded a fixed theatre cabinets contract to Omnicell and as such have been provided with access to Omnicell's Supply X IMS. This roll-out is in its early stages and the Scan for Safety IMS will interface and allow local progress to be continued.
- Aneurin Bevan University Health Board has had access to a pre-market Beta version of Omnicell's Supply X IMS as part of a Theatre Cabinet purchase. However, further investment is required to progress any further. The Scan for Safety Programme's IMS will replace this and add scale to its momentum.
- Cardiff & Vale University Health Board, Cwm Taf Morgannwg University Health board, Hywel Dda University Health Board, Powys Teaching Health Board, Velindre University NHS Trust and Welsh Ambulance Service NHS Trust will all base their adoption of an IMS in support of the Scan for Safety Wales Programme.

2.6.2 Existing Arrangements in other parts of the UK

DHSC England S4S Pilot sites

In 2016, the Department of Health in England awarded funds of c£12m over 2 years to six hospital trusts – the Scan4Safety demonstrator sites – to investigate how consistent use of point-of-care scanning might improve efficiency and safety within the NHS. At these organisations, barcodes produced to GS1 standards – meaning they are globally unique – are present on patient wristbands; on equipment used for care, including implantable medical devices; in locations; and sometimes on staff badges. Before and during procedures, all these barcodes are scanned. This makes it possible to create a comprehensive data set of what products have been used on which patients, where they were, and which members of staff were involved. Scanning products when they enter stock, meanwhile, ensures consistent and reliable stock management procedures – including clear sight of when products are due to expire.

The success of the above pilots has triggered a further roll-out of Scan4Safety across the NHS in England and the control and budget was passed to NHS X to drive delivery. There is no available master list of NHS Trusts who have adopted Scan4Safety, but all NHS Trusts are members of GS1 as provided by DHSC England and the project team in Wales is aware of in excess of 40 NHS Trusts who have already live or who are implementing Scan4Safety currently.

NHS Scotland

NHS Scotland have recently conducted a tender for a 'National Inventory management Solution'. The full outcome and costs are not yet publicly available, but the contract was advertised as 60 months in duration and an estimated value of £5.8m. The requirement was similar to NHS Wales needs, but also included a cataloguing function that is not required in NHS Wales as it is already provided as part of the Oracle financial management services contract. The value is solely for the supplier element and NHS Scotland resources will be in addition to that figure.

NHS Northern Ireland

The Department of Health in Northern Ireland has not developed its strategy for Scan for Safety as much as the rest of the home nations. The focus in relation to patient and procedure data has been an electronic point of care system. However, HSCNI are actively reviewing the options for cataloguing and inventory management and Scan for Safety is one approach being considered.

NHS Supply Chain

The national supply chain provider within NHS England is NHS Supply Chain (NHS SC). The organisation is an outsourced provision of contracting and logistics services on behalf of the DHSC. Since 2016 NHS SC have been developing their capabilities in relation to operating in a GS1 compliant way. GTIN and GLN use has become widespread and the internal efficiencies and increased service resilience have been noted by the Scan4Safety sites. The ability to track products throughout the supply chain and link to local systems is a great benefit and further developments are underway. NHS Wales will benefit from this early work between NHS SC and its supply base as NHS Wales adopts the same GS1 standards.

2.7 Business needs

2.7.1 Associated business needs of Investment Objective 1

Table 7 – Business needs I01

	<p>I01: To be able to scan and capture unique device identification (UDI) numbers for products.</p>
<p>Existing Arrangements</p>	<p>Unique Device Identification information is only captured at the point of use for certain devices e.g. in theatres when the device details need to be linked to the patient notes. This is a manual task that involves removing a sticky label from the device box and entering the details into the theatre management system (or sticking in patient notes file)</p>
<p>Business Needs BN</p>	<p>BN1: To be able to rapidly respond to a Medical Device Alert and identify affected products.</p> <p>BN2: To remove the opportunity of transposition of data errors in relation to product use and recording</p> <p>BN3: To release clinician time back to patient care by removing time-consuming manual tasks via automation or scanning.</p>

2.7.2 Associated business needs of Investment Objective 2: To enable digital information to be available to accurately link: product, patient and procedural data.

Table 8 – Business needs I02

	<p>I02: To enable digital information to be available to accurately link: product, patient and procedural data.</p>
<p>Existing Arrangements</p>	<p>There is no legal obligation for NHS Wales to provide linked product, patient, and procedural data at present. Any linkage will be within theatre systems with few exceptions such as the National Joint Registry.</p>

Business Needs BN	<p>BN4: To be able to create a patient record that captures UDI, Patient and procedural information to be able to satisfy the legal requirements to be introduced by the Medicines and Medical Devices Bill.</p> <p>BN5: To adopt standards of data that enable interoperability and alignment of information across systems in NHS Wales</p> <p>BN6: To be able to easily populate PLICS and TDABC analysis to reduce resource burden of data collection and add consistency and accuracy to the process</p>
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2.7.3 Associated business needs of Investment Objective 3: To improve supply chain efficiency and to introduce stock visibility throughout the NHS in Wales.

Table 9 – Business needs IO3

	IO3: To improve supply chain efficiency and to introduce stock visibility throughout the NHS in Wales
Existing Arrangements	Stock is managed disparately at present, either via the national warehouses or within individual hospitals' systems. There is no 'umbrella view' allowing for coordination and management. There is also very little inter-hospital view of stock positions
Business Needs BN	<p>BN7: To be able to coordinate local and national management of stock flow to reduce duplicate stock holdings.</p> <p>BN8: To be able to view stock beyond the immediate location to improve resilience and reduce urgent order costs.</p> <p>BN9: To provide procurement with supply chain and usage intelligence to allow for market management of key commodities i.e. bulk buying opportunities, change in demand and use patterns.</p> <p>BN10: To provide accurate reporting in relation to wasted products.</p> <p>BN11: To allow for full supply chain analysis including direct delivery frequency, delivery cost and impact on the environment.</p>

2.7.4 Associated business needs of Investment Objective 4: To better identify unwarranted variation

Table 10 – Business needs I04

	To better identify unwarranted variation
Existing Arrangements	Although, reduction of inappropriate variation is one of the core principles of Prudent Healthcare, the evidence of product usage to support its application is not readily available i.e. the selection and procurement of products is rarely tracked through to use, efficiency, efficacy and patient outcome. Significant work is underway via the NDR, NWIS and the Value in Health team to be able to better identify patient outcomes, but the product use is currently unable to be easily included.
Business Needs BN	<p>BN12: To be able to link products to clinical use and context to be able to draw comparisons in relation to practice.</p> <p>BN13: To allow clinicians to assess variation of their practice to that of their peers and allow them to understand what is warranted vs unwarranted variation.</p> <p>BN14: To allow procurement to work with clinicians and health orgs in reducing unwarranted product selection and drive financial benefits of economies of scale.</p>

2.8 Main benefits criteria

2.8.1 The implementation of an Inventory Management Solution will deliver a range of benefits. See Appendix 1. These have been identified by reviewing the results of Scan for Safety projects delivered by other NHS Trusts and the original Scan4Safety pilot programme run by the Department of Health in England.

2.8.2 The goals of the Scan for Safety Wales Programme are echoed and benefits evidenced within ‘[A scan of the benefits: the Scan4Safety evidence report](#)’ Attached at Appendix 2

2.8.3 Benefits can be categorised as follows:

- Qualitative Clinical Benefits (QCB)
- Quantitative Benefits (QB)
- Cash Releasing Benefits (CRB)
- Non-cash Releasing Benefits (NCRB)

Main benefits

Table 11 - Main Benefits

ID	Benefit Description	Category	Investment Objective			
			I01  UDI scanning	I02  Data linkage	I03  Supply chain efficiency	I04  Reduce unwarranted variation
Qualitative Clinical Benefits (QCB)						
B01	Improved patient safety	QCB	✓	✓		✓
B02	Improved clinical time to care	QCB	✓		✓	
B03	Improved patient outcomes	QCB		✓		✓
B04	Improved response to emergency situations	QCB	✓	✓	✓	
Quantitative Benefits (QB)						
B05	Improved understanding of clinical demand & resource requirements	QB		✓		✓
B06	Improved collaboration with the whole health system	QB		✓	✓	✓
B07	Linked data supporting national digital strategy in a once for wales approach	QB	✓	✓	✓	
B08	Increased access to information for clinicians to support decision making	QB		✓	✓	✓
B09	Reduction of manual administrative tasks	QB	✓	✓	✓	
B10	Ease of conducting PLICS and TDABC analysis	QB		✓		✓
B11	Real-time stock availability and analysis	QB	✓		✓	
B12	Reduction in time spend locating products	QB	✓		✓	
B13	Wasted products are identified	QB			✓	

Cash Releasing Benefits (CRB)						
B14	Reduction in stock write-off due to expiry or obsolescence	CRB			✓	
B15	Reduction in stock holding due to increased visibility and confidence in the supply chain	CRB			✓	
B16	Reduced number of 'Never Events' and reduced litigation costs	CRB	✓	✓		✓
B17	Standardisation of product and process allowing for procurement economies of scale	CRB			✓	✓
Non-cash Releasing Benefits (NCRB)						
B18	More user friendly and consistent service across NHS Wales	NCRB			✓	✓
B19	Richness of data to be linked to patient outcomes and academic research opportunities	NCRB		✓		✓
B20	Ability to reduce carbon footprint by removal of waste and excess stocks				✓	

2.9 Main risks

2.9.1 The main risks that the project must manage and address are listed in the table below and are explored further as part of the Economic and Management Cases. The full risk assessment table may be found in Appendix 4

Main Risks

2.9.2 The main risks were not addressed in the SBAR. However, they have been reviewed as part of the FBC process as follows:

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales
 – Inventory Management Solution – Full Business Case

Table 12 – Main risks

ID	Risk Description	Risk Category	Total score (Likelihood x Impact) Pre- stakeholder engagement	Total score (Likelihood x Impact) FBC including mitigation	Mitigation
Risks Assessed Business Case Stage					
R01	Key staff may not be available to support implementation of project.	Workforce	20	10	Key staff identified with backfill and additional resource requested via FBC. Implementation will be phased and informed by HB capacity and priorities.
R02	Lack of staff compliance with use of inventory management software resulting in benefits not being realised.	Operational	20	10	Supplier required to provide user training with presentation of training plan part of scored evaluation.
R03	Differing data standards preventing efficient data sharing.	Operational	20	8	GS1 standards to be adopted. GS1 membership equal to contract duration. NWIS resource to oversee adoption during the implementation phase. IMS will be able to scan a variety of other barcode formats. E.g. HIBC
R04	Interface development could impact time and cost due to shortage of IT skills and capacity.	Workforce	16	12	Suppliers selected on the basis of their ability and capacity (with supporting evidence) to develop the necessary interfaces. Pre-implementation HB system architecture survey also initiated. FBC asks for central expert team to assist across Wales. They will be based within

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 – Inventory Management Solution – Full Business Case

					CET alongside the Oracle support team.
R05	COVID direct impact on team or HB focus and resources.	Workforce	16	9	Contract start schedule for May 2021 with implementation through summer months. With increased rates of vaccination and warmer weather hope is that risk to implementation will be lower.
R06	Workforce unable to adapt to new ways of working (from R&D/procurement/clinical and other).	Workforce	16	12	Supplier required to provide user training with presentation of training plan part of scored evaluation. Key users from each stakeholder group are members of the Project Board.
R07	All relevant locations do not receive correct GLN, this could invalidate solution.	Implementation	16	8	GLN mapping exercise across HBs to be initiated. 'Functional GLNs' to be used first for expediency, mapped to Oracle transfer points. Physical GLNs will be mapped with NHS Estates. Location labelling to be co-ordinated with phased implementation plan.
R08	Complicated architecture of current systems with which the IMS needs to work could delay implementation and drive cost especially if not GS1 compliant.	Implementation	16	9	API standards core to IMS. Interoperability survey work underway using existing GDPR asset registers and Wales wide ADI team support.
R09	Inadequate IT resource to produce APIs that link to PAS/NDR will delay S4S implementation.	Implementation	16	12	FBC requesting additional IT support. Suppliers also assessed on

					ability to provide API based interoperability as key criteria. Scan for Safety team working closely with NDR architects.
R10	Delays in individual HB access to data could slow decision making.	Operational	16	8	Specification requires data to be accessed by HBs with subsequent link to NDR.

2.10 Constraints

The project is subject to the following known constraints:

2.11.1 The Framework Agreement provided by NHS Commercial Solutions is constrained to nine suppliers of Inventory Management Systems. However, market research and discussions with NHS trusts in England indicated that this covers the vast majority of the market at present.

2.11.2 COVID19 restrictions may hamper the rollout of the IMS and will depend upon access to hospitals sites and departments.

2.11 Dependencies

2.12.1 The project is subject to the following known dependencies that will be carefully monitored and managed throughout the lifespan of the scheme.

2.12.2 The ability of the IMS to interface with the NHS Wales systems that are managed by NWIS is dependent upon the release of APIs by NWIS for interfacing. The same is the case for health organisations' managed systems as each org will have to facilitate the release of APIs.

2.12.3 The IMS will require NWSSP to ensure that all catalogues are up to date and populated with GTINs

2.12.4 All health orgs within NHS Wales will be required to adopt GS1 standards for:

- GCP - Global Company Prefix
- GTIN - Global Trade Item Number
- GLN - Global Location Number
- GSRN - Global Service Relation Number

The above will be assisted by a GS1 standards implementation lead, based within NWIS for the duration of the full implementation period of 2 years.

2.12.5 All health orgs who prefer to link the product data from the IMS to the patient and procedure in their local systems will be able to create a mechanism for transmission to NDR and/or the Medical Device Information System in respect of the Medicines and Medical Devices bill.

Economic Case

3. The Economic Case

3.1 Introduction

3.1.1 In accordance with the Capital Investment Manual and requirements of HM Treasury’s Green Book (A Guide to Investment Appraisal in the Public Sector), this section of the FBC documents the procurement process and provides evidence to show that we have selected the most economically advantageous offer, which best meets our service needs and optimises value for money.

3.2 Critical success factors (CSFs)

3.2.1 Critical success factors (CSFs) are the essential attributes for successfully delivering of the project and are used along with investment objectives to evaluate the options.

Critical Success factors

Table 13 – Critical success factors

CSF	Description
Strategic fit	<ul style="list-style-type: none"> Meets agreed investment objectives; Aids collection of UDI information to satisfy impending legislation Aligns with NWSSP strategic direction; Aligns with national strategic direction (i.e. A Healthier Wales, NDR, digital strategy).
Value for money	<ul style="list-style-type: none"> Meets agreed investment objectives; Return on investment is achieved Improves overall value for money, economy, efficiency and effectiveness.
Potential affordability	<ul style="list-style-type: none"> How well the option fits with the APPROVED costs submitted to WG in the SBAR
Potential achievability	<ul style="list-style-type: none"> Is likely to be deliverable in relation to the scale of business change required; Can be delivered within required timescales: procured by May 2021 and operational in one theatre per health org by 31 December 2021 and all theatres by 31 December 2022.

3.3 The procurement process

3.3.1 NHS Wales Shared Services Partnership – Procurement Services invited bids from suppliers on NHS Commercial Solutions Framework Agreement Contract 4425-2415, OJEU ref: 2017/S 090-177096 on behalf of NWSSP and Welsh Government. The ‘further competition’ opportunity was published via the Bravo e-tendering site on the 18th December 2020 with a closing date of the 14th January 2020.

3.3.2 A “further competition”, which is a tender process without the necessity to publish it via the Official Journal of European Union (OJEU), was held inviting the nine (9) suppliers from the Framework. There is no levy charged for the use of this Framework agreement.

The Procurement Criteria

3.3.3 The specification for the purchase of the inventory management solution (IMS) was produced by a team consisting of Informatics, Chief Clinical Information Officers, (CCIO), National Data Resource (NDR) architects, Welsh Government, GS1 specialist advisors, MHRA, Procurement, Logistics and ICT specialists co-ordinated by Andy Smallwood, Assistant Director of Procurement, NWSSP. The final specification and tender documents were issued following agreement from the Project Board.

3.3.4 NWSSP Procurement worked with the Specification task and finish group and Scan for Safety Wales Project Board to agree the tender scoring and tender award criteria in accordance with the Framework guidance and NWSSP SOPs.

3.3.5 The Commercial response carried a maximum total of 30%
 The Technical Response carried a maximum total of 70%

Table 14 - Procurement Evaluation Criteria Weighting

Evaluation criteria		Criteria Weighting %	Total Maximum Marks
Essential Criteria		Pass/fail	
Technical Criteria – 70%-	Interoperability (blue sections)	25	
	Functional (green sections)	25	
	Desirable (Grey sections)	10	
	Implementation (Yellow sections)	10	
Commercial Criteria – 30%	Commercial/Costs	30	

3.3.6 The technical evaluation comprised of the following stages:

- Pass/fail assessment of essential criteria,
- Scoring of submissions for Interoperability, Functionality, Desirable features and Implementation plans.
- Supplier interviews/demonstrations and final evaluation.

The scoring methodology that was applied to the Quality Questions in Interoperability, Functionality and Desirable are detailed below.

Table 15 - Procurement Scoring for Interoperability, Functional and Desirable questions

Classification	Score	Definition
Unacceptable Response	0	no response or wholly inadequate
Partial Response	3	Marginal response, meets some aspects of the requirement but not others, e.g. the response is partially compliant and is supported by explanatory text and / or evidence indicating how the proposed solution meets or will meet the requirement the implementation phase. This response also indicates which aspects of the requirement will not be met. This score may also be allocated to requirements where the response is Fully Compliant and/or Partially Compliant but appropriate explanatory text / and or evidence is not provided, or to requirements where the Supplier has proposed changes to the standard drafting from the Authority that are considered to have a detrimental effect.
Adequate response	7	Meets the requirement adequately e.g. the response is fully compliant and supported by explanatory text and / or evidence indicating how the proposed solution meets or will meet the requirement by the implementation phase.
Excellent Response	10	Strong response meets the requirement and potentially adds value.

The scoring methodology that was applied to the Implementation section only

Table 16 - Procurement Evaluation of Implementation plans

Classification	Score	Definition
Unacceptable Response	0	no response or wholly inadequate
Partial Response	3	Marginal response, contains gaps within the information, does not cover all the keys aspects of the requirements. The response gives little confidence that the Bidder has the capability, resource and/or experience to deliver a contract of this scale to the required standard.
Adequate response	7	Covers all the key elements as a minimum, basic response. The response gives a reasonable degree of confidence that the Bidder has the capability, resource and experience to deliver a contract of this scale to the required standard.
Excellent Response	10	Covers all the key aspects of the requirements, provides a depth of relevant detail that supports the response. The response gives a high degree of confidence that the Bidder has the capability, resource and experience to deliver a contract of this scale to the required standard.

3.3.7 The commercial evaluation was based upon the bidder who submitted the lowest offer to provide the service as described in the requirements was awarded 30 points. The remaining offers were scored on a comparative basis, with the lowest compliant tender receiving 100%. All other tenders were compared against that lowest tender using the formula:

$$\text{Score} = \frac{\text{Price of lowest compliant tender}}{\text{Price of the tender being scored}} \times 100$$

Each bidder was then allocated the mark equivalent to respective proportion of the 30 marks available. E.g. score of 50 will equate to 15 marks (50% of 30)

3.3.8 The commercial evaluation was reviewed by NWSSP’s IM&T National Sourcing Team. The IMS Procurement Evaluation Team had no sight of the Commercial Submissions or analysis until after the technical evaluation had been completed. This was to ensure that there was no bias in the technical scoring from the team’s knowledge of the commercial offerings during the evaluation process.

Outcome of the Further Competition

3.3.9 NWSSP received five responses to our invitation to tender.

The summary of points awarded by supplier is below. Due to the commercial in confidence nature of the bids, the suppliers have been anonymised.

Table 17 - Procurement – summary of supplier selection

Ranking	Description	Technical Score (70 max)	Commercial score (30 max)	Total score
1	Supplier E	50.18	26.20	76.39
2	Supplier C	45.60	30.00	75.60
3	Supplier A	46.36	26.48	72.84
4	Supplier B	43.55	18.74	62.29
5	Supplier D	43.71	12.27	55.99

3.4 Economic appraisal

Introduction

3.4.1 This section provides a detailed overview of the costs and benefits associated with the recommended approach and selected service provider.

Estimating benefits

3.4.2 In January 2020, NWSSP submitted an SBAR paper to WG outlining the potential benefits of pursuing a Scan4Safety approach in NHS Wales. The SBAR paper was approved and NWSSP were requested to form a project team and progress to produce a full business case.

3.4.3 The benefits have been re-focussed into a benefits map linking intermediate benefits to end benefits and our four clearly defined investment objectives. We have also developed a benefits register to support benefits realisation in the programme.

Financial Benefit Assumptions

3.4.4 Financial Benefits will be generated within health orgs following go live and all estimated financial benefits are consistent across all supplier solutions. Whilst the NHS wide financial ‘pay back’ is within the 5 year term, the Project Board believe that this should be viewed as an investment in transforming the NHS and that health orgs be able to reinvest the benefits into accelerating and extending the roll-out to other services such as Pathology.

The following table shows assumptions upon which the financial benefits are based.

Table 18 - Financial benefit assumptions

<u>Cash releasing benefits over 5-year term</u>	£
Reduction in stock holding	1.01m
Reduction in returned inventory	1.01m
Reduced obsolescence	1.84m
Standardisation/rationalisation of product range	6.85m
<u>Non-cash releasing benefits – no £ value attributed</u>	
B01 – Improved patient safety – subsequent benefit of fewer litigation claims	
B02 – Released clinician time back to patient care	
B10 – Released admin time from data mining – Automation of PLICS, TDABC etc.	
B20 – Ability to map reduction of carbon footprint	

Estimating costs

3.4.5 Costs have been calculated based on the financial offering of each of the three supplier bids evaluated during the procurement process and the required supporting NHS cost. Costs have been calculated based on the following assumptions:

- Supplier bids were appraised over a 5-year minimum contract term
- Supplier bids comprised initial capital investment and ongoing revenue costs
- NHS costs comprise Capital implementation costs (staff) and ongoing Revenue costs (both pay and non-pay)
- NHS costs are consistent across all bidders.

This shared approach to service delivery will provide better value – During the development of the FBC it was clear that a single all-encompassing system for Scan for Safety was not practical, nor welcomed by ADIs & CCIOs as its implementation would be too disruptive and would challenge health boards who were at different stages of development. This aligned with the digital strategy and a more flexible solution based upon common standards was the preferred option. The result of this has delivered a solution that costs less and switches the onus from being too reliant on 3rd party systems. This FBC builds a more sustainable and more cost-effective solution for NHS resources.

Net present cost findings

3.4.6 The detailed economic appraisals for each option are attached at Appendix 5, together with detailed descriptions of costs and benefits. The following table shows the results of the economic appraisal for each option:

Table 19 - Key results of the economic appraisal

Supplier A	Undiscounted (£)	Net Present Cost (Value) (£)	Return on Investment
Capital	3,064,779	3,016,818	Capital Investment 101.00%
Revenue	4,180,352	3,826,921	
Total Costs	7,245,131	6,843,739	Total Investment 44.52%
Less Savings	-10,697,220	-9,890,825	
Total	-3,452,089	-3,047,086	
Supplier C	Undiscounted (£)	Net Present Cost (Value) (£)	Return on Investment
Capital	2,337,080	2,304,581	Capital Investment 146.35%
Revenue	4,595,252	4,213,600	
Total Costs	6,932,332	6,518,181	Total Investment 54.74%
Less Savings	-10,697,220	-9,890,825	
Total	-3,764,888	-3,372,644	
Supplier E	Undiscounted (£)	Net Present Cost (Value) (£)	Return on Investment
Capital	2,225,852	2,193,354	Capital Investment 140.34%
Revenue	5,047,652	4,619,346	
Total Costs	7,273,504	6,812,700	Total Investment 45.18%
Less Savings	-10,697,220	-9,890,825	
Total	-3,423,716	-3,078,125	

Capital costs (£)

3.4.7 The following table details the Capital costs of the bids.

Table 20 - Capital Costs

Capital Costs	Supplier A	Supplier C	Supplier E
Supplier Costs Capital			
Hospital ADC Hand Helds	221,598	225,600	0
Data Centre Hardware costs	336,000	390,000	384,372
Other Implementation Costs	785,700	0	120,000
NHS Costs Capital			
GS1 Integration Costs	20,000	20,000	20,000
Version 1 Implementation Costs	50,000	50,000	50,000
S4S Lead	177,875	177,875	177,875
Core Continuous Development team	281,841	281,841	281,841
CET S4S SWAT Team	205,979	205,979	205,979
Logistics Team	891,272	891,272	891,272
NWIS Information Lead	94,513	94,513	94,513
TOTAL CAPITAL COSTS	3,064,779	2,337,080	2,225,852

Recurring revenue costs

3.4.8 Recurring revenue costs have been calculated based on the estimated ongoing running costs. The main assumptions are outlined in the table below.

Recurring revenue cost assumptions

Table 21 - Revenue Cost assumptions

Revenue Supplier Costs – Comprise annual licence costs, annual Datacentre support costs and annual System support costs
NHS Non-Pay costs – These remain the same for all suppliers and comprise annual NHS Datacentre costs, GS1 membership and Bi tool.
NHS Pay costs – Pay costs have been calculated based the planned ongoing support staff FTE required. These costs remain the same for all three supplier solutions as NWSSP maintains responsibility for continuous development.

Total revenue costs (£)

3.4.9 The total revenue costs are incurred over the 5-year term for the contract.

Table 22 - Annual recurring revenue costs

Revenue Costs	Supplier A	Supplier C	Supplier E
Supplier Costs Revenue			
Licence Costs (unlimited App users)	1,325,100	1,170,000	2,192,400
Data Centre Hardware Maintenance		450,000	
Support & Maintenance		120,000	
NHS Costs Revenue			
NHS Datacentre Costs	390,000	390,000	390,000
GS1 Membership	162,000	162,000	162,000
Adviselnc Tool	135,000	135,000	135,000
S4S Lead	266,813	266,813	266,813
Core Continuous Development team	422,762	422,762	422,762
CET S4S SWAT Team	141,769	141,769	141,769
Logistics Team	1,336,908	1,336,908	1,336,908
TOTAL REVENUE COSTS	4,180,352	4,595,252	5,047,652

3.5 Estimating risks

3.5.1 The risks identified are as follows:

Table 23 - Estimated economic risks

ID	Risk Description	Risk Category	Total score (Likelihood x Impact) Pre-stakeholder engagement	Total score (Likelihood x Impact) FBC including mitigation	Mitigation
Risks Assessed Business Case Stage					
R01	Key staff may not be available to support implementation of project.	Workforce	20	10	Key staff identified with backfill and additional resource requested via FBC. Implementation will be phased and informed by HB capacity and priorities.
R03	Differing data standards preventing efficient data sharing.	Operational	20	8	GS1 standards to be adopted. GS1 membership equal to contract duration. NWIS resource to oversee adoption during the implementation phase. Solution must be able to scan a variety of other barcode formats e.g. HBIC
R04	Interface development could impact time and cost due to shortage of IT skills and capacity.	Workforce	16	12	Suppliers selected on the basis of their ability and capacity (with supporting evidence) to develop the necessary interfaces. Pre-implementation HB system architecture survey also initiated. FBC asks for central expert team to assist across Wales. They will be based within CET alongside the

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales
 – Inventory Management Solution – Full Business Case

					Oracle support team.
R06	Workforce unable to adapt to new ways of working (from R&D/procurement/clinical and other).	Workforce	16	12	Supplier required to provide user training with presentation of training plan part of scored evaluation. Key users from each stakeholder group are members of the Project Board.
R08	Complicated architecture of current systems that track products, patients, places within which solution needs to work could delay implementation and drive cost especially if not GS1 compliant.	Implementation	16	9	Interoperability survey work underway using existing GDPR asset registers and Wales wide ADI team support.
R11	System failures resulting in delays in sharing data and loss of functionality.	Operational	15	10	Detailed scrutiny and scoring of supplier SLA for support and maintenance, including how they will achieve system availability, response and fix times and helpdesk availability. Also back up function for handheld scanners when Wifi unavailable has been specified as core to interoperability.
R13	Failure to secure adequate capital funding.	Funding and finance	15	10	FBC funding request is within the initial maximum suggested available WG funds.
R16	System updates e.g. windows 7 to 10 upgrade could impact future delivery of benefits and increase costs.	Operational	12	4	Bidders who did not agree that all upgrades and releases must be available free of charge were excluded from competition. Specification stipulates any solution must be

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales
 – Inventory Management Solution – Full Business Case

					compatible with Windows 10 and above and any new supplier must ensure compatibility with any developments and new iterations at no extra cost.
R17	IMS Procurement process is challenged	Implementation	12	8	Procurement followed a long-established route to market via NHS Commercial Solutions. Comprehensive documentation and notes of decisions captured. Robustness in NWSSP process and full debrief to be offered to all bidders
R21	Clinical teams slow to adopt new solutions will limit expected efficiency gains and will not reduce risk of never events. Stock visibility/traceability will not materialise and opportunity to optimise stock will be limited.	Clinical	12	8	Clinical leads from each HB on the Project Board. Supplier tasked with training in each HB. Solution will be APP based to minimise need for additional devices in clinical setting. Requirement also for secure but easy to use password access.
R23	Oracle update 12.2.9 due July 21 could delay implementation and increase cost.	Operational	12	4	Early scoping meetings with Version 1 specification requires interoperability with Version 1, and Oracle existing and version 12.2.9 as well as subsequent iterations free of charge and with availability maintained via SLA.

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales
 – Inventory Management Solution – Full Business Case

R24	Risk of a technical system-based solution becoming obsolete due to the pace of technological change.	Operational	9	3	Contract duration limited to 5 years with options to extend. System specification stipulates APP/API based core interoperability to facilitate 2-way data flows and minimise risk of system lock-in. Also specified system must be able to receive and send external data using standard interface protocols.
R26	Delays in FBC approval will delay contract start.	Funding and finance	9	6	FBC shared with Project Board for comment and formally submitted in time to allow for approval before contract award.
R29	Failure to deliver within current revenue envelope.	Funding and finance	9	6	IMS Supplier costs are capped. Business case shows a financial benefit over and above the patient and legislation compliance and whilst revenue controls are in place Health orgs may choose to add additional resource to accelerate delivery

3.6 Results of the economic appraisal

3.6.1 The identified risks and benefits are very similar for all three shortlisted suppliers due to the nature of the requirements specification and the standard terms and conditions of the NHS Commercial Solutions Framework Agreement Contract 4425-2415.

3.6.2 The ranking in the table below is related to the weighted points score

Table 24 - Supplier ranking

Ranking	Description	Technical Score (70 max)	Commercial score (30 max)	Total score
1	Supplier E	50.18	26.20	76.39
2	Supplier C	45.60	30.00	75.60
3	Supplier A	46.36	26.48	72.84
4	Supplier B	43.55	18.74	62.29
5	Supplier D	43.71	12.27	55.99

3.6.3 Following the procurement exercise and financial evaluations, the preferred option is to award the contract for the Inventory Management solution to the Supplier E.

Commercial Case

4. The Commercial Case

4.1 Introduction

- 4.1.1 This section of the FBC sets out the commercial arrangements set within the tender for the provision of an IMS under a contract with the preferred supplier – Supplier E
- 4.1.2 In December 2020 and January 2021, NWSSP undertook a procurement, mini competition exercise for the provision of an Inventory Management Solution using the Framework Agreement 4425-2415 provided by NHS Commercial Solutions.
- 4.1.3 At this stage NWSSP is not in a position to proceed with an award of contract to Supplier E as our preferred supplier. This is because NWSSP has received endorsement from the Welsh Government to proceed to FBC stage only.
- 4.1.4 This section of the FBC summarises the procurement exercise that has taken place and outlines the proposal for the provision of an Inventory Management Solution under a contract with Supplier E.

4.2 Required services

- 4.2.1 The specification for the purchase of the Inventory Management Solution (IMS) was produced by a team consisting of Informatics, Chief Clinical Information Officers, (CCIO), National Data Resource (NDR) architects, Welsh Government, GS1 specialist advisors, MHRA, Procurement, Logistics and ICT specialists co-ordinated by Andy Smallwood, Assistant Director of Procurement, NWSSP. The final specification and tender documents were issued following agreement from the Project Board.

NWSSP Procurement worked with the Specification task and finish group and Scan for Safety Wales Project Board to agree the tender scoring and tender award criteria in accordance with the Framework guidance and NWSSP SOPs.

- 4.2.2 The requirements were split into technical and commercial criteria as follows:
- Technical: Essential criteria
 - Technical: Interoperability
 - Technical: Functional
 - Technical: Desirable
 - Technical: Implementation
 - Commercial: Costs
- 4.2.3 The required services within the commercial evaluation include:
- IMS software and licences
 - Infrastructure costs (alongside Oracle within C&V Data Centre) (Server, hardware, etc.)
 - Implementation and ongoing customer services support
 - Maintenance and warranty costs

4.2.4 The proposed services to be contracted for are as follows:

Table 25 - Contracted services

Key Component	Required Specification
Solution purpose	Provision of an Inventory Management Solution capable of scanning and capturing barcode information relating to Products, Patients, Places and Procedures using GS1 and other recognised barcode standards such as HIBC
Service usage	The IMS contract is underpinned with a Service Level Agreement, with contingencies to provide a minimum of 99.5% 'uptime'
Security and Access	The IMS will be hosted within Cardiff and Vale University Health Board's data centre alongside the Oracle servers that support FMS and WMS. The IMS will be accessed via the NHS Wales Active Directory allowing staff to use their existing NADEX. Access permissions will be set per health org in line with existing system access requirements
Technical Interfaces	The IMS provider will operate to API (Application Programming Interface) standards such as HL7 FHIR to assist with interfacing with the key systems across NHS Wales such as, Oracle, WPAS, NDR, various theatre systems such as Ormis, Theatreman etc.
Deployment scale	The IMS will span all theatres and labs where medical devices are inserted into patients as core to the scan for safety programme. However, the aim is that all inventory across NHS Wales is held in the IMS, as such the IMS will be available to load to existing android and IOS tablets. This will allow health orgs to expand its use out of theatres and labs to other service areas such a pathology which will benefit hugely from the granulation of tracking.
Implementation timing.	The IMS will begin to be rolled out from May 2021 and be 'live', as a minimum, within one theatre per health org by 31 st December 2021 and live in all theatres across NHS Wales by 31 st December 2022. The aim is for a speedier and more widespread roll-out, but this is deemed core to be able to meet the impending legislation.

4.2.5 The tender evaluation included 70% technical evaluation and 30% commercial evaluation in line with the procurement framework. Details of the evaluation are outlined in Appendix 4.

4.3 Agreed risk transfer

4.3.1 The IMS contract will be underpinned with a Service Level Agreement that the preferred supplier has already committed to supporting within the tender submission. The SLA ties the supplier to 99.5% ‘uptime and the following support response times:

	Response Time	Fix Time
Priority 1	30 minutes	4 hours
Priority 2	30 minutes	12 hours
Priority 3	30 minutes	7 days
Priority 4	NA	Next available release of the Software

4.3.2 Performance remedies

The SLA also provides for performance remedies should the 99.5% not be met, allowing NWSSP to contract manage the supplier and protect the investment from NHS Wales. The remedies are set out in the SLA and range from escalation, reimbursement to termination.

4.3.3 Risks will be passed to the ‘party best able to manage them’. These will sit with either the IMS provider, NHS Wales or shared and will vary as the scan for safety programme evolves.

Table 26 - Risk allocation

Risk category	Potential Allocation		
	IMS Provider	NHS Wales	Shared
1. Design – risk that the design cannot deliver the services to the required quality standards.			√
2. Planning – risk that approval cannot be obtained.		√	
3. Implementation – risk that the solution is not built on time to budget and specification.	√		

4. Availability and performance – risk that the quantum of IMS solution is less than required under contract.			√
5. Operating – risk that operating costs for the IMS solution vary from budget and that performance standards slip	√		
6. Volume – risk that demand for the use of the IMS exceeds the scope of the project.			√
7. Maintenance – risk the cost of maintaining the IMS varies from budget.	√		
8. Technology and obsolescence – risk that the technology results in services being provided using suboptimal solutions.	√		
9. Funding – risk that availability of funding leads to delays and reductions in scope.		√	
10. Procurement – risks that arise from contractual arrangements between two parties.		√	

4.4 Agreed charging mechanisms

- 4.4.1 The Charges payable under any and all Deployment Order(s) will be calculated by reference to the Financial Model and paid in accordance with Milestones set out in each Deployment Order Implementation Plan related to the relevant Deployment Order and in accordance with the provisions of the Implementation Plan.
- 4.4.2 In all Deployment Orders, only upon the Achievement of a Stable Operation Milestone shall the proposed Contractor be entitled to invoice the Authority Party for the relevant Charges in relation to that specific Milestone.
- 4.4.3 The payment mechanism agreed with the service provider with respect to the proposed products and services is as follows:
- Transitional fixed costs;
 - Annual licence costs;
 - Implementation costs;

4.4.5 Transitional fixed costs

Included within the initial transitional fixed costs are the costs borne by the proposed supplier in developing and configuring the solution to the required specification. This includes:

- Server hardware, software and other data centre set-up costs
- Customisation of forms, portal, dashboards, reports and tools;
- Supplier project management;
- Train the trainer sessions.

4.4.6 Annual licence costs

Included within these costs are:

- NHS Wales unlimited user licence for IMS
- Provision of 280 handheld scanning devices
- Technical assistance;
- Server maintenance including upgrades;
- Account management, service review and meetings.

4.4.7 Integration assistance (into other systems & peripheral devices)

Included within these costs are:

- Oracle FMS & WMS systems;
- Peripheral IOS and Android devices;
- NWIS, NDR systems;
- Theatre systems; WPAS, Ormis, Theatreman etc.

4.5 Agreed contract lengths

4.5.1 NWSSP's initial contract term within the WG SBAR paper was five years without extension. On entering into the FBC procurement process, the Project Board was advised that further extensions that do not exceed the total length of the original contract are permitted within the framework terms. The contract duration has been set for an initial period of five years with the option to extend for three additional years. Therefore, the contract term will be a maximum eight years.

4.5.2 The final contract term of an initial five years is based upon advice from other Scan4safety sites and the maturity of the IMS market. NWSSP has added an additional 3-year option extension period to this term to ensure business continuity beyond the initial period.

4.5.3 At the time of this procurement commencing in 2020, NWSSP is working on the assumption that NHS Commercial Solutions has the intention to review the Framework Agreement for Inventory Management Systems with similar terms. This is likely to maintain the procurement options available in the future, which include direct award contract and mini competition on the framework in addition to independent OJEU for the future solution beyond this contract.

4.6 Key contractual clauses

- 4.6.1 Contractual arrangements will be based on the terms and conditions of the NHS Commercial Solutions’ Framework Agreement 4425-2415 for the provision of Inventory Management Systems OJEU ref: 2017/S 090-177096

4.7 Personnel implications (including TUPE)

- 4.7.1 The TUPE – Transfer of Undertakings (Protection of Employment) Regulations 1981 – will not apply to this investment. This is because this is a new system within which there are no staff undertaking any activities equivalent to those being undertaken by the supplier within the new system.

4.8 Procurement route and implementation timescales

- 4.8.1 The solution was procured using the Framework Agreement for the supply of Inventory Management Systems OJEU ref: 2017 090-177096.
- 4.8.2 Implementation milestones will be agreed in detail as part of the following high-level schedule:

Table 27 - Procurement implementation timetable

Milestone Activity	Start	End
Approval of FBC by NWSSP & WG	5th February 2021	March 2021
Contract award (including 10-day standstill period)	6th April 2021	19th April 2021
Implementation core scope (1 theatre per org min pre-end of 2021)	1st May 2021	31st December 2021
Implementation full scope - live in all theatres across NHS Wales	1st May 2021	31st December 2022
Project Implementation Review	1st January 2022	31st March 2022

4.9 Financial accountancy treatment

- 4.9.1 The assets developed through the delivery of this business case will be accounted for on the balance sheet of Velindre NHS Trust on behalf of the hosted organisation NHS Wales Shared Services Partnership. Funding will be secured through Welsh Government Capital funding and Capital Charges applied accordingly.

Financial Case

5. The Financial Case

5.1 Introduction

5.1.1 The purpose of this section is to set out firm financial implications of the proposed contracted solution. This incorporates the following information:

- Developments since NWSSP’s SBAR paper to WG
- Financial cost profile
- Source of funding
- Financial arrangements
- Overall affordability

5.2 Developments since the OBC

5.2.1 From SBAR to FBC, for the 5-year contract term there has been a net reduction in the cost of the solution. This comprises of a £6.5m decrease in Supplier costs and an associated £4.4m increase in NHS costs; an overall reduction of £2.86m in costs, 23.9%.

Table 28 - Overview of cost changes since the SBAR 1

FUNDING REQUIREMENT	Costs at	Costs at	Costs at	Reduction	% Reduction
	SBAR Stage	SBAR Stage	FBC Stage	in Cost	in Cost
	excl VAT	incl VAT	incl VAT	incl VAT	incl VAT
Supplier Costs	7,664,401	9,197,281	2,696,772	-6,500,509	-70.7%
GS1 Costs	135,000	162,000	162,000	0	0.0%
NHS Wales Costs	200,000	200,000	4,414,732	4,214,732	2107.4%
TOTAL COSTS	7,999,401	9,559,281	7,273,504	-2,285,777	-23.9%
Benefits	-9,834,720	-9,834,720	-10,697,220	-862,500	8.8%
TOTAL	-1,835,319	-275,439	-3,423,716	-3,148,277	1143.0%

5.2.2 The transfer of costs from Supplier to NHS, from SBAR to FBC, reflects engagement with NHS Informatics and Suppliers which established that both the best value for money approach and the preferred approach within NHS Wales is secured by the NHS taking on a strong implementation and development role.

5.2.3 A further area of significant deviation detailed in the table below is movement between Capital and Revenue costs. This reflects the increased contribution of NHS staff to the

implementation of the system and the reduced supplier ongoing costs resulting from this approach.

Table 29 - Overview of cost changes since the SBAR 2

FUNDING REQUIREMENT	Costs at	Costs at	Costs at	Reduction	% Reduction
	SBAR Stage	SBAR Stage	FBC Stage	in Cost	in Cost
	excl VAT	incl VAT	incl VAT	incl VAT	incl VAT
Capital Costs	436,281	523,537	2,225,850	1,702,313	325.2%
Revenue Costs	7,563,120	9,035,744	5,047,652	-3,988,092	-44.1%
TOTAL COSTS	7,999,401	9,559,281	7,273,502	-2,285,779	-23.9%
Benefits	-9,834,720	-9,834,720	-10,697,220	-862,500	8.8%
TOTAL	-1,835,319	-275,439	-3,423,718	-3,148,279	1143.0%

5.3 Impact on the organisation's income and expenditure

5.3.1 The financial profile of the proposed investment for the 5-year contract period is detailed in the cash flow projection provided in the below table. These costs are presented inclusive of VAT.

Table 30 - Financial Cost Profile

SUPPLIER E	April 21- March 22	April 22- March 23	April 23- March 24	April 24- March 25	April 25- March 26	May-26	TOTAL
	11 months	12 months	12 months	12 months	12 months	1 month	COSTS
Supplier Costs Capital							
Implementation Costs	120,000						120,000
Data Centre Hardware Costs	384,372						384,372
NHS Costs Capital							
GS1 Integration Costs	20,000						20,000
Version 1 Implementation Costs	50,000						50,000
S4S Lead	81,526	88,938	7,411				177,875
Core Continuous Development Team	129,177	140,921	11,743				281,841
CET S4S SWAT Team	94,407	102,989	8,582				205,979
Logistics Team	408,500	445,636	37,136				891,272
NWIS Information Lead	43,318	47,256	3,938				94,513
TOTAL CAPITAL COSTS	1,331,301	825,740	68,812	0	0	0	2,225,852
Supplier Costs Revenue							
Licence Costs (unlimited App users)	223,300	466,900	487,200	487,200	487,200	40,600	2,192,400
NHS Costs Revenue							
NHS Datacentre Costs	71,500	78,000	78,000	78,000	78,000	6,500	390,000
GS1 Membership	32,400	32,400	32,400	32,400	32,400	0	162,000
AdviseInc Tool	27,000	27,000	27,000	27,000	27,000	0	135,000
S4S Lead	0	0	81,526	88,938	88,938	7,411	266,813
Core Continuous Development Team	0	0	129,177	140,921	140,921	11,743	422,762
CET S4S SWAT Team	0	0	43,318	47,256	47,256	3,938	141,769
Logistics Team	0	0	408,500	445,636	445,636	37,136	1,336,908
NWIS Information Lead	0	0	0	0	0	0	0
TOTAL REVENUE COSTS	354,200	604,300	1,287,121	1,347,351	1,347,351	107,329	5,047,652
TOTAL COSTS	1,685,501	1,430,040	1,355,933	1,347,351	1,347,351	107,329	7,273,504

5.3.2 The payment stream for the scheme over the intended lifespan of the project is as follows:

- The planned Contract Start date is 1st May 2021 with Supplier implementation annual licence costs and implementation costs payable from the start of the contract...
- Funding for Warehouse Gun purchases has been sought through 2020/21 Capital funding. If this funding is secured this funding will no longer be required through this

business case. However, if this application is unsuccessful these costs will be incurred immediately following contract award.

- Integration and Implementation costs will be incurred during the initial 2-year implementation period.
- Ongoing Datacentre, GS1 membership and AdviseInc Tool costs will be met annually by NWSSP on behalf of NHS Wales.
- All NHS Wales pay costs will be provided through payroll.

5.4 Source of Funding

- 5.4.1 Following discussion with NHS Directors of Finance, this FBC seeks approval for a capital investment from Welsh Government of £2.225m for supplier and Health Org implementation costs.
- 5.4.2 Following discussion with Welsh Government 4 options were considered for funding both the initial and ongoing revenue costs of the project. These options are summarised in table 31 below:

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales –
Inventory Management Solution – Full Business Case
Case

Table 31 - Overview of revenue funding options

Revenue Funding Option	Advantages	Disadvantages
<p style="text-align: center;">Option 1</p> <p>Revenue costs apportioned to Health Orgs and Welsh Government based on NWSSP Distribution percentages for all years</p>	<ul style="list-style-type: none"> • Will allow WG to shape Once for Wales approach • Welsh Government has a stake in the project • All Health Orgs have a stake in the project 	<ul style="list-style-type: none"> • Complex Model for initial set up • WG Required to provide ongoing funding • Does not reflect the savings to be generated in Health Orgs • Return on investment is not immediate and Health org contributions required immediately
<p style="text-align: center;">Option 2</p> <p>Revenue costs apportioned to Health Orgs only based on NWSSP Distribution percentages for all years</p>	<ul style="list-style-type: none"> • All Health Orgs have a stake in the project • No impact on WG Budget Planning 	<ul style="list-style-type: none"> • Complex Model for initial set up • Does not reflect the savings to be generated in Health Orgs • Return on investment is not immediate and Health org contributions required immediately
<p style="text-align: center;">Option 3</p> <p>WG Pump Prime Revenue Costs for the first 2 years with Health Orgs to fund thereafter, once the savings are generated in year 3</p>	<ul style="list-style-type: none"> • WG investment in transformation • Will allow WG to shape Once for Wales approach • Welsh Government has a stake in the project • No long term WG funding requirement • All Health Orgs have a stake in the project • Recognises Health Orgs savings when generated 	<ul style="list-style-type: none"> • Complex Model for initial set up • WG Pump Priming funding sunk
<p style="text-align: center;">Option 4</p> <p>WG provide Invest to Save Revenue Funding for the first 2 years with Health Orgs to fund refund and ongoing costs in years 3-5</p>	<ul style="list-style-type: none"> • WG investment in enabling transformation • Will allow WG to shape Once for Wales approach • Welsh Government has a stake in the project • No long term WG funding requirement • All Health Orgs have a stake in the project • Recognises Health Board savings when generated • WG I2S funding recovered in years 3-5 	<ul style="list-style-type: none"> • Complex Model for initial set up • Reduces surplus Health Board savings available for reinvestment

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety
Wales – Inventory Management Solution – Full Business Case

5.4.3 From the table above option 4 provides best fit for the requirements of all stakeholders and therefore this FBC seeks two years Invest to Save revenue funding from Welsh Government, £958.5k to allow the NHS benefits to come to fruition. From year three onwards the programme benefits will allow the NHS to cover both the repayment of this initial investment and the ongoing revenue costs of the service. Table 32 below shows the proposed apportionment of revenue costs totalling £5.048m over 5 financial years.

Table 32 - Proposed apportionment of revenue costs

		April 21- March 22	April 22- March 23	April 23- March 24	April 24- March 25	April 25- March 26	May-26	TOTAL
		11 months	12 months	12 months	12 months	12 months	1 month	COSTS
Aneurin Bevan	15.2%			241,697	253,007	253,007	20,154	767,867
Swansea Bay	13.6%			215,933	226,037	226,037	18,006	686,013
Betsi Cadwaladr	18.5%			293,963	307,719	307,719	24,512	933,913
Cardiff & Vale	16.2%			257,402	269,447	269,447	21,464	817,758
Cwm Taf	16.4%			260,101	272,272	272,272	21,689	826,334
Hywel Dda	12.0%			190,659	199,581	199,581	15,898	605,718
Powys	3.0%			47,849	50,088	50,088	3,990	152,014
Velindre	1.8%			28,709	30,053	30,053	2,394	91,209
WAST	2.0%			31,408	32,878	32,878	2,619	99,784
Public Health Wales	1.3%			21,103	22,090	22,090	1,760	67,042
Welsh Government		354,200	604,300	-301,702	-315,820	-315,820	-25,158	0
Total	100.0%	354,200	604,300	1,287,121	1,347,351	1,347,351	107,328	5,047,651

5.4.4 These costs are apportioned across Health Organisations based on the NWSSP shares which reflect the size of each organisation. Currently no NHS cost savings from associated benefits are projected at organisation level, Due to the current pandemic situation and impact on stock holdings this has not been possible to complete. Although all benefits are estimated on a pan Wales basis, benefits realised will be captured throughout the contract period by the Core Continuous development Team and this will enable review of these funding shares when benefits crystallise. The table below summarises the indicative benefits over a 5 year term.

Benefits summary - Business Case						
	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Total (£)
Stock Holding:						
Reduction in stock holding	143,750	431,250	431,250			1,006,250
Returned inventory	143,750	431,250	431,250			1,006,250
Reduction in obsolete stock	115,000	345,000	460,000	460,000	460,000	1,840,000
Standardisation and rationalisation of product range:						
	115,312	1,614,375	1,868,063	1,665,113	1,581,857	6,844,720
Total Benefits - 5 Years (£)	517,812	2,821,875	3,190,563	2,125,113	2,041,857	10,697,220

- 5.4.5 Through the SBAR revenue funding of £200k was secured for financial years 2020/21 and 2021/22 for project support. Costs incurred against this agreed funding stream have slipped due to COVID19 and only a small amount of funding will be drawn down for 2020/21. For 2021/22 the staff costs linked to this revenue funding stream are included as capital implementation costs and there will therefore be no further call on this funding stream.

5.4.6 If the contract is extended to its maximum term of 8 years an additional £1.347m per annum will be required to be funded by the NHS apportioned as per Table 33

Table 33 – Ongoing proposed apportionment of revenue costs

		Ongoing Funding
		Annually £
Aneurin Bevan	15.2%	204,964
Swansea Bay	13.6%	183,115
Betsi Cadwaladr	18.5%	249,286
Cardiff & Vale	16.2%	218,281
Cwm Taf	16.4%	220,570
Hywel Dda	12.0%	161,682
Powys	3.0%	40,577
Velindre	1.8%	24,346
WAST	2.0%	26,635
Public Health Wales	1.3%	17,895
Welsh Government		0
Total	100.0%	1,347,351

5.5 Financial Arrangements

- 5.5.1 The balance sheet of Velindre NHS Trust, on behalf of NHS Wales Shared Services Partnership (NWSSP), will reflect the Capital Asset generated.
- 5.5.2 In year 3 following full implementation the need for an impairment review will be considered.
- 5.5.3 Depreciation will be applied over the period of the contract effective in the quarter following rollout. Due to the phased nature of the rollout, depreciation charges will reflect an increasing percentage until full rollout is achieved.
- 5.5.4 Ongoing revenue costs relating to Supplier charges and NHS costs will be incurred by NWSSP as hosted by Velindre NHS Trust.
- 5.5.5 Supplier costs include VAT, however, we have been advised by Ernst Young that they are making a case to HMRC for VAT recovery under COS 14 for a Scan 4 Safety system currently being implemented elsewhere. If this is successful, we will make a similar application to secure VAT savings of £450k over the 5-year contract period.

5.6 Overall affordability

- 5.6.1 This FBC evidences that the proposed contractor's solution offers the best value for money of all bids received and will generate a significant return on investment across NHS Wales.
- 5.6.2 Following discussion with NHS Directors of Finance, this FBC seeks approval for a capital investment from Welsh Government of £2.225m for supplier and Health Org implementation costs.
- 5.6.3 In addition, this FBC seeks two years Invest to Save revenue funding from Welsh Government, £958.5k to allow the NHS benefits to come to fruition. From year three onwards the programme benefits will allow the NHS to cover both the repayment of this initial investment and the ongoing revenue costs of the service
- 5.6.4 Total cost of the project is £7.273m over the lifespan of the minimum contract period of five years. However, a contract extension is available creating a maximum of eight years in compliance with the IMS framework terms and conditions.
- 5.6.5 Further annual revenue funding of £1.347m will be required be met by the NHS for each of these potential 3 years of extension and any subsequent renewal.
- 5.6.6 It should be noted that this contract represents a fundamental shift in Inventory Management and ongoing long-term financial support for these arrangements will be required.

Management Case

6. The Management Case

6.1 Introduction

- 6.1.1 This section of the FBC addresses the mechanism of how the IMS will be delivered to support the aims of the Scan for Safety Programme. It sets out in more detail the approach to ensure the successful delivery of the scheme in accordance with best practice.
- 6.1.2 The implementation of an IMS solution is a significant digital change, the outcome of which will have a fundamental impact on the operational efficiency of each health org. In preparation for this, NWSSP has been working with health boards to assess the requirement. Several have requested that they are the 'pilot sites' so that they generate the benefits first. However, this should not be considered as a pilot project as both the technology and the benefits have already been proven from within the DHSC England 6 pathfinder trusts.
- 6.1.3 A strong business case for change and effective project management will provide the health orgs with a new capability but will not automatically result in achievement of maximum benefits and sustainability post implementation. To address this, each health org will take a programme approach to the scheme to ensure that programme principles are observed, including:
- Remaining aligned with national goals
 - Investing in the cultural changes needed
 - Making iterative adjustments to systems to ensure full interoperability
 - Align data flow with NDR and be able to satisfy the data responsibilities of the Medicines and Medical Devices Bill
- 6.1.4 From the outset of the Scan for Safety Wales Programme, we have ensured that the IMS is a clinical and informatics led development which will continue through our strong and clear strategic case for change. The delivery of which sets out how this solution is an enabler for delivery of the ambition of full traceability.

6.2 Programme management arrangements

6.2.1 The implementation of the IMS and ongoing support and evolution of the Scan for Safety Wales Programme will fall to a newly formed Scan for Safety/transformation team. The team will be a mix of redeployed NWSSP staff together with some newly funded posts outlined in this FBC. The Scan for Safety/transformation team will be responsible for overseeing activities linked to achieving the benefits and outcomes, including but not limited to:

- IMS Project – implementation of the Inventory management solution
- Linkage to NDR
- Maximising benefits of employing GS1 standards
- Interfacing with existing national systems
- Building a core analytics function to maximise use of the data
- Using the analytics create a continuous improvement function
- Benefits realisation projects

Team reporting structure

6.2.2 The reporting structure will include team members who will work on specialist areas within the project plan including:

- Technical and interfacing Group;
- Training Team & S4S Champions;
- User Functional Design Group;
- Continuous improvement & Analytics

Scan for Safety/Transformation Team roles and responsibilities

6.2.3 An overview of the Team structure and linkage to wider NHS colleagues is shown in Appendix 6. Each member’s roles and responsibilities are shown in the following table:

Table 34 - Team Roles & Responsibilities

ROLE	RESPONSIBILITY
<p><i>Scan for Safety Project Executive -</i></p> <ul style="list-style-type: none"> • <i>Assistant Director of Procurement Innovation Systems</i> 	<p>The Executive’s role is to ensure that the IMS project is focussed throughout its life on achieving the forecasted benefits. The Executive has to ensure that the project gives value for money, balancing the demands of the service user and supplier. The Executive’s role is also to ensure that the IMS interfaces with existing and new systems in place across NHS Wales to achieve the broader aims of Scan for Safety Wales. These additional tasks will sit alongside the existing analytical and leadership responsibilities for the role.</p>
<p><i>Implementation and continuous Development lead</i></p>	<p>Ensure benefits are maximised from the implementation of the IMS and its interfacing with existing systems to help deliver the requirements of the Medicines and Medical</p>

NHS Wales Shared Services – **COMMERCIAL IN CONFIDENCE** Scan for Safety Wales
 – Inventory Management Solution – Full Business Case

	Devices Bill. Oversee the analytics function in highlighting improvements in practice and enhanced patient safety features.
<i>Logistics and Materials Management Business Partners</i>	7 roles to ensure national coverage - To act as both the local Scan for Safety 'super user' and co-ordinate all modernisation of materials management, including receipt and distribution services. Ensure local pressures and opportunities are incorporated in the national strategy and operation.
<i>IT Project Manager and Interfacing Lead</i>	To act as the IT Project Manager liaising with the Supplier Project Manager and lead on the hardware implementation and IMS interfacing across Oracle, FMS & WMS and other Theatre management systems in use. Project Management activities on behalf of NWSSP and Health Organisations to ensure coordination of implementation activities such as testing coordination and sign off.
<i>Scan for Safety IT Business Partner</i>	To act as the central subject matter expert, ensuring processes and documentation in relation to the IMS are held in a Document Library. To work with local business partners to schedule system and software changes and coordinate with the supplier. Coordinate with the supplier and Health Organisation any hardware maintenance requirements.
<i>Warehouse Operations Management Scan for Safety Lead</i>	To act as the lead for driving the right culture and training to ensure the delivery of system benefits across the stock holding.
<i>Warehouse Receipt and Distribution Scan for Safety Lead</i>	To act as the lead for driving the right culture and training to ensure the warehouse operations embrace the changes to procedures required to capture key information via the scanning of products both in and out of the warehouses.
<i>NWIS (DHCW) GS1 standards lead</i>	Ensure NHS Wales maximises the benefits of GS1 standards adoption. The adoption of standards required for Scan for Safety will also benefit numerous other services across NHS Wales; NDR, TRAMS, Equipment libraries, HSDU, Patient notes tracking, Laundry services etc.

Project Plan

6.2.7 Procurement & Implementation. These dates will be refined in detail during the contract award process.

Table 35 - Implementation Plan Milestones

Milestone Activity	Start	End
Approval of FBC by NWSSP & WG	5th February 2021	March 2021
Contract award (including 10-day standstill period)	6th April 2021	19th April 2021
NWSSP Procurement teams populate Oracle catalogues with product GTINs	15th February 2021	1st May 2021 (implantable devices)
Allocation of GLNs across health orgs in NHS Wales	15th February 2021	1st May 2021 (functional GLNs)
NHS system map for product, place and patient created	1st December 2020	1st May 2021
IMS contract start date	1st May 2021	1st May 2021
Implementation core scope (1 theatre per org min pre-end of 2021)	1st May 2021	31st December 2021
Implementation - live in all theatres across NHS Wales	1st May 2021	31st December 2022
Project Implementation Review	1st January 2022	31st March 2022

6.3 Arrangements for change and contract management

Programme & Project Change Management

6.3.1 The management of issues and change at project level will be undertaken in accordance with PRINCE2. Issues will be logged, assessed and managed by means of an issue log. Requests for change will be logged and managed via a change log.

6.3.2 The responsibility for the delivery of service change will ultimately belong to the Scan for Safety/Transformation team and will remain under its control.

6.3.3 Change control responsibilities:

Table 36 - Change control responsibilities

Role	Responsibilities
Implementation and Continuous Development Lead	To manage the issue and change control process for programme level changes that have an impact on other projects or resources.
Implementation and Continuous Development Lead	To create a maintain the change control approach To manage the issue and change control process with the Project Support To create and maintain the issue register, assisted by Project Support To implement corrective actions
Scan for Safety IT Business Partner	To maintain structured documentation in relation to the operation of the IMS and ensure all systems and software changes are planned and recorded. To liaise with Health Orgs and local leads in relation to system update planning and delivery
Project Executive	To determine the change authority and change budget within the project To set the scale for rating the severity of issues To set the scale for priority ratings of requests for change and off specifications To respond to requests for advice to make decisions on escalated issues, with particular focus on continued business justification
IMS Supplier Lead	To respond to requests for advice from the Project Executive or the Implementation and Continuous Development Lead To make decisions on escalated issues, with particular focus on safeguarding the integrity of the complete solution

- 6.3.4 Change control responsibility at programme level will be to ensure that within the clear tranches of activity, projects are empowered to deliver within tolerances and limits that do not exceed their delegated authority. This will allow the individual project managers and work leads to manage their projects within the tolerances set by the programme. The programme will provide an escalation route for managing exceptions where programme controls are in place to manage decision authority to ensure that impact on other activities outside of the individual project are considered.

Contract Management

- 6.3.5 The responsibility for the management of the IMS commercial contract will be with the Assistant Director of Procurement Innovation Systems in conjunction with NWSSP's IM&T Sourcing Team. This is a senior management role currently part funded within the Directorate's existing funding. The purpose of the role will be act as a champion for transformational change and to maximise the benefits of the Scan for Safety Programme for NHS Wales.

Digital System Change Control

- 6.3.6 For the duration of the IMS contract, NWSSP will establish a clinically led user group/clinical reference group for Scan for Safety which will agree on changes and developments to the solution. The changes will be formally documented within a change control process and fully assessed to identify their impact on the business, commercial implications and delivery mechanism.

6.4 Arrangements for benefits realisation

- 6.4.1 Overall responsibility for benefits realisation will be with the Assistant Director of Procurement Innovation Systems. Benefits will be monitored throughout the programme and a benefits realisation mechanism put in place to ensure all health orgs learn from each other and opportunities are maximised.
- 6.4.2 Owners will be identified for each benefit at both national and local level to ensure consistency of reporting. Action plans are being developed for realisation of each benefit. This will ensure that health orgs are committed to realising their benefits with clear responsibilities for adding value through the realisation process.
- 6.4.3 NWSSSP recognises that effective benefits realisation management is a vital requirement of this business case to ensure that the outputs from the IMS and its linkage to the broader Scan for Safety goals are developed into the effective outcomes that we are looking to achieve in our investment objectives. The Implementation and Continuous Development Lead will work with the health orgs to support this process.
- 6.4.4 The Implementation and Continuous Development Lead will be responsible for the Benefits Management Strategy, reporting through the structures in place. This will include creating a

roadmap for the achievement of benefits, defining the frequency of benefit reviews and the measurement techniques.

6.5 Arrangements for risk management

6.5.1 Risk management will be undertaken at programme and project level for this scheme. The programme level will be in the wider strategic context of our desired outcomes and benefits.

6.5.2 Individual responsibilities for risk management:

Table 37 - Individual risk management responsibilities

Role	Responsibilities
Project Executive	To ensure that risk is being managed appropriately To ensure that risks associated with the business case are identified, assessed and controlled Approve escalation of risks to Directorate or Corporate Risk Registers
<i>Logistics and Materials Management Business Partner</i>	To ensure that the risks to the users are identified, assessed and controlled (such as the impact on benefits, operational use or audit etc.)
IMS Supplier Lead	To ensure that the risks relating to the supplier aspect are identified, assessed and controlled
Implementation and Continuous Development Lead	Developing and managing the risk management strategy. Ensure programme adheres to the risk management principles Maintain the programme level risks at Corporate and Function levels. Managing and co-ordinating the risks relating to operational performance and benefits achievement
IT Project Manager and Interface Lead	To ensure that system risks are managed from NWSSP and ensuring that Health Org issues are captured and addressed.
Scan for Safety IT Business Partner	Ensure all processes in relation to the operation of the IMS are documented and risk managed.

6.5.3 The arrangements for risk management within this will also be embedded within the NWSSP's current risk management to ensure that the business-related risks are monitored

6.6 Arrangements for contract & service management

6.6.1 The Implementation and Continuous Development Lead is responsible for the live service quality and ensuring that all service levels are achieved or exceeded by the supplier. The Implementation and Continuous Development Lead will hold regular meetings with the supplier for the duration of the contract.

Discussions will include:

- Financial performance,
- Key personnel changes,

- Implementation project performance,
 - System performance,
 - Service Desk performance
 - Fault fixing performance.
- 6.6.2 NWSSP will sign up to a service level agreement with the supplier as part of the commercial contracting process at award stage in accordance with the framework terms and conditions.
- 6.6.3 NWSSP Central Team will provide first line support for the IMS hosted provision. This will be in conjunction with the C&V UHB Data Centre.
- 6.6.4 NWSSP Central Team in conjunction with the supplier of the IMS will be responsible for the day to day maintenance of the system and for implementing any formally planned and approved changes to the system configuration. Including testing of the changes in the test environment and the live environment.
- 6.6.5 The Scan for Safety IT Business Partner within Central Team will be responsible for maintaining documentation in relation to IMS service provision and ensuring all software changes are planned and documented.

6.7 Arrangements for post project evaluation

Project Implementation Review (PIR)

- 6.7.1 A Post Project Evaluation will be undertaken at the end of the project. An End of Project Report will be undertaken to review implementation and appraise whether the project has delivered its anticipated outcomes and benefits. The Lessons Learned Report, to improve project delivery through lessons learnt during the project delivery phase, will be included within the End of Project Report.
- 6.7.2 The composition of the End of Project Report will be in accordance with PRINCE2 and will include the following:
- Summary of the project performance by the Implementation and Continuous Development Lead;
 - Review of the business case, summarising its validity, benefits achieved to date, residual benefits, expected net benefits and deviations from the business case;
 - Review of team performance;
 - Review of products, including quality records, approval records, off-specifications and project product handover;
 - Summary of follow-on-action recommendations;
 - Lessons learned.

6.8 Gateway review arrangements

6.8.1 During the development of the Business Case for the IMS in support of the Scan for Safety Wales Programme, various stakeholder meetings have been undertaken including:

- All Wales Assistant Directors of Informatics Group
- All Wales Assistant Directors of Finance and Procurement
- NWSSP Logistics senior leadership team
- NWSSP Procurement Services senior management team
- Lead and Assistant Lead NDR architects
- All Wales Medical Directors Group
- Gateway Reviews will be agreed as part of the Full Business Case approval with Welsh Government.

6.9 Contingency plans

6.9.1 NWSSP will manage contingency planning through the Senior Leadership Team and reported to the Shared Services Committee and the Velindre Trust Board as a standing agenda item.

Appendices

7. Appendices

7.1 Appendix 1 – Benefits

Description	Type of Benefit		
	Patient benefit	“Stock” benefit	Data benefit
Product recall	✓		✓
Patient journey recorded	✓		✓
Individual patient costs show the individual items and their relevant tracking and tracing numbers	✓		✓
Patient Level Costing			✓
Products closely monitored and managed		✓	✓
Products can be split and shared from 1 pack		✓	✓
Wastage is recorded accurately		✓	✓
Data can be compared of same procedure by different surgeon/clinician	✓		✓
Data can be compared of same procedure in different locations	✓		✓
Obsolete stock is monitored and recorded		✓	✓
Improved depth of coding	✓		✓
Products can be transferred by location and traced		✓	✓
Less time looking for stock	✓	✓	✓
Products can be managed before expiration.		✓	✓
Standardisation of kits and equipment – decisions can be made		✓	✓
Reduced manual stock keeping		✓	✓
Ability to easily run stock reports		✓	✓
Product demand aggregation		✓	✓

7.2 Appendix 2 – A scan of the benefits: the Scan4Safety evidence report



A scan of the benefits: the Scan4Safety evidence report

Improving patient safety and
saving money using point-of-care
scanning in the NHS



7.3 Appendix 3 – Risk Assessment



Appendix 3 Risk
Register v 0.3.xlsx

7.4 Appendix 4 – Procurement scoring

REF	TECHNICAL REQUIREMENT	POSSIBLE %	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
			OUTCOME %				
1.00	Mandatory Requirements	P/F	Pass	Pass	Pass	Pass	Pass
2.00	Interoperability	25%	16.67%	15.42%	16.67%	15.00%	18.44%
3.00	Functional	25%	17.63%	17.06%	17.06%	16.31%	17.81%
4.00	Desirable	10%	6.73%	6.73%	6.20%	6.73%	6.93%
5.00	Implementation	10%	5.33%	4.33%	5.67%	5.67%	7.00%
TOTAL			46.36%	43.55%	45.60%	43.71%	50.18%

COMMERCIAL SUMMARY		Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
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Hosted NHS Data Centre						
Total Cost		£2,223,665	£3,142,075	£1,963,000	£4,798,488	£2,247,310
Commercial Position		2	4	1	5	3
Weighted Score		26.48%	18.74%	30.00%	12.27%	26.20%
Technical + Commercial Score		72.84%	62.29%	75.60%	55.99%	76.39%
Overall Position		3	4	2	5	1

7.5 Appendix 5 – Financial overview



Appendix 5 scan 4
safety Economic Appr

7.6 Appendix 6 – Team Structure



Appendix 6 Team
Structure.pptx



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AGENDA ITEM:xx

18 March 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NHS Wales Mediation Network

**ARWEINYDD:
LEAD:**

Gareth Hardacre, Director of Workforce, OD and Employment Services

**AWDUR:
AUTHOR:**

Rhiannon Windsor, Head of Workforce and Organisational Development

**SWYDDOG ADRODD:
REPORTING
OFFICER:**

Gareth Hardacre, Director of Workforce, OD and Employment Services

**MANYLION
CYSWLLT:
CONTACT DETAILS:**

Gareth.hardacre@wales.nhs.uk

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

The Committee are asked to consider a request to fund the costs associated with the development of a new Mediation Network for NHS Wales. The development of the Network is seen to be an integral part of the wider work to address concerns relating to bullying and harassment arising from Staff Survey feedback, setting a framework for improved working relationships and encouraging respect and early resolution of grievances and dignity at work matters.

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 :

NHS Wales Healthy Working Relationships Steering Group

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	
Argymhelliad/ Recommendation		The Committee are asked to APPROVE that the costs of providing this service in 2021/22 are met from a call on savings within NWSSP.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	The development supports the promotion of equality and diversity improvements across NHS Wales.
Cyfreithiol: Legal:	No direct issues noted.
Iechyd Poblogaeth: Population Health:	No direct issues noted.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct issues noted.
Ariannol: Financial:	The financial implications of this initiative are included in this paper.
Risg a Aswiriant: Risk and Assurance:	The promotion of the Network will help to manage the risks of poor working relationships.
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:	The establishment of the Network will help to promote a healthier and happier workforce.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open.

NHS Wales Mediation Network

1. CEFNDIR/BACKGROUND

The development of a [Healthier Working Relationships](#) policy framework aims to make it more normal for us all to take active responsibility for our relationships in the workplace, encouraging better conversations and having the courage to speak up when tensions arise. We can mainly do this within teams and organisations by:

- creating an expectation that we all have a responsibility for raising issues and concerns constructively and need to work together to resolve them;
- ensuring that we all feel as safe as possible to be honest and have brave/ difficult conversations;
- ensuring that there are a range of appropriate options available to support and challenge individuals and groups; and
- developing leaders so that they regularly ask open questions *“what is working now and what isn’t” “how can we make things better” “what can I do to help you?”*

The NHS Wales Healthy Working Relationships Steering Group recognise the challenge and time required to shift individual expectation away from one of action under the formal policy being the first step in the resolution process, to being the last; to support this we have created a suite of tools and supportive prompts to increase awareness, a new [Respect and Resolution Policy](#), and creation of the new NHS Wales Mediation Network – seen as crucial to ensuring the whole approach works.

With the agreement and support of the NHS Wales Workforce Directors peer group a Network of Mediation Support has been scoped and is in the process of being established for across NHS Wales.

- A Mediation Network Co-ordinator has been appointed on a 12 month fixed term contract for 2 days per week to co-ordinate and lead all aspects of the Mediation Network including procuring and delivering initial and ongoing training, selecting mediators, providing updates to key stakeholders and being an active Mediator.
- Accredited Mediation Network Co-ordinator Training for the Network Co-ordinator has already been sourced.
- Expressions of interest in becoming a mediator have been received from 42 people across Wales (to be considered, mediators have to be able to flexibly commit 10% (on average) of their time to the Network (including initial training, mediating

- and ongoing CPD), of which 20 are ready to progress onto the training.
- A successful procurement exercise has been run, with a preferred provider of mediation training now identified and contract awarded. Dates for the first training cohort are to be set shortly.

Costs and Benefits

Creation of this new Network is crucial to delivery of the overall Respect and Resolution Framework for NHS Wales and is expected to achieve the following benefits:

- Helping to embed the ethos of Healthier Working Relationships;
- Creating clear and shared standardised levels of mediation support for all NHS Wales colleagues including expectations of quality and timeliness;
- Ensuring a single point of contact for NHS Wales Colleagues;
- Delivering economies of scale both immediately but also for scalability to include social care/other parts of Welsh Public Services as needed;
- Building pan-organisational resilience;
- Developing pan-organisational collaborative relationships; and
- Enhanced mediation capabilities across through dealing with a range of routine and more complex conflict situations with a diverse range of employees and across different organisations.

There are two main direct costs to the approach: the backfill costs of Network Co-ordinators time (40% including on-costs of an 8a salary) and the costs of training and accrediting mediators.

As previously identified, all costs that are incurred during 2020-21 are being met by HEIW (including the Mediation Network Co-ordinator backfill and training and the training of the initial cohort of mediators) which is estimated at £35k. From April 2021, it was agreed that organisations would share these costs going forward.

The estimated costs for 2021/22 of £58k are broken down as follows:

- Co-ordinator salary (8a + oncosts @40% = £26,018)
- mediation training per person (estimated at £1k = £36k + VAT)

2. CRYNODEB/SUMMARY

The NHS Wales WOD Peer Group have requested that as the funding needs to be accounted for in a co-ordinated fashion, and that NWSSP agrees to fund the costs of the Mediation Network (estimated at £62k) for the next financial

year (2021-2022). It is proposed that this would be made from a call on the dividend returned from the NWSSP to HBs. This payment would be for the first year only initially to allow for an evaluation of the new arrangements.

3. ARGYMHELLIAD/RECOMMENDATION

The Committee are asked to **APPROVE** the request to fund the 2021/22 costs from a call on savings within NWSSP.



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AGENDA ITEM:XX

9 March 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Procurement of an All Wales E-scheduling system for District Nurse Teams

ARWEINYDD: LEAD:	Hywel Jones, Procurement
AWDUR: AUTHOR:	Matthew Dance, Digital Workforce
SWYDDOG ADRODD: REPORTING OFFICER:	Gareth Hardacre, Workforce

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

To provide an update on the Procurement of All Wales E-scheduling system for District Nurse Teams

Llywodraethu/Governance

Amcanion: Objectives:	To secure an of All Wales E-scheduling system for District Nurse Teams that provides better Value for Money , standardisation of systems/ contracts and releases cash efficiencies through economies of scale. To subsequently work in partnership with NHS Wales to developing processes, policies and guidance that promotes Excellence and utilises NHS resource (staff and technology) in the most efficient way.
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Ymgynghoriad/Consultation :

Delivered in Partnership with Procurement and NHS Wales District Nurse colleagues.

Adduned y Pwyllgor/Committee Resolution (insert v):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	v
Argymhelliad/ Recommendation		The Committee is asked to note the award of the 2 year contract for an All Wales E-scheduling system for District Nurse Teams on 31 st March 2021					

Crynodeb Dadansoddiad Effaith:

Summary Impact Analysis:

Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	No significant impact

Iechyd Poblogaeth: Population Health:	Increased efficiency in scheduling of patient visits by the District Nurse Teams in Wales will contribute to improved population health.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	<ul style="list-style-type: none"> • Technology facilitates the efficient scheduling of patient visits by the District Nurse workforce thus ensuring patient care and safety. • Ability to monitor District Nurse service delivery both nationally and locally.
Ariannol: Financial:	<ul style="list-style-type: none"> • Alignment and parity of e-scheduling solutions and contracts across Wales provides better Value for Money, with significant cash releasing savings through WG revenue funding, plus additional opportunity cost savings on a lower All Wales rate realised through contractual economies of scale. • The pricing structure for the All Wales contract will include a sliding scale on the licence price which will provide savings throughout the contract on additional licence purchases • Anticipated efficiencies related to subsequent efficiency work streams
Risg a Aswiriant: Risk and Assurance:	All risks recorded and managed via Project procurement tender documentation (not included with update)
Safonau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	Proposed implementation monitored via the creation of relevant District Nursing forum & Executive Nurse Directors
Deddf Rhyddid Gwybodaeth/ FOIA	OPEN

Update on an All Wales E-scheduling System for District Nurse Teams

BACKGROUND

In March 2019 the Health, Social Care and Sport Committee held a one-day inquiry into community and district nursing. The following August the Committee published a report on that inquiry and on 20 September 2019 the Minister for Health and Social Care accepted nine of the ten recommendations made.

Two of the recommendations were directly related to the Neighbourhood District Nursing Pilots being undertaken at that time: firstly to roll out nationally the learning outcomes of those pilots if they evaluate well; and secondly to roll out e-scheduling if it evaluates well.

On the 25 September 2020 the Executive Nurse Directors held a workshop to consider the learning outcomes from these pilots. Following the workshop the Executive Nurse Directors agreed that e-scheduling should be rolled out on a national basis to avoid two main issues: firstly, individual health board contracts lead to much poorer value for money; and secondly it leads to inconsistencies in the reporting data from different software packages, meaning we are unable to aggregate and compare data at a national level. This undermines ambitions for a more flexible workforce and to be able to understand deployment issues and undertake practical improvement such as benchmarking to enable learning from the most effective practices.

Welsh Government has instructed NWSSP to collaborate with District Nursing Teams to procure a national e-scheduling system for District Nursing for Wales.

Current Position

AB, BCU, Hywel Dda and CTM currently use Malinko after procuring the system independently. SBU, C&V and Powys will adopt the Malinko e-scheduling system as part of the 'Once for Wales' approach. All existing contracts will novate to a single contract managed centrally by NWSSP.

A single e-scheduling provider offers the opportunities for NHS Wales organisations to work in partnership to:

- develop & harmonise best practice for scheduling & caseload management processes
- develop centralised dataset for reporting/benchmarking activity & performance
- review business processes to develop technology interfaces to improve efficiency
- consider future integration with Social Care

Funding consequences

The All Wales Malinko contract will be managed centrally by NWSSP for the 2-year contract, with cross-charge arrangements for the costs to be borne by the UHBs. The contract will have the option to extend for an additional 12 months.

Welsh Government funding has been made available directly to UHBs to support the implementation of an e-scheduling system.

Next Steps

- Draft SLA / costing schedules for UHBs
- Trust Board and WG approval
- Convene an 'All Wales' District Nurse e-scheduling forum to work in partnership to develop standard operating procedures, policies and guidance that promotes **Excellence** and utilises NHS resource in the most efficient way

Recommendation

The Committee is asked to note the award of the 2 year contract for an All Wales E-scheduling system for District Nurse Teams on 31st March 2021



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AGENDA ITEM:3.2

18 March 2021

The report is not Exempt

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 January.

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 January.

Financial Position

As at the end of M10, the overall position for NWSSP was an underlying underspend of £0.797m representing a significant reduction (by £1.22m) on the prior month as a result of the additional 2020/21 distribution being made. The year-end forecast remains at a break-even position. The final ESR recharges for 2020/21 have now been confirmed to UHBs/Trusts and the recharge invoices raised in February following the previously noted risk in respect of this. The previously communicated risk associated with the CTES SIP Fund has been reduced and £0.368m of funds will be returned to UHBs/Trusts in 2020/21.

With regards to the Welsh Risk Pool, the 2020/21 £121m DEL forecast includes significant additional risk since December due to the current national lockdown. Cases which would have otherwise continued to settlement are being delayed into the next financial year. The potential risk to the outturn has been quantified at £6m and mitigating steps are being taken to see what other appropriate action can be taken to reduce any changes to the forecast outturn. The risk-sharing agreement has been frozen as at the end of January at the agreed figure of £13.779m and the resource adjustment actioned with organisations.

Membership of SSPC

The Minister is currently updating the regulations to enable both Health Education and Improvement Wales, and Digital Health & Care Wales, to become full voting members of the Shared Services Partnership Committee. As part of this process, Welsh Government have taken the opportunity to review the Shared Services element of the Velindre NHS Trust Establishment Order to ensure that it appropriately covers all the services provided and offered by NWSSP. Their findings were that the Order remains appropriate, and in accord with the definition of what NWSSP were established to do.

Annual Plan

Update meetings have been held on the 2nd March and 8th March with Welsh Government and the Finance Delivery Unit during which we outlined our current planning process emerging key themes and progress towards submission of the plan in late March 2021. As part of this year's process the Director of Planning, Performance & Informatics, has now completed a round of individual meetings with key stakeholders including the Committee

Members. These meetings have helped inform the development of the plan which is before the Committee for approval.

PPE

As at 9 March, the total number of PPE items issued across health and social care is 692.9m. Of these, 330.7m have been issued to social care. The PPE situation continues to be stable across the main product lines with the exception of gloves where we are continuing to await confirmation of delivery dates for large quantities of gloves against orders placed some time ago. However, deliveries totalling 60m are anticipated before the end of March against these orders. In order to manage delays smaller orders are being sourced for immediate delivery and this has enabled us to maintain stock levels. Current stocks of Gloves total are reported as 22.8m. In total there are currently 320.8m PPE items in stock, with a further 348.5m on order.

Transfer of Assets from DHSC

As part of the national Covid response, DHSC loaned a large number of medical equipment assets to NHS Wales for use during the pandemic. In December 2020 DHSC confirmed that they were in a position to donate the assets provided to NHS Wales and other devolved administrations. Assets will be donated for zero consideration, with only the ongoing AME depreciation charges to be payable from the date any assets were provided for use. We have been working with Welsh Government and DHSC colleagues regarding the transfer of the assets to NHS Wales and the governance and accounting arrangements in respect of this. The current intention is for all assets to be donated to NWSSP/Velindre University NHS Trust and for Andrew Goodall to sign the Memorandum of Understanding on behalf of NHS Wales. There will then be subsequent transfers of assets from Velindre University NHS Trust to UHBs so the only donated assets remaining within Velindre at 31st March 2021 will be the donated assets in use by Velindre and a stock of equipment held for future use within NWSSP. A guidance briefing to outline the process has been prepared and is awaiting Ministerial approval prior to circulation.

TRAMS

Committee Members were written to at the start of February to confirm their support for the TRAMs proposal and specifically to fund a small and non-recurring revenue gap in years 3 and 4 of the project through a first call on NWSSP savings. I am pleased to state that we received a positive confirmation of support from all NHS organisations on this proposal. It is important to note that a number of the organisations who have committed to use their share of any NWSSP savings do not directly benefit from the TRAMS business case but it is a positive example of where the NHS in Wales is coming together through NWSSP to collaborate for the benefit of all. We are currently waiting feedback from the Ministers Office with regard to endorsement of

the Programme Business Case following the positive Capital Infrastructure Investment Board meeting on the 28th January.

Quality and Safety Committee

Discussions continue with Velindre as host body to NWSSP on the terms of reference for the Quality and Safety Committee and the structure of the outline Quality Framework for the TMU operation.

Laundry Services

A detailed paper is included on the agenda. However, sufficient progress has been made with three out of the five existing laundries to allow the TUPE transfer process to conclude on 1st April. A number of appointments have been made to strengthen the management structures within NWSSP to oversee the transfer and subsequent operation of the laundry service going forward as well as ensuring the next phase of the laundry development is taken forward in a timely manner. Authorisation limits for laundry management have been reviewed and are consistent with the NWSSP Scheme of Delegation so these have been set up in Oracle in accordance with the Standing Financial Instructions.

NHAIS

The replacement of the GMS systems encountered an issue in late January regarding establishing connectivity to GPs in Wales to the new system. In order for this key activity to progress, the NWIS firewall upgrade needed to be in place and although subsequently completed, this was identified as a major risk that would affect delivery of the planned milestones. The Project Board deemed it necessary to push the go live date back to the start of the next NHAIS (current system) quarter, 1st July 2021. Following presentation of an SBAR, the Programme Board agreed to the further extension particularly as NHS Digital have agreed to provide six months contingency cover for NHS England. The project plan has been amended to reflect the revised timeframe with all tasks on track.

The in-house development of the replacement Ophthalmology Payments system remains on track with all Health Boards will be live by 31 March.

**Neil Frow,
Managing Director, NWSSP,
March 2021**



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NHS Wales Shared Services Partnership

PMO Report Feb 2021

NWSSP Finance & Corporate PMO Monthly Update – February 2021

Prepared by: Ian Rose

Date: 17/2/2021

Monthly Summary	3
SLT Recommendation	3
High Level Update	4
Student Awards	5
L&R Case Management System	6
Medical Examiner	7
TRAM's Stage 1	7
TMU	8
Single Lead Employer Phase 2	9
NHAIS GP Payments	10
All Wales Laundry Transfer	11
Primary Care Sustainability	12
Brexit / NSDR	13
MOCP move from 120VPD to 043VPD	13
HCS Swansea Depot re-location	14
Appendix A	14

Monthly Summary

The PMO is currently supporting **33** different schemes up one on last month, of varying size, complexity and providing a range of support from different points within the project lifecycle.

Within the PMO, we have **5** project managers supporting schemes all of which are at different points within the project or programme lifecycle.

The **33** schemes have **19** different SRO/Project Executive Leads across 8 different NWSSP directorates.

Also within the **33** schemes the breakdown of scheme size ranges from:

- **55% 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.
- **6% Healthboard** – Typically supporting schemes for Healthboards but where NWSSP play a role in the service provision
- **39% NWSSP** – Typically serving internal purpose for one or more NWSSP directorates

The high-level update displays the current status of the schemes where PMO are engaged at any level and attached in Appendix A is the current graphical performance and data set.

SLT Recommendation

SLT are asked to:

- Note the update on progress with key projects
- Consider the consequences and agree the current assessment of risk
- Provide feedback on this revised format of reporting to Ian Rose, Head of PMO.

High Level Update

NWSSP Planning, Performance & Informatics PMO			
Reporting Period	Nov -Dec 20/21	Date Completed	17/02/2021
Summary	The purpose of this report is to provide a progress update.	Completed By	Ian Rose

Previous Status	Current Status	Trend Status	Summary Update :
			33 projects in progress, increased by 4 schemes in the last whole reporting period

Green : Project on track -Time, Cost, Scope **Blue** : Closed/ Delivered or Closed/Withdrawn/Ceased
Amber : At risk of falling - Time, Cost or Scope **Red** : Failed Time, Cost or Scope - urgent attention req'd
 *Agreed between Proj Man and Proj Exec/Lead/Proj Dir/SRO

Original Completion based on Scoping discussion / Revised Completion based on any exception plans or agreed date variations by appropriate board, where they are the same this would indicate an exception date has notas yet been agreed. % Completion based on overall task completion vs overall planned tasks

All Wales Project & Programmes								
Scope	Project Name	SRO	RAG	SIZE	Revised Completion	Original Completion	% Completion	Support Type
All Wales	Primary Care NHAIS - Patient Registration	Andrew Evans	Green	Medium	31/03/2022	31/03/2021	66%	Project Consultancy
	Medical Examiner	Andrew Evans	Amber - Cost	Large	31/03/2021	31/03/2021	72%	Project Management
	GMPI - existing liabilities scheme	Mark Harris	Green	Large	31/03/2021	31/03/2021	84%	Project Management
	Transforming Access to Medicines (TRAMS) Stage 1	Neil Frow	Amber - Time	LargeXorg	31/10/2020	31/03/2020	100%	Project Management
	NHS Wales Staff Benefit Portal	Alison Ramsey	Green	Medium	01/06/2021	31/12/2020	25%	Project Management
	Primary Care NHAIS Ophthalmic	Neil Jenkins	Green	Medium	31/03/2021	01/06/2020	91%	Project Consultancy
	Student Awards System Existing Stabilisation and New System Spec	Lisa Williams	Amber - Time	Medium	31/03/2021	31/03/2021	20%	Project Management
	Brexit/NSDR	Mark Roscrow	Green	Medium	31/01/2021	31/01/2020	100%	Project Management
	Locum Hub Wales- GP Wales - Employment Services Locum Shifts	Lisa Williams	Green	Medium	30/04/2021	Not PMO Measured	Not PMO Scoped	Project Consultancy
	TRAMS Temp TMU	Neil Frow	Green	Medium	30/11/2020	24/08/2020	90%	Project Management
	IP5 Programme SOC	Mark Roscrow	Green	Large	31/12/2020	01/03/2020	100%	Project Management
	Primary Care NHAIS GP Payments (MVP)	Neil Jenkins	Green	Large	30/10/2021	01/05/2020	74%	Project Management
	PPE Support Scheme	Andy Butler	Green	Medium	27/02/2021	31/01/2021	79%	Project Management
	All Wales Laundry Programme -PBC	Neil Davies	Blue	Large	28/07/2020	30/10/2019	99%	Project Management
	ZYLAB	Lisa Williams	Amber -Time	Small	Not PMO Measured	Not PMO Measured	50%	Project Consultancy
	Single Lead Employer Phase 1 (Dentists, Pharmacists , Radiologists etc	Malcolm Lewis	Amber - Scope/Quality	LargeXorg	31/12/2020	31/12/2020	92%	Project Management
	OFWCMS	Steve Ham	Green	Small	AWI Initial Scoping	AWI Initial Scoping	5%	Project Consultancy
	PPE Winter plan	Andy Butler	Green	Medium	31/08/2021	31/03/2021	93%	Project Management
Healthboard	Hywel Dda - Transfer of Transport Services	Tony Chatfield	Not Started	Small	30/06/2020	30/06/2020	To Be Rescoped	Project Management
	Ward Stock Storage Assessment	Greg Dix	Awaiting Rescope	Small	01/03/2021	01/03/2021	20%	Project Management
NWSSP	Corporate Health Standards	Gareth Hardacre	Green	Medium	31/10/2021	31/10/2021	71%	Project Management
	Cleric Procurement of New System / contract	Tony Chatfield	Amber - Time	Small	01/04/2021	31/12/2020	50%	Project Management
	Automatic Data Capture [ADC] devices	Graham Davies	Not Started	Medium	Not PMO Measured	Not PMO Measured	0%	Project Management
	L&R Accomodation (Tender)	Mark Harris	Paused	Small	AWI Initial Scoping	AWI Initial Scoping	TBC	Project Management
	New PMO software Requirements - Identifying a system [BC Developme	Andy Butler	Green	Medium	31/07/2020	31/05/2020	100%	Project Management
	NSV Codes/Review	Tony Chatfield	Not Started	Small	AWI Initial Scoping	AWI Initial Scoping	10%	Project Management
	Cleric - Update the existing application	Tony Chatfield	Amber - Time	Small	AWI - NWIS & HCS	31/03/2020	95%	Project Consultancy
	VPD Codes	Gareth Hardacre	Green	Medium	01/09/2021	01/07/2021	5%	Project Management
	L&R Case Management System FBC	Mark Harris	Amber - Time	Medium	AWI Initial Scoping	AWI Initial Scoping	TBC	Project Management
	Change Champion	Gareth Hardacre	Not PMO Measured	Small	Not PMO Measured	Not PMO Measured	Not PMO Measured	Project Consultancy
	HCS Swansea	Tony Chatfield	Green	Medium	30/06/2021	31/03/2021	10%	Project Management
	SMTL POW Building Expansion - Feasibility Study	Pete Phillips	Green	Small	TBC	01/04/2021	1%	Project Management
	Agile Programme PPM Support	Alison Ramsey	Not PMO Measured	Small	TBC	Not PMO Scoped	0%	Project Consultancy

Key Individual Project/Programme Updates

Project Name	Project Manager	Project Exec/SRO
Student Awards	Bethan Rees	Lisa Williams
Monthly Update (key/issues (blockages)/risks)		
Status – Time (Amber) Cost (Red) Quality (Amber)		
<u>Update</u>		
<p>Evaluation of the MS Dynamics options utilised by L&R as a possible solution.</p> <p>In relation to hosting of the existing system, SBUHB have been asked if they can continue to support the SAS system for a further twelve months to 31st March 2022.</p> <p>Initially they advised that they could not support it any longer, however they have now advised that they can support it with capital investment. SBUHB working in collaboration with Nick Lewis will submit a proposal for ongoing hosting support of the system.</p> <p>This will result is a paper which will outline the capital requirement's for SBUHB to continue the support but at the expense of NWSSP. This will allow support to continue from April 1st 2021.</p>		
<u>Main Blockers/Observations</u>		
<p>Five risks has been classed as > 16</p> <ol style="list-style-type: none"> Limited capacity of NWSSP IT resource could impact project. Limited funding could restrict new commercial agreement. Data security & end of support software could be a risk to the SAS system. GDPR risk from hosting on end of life systems (availability). 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. Potential monetary penalties of several million pounds for a loss. Capital funding may be required for IT infrastructure to enable Swansea Bay to continue to provide hosting agreement from April 2021. 		
<u>Consequences</u>		
<p>If a new agreement is not signed off in time by the end of March 2022, we will continue to operate at risk with little or no support from April 22 and be completely reliant on internal IT resources, which are already overstretched.</p>		

Project Name	Project Manager	Project Exec/SRO
L&R Case Management System	Peter Elliott	Mark Harris
Monthly Update (key/issues (blockages)/risk assessments)		
<p><u>Status- Amber Time</u></p> <p><u>Update</u></p> <p>Presentation to Welsh Government Digital Scrutiny Panel using a DIP (Digital Investment Proposal) has taken place. No blockers emerged and we now believe the proposal is being presented with Ministerial Advice.</p> <p>Previous monthly position in relation to the option and funding pathways and also the NWIS position remains unchanged but at risk due to the time scales if ministerial approval is not forthcoming.</p> <p>The end objective - this would see a document and case management system for L&R within the Azure tenancy. 365 licenses will be utilised and the end user would use a 365 "App" to manage workflows, documents.</p> <p>This will be developed by 3rd party software organisation with expectation on NWIS to deploy into NHS Wales.</p> <p><u>Main Blockers/Observations</u></p> <p>Timescale is the main blocker, and there will now be no capital spend in the current year</p> <p><u>Consequences</u></p> <p>Continuing to run on legacy systems up to the implementation date, which is yet not firm.</p>		

Project Name	Project Manager	Project Exec/SRO
Medical Examiner	Bethan Rees	Andrew Evans
Monthly Update (key/issues (blockages)/risks)		
Status – Green (Time) Red (Cost) Green (Quality)		
Update		
<ol style="list-style-type: none"> Finance – Letter of official assurance is still pending from Welsh Government. New Arrangement – Awaiting confirmation of new arrangements to the end of July and meetings with the two chairs & programme director to evaluate proposed approach. 		
Main Blockers/Observations		
One risk currently exist over the 15 threshold which are RED		
<ol style="list-style-type: none"> A lack of confirmation confirming full funding of Welsh model could mean insufficient fund to cover costs – at present the Letter of Assurance has not been received. 		
Consequences		
Failure to provide suitable response to the existing risks can lead to funding problems, potential of accommodation being unavailable or unsuitable. And IT risks can prevent the service operation all of which would be damaging for NWSSP.		

Project Name	Project Manager	Project Exec/SRO
TRAM's Stage 1	Peter Elliott	Andrew Evans (Welsh Gov)
Monthly Update (key/issues (blockages)/risk assessments)		
Status – Amber (Time)		
Update		
Programme Business Case was presented to IIB assessment on 29 Jan.		
IIB requested further assurance of the SSPC commitment to revenue funding in years 3 and 4 of the case. A paper was circulated to SSPC sharing the key financials from PBC v1.2 and seeking approval to cover the revenue funding in years 3 and 4 from NWSSP Savings. This paper received unanimous approval from SSPC members on 15 Feb.		
Welsh Government have now been advised of the SSPC commitment, and we are therefore now awaiting Ministerial Approval.		
Work commenced on OBC development with procurement and SES, so at to be ready to appoint contractors as soon as Approval is received (earliest date 5 April).		
Staff engagement sessions have now been completed with all organisations (including, Health Boards, Velindre Trust, and NWSSP TMU) except BCUHB and CAV Radio-pharmacy. We continue to offer sessions to both organisations.		

Main Blockers/Observations

None observed and scheme ready to mobilise for Programme Delivery.

Consequences

If this is not approved it will fall to the Healthboards to progress their own separate cases independently.

Project Name	Project Manager	Project Exec/SRO
TMU	Peter Elliott	Andrew Evans (Welsh Gov)
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Status</u> - Green (Re-Baselined)		
<u>Update</u>		
<p>Short-term rectifications completed, submitted, and approved by MHRA, who have now granted the MS Specials License. The first medicine was supplied to the service on Wed 27 Jan. We have reported this to our host, Velindre Trust, and are continuing to discuss with them what Quality and Assurance reports will be needed in the future.</p> <p>Revenue funding confirmed to March 2023 and capital allocation of 43k provided for incremental improvements.</p> <p>Ongoing resource activity around management posts and contract extension for production staff.</p>		
<u>Main Blockers/Observations</u>		
None observed, progress being maintained.		
<u>Consequences</u>		
None		

Project Name	Project Manager	Project Exec/SRO
Single Lead Employer Phase 2	Rhys Owen	Gareth Hardacre
Monthly Update (key/issues (blockages)/risk assessments)		
<p>Status- Changed to green to reflect Phase 2 position</p> <p>Update</p> <p>Phase 2 Core Psychiatry trainees (85) and GP trainees (32) on boarded in February intake. March intake in progress, Paediatrics (6) and Higher Surgery (82).</p> <p>Resource Temporary resource supporting SLE workforce and Payroll teams with work currently in place. Finance Lead to look at how SLE scheme can be resourced longer term. Additional resource forecast has been submitted to HEIW.</p> <p>Occupational Health Progress has been made on the development of the Standard Operating Procedure and this is scheduled to be signed off at the SLE Programme Board in April.</p> <p>Evaluation It was agreed at the February SLE Programme Board that a sub group will be set up to evaluate Phase 1 (May 2020-December 2020) of the programme. The group will initially focus on the operational management of the programme, how this has worked to date and any immediate lessons learnt – to inform any changes required.</p> <p>Main Blockers/Observations</p> <p>Resource Risk still exists where resources in place within workforce, workforce systems and payroll services are significantly stretched to complete all the required checks and/or tasks on time; however, plans are in place to increase the capacity of the team.</p> <p>Finance It is also worth considering the long-term impacts and requirements for in life operational teams as we increase the overall NWSSP headcount.</p> <p>Finance – SLA payments Update: Arrangements being made for a signed copy of the SLA to be sent to ABUHB which will allow them to follow agreed SLA Payments schedule. SBUHB will be making their first payment in line with the SLA payment schedule in March.</p> <p>Comms Ongoing issue specifically at Health Board level and is regularly discussed at SLE Programme Board where examples of comms issues are shared and solutions are offered by Health Board members of the Board. There are multiple comms lines that are used to communicate through to Trainees via HEIW, NWSSP and SLE Programme Workstreams such as the Medical Workforce Managers workstream.</p>		

Consequences

Resource

The main consequences would be visible in failures to process payroll on time, delays in expenses and general process delays impacting trainees joining SLE and this would impact some benefits of the SLE scheme.

Finance

All Health Boards are making payments however a consequence of not all payments being received (SLA Payment schedule) on time could impact cash flow.

Comms

Where trainees are unaware of the SLE model and that they are being on-boarded onto a SLE this can then impact the progress of them completing relevant forms to ensure they are on-boarded onto the SLE in a timely manner.

Project Name	Project Manager	Project Exec/SRO
NHAIS GP Payments	Gill Bailey	Neil Jenkins
Monthly Update (key/issues (blockages)/risk assessments)		
<p><u>Status</u>- Changed to green, as delivery timeframe extended</p> <p><u>Update</u> GMS (GPs) Payments system: To enable PCS and GP Practices to access the new system, further work is required to establish a Virtual Private Network (VPN) to enable user authentication using the Active Directory Federation Service (ADFS). A number of issues have been identified with progress further hindered by the need for NWIS to complete a firewall upgrade before the outstanding tasks can be completed. The Project Board undertook an impact assessment and subsequently sought agreement from the Programme Board to delay the Go live date to the start of the next NHAIS quarter, July 2021. This was subsequently agreed; the Project team who are now revising the implementation plan.</p> <p>Contractor Payments processed through Accounts Payable: The Pharmacy contractor payments continue to be successfully rolled out for the Health Boards with completion anticipated by the end of March. The Emergency Dental Service payments for CVuHB and CTMuHB are scheduled to go live at the end of the month.</p> <p>The two other schemes within the NHAIS programme are progressing but are not managed in depth or detail by the PM or PMO:</p> <ul style="list-style-type: none"> • Patient Registration – Support/Consultancy <ul style="list-style-type: none"> ○ Data reconciliation continues in readiness for the new NHS England system that NHS Wales will use ○ Delays with NHS England have pushed back the implementation to December 2021 as a minimum • Primary Care NHAIS Ophthalmic – Support/Consultancy <ul style="list-style-type: none"> ○ Ongoing roll-out to Health Boards <p><u>Main Blockers/Observations</u> NWIS firewall upgrade has had an impact on completing tasks to enable access to the FPPS system resulting in the planned milestones not being achievable. An exception report was produced and agreed to extend the delivery time.</p>		

Consequences

This scheme is critical however; delays to the implementation of the NHS England system has afforded the opportunity to further extend the current arrangements to overcome a major issue.

Project Name	Project Manager	Project Exec/SRO
All Wales Laundry Transfer	Ian Rose	Neil Frow
Monthly Update (key/issues (blockages)/risk assessments)		
Status- Amber		
Update		
<p>Workstream progress maintained but analysis of data provided in a number of areas has exposed gaps and risks for NWSSP.</p> <ul style="list-style-type: none"> • Finance - varied engagement but significant detail has been provided across a three year period to allow Pre and Pandemic analysis. Gaps exist on elements such as Linen costs (250k), Steam (270k) and other anomalies, which need to be clarified and understood, however this is very near completion. • H&S – All returns provided and gaps exist, which are now being drafted into a report for consideration by NWSSP. There are no showstoppers identified but there are risks which need to be understood each with a planned response • Logistics - devised and all Healthboards have provided a response that is now being evaluated for actions within NWSSP. • Workforce – data returns from the healthboards being analysed and some gaps have emerged in core roles such as engineering. Gaps are being revisited as finance data portrays a different outcome. This could present a risk of not having appropriate key resources in post to maintain the service. • IT – NWSSP IT have engaged with HB counterparts on the basis of maintaining the existing arrangements. This is mainly due to the inability to transfer local data onto NWSSP SharePoint and other hosts due to ongoing issues within IT which NWIS managing. • Business Continuity Plans – Limited response from the HBs. Plans exist in CTM, SBUHB, but limited or no plans returned in BCU, HD and ABUHB. This presents a risk, which can be mitigated with the development of an NWSSP BCP for Laundry. • Service Operations – Requests for existing SLAs to act as the derivation for a continuation of service have exposed a further gap. Most HBs do not have documented up to date SLAs, which create a risk for NWSSP in the continuation of service as this creates a potential for service variation and changes to product supply and charges however, the NWSSP SLA and supporting schedules are being developed. 		

- **IT Security** – To be completed post transfer.
- **Procurement & EEnablement** – Focus on specific areas such as
 - Open POs in HBs
 - New POs for NWSSP
 - Analysis of contracts for novation purposes
 - New and blanket POs for NWSSP
 - Oracle Hierarchy, Delivery locations and access

Main Blockers/Observations

Resources remain the main blocker but plans in place to secure and HB support across all workstreams is critical but so far has been supported to an extent.

Governance route needs to be confirmed to enable appropriate sign off in accordance with SFIs and standing orders. Support has been obtained to action this.

Consequences

Delays to the proposed transfer of services.

Project Name	Project Manager	Project Exec/SRO
Primary Care Sustainability	Gill Bailey	Lisa Williams
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Update</u>		
<p>Please note that no formal Project/Programme structure exists for this piece of work and support was/is provided Ad Hoc</p> <p>Work has continued on defining the specification for the OOH/111 development during the Discovery phase. The development tasks have been identified and prioritised with progress currently on track.</p> <p>The Primary Care Sustainability agenda is funded by Welsh Government in its entirety.</p>		
<u>Main Blockers/Observations</u>		
<ul style="list-style-type: none"> • The primary care workforce sustainability agenda is ever expanding; • As previously reported it appears that this is onerous contract which requires input from all key stakeholders to agree a way forward. 		
<u>Consequences</u>		
<p>A review of the strategic and management approach is underway by Employment Services.</p>		

Project Name	Project Manager	Project Exec/SRO
Brexit / NSDR	Alison Lewis	Mark Roscrow
Monthly Update (key/issues (blockages)/risk assessments)		
<p><u>Status</u>- Green</p> <p><u>Update</u></p> <p>Scheme is in dormant state and meetings planned for March 4th where closure will be considered.</p> <p><u>Main Blockers/Observations</u></p> <p>All main blockers have been removed or mitigated</p> <p><u>Consequences</u></p> <p>Consequences of not providing this process – in the event of no deal, would have removed the centralised co-ordination of the process and jeopardise a cohesive and centralized procurement process for critical medical devices and clinical consumables. This would lead to a fragmented approach nationally.</p>		

Project Name	Project Manager	Project Exec/SRO
MOCP move from 120VPD to 043VPD	Rhys Owen	Gareth Hardacre
Monthly Update (key/issues (blockages)/risk assessments)		
<p><u>Status</u>- Changed to green to reflect move from start up to initiation</p> <p><u>Update</u></p> <p>Mass Organisational Change Process (MOCP) move of all NWSSP staff from 120VPD to 043 VPD. February SLT signed off on preferred option of June 2021 as the delivery date (MOCP move).</p> <p>Initiation stage of the project (approved PID, governance structure agreed, workstreams start up) will be progressed quickly due to timescales.</p> <p>4 work streams have been proposed to support the projects delivery</p> <ol style="list-style-type: none"> 1. Data Quality, Cleansing, Transfer/Post MOCP Reporting - started 2. Payroll/Recruitment/Expenses/Salary Sacrifice 3. Interfaces with IBM 4. Finance workstream with Velindre - started <p><u>Main Blockers/Observations</u></p> <p>A potential main blocker is the approval of the Service Request raised on 11/02 with IBM seeking their availability to support the June date for the MOCP. Discussions with IBM have taken place over the last few months on our preferred MOCP move date, however if this can't be supported an alternative date will need to be discussed.</p> <p>Early observations that the project team have been asked to ensure are:</p>		

- HMRC risks are mitigated
- Consider and identify what (if any) impact there will be on ICT support and resource;
- Ensure robust and timely comms throughout the project
- Ensure Velindre colleagues are kept well-informed of the process
- Consider the Oracle upgrade scheduled for July and any potential impact

Consequences

Nothing to note at this stage.

Project Name	Project Manager	Project Exec/SRO
HCS Swansea Depot re-location	Rhys Owen	Tony Chatfield
Monthly Update (key/issues (blockages)/risk assessments)		
<p><u>Update</u> Move of HCS Swansea from WAST Cwmbwrla site to new larger premises on Samlet Road in Swansea. An Operational Project Board is in place that meet on a fortnightly basis.</p> <p>Building contractor due to finish refurbishment of site on the 18th February 2021. Final move in date towards end of March 2021 however this will be on a reduced capacity basis to accommodate Covid 19 requirements. Workforce Consultation in progress. H&S pre-site visit and report completed.</p> <p><u>Main Blockers/Observations</u> Date for the PSBA circuit to be commissioned by Open Reach for the Samlet Road site is 25th June. BT Open Reach site survey date yet to be released on BT Portal. Site survey will determine if excess engineering is required to connect the site up to the live network.</p> <p><u>Consequences</u> An interim solution of 4G routers on site is being implemented, however data usage on site will have to be monitored and managed closely.</p>		

Appendix A

Performance and Information	 graphs.docx
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

Finance, Workforce and Performance Update Report

ARWEINYDD: LEAD:	Andy Butler, Director of Finance & Corporate Services & Gareth Hardacre, Director of WODS
AWDUR: AUTHOR:	Finance and Workforce 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, workforce and performance matters within NWSSP as at 31st January 2021.

Llywodraethu/Governance

Amcanion: Objectives:	<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>Excellence - To develop an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of technology.</p> <p>Staff - To have an appropriately skilled, productive, engaged and healthy workforce.</p>
Tystiolaeth: Supporting evidence:	-

Ymgynghoriad/Consultation :

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Adduned y Pwyllgor/Committee Resolution (insert ✓):						
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE ✓
Argymhelliad/ Recommendation	<p>The Committee is asked to:</p> <ol style="list-style-type: none"> 1. Note the financial position to 31st January 2021 including the proposed increased distribution for 2020/21 2. Note the significant level of professional influence benefits generated by NWSSP to 31st January 2021. 3. Note the performance against the high-level key performance indicators to 31st January 2021. 4. Note the increased ESR recharges 5. Note the workforce data for the period. 6. Note the content of this update and seek further information if required. 					

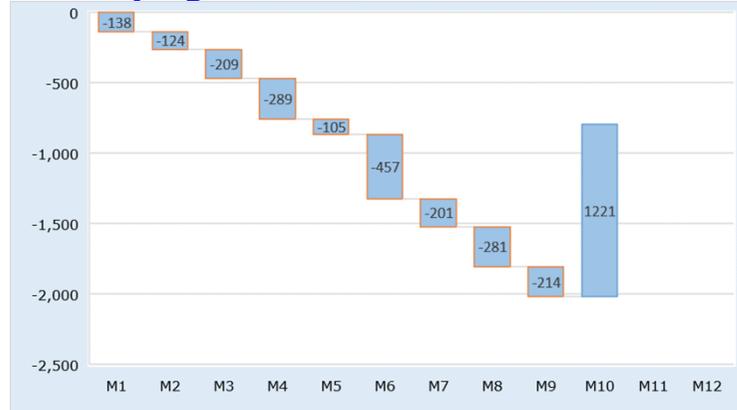
Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	No direct Impact
Iechyd Poblogaeth: Population Health:	No direct Impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct Impact
Ariannol: Financial:	Distribution to NHS Wales
Risg a Aswiriant: Risk and Assurance:	Consolidation of Financial & Workforce Risk
Safonau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	No direct Impact
Deddf Rhyddid Gwybodaeth/ FOIA	Open

Dashboard Summary: Period 1st April 2020 to 31st January 2021

Summary Position

	Annual Budget £'000	YTD Budget £'000	YTD Expend £'000	YTD under/ overspend £'000
Income	-527,002	-456,922	-457,443	-521
Pay	121,529	100,216	98,901	-1,315
Non Pay	343,300	321,005	320,795	-210
WRP – DEL	122,214	85,610	85,610	0
Distribution	750	750	2,000	1,250
Underlying Underspend	0	0	797	797
	60,791	50,659	50,659	0

Underlying Position



Covid Expenditure

	YTD	M11	M12	TOTAL	PPE ONLY
All Wales Non stock PPE	90.563	38.164	21.239	149.966	149.966
Social/Primary Care PPE	56.365	3.000	3.000	62.365	62.365
Pandemic Stock PPE	3.865			3.865	3.865
Mass Vaccination PPE	0.797	0.128	0.129	1.054	1.054
All Wales Covid Equipment	21.224	0.252		21.476	
TTP	8.015	1.610	1.610	11.234	
Mass Vaccination (excl PPE)	0.232	0.211	0.239	0.682	
Stock write on	0.000	0.000	-55.577	-55.577	-55.577
VAT credits	0.000	0.000	-14.469	-14.469	-14.469
St Athan (non PIPP) stock w	0.000	0.000	-7.674	-7.674	-7.674
NWSSP Operational Costs	6.041	0.900	0.867	7.808	
TOTAL	187.102	44.265	-50.637	180.730	139.530

Underlying Position

The underlying underspend position as at the 31st Jan decreased to £1.221m from £2.018m in M9, as a result of the additional distribution being made.

Forecast Position

Following the additional £1.250m distribution to NHS Wales we have plans in place to manage the overall position to break even at year end.

Key Movements in month

Most of the services underspend continue in line with previous months run rates. Primary Care Services continue to underspend following an inability to recruit into a number of posts as well as further non-pay underspend in a number of areas. Legal & Risk's underspend has reduced in month due to a reduction in income during January as a result of the holiday period. The Workforce position has moved in month due to the accounting treatment of project income.

Financial Position and Key Targets	Target		Position at 31-Oct	Position at 30-Nov	Position at 31-Dec	Position at 31-Jan
Financial Position – Forecast Outturn	Break even	Monthly	Breakeven	Breakeven	Breakeven	Breakeven
Capital financial position	Within CEL	Monthly	On Target	On Target	On Target	On Target
Planned Distribution	£0.75m	Annual	£2.00m	£2.00m	£2.00m	£2.00m
NWSSP PSPP NON-NHS % (In Month)	95%	Monthly	97.21%	97.82%	96.56%	95.28%
NWSSP PSPP NON-NHS % (Cumulative)	95%	Monthly	97.12%	97.20%	97.13%	96.98%
NWSSP PSPP NHS % (In Month)	95%	Monthly	93.06%	76.92%	79.82%	96.30%

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Variable Pay Summary: Period 1st April 2020 to 31st January 2021

Total Variable Pay



Total Agency Pay



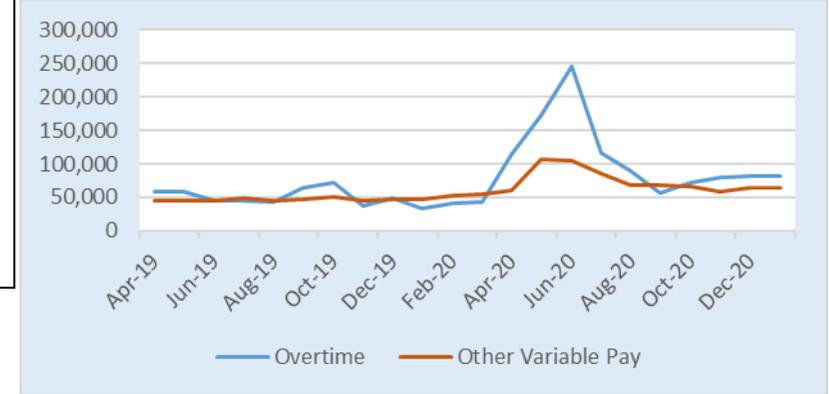
Total Bank Pay



Variable Pay

Agency pay has increased during January in A&A, L&R and Procurement. Bank costs have decreased in month, mostly in Procurement and HCS.

Total Overtime and Other Variable

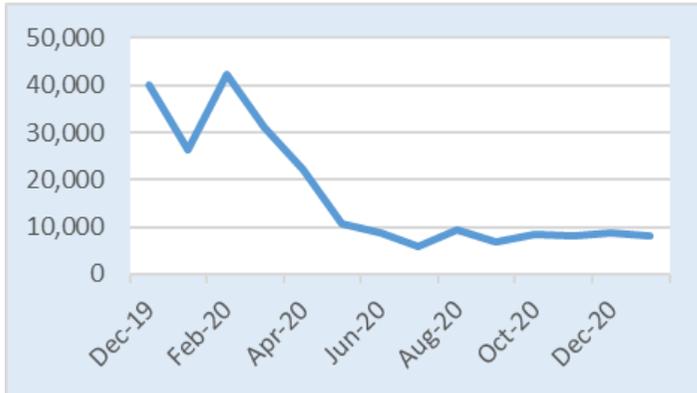


Total Variable Pay by Service

Service	Agency		Overtime		Bank	
	10 months to 31st Jan 2020	10 months to 31st Jan 2021	10 months to 31st Jan 2020	10 months to 31st Jan 2021	10 months to 31st Jan 2020	10 months to 31st Jan 2021
Accounts Payable	1,131	0	18,324	30,443	65,562	5,769
Audit & Assurance Services	328,687	26,428	0	0	929	8,305
Collaborative Bank	0	0	0	0	0	126,895
Corporate Services	98,055	45,180	0	10,947	58,344	13,434
Counter Fraud Services	0	0	0	0	354	0
CTES	16,818	793	0	23	1,348	0
E-Enablement	0	-4	1,440	0	1,244	0
Employment Services	21,358	4,941	131,286	249,565	146,622	59,203
Health Courier Services	34,927	452,676	137,281	314,829	64,429	923,728
Legal & Risk Services	41,692	86,608	0	2,307	87,666	135,130
Primary Care Services	0	0	48,305	21,333	35,202	7
Procurement Services	129,928	423,353	167,011	445,558	185,807	542,020
SMTL	0	0	0	16,982	6,734	2,505
Single Lead Employer	0	0	0	292	0	0
Specialist Estates Services	41,262	0	0	12,955	0	3,920
Student Awards	0	0	0	0	0	0
Workforce & OD	0	0	0	2,152	0	988
TOTAL	713,860	1,039,974	503,648	1,107,387	654,241	1,821,904
TOTAL PAY	69,322,808	98,901,382	69,322,808	98,901,382	69,322,808	98,901,382
% OF TOTAL PAY	1.03%	1.05%	0.73%	1.12%	0.94%	1.84%

Travel and PSPP Summary: Period 1st April 2020 to 31st January 2021

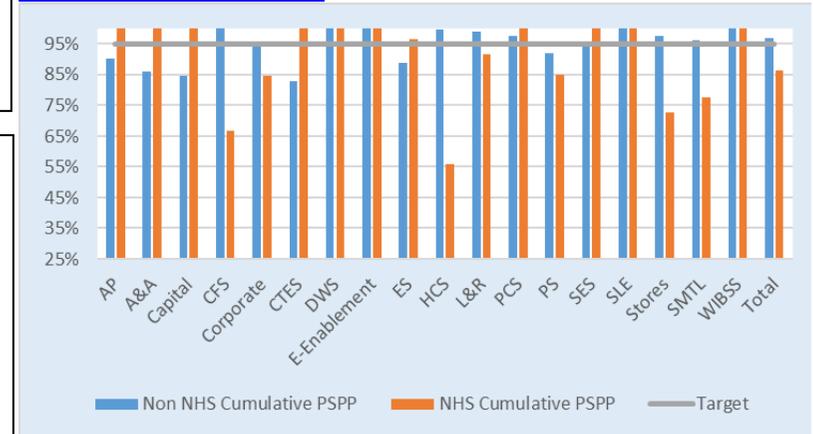
Travel & Subsistence Spend (Excl SLE)



Travel & Subsistence
Travel spend remains lower than pre-Covid.

PSPP
Non-NHS PSPP was 95.28% in month and 96.98% cumulatively. NHS PSPP was 96.30% in month, the cumulative position remains below target at 86.34%.

Cumulative PSPP



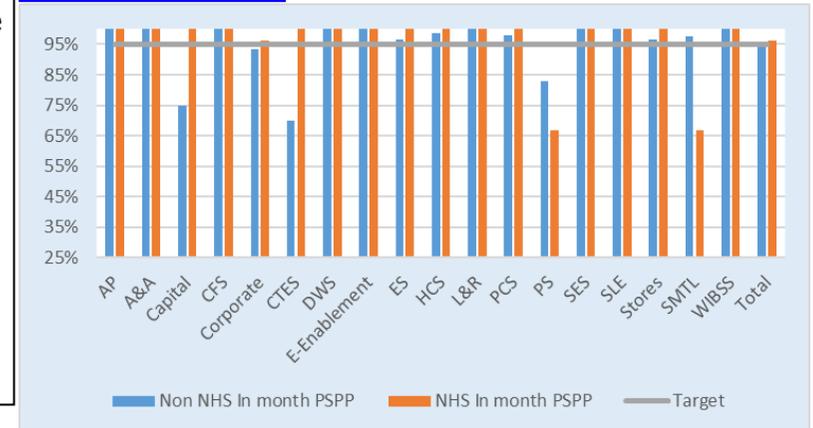
Travel & Subsistence Spend by Service

Service	10 months to 31st Jan 2019	10 months to 31st Jan 2020	10 months to 31st Jan 2021
Audit & Assurance Services	29,039	25,246	4,439
Procurement Services	53,078	55,434	21,819
Employment Services	66,143	40,904	8,366
E-Enablement	0	0	0
Primary Care Services	33,242	26,020	4,875
Legal & Risk Services	35,664	33,950	8,288
GMPI	0	0	212
Specialist Estates Services	61,216	54,639	23,234
E-Business Central Team Services	1,217	3,804	139
Counter Fraud Services	6,573	4,030	72
Non Medical Education and Training	0	0	0
Corporate Services	54,228	48,019	9,617
Accounts Payable	0	0	0
Student Awards	0	0	0
Health Courier Services	33,827	21,941	15,059
WIBSS	1,221	0	362
SMTL	2,586	1,292	591
TOTAL	378,034	315,280	97,074

Aged Debts

As at 31st January there were 4 NHS invoices outstanding over 17 weeks totalling £74k and 11 NHS invoices over 11 weeks totalling £16k. The majority of unpaid invoices are outstanding with Cwm Taf Morgannwg and we are liaising with them regarding confirmation of payment dates.

In Month PSPP



Welsh Risk Pool, Risks and Capital Summary: Period 1st April 2020 to 31st January 2021

Welsh Risk Pool Position

Expenditure type	Position as at	Position as at
	M10 2019/20	M10 2020/21
	£m	£m
Claims reimbursed & WRP Managed Expenditure	57.123	52.433
Periodical Payments made to date	13.610	14.790
Redress Reimbursements	1.608	1.485
EIDO – Patient consent	0.062	0.062
Clinical Negligence Salary Subsidy	0.000	0.000
WRP Transfers, Consent, Prompt, CTG	0.000	0.017
Movement on Claims Creditor	9.000	16.823
Year to date expenditure	81.403	85.610

DEL Forecast 2020/21

Month 10 2020/21	£000s
Actual Spend to January 2021 (Excl Redress)	84,125
Settled cases - awaiting payment	8,348
JSM/RTM/Offer	14,276
PPOs to March 2021	95
Sub-Total	106,844
Future Estimated Costs	14,111
Mth 10 20/21 DEL forecast	120,955
At significant risk – case delays due to lockdown	-5,944
IMTP DEL FORECAST 2020/21	115,011

Welsh Risk Pool

The 2020/21 £121m DEL forecast includes significant additional risk since December due to the current national lockdown. Cases which would have otherwise continued to settlement are being delayed into the next financial year. The potential risk to the outturn has been quantified at £6m and mitigating steps are being taken to see what other appropriate action can be taken to reduce any changes to the forecast outturn.

Capital Allocation

Scheme	Allocation	YTD Spend	Balance Outstanding
	£000	£000	£000
Hardware/Software	321	198	- 123
IP5	11	-	- 11
Premises/Accommodation	114	28	- 86
SES Decontamination Testing Kit	6	6	-
SMTL	115	14	- 101
Temporary Medicines Unit	10	4	- 6
Contingency	23	-	- 23
Receipts		-199	-199
Discretionary Capital Total	600	51	-549
Covid 19	1,274	711	-563
Covid 19 National Assets	1,870	1,870	0
Hardware/Software	243	-	-243
National Workforce Reporting System	163	163	0
NHAIS Replacement Service	253	253	0
Temporary Medicines Unit	537	535	-2
HCS Vehicle Replacment	504	-	-504
IP5	184	-	-184
Additional Capital Total	5,028	3,532	-1,496
TOTAL CAPITAL ALLOCATION	5,628	3,583	-2,045

Capital

Additional capital funding of £1.252m has been agreed by WG which has increased our allocation to £5.628m. Services have been informed of the additional allocations to be spent by 31st March 2021.

Financial Risks

At 31st January there remained a risk of £0.885m increased ESR Recharges to UHBs in 2020/21 above the original forecast. The final figures have now been agreed with DHSC and the recharges made were £0.772m more than originally forecast

The risk associated with the CTES SIP Fund was £1m at the end of January. It has now been agreed that only £0.368m will be returned to UHBs/Trusts in 2020/21.

Finance, Workforce and Performance Update Report

INTRODUCTION

This report provides an update on the following to 31st January 2021:

- Cumulative Financial Position
- High Level Performance indicators
- Workforce Information

NWSSP Financial position

NWSSP reported a break-even position at the close of Month 10:

Service	Annual Budget £0k	In Month Budget £0k	In Month Expenditure £0k	In Month Variance £0k	YTD Budget £0k	YTD Expend £0k	YTD under/ overspend £0k	Forecast Position £0k
Audit & Assurance Services	2,667	243	245	2	2,311	2,231	-80	-204
Corporate Services including AP	5,578	-279	-312	-33	2,809	2,551	-259	-407
Counter Fraud Services	451	38	37	-1	376	366	-10	-9
CTES	1,149	1	1	0	-4	-4	0	-1,135
Employment Services	10,619	872	861	-11	8,882	8,835	-47	-12
Health Courier Services	3,293	855	829	-26	3,187	2,932	-256	-309
Legal & Risk Services	3,267	337	352	16	2,658	2,651	-7	-1
Medical Examiner Service	68	3	3	0	62	62	0	0
Primary Care Services	11,867	985	886	-100	9,916	9,218	-698	-841
Procurement Services	17,092	1,622	1,570	-51	14,441	14,159	-282	-349
Single Lead Employer (Inc GP's)	514	0	0	0	514	514	0	0
SMTL	767	60	89	30	651	447	-204	-202
Specialist Estates Services	3,061	255	262	6	2,562	2,441	-121	-126
WIBSS	0	0	0	0	0	0	0	0
Workforce and OD	2,154	188	326	139	1,802	1,718	-84	-84
Underlying Underspend	-63,297	-5,929	-7,151	-1,221	-50,917	-50,121	797	0
Distribution	750	750	2,000	1,250	750	2,000	1,250	1,250
Corporate Reserves / Provisions	0	0	0	0	0	0	0	2,429
	0	0	0	0	0	0	0	0

NWSSP 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, which relate to Legal Services, Procurement Services and Specialist Estates Services can now be allocated across health organisations for all areas other than construction procurement. This is not possible for construction procurement due to the mechanism utilised to capture the data. Detail for health boards and trusts is reported in the individual performance reports issued to health organisations quarterly.

The indicative financial benefits across NHS Wales arising in the period April 2020 – January 2021 are summarised as follows:

Service	YTD Benefit £m
Specialist Estates Services	21.66
Procurement Services	13.22
Legal & Risk Services	98.51
Total	133.39

PERFORMANCE

Performance Reporting – to Health Boards and Trusts

NWSSP performance reports continue to be produced and distributed on a quarterly basis. The Quarter 3 reports have been issued to the health organisations at the end of February. These reports reflect the ongoing developments in NWSSP performance reporting and incorporate feedback received to date.

Additionally, high level KPI data relating to the performance of each service for all Wales is detailed in the table below. This provides data for January 2021 (unless otherwise stated) along with comparison to the previous three periods.

KEY FINANCIAL TARGETS

The table below provides a summary of key financial indicators for consideration.

Financial Position and Key Targets	Target		Position at 31-Oct	Position at 30-Nov	Position at 31-Dec	Position at 31-Jan
Financial Position – Forecast Outturn	Break even	Monthly	Breakeven	Breakeven	Breakeven	Breakeven
Capital financial position	Within CEL	Monthly	On Target	On Target	On Target	On Target
Planned Distribution	£0.75m	Annual	£2.00m	£2.00m	£2.00m	£2.00m
NWSSP PSPP NON-NHS % (In Month)	95%	Monthly	97.21%	97.82%	96.56%	95.28%
NWSSP PSPP NON-NHS % (Cumulative)	95%	Monthly	97.12%	97.20%	97.13%	96.98%
NWSSP PSPP NHS % (In Month)	95%	Monthly	93.06%	76.92%	79.82%	96.30%
NWSSP PSPP NHS % (Cumulative)	95%	Monthly	87.34%	86.13%	84.89%	86.34%

KEY PERFORMANCE MEASURES

The table below provides a summary of key performance indicators for 2020-21. We are reviewing our KPIs for 2021-22 and will be looking to apply the use of Power BI in dashboard reporting during the year ahead.

High Level - KPIs January 2021 (unless stated otherwise)	Target		Position at 30 Sept	Position at 30 Nov	Position at 31 Dec	Position at 31 Jan
Internal Indicators						
Corporate						
NHS Debts in excess of 11 weeks – Value	<£100k	Monthly	£219k	£142k	£76k	£16k
NHS Debts in excess of 17 weeks – Value	£0	Monthly	£14k	£213k	£170k	£74k
Variable Pay – Overtime	<£43k	Monthly	£56k	£79k	£83k	£81k
Agency % to date	<0.8%	Cumulative	1.66%	1.23%	1.10%	1.05%
NWSSP Org KPIs Recruitment						
NWSSP - % of vacancies approved within 10 working days	70.00%	Monthly	60.00%	74.20%	79.20%	66.70%
NWSSP - % of vacancies shortlisted within 3 working days	70.00%	Monthly	60.90%	41.70%	63.30%	30.80%
NWSSP - % of interview outcomes notified within 3 working days	90.00%	Monthly	76.50%	75.00%	65.50%	44.20%
Website & Social Media Reach						
Internet hits per month	>100k	Monthly	74k	70k	69k	114k
Intranet hits per month	>75k	Monthly	75k	81k	72k	92k
Twitter Followers		Cumulative	3,547	3,643	3,670	3,716
Twitter New Followers	35	Monthly	41	23	25	30
Tweet Impressions	20k	Monthly	29k	22k	12k	9k
Tweets	20	Monthly	38	26	8	4
LinkedIn Followers		Cumulative	3,668	3,790	3,919	4,026
Professional Influence						
Professional Influence Savings	£110m annual target	Cumulative	£103m	£116m	£126m	£133m
Procurement Services						
Procurement savings *Current Year	£12.12m	Cumulative	£9.94m	£10.85m	£10.90m	£13.22m
All Wales PSPP – Non-NHS YTD	95%	Quarterly	95.10%	Reported Quarterly	95.30%	Reported Quarterly
All Wales PSPP –NHS YTD	95%	Quarterly	85.45%	Reported Quarterly	84.80%	Reported Quarterly
Accounts Payable % Calls Handled (South)	95%	Monthly	99.1%	100%	99.40%	99.40%
Employment Services						
Payroll accuracy rate (Added Value)	99.6%	Monthly	99.77%	99.70%	99.70%	99.77%
All Wales Org KPIs Recruitment						
All Wales - % of vacancies approved within 10 working days	70.00%	Monthly	67.10%	68.80%	71.20%	68.90%
All Wales - % of vacancies shortlisted within 3 working days	70.00%	Monthly	50.20%	50.60%	53.90%	47.40%
All Wales - % of interview outcomes notified within 3 working days	90.00%	Monthly	69.40%	66.40%	70.50%	77.70%
All Wales Org - NWSSP KPIs recruitment element						
Recruitment - % of Vacancies advertised within 2 working days of receipt	98.00%	Monthly	99.80%	99.30%	98.90%	99.80%
Recruitment - % of applications moved to shortlisting within 2 working days of vacancy closing	99.00%	Monthly	100.00%	99.70%	99.60%	99.80%

High Level - KPIs January 2021 (unless stated otherwise)	Target		Position at 30 Sept	Position at 30 Nov	Position at 31 Dec	Position at 31 Jan
Recruitment - % of conditional offer letters sent within 4 working days	98.00%	Monthly	99.30%	98.60%	99.60%	97.80%
Recruitment % Calls Handled		Monthly	88.3%	90.6%	88.90%	84.90%
Primary Care Services						
Payments made accurately and to timescale	100%	Monthly	100%	100%	100%	100%
Prescription - keying Accuracy rates (Payment Month)	99%	Monthly	99.61%	99.78%	99.60%	99.54%
Internal audit						
Audits reported % of planned audits	54%	Cumulative	18%	30%	41%	46%
% of audit outputs in progress		Cumulative	20%	31%	32%	34%
Report turnaround management response to draft report [15 days]	80%	Cumulative	85%	80%	83%	76%
Report turnaround draft response to final reporting [10 days]	80%	Cumulative	100%	100%	100%	100%
Legal and risk						
Timeliness of advice acknowledgement - within 24 hours	90%	Monthly	100%	95%	100%	95%
Timeliness of advice response - within 3 days or agreed timescale	90%	Monthly	100%	95%	100%	98%

COVID-19

The additional NWSSP operational Covid-19 spend incurred to 31st January 2021 is £6.041m, with the 2020/21 costs forecast to total £7.808m. This has increased slightly from the £7.571m forecast at the end of December as detailed in the table below. Welsh Government have confirmed funding of up to £8.098m per the forecast requirements we submitted for the Q3 & Q4 plan. The expenditure incurred is summarised in the table below together with the full year forecast of Covid costs submitted:

Additional COVID Expenditure Forecast	M9	M10
	£m	£m
Staff costs - bank and overtime	2.549	2.523
Staff costs - agency	0.817	0.863
Interim F1s	0.513	0.513
Transportation/warehousing costs	1.410	1.611
Additional cleaning/equipment/security	0.638	0.670
Distribution of shielding letters	0.064	0.075
External laboratory testing	0.087	0.087
Loss of income	0.020	0.020
Temporary Medicines Unit	0.589	0.566
Oracle Licences/Bomgar Licences	0.175	0.175
Pulse oximeters - primary care	0.269	0.269
Annual leave accrual	0.250	0.250
Other non pay costs	0.190	0.186
TOTAL	7.571	7.808

2020/21 Capital Covid orders totalling £10.538m were approved to 31st January 2021. £1.870m of these are for expenditure on 200 ventilators, 173 of which have now been invoiced to UHBs and a balance of 27 ventilators remain with NWSSP. In addition 70 ventilators were capitalised for national use within NWSSP in 2019/20 and these have all been transferred to UHBs in 2020/21 and the final signed S1 transfer documentation is awaited.

In addition to the NWSSP operational Covid support costs, we have also incurred All Wales non-stock revenue Covid costs for PPE, Equipment and Services as well as costs for TTP and mass vaccination which total £187.102m to 31st January 2021. The full year forecast of £180.730m is detailed in the table below after accounting for the I&E impact of the PPE stock write on.

	YTD	M11	M12	TOTAL	PPE ONLY
All Wales Non stock PPE	90.563	38.164	21.239	149.966	149.966
Social/Primary Care PPE	56.365	3.000	3.000	62.365	62.365
Pandemic Stock PPE	3.865			3.865	3.865
Mass Vaccination PPE	0.797	0.128	0.129	1.054	1.054
All Wales Covid Equipment	21.224	0.252		21.476	
TTP	8.015	1.610	1.610	11.234	
Mass Vaccination (excl PPE)	0.232	0.211	0.239	0.682	
Stock write on	0.000	0.000	-55.577	-55.577	-55.577
VAT credits	0.000	0.000	-14.469	-14.469	-14.469
St Athan (non PIPP) stock write on	0.000	0.000	-7.674	-7.674	-7.674
NWSSP Operational Costs	6.041	0.900	0.867	7.808	
TOTAL	187.102	44.265	-50.637	180.730	139.530

Since 31st January 2021 the forecast has changed further following confirmation of VAT treatment for PPE orders, confirmation of deliveries that won't be received before 31st March 2021 and additional stock write on implications.

We continue to liaise closely with Welsh Government colleagues with regards to our year end forecast position and the impact on our cash and resource positions.

Transfer of Assets from DHSC

As part of the national Covid response, DHSC loaned a large number of medical equipment assets to NHS Wales for use during the pandemic. In December 2020 DHSC confirmed that they were in a position to donate the assets provided to NHS Wales and other devolved administrations. Assets will be donated for zero consideration, with only the ongoing AME depreciation charges to be payable from the date any assets were provided for use. We have been working with Welsh

Government and DHSC colleagues regarding the transfer of the assets to NHS Wales and the governance and accounting arrangements in respect of this. The current intention is for all assets to be donated to NWSSP/Velindre University NHS Trust and for Andrew Goodall to sign the Memorandum of Understanding on behalf of NHS Wales. There will then be subsequent transfers of assets from Velindre University NHS Trust to UHBs so the only donated assets remaining within Velindre at 31st March 2021 will be the donated assets in use by Velindre and a stock of equipment held for future use within NWSSP. A guidance briefing to outline the process has been prepared and is awaiting Ministerial approval prior to circulation.

2020/21 Additional Distribution

An additional £1.250m has been agreed, bringing the total 2020/21 distribution to £2.000m. The shares by organisation are detailed in the table below:

Health Board /Trust	%	PLANNED DISTRIBUTION £	ADDITIONAL DISTRIBUTION £	TOTAL DISTRIBUTION £	Agreed Recurrent Reinvestment £	TOTAL 2020/21 DISTRIBUTION £
Aneurin Bevan	9.85	73,844	123,125	196,969		196,969
Swansea Bay	8.80	66,029	110,000	176,029		176,029
Betsi Cadwaladr	11.98	89,815	149,750	239,565	-89,815	149,750
Cardiff and Vale	10.49	78,652	131,125	209,777		209,777
Cwm Taf	10.60	79,527	132,500	212,027		212,027
Hywel Dda	7.77	58,293	97,125	155,418	-58,293	97,125
Powys	1.95	14,598	24,375	38,973	-14,598	24,375
Velindre	1.17	8,781	14,625	23,406		23,406
WAST	1.28	9,580	16,000	25,580	-9,580	16,000
Public Health Wales	0.87	6,530	10,875	17,405	-6,530	10,875
Welsh Government	35.25	264,351	440,500	704,851	-264,351	440,500
Total	100%	750,000	1,250,000	2,000,000	-443,167	1,556,833

ESR Recharges

NWSSP undertakes the central role for NHS Wales with regards to the payment and recharging of ESR costs. NWSSP makes payment of the 6.1315% recharge for Wales of the total ESR contract administered by the Department of Health & Social Care (DHSC) and apportions costs and recharges to UHBs/Trusts. In year and full contract forecasts are received quarterly and these are subject to change dependent upon the level of enhancements and additional functionalities deployed. Recharges are levied to organisations apportioned on ESR assignment headcount in September of each year.

During October 2020 when the quarterly forecast was received an increase of £0.968m in the forecast recharge for 2020/21 was identified. Regular meetings have been held with DHSC since this forecast was received to understand the issues and risks within the revised recharge proposed. The final charges invoiced and recharged to UHBs/Trusts were £0.772m more than the initial forecast and Directors and Deputy Directors of Finance have been full appraised of this risk to manage within their year end positions.

Oracle SIP Fund

NWSSP hosts the Oracle Central Team e-Business Services which receives its funding via contributions from individual Health Boards and Trusts. The contributions received, as well as funding the operating costs of the team, are used to build up a

fund for investment in Oracle and BI developments and future hardware acquisition. It was previously forecast that this fund would total circa £1m at the end of 2020/21.

The utilisation of this fund has been reviewed at STRAD meetings since November 2020 with regard to the potential for these funds to be returned to health organisations. Following a further review of the position and expenditure that can be incurred before 31st March 2021, it has been agreed that £0.368m of funds will be returned to UHBs/Trusts in 2020/21.

Capital

The table below identifies the apportionment and year to date spend against our discretionary and additional capital allocations.

Scheme	Allocation	YTD Spend	Balance Outstanding
	£000	£000	£000
Hardware/Software	321	198	- 123
IP5	11	-	- 11
Premises/Accommodation	114	28	- 86
SES Decontamination Testing Kit	6	6	-
SMTL	115	14	- 101
Temporary Medicines Unit	10	4	- 6
Contingency	23	-	- 23
Receipts		- 199	- 199
Discretionary Capital Total	600	51	-549
Covid 19	1,274	711	-563
Covid 19 National Assets	1,870	1,870	0
Hardware/Software	243	-	-243
National Workforce Reporting System	163	163	0
NHAIS Replacement Service	253	253	0
Temporary Medicines Unit	537	535	-2
HCS Vehicle Replacment	504	-	-504
IP5	184	-	-184
Additional Capital Total	5,028	3,532	-1,496
TOTAL CAPITAL ALLOCATION	5,628	3,583	-2,045

Discussions are ongoing with service colleagues to ensure that all capital funds allocated are utilised in full.

We were successful in discussions with Welsh Government and secured £1.252m additional 2020/21 capital slippage funding. Services have been informed of the additional allocation of this funding and to ensure arrangements are in place to incur this expenditure by 31st March 2021.

Our Capital programme includes £1.870m for ventilators that were originally treated as national assets and capitalised within NWSSP. It has now been confirmed that

the majority of these will be transferred to UHBs and our capital limit will be reduced in respect of these.

Welsh Risk Pool – January 2021

Resource 2020/21

The indicative Welsh Government (WG) allocation for the year is £107m for clinical negligence and personal injury claims and a £1.259m allocation for Redress. As at the end of Month 10 a total of £85.6m has been utilised by the WRP and a detailed breakdown is provided below with the 2019/20 comparator.

Expenditure type	Position as at M10 2019/20	Position as at M10 2020/21
	£m	£m
Claims reimbursed & WRP Managed Expenditure	57.123	52.433
Periodical Payments made to date	13.610	14.790
Redress Reimbursements	1.608	1.485
EIDO – Patient consent	0.062	0.062
Clinical Negligence Salary Subsidy	0.000	0.000
WRP Transfers, Consent, Prompt, CTG	0.000	0.017
Movement on Claims Creditor	9.000	16.823
Year to date expenditure	81.403	85.610

DEL Forecast Expenditure 2020/21

The DEL forecast is set out in the table below following receipt of the Month 10 Health Board and Trust returns and a detailed review of high value cases expected to settle this year by L&Rs solicitors.

Month 10 2020/21	£000s
Actual spend to January 2021 (Excl Redress)	84,125
Settled cases – awaiting payment	8,348
JSM/RTM/Offer	14,276
PPO's to March 2021	95
Sub Total	106,844
PI – estimate to March 2021	583
Highly likely – RTM planned	4,171
Possible settlements before 31/03/2021	6,316
Estimate – 30% of Probable Claims <£200K	359
Estimate – 30% of Certain Claims <£200K	1,841
Estimate – Managed Claims	500
Legal & Risk – Clinical Negligence Salary costs (WG agreement)	341
Mth 10 2020/21 DEL forecast	120,955
At significant risk – case delays due to lockdown	-5,944
DEL Forecast 2020/21	115,011

The 2020/21 forecast above includes significant additional risk since the December forecast relating to delays to case progressions caused by the current national lockdown.

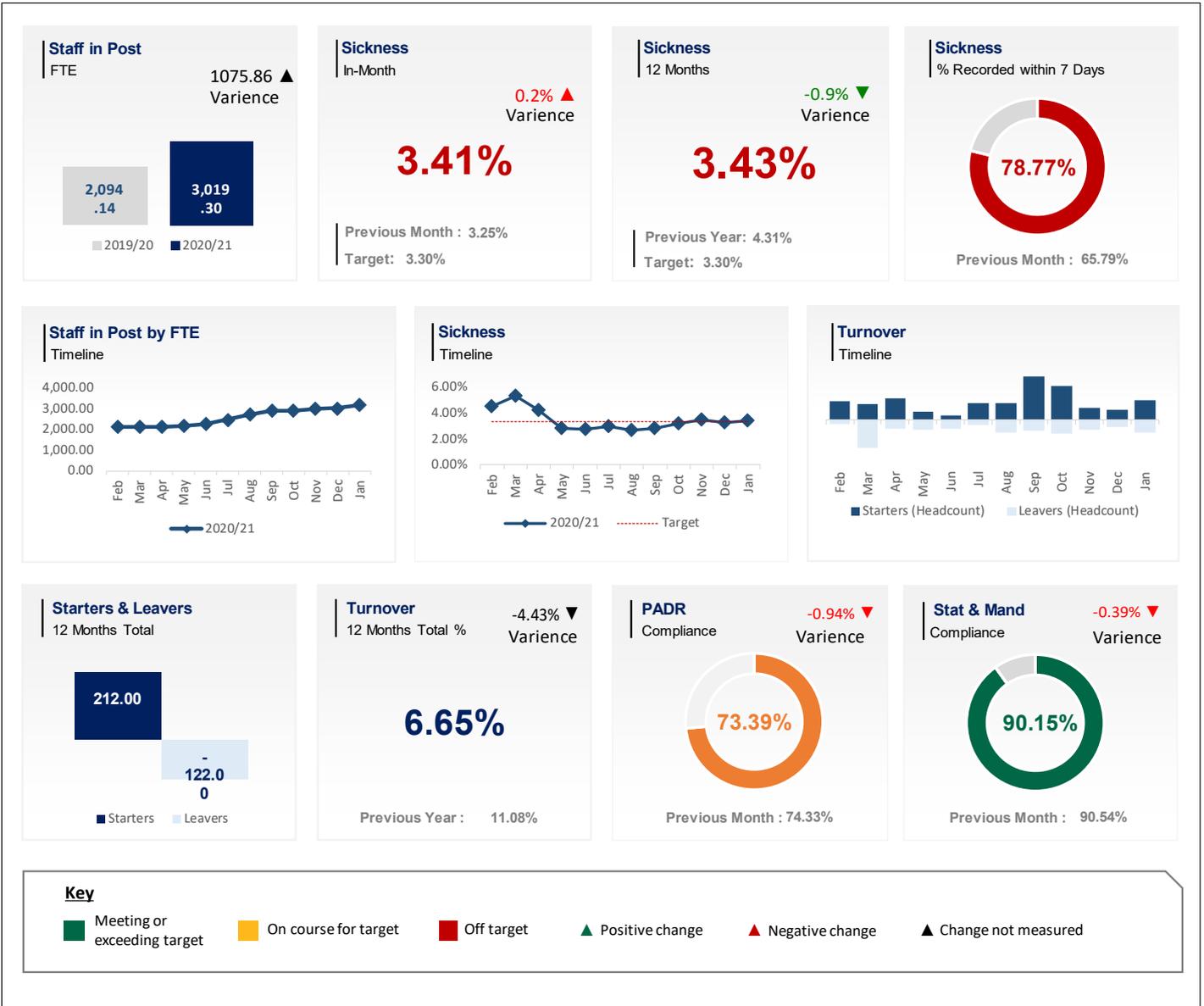
Case solicitors are experiencing delays to receipt of information, expert appointments and surveillance activity. The delays are preventing some cases from progressing to completion as they would have done in a 'normal' year and this has become more apparent since the beginning of the new calendar year.

The forecast outturn at 31 January 2021 is £121m, however there are a number of risks that are being managed between now and the year end.

We currently quantify this risk as approximately £6m; as a result of the delays in the settlement of cases caused mainly by the COVID-19 pandemic. Dates for settlement meetings are being pushed back into 2021-22; this is something we are not able to influence easily. Mitigating steps are being taken to see what other appropriate action we can take to reduce any changes to the forecast outturn.

WORKFORCE INFORMATION

Summary

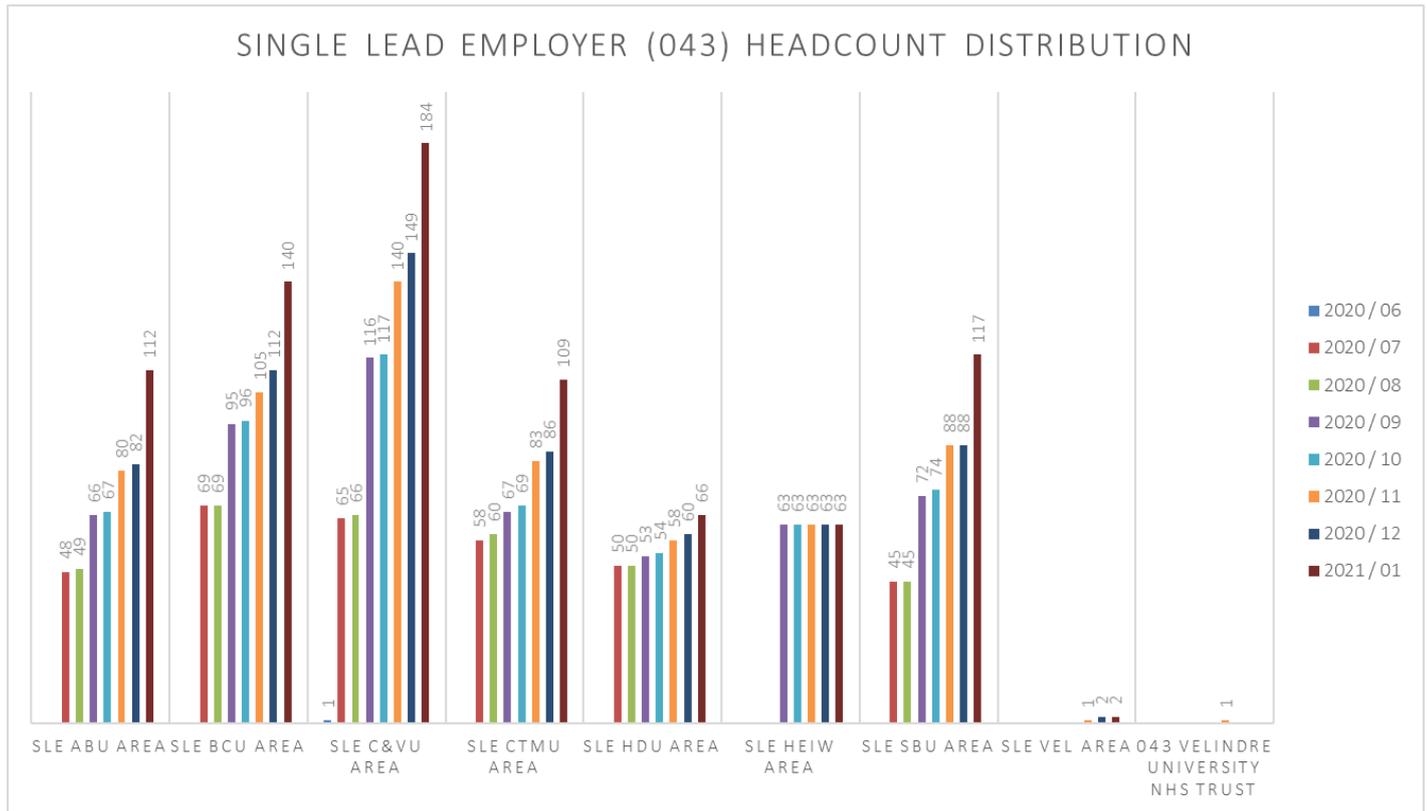


NWSSP STAFF IN POST

The table below outlines the directly employed contracted full time equivalent (FTE) and headcount figures for NWSSP as at 31st January 2021:

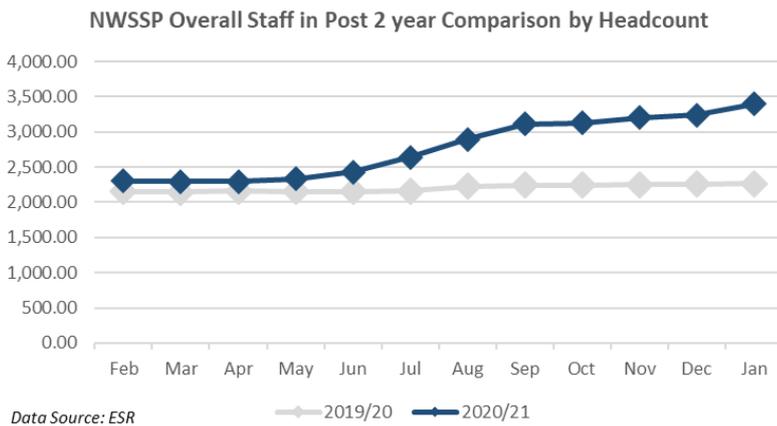
Section	Headcount		FTE		Headcount Change	
	Dec 20	Jan 21	Dec 20	Jan 21	Headcount Change +/-	Headcount Change +/- %
Accounts Payable Section	137	136	131.75	130.35	-1.00 ▼	-0.74%
Audit & Assurance Section	51	51	48.96	48.96	0.00	0.00%
Corporate Section	73	74	67.37	68.37	1.00 ▲	1.35%
Counter Fraud Section	7	7	7	7	0.00	0.00%
Digital Workforce Solutions Section	15	17	14.6	16	2.00 ▲	11.76%
E-Business Central Team Section	11	12	10.13	11.13	1.00 ▲	8.33%
Employment Section	360	363	328.60	332.01	3.00 ▲	0.83%
Finance Section	30	28	28.46	26.66001	-2.00 ▼	-7.14%
Single Lead Employer Section	1356	1506	1284.30	1432.8	150.00 ▲	9.96%
Legal & Risk Section	130	129	120.45	119.29	-1.00 ▼	-0.78%
Medical Examiner Section	31	31	11.30	11.3	2.00 ▲	6.45%
Primary Care Section	304	304	278.64	279.24	0.00	0.00%
Procurement Section	626	631	585.85	590.45	5.00 ▲	0.79%
Specialist Estates Section	48	49	47.11	48.11	1.00 ▲	2.04%
Surgical Materials Testing (SMTL) Section	21	21	19.32	19.32	0.00	0.00%
Welsh Employers Unit Section	4	4	3.80	3.8	0.00	0.00%
Workforce & OD Section	33	33	31.67	31.67	0.00	0.00%
NWSSP Overall	3237	3396	3019.30	3176.46	159.00 ▲	4.68%

The graph below shows the distribution of the SLE headcount by Health Board area:



Nwssp Overall Headcount Trajectory

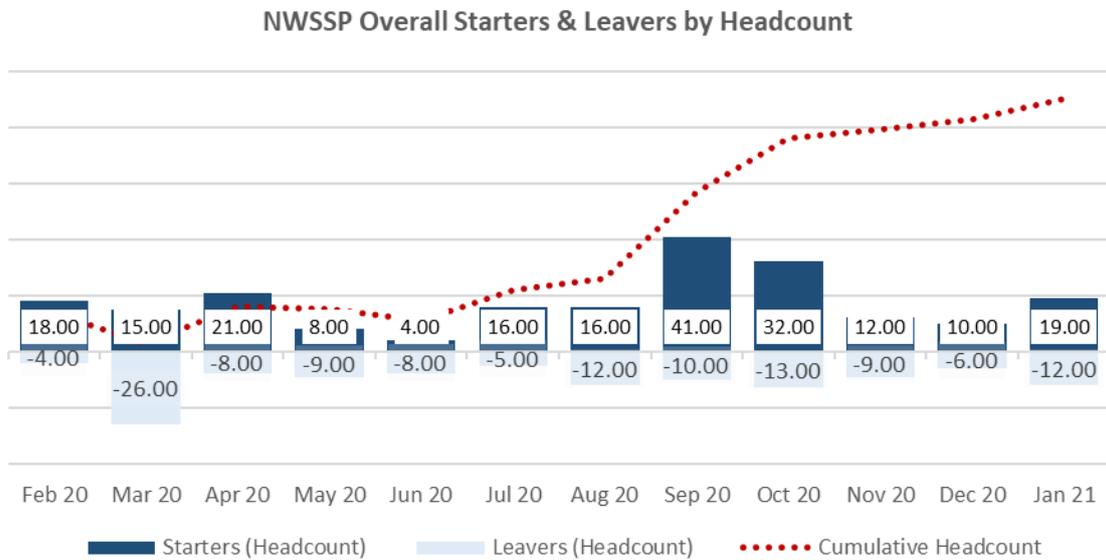
The graph below shows the rolling 12-month headcount trajectory compared to the same period for the previous year.



The significant increase in headcount is attributable to the growth in our Single Lead Employer activity within VPD 120.

Staff Turnover

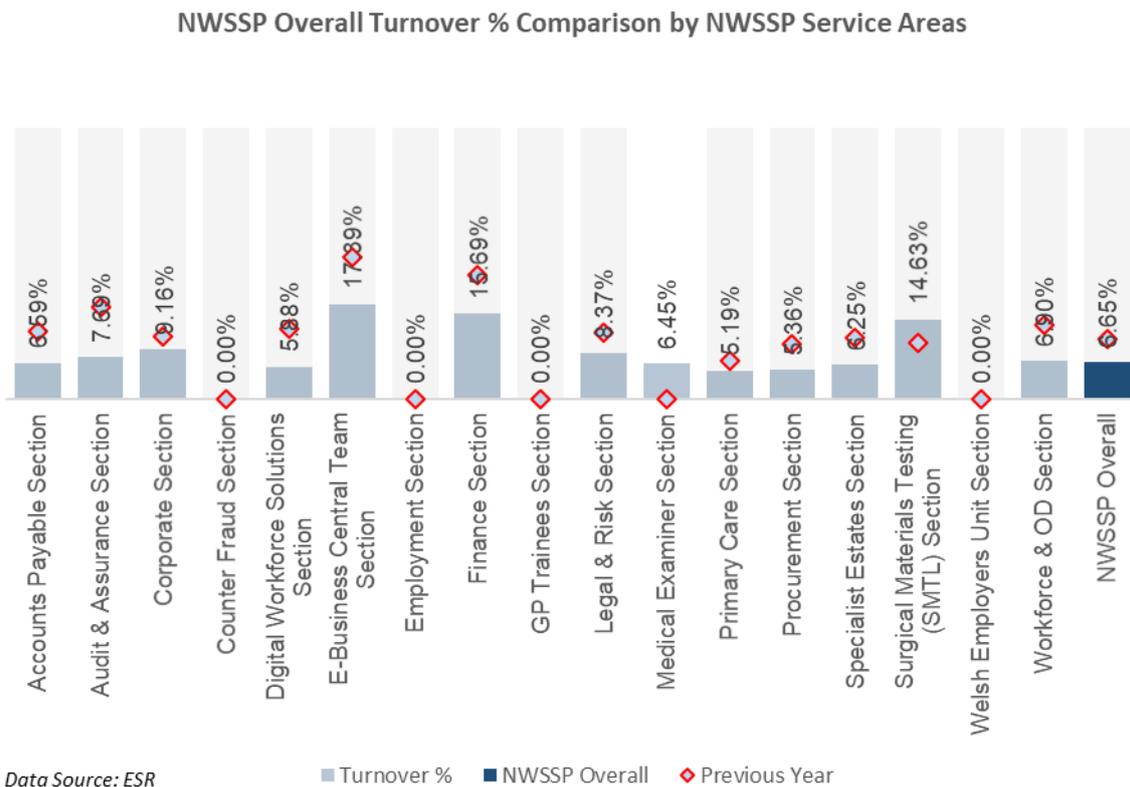
The turnover rate for NWSSP from 1st February 2020 to 31st January 2021 is **6.65%** compared to **11.08%** for the same period last year.



Data Source: ESR

This graph shows the starters and leavers in NWSSP from February 2020 to the end of January 2021. GP Trainees and Bank workers are excluded from this information

Further detail of turnover by service area is shown in the chart below:



Data Source: ESR

Please note: those functions with a low headcount may demonstrate disproportionately high turnover percentages. Whilst it is acknowledged that the impact of staff turnover within smaller teams can have a significant impact, the turnover percentage needs to be understood within the context of the overall headcount.

The top three reasons for staff leaving NWSSP over the last 12 months are:

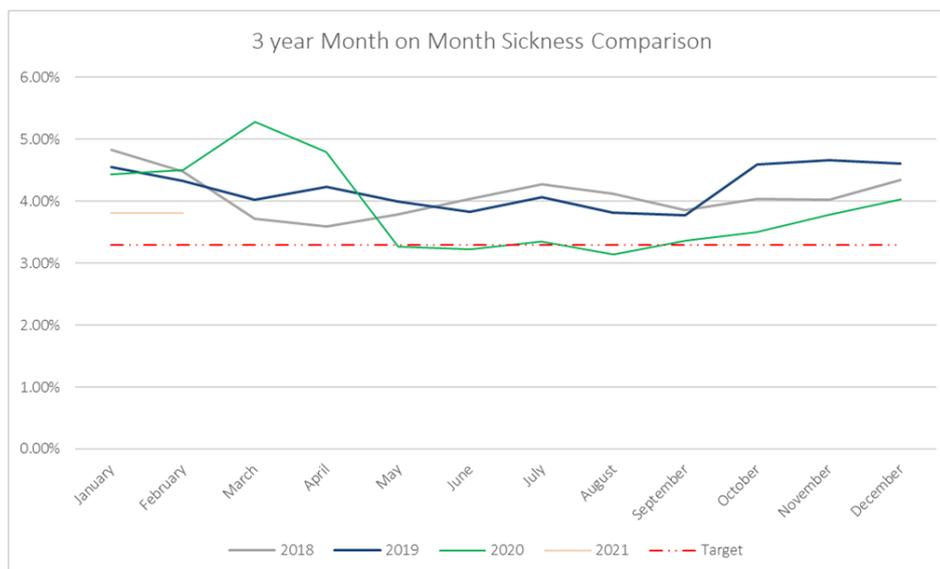
Top 3 Leaving Reasons		
Rank	Reason	Headcount
1	Voluntary Resignation - Promotion	27
2	Retirement Age	19
3	Voluntary Resignation - Other/Not Known	16

Other reasons for absence during this period include flexi retirement (8); relocation (8); and end of fixed term contract (9)

Of **122** staff that left the organisation between February 2020 and January 2021, **73** staff left through voluntary resignation, equivalent to **59.8%** of all terminations. **0** dismissals occurred in January 2021.

SICKNESS ABSENCE

The chart below shows the average sickness absence rate for NWSSP for the three years, 2018, 2019 and 2020:



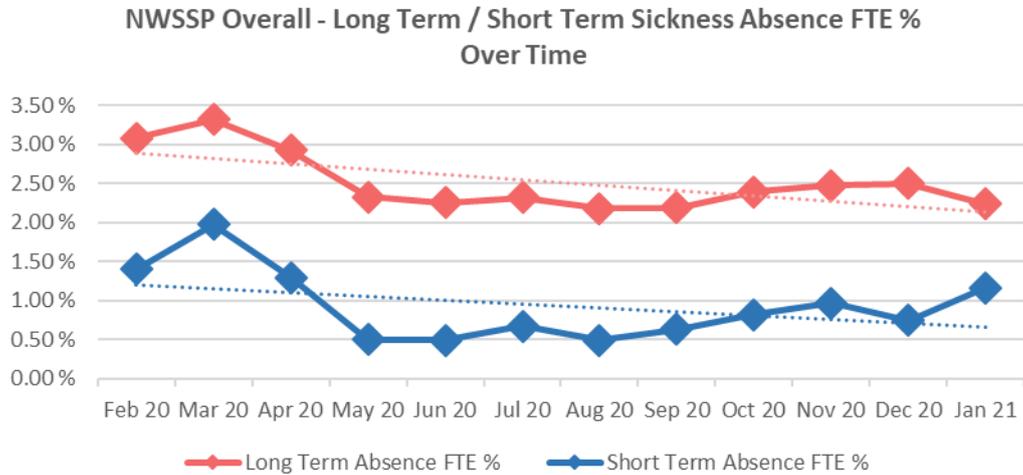
	2018	2019	2020	2021	Target
January	4.83%	4.56%	4.44%	3.81%	3.3%
February	4.48%	4.33%	4.50%	3.81%	3.3%
March	3.72%	4.02%	5.29%		3.3%
April	3.59%	4.23%	4.79%		3.3%
May	3.78%	4.00%	3.26%		3.3%
June	4.04%	3.83%	3.22%		3.3%
July	4.28%	4.07%	3.35%		3.3%
August	4.12%	3.81%	3.14%		3.3%
September	3.86%	3.78%	3.36%		3.3%
October	4.04%	4.60%	3.50%		3.3%
November	4.02%	4.66%	3.77%		3.3%
December	4.34%	4.61%	4.03%		3.3%

In line with the typical trend for absence we have seen a rise in absence numbers over the last few months, however these are still below the levels reported at the same period in previous years - 4.83% in 2018 to 4.56% in 2019, 4.44% in 2020 and **3.81%** in January 2021.

NWSSP's target is 3.30% in line with the Welsh Government target of reducing sickness absence by 1%.

The in-month sickness absence rate for January 2021 was **3.41%**, which is a **0.2%-point increase** from the December 2020 position. The 12-month absence to 31st January 2021 is however **0.9%** lower at **3.43%** (4.31% January 2020).

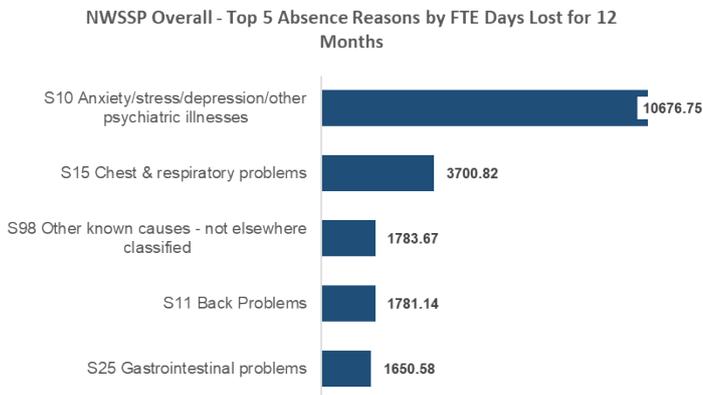
The 12-month trend in Long Term versus Short Term Sickness absence for the period 1st February 2020 to 31st January 2021:



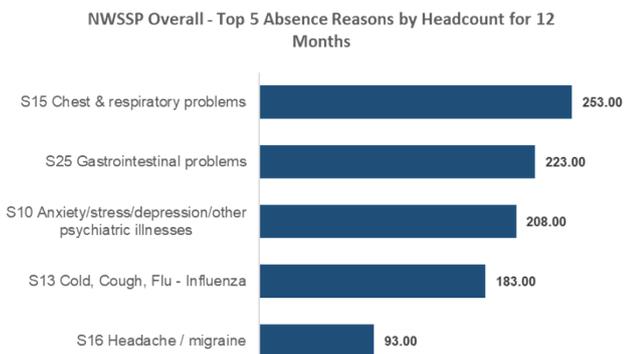
Data Source: ESR

Reasons for Sickness Absence

The charts below show the top five reasons for sickness absence (by headcount and FTE respectively) within NWSSP for the period 1st February 2020 to 31st January 2021:



Data Source: ESR



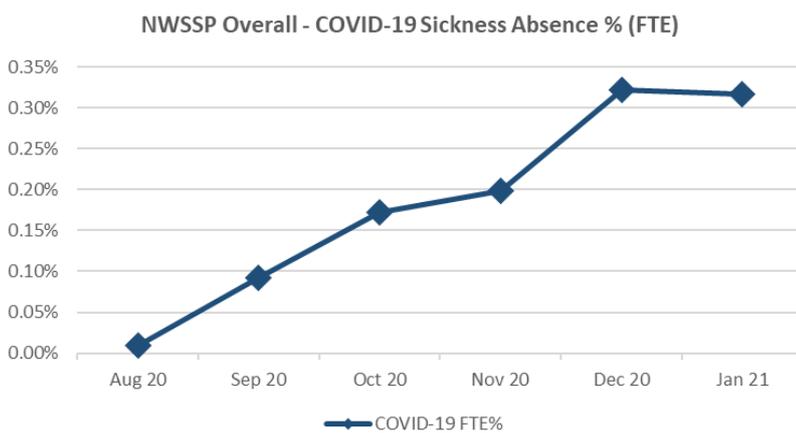
Data Source: ESR

Anxiety, stress and depression continue to account for the greatest number of days lost due for sickness absence within NWSSP with just over 10,676 hours lost per annum, this accounts for a 2.5% increase on the previous 12-month figure of 10,417 hours. These hours lost could be reflective of the long term nature of such absences. It should be noted that there is a notable increase in this from the figures reported the previous month.

NWSSP has numerous avenues of support for those suffering with their mental health, including the introduction of the Mental Health First Aiders Programme; the Peer Support Programme for COVID-19; and our Employee Assistance Programme.

Interestingly, when you compare the hours lost to the number of absences by headcount, chest and respiratory; and gastrointestinal problems account for the greater number of absences. This is further highlighted in the data that looks at occurrences over the last 12 months. These occurrences again may reflect the short-term nature of absences.

Covid-19 Absence



Data Source: ESR

Please note: Infection Precaution and Medical Suspension are not classed as sickness absence and are not included when calculating sickness percentage.

COVID-19 Related Absence at 1 Feb 2021	
Open Absence Infection Precaution	Open Absence Medical Suspension
25	1
Open Absence - COVID-19	Risk Assessment Compliance %
5	67.03%

As can be seen, Covid-19 related absence increased substantially from August to December. In January 2021, albeit at the top end of the figures we can see a plateau in COVID related absences.

Those under medical suspension, has remained at 1 in the same monthly period. Related absences are still occurring, so we will continue to report on this over the coming months.

Vaccinations

We have now established a mechanism to report on vaccination uptake across NWSSP. The national WIS system is one avenue, but a lag in data entry and system update is evident. We therefore continue to collect local data from service son those that have received, or even declined the vaccination and ensure our central database is continually updated.

We are working with each Health Board in terms of their vaccination processes and continue to respect their positions in relation to the administration to these and their prioritisations in line with the UK wide JCVI prioritisation listings.

As can be seen in the table below our priority 1 services have had the majority of their staff vaccinated. Under the Procurement umbrella, HCS have seen 86% completion and Supply Chain Services, 96%; whilst SMTL have had 96% of their staff receive the first vaccination and those prioritised in SES accounting for 44%.

We continue to experience issues with the SLE data as it is assumed that all of these would have been vaccinated as they are frontline staff on hospital sites. It is assumed that SLE staff are identifying themselves as Health Board staff and therefore their data would not be available to us in NWSSP. We will be contacting our SLE trainees this week to ask for confirmation of them having received the vaccination, the date on which they had this and the date their second is due. These responses will then be uploaded into our central database to support reporting to SLT and HEIW.

In the meantime, priority one services such as HCS, Supply Chain and SES have kindly provided updates on the access their staff have had to vaccination in their respective Health Board areas. To date some 183 have been invited for appointments across Wales, with 177 accepting these invitations and having booked their second appointment.

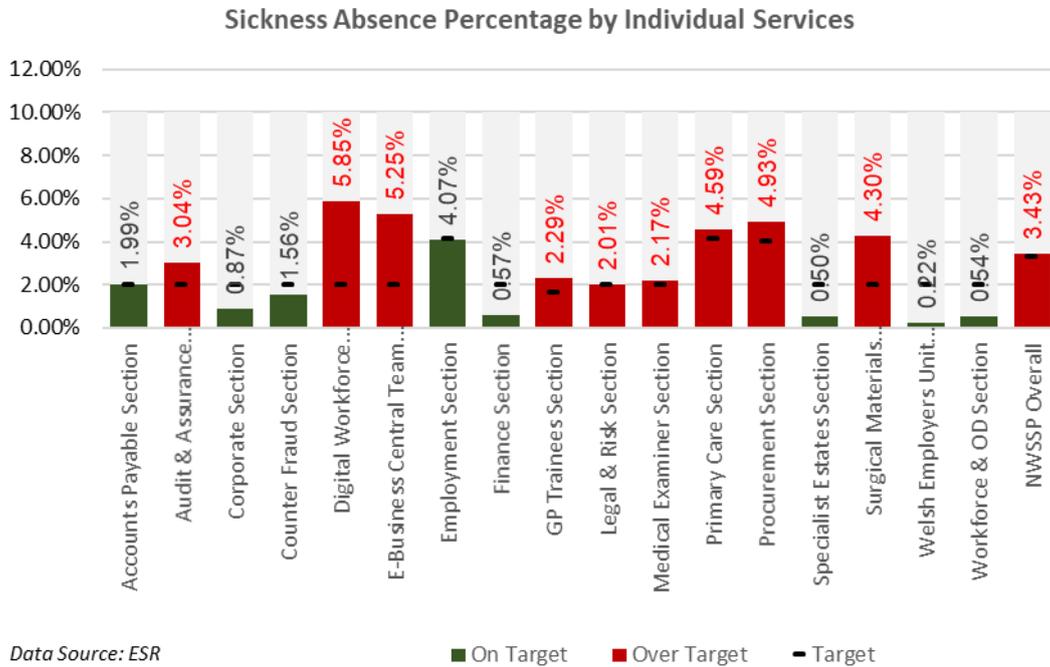
Health Boards are keeping us apprised of cancellations, along with changes to their priority groups enabling us to access the vaccinations in line with the prioritisations they are following.

Vaccinations to 15th February 2021:

Service	No. Employees	No. Vaccinations Had	% Completion
043 Single Lead Employer Service	795	294	37%
120 NWSSP Accounts Payable Section	136	88	65%
120 NWSSP Audit & Assurance Section	51	16	31%
120 NWSSP Corporate Section	74	13	18%
120 NWSSP Counter Fraud Section	7		0%
120 NWSSP Digital Workforce Solutions Section	17	1	6%
120 NWSSP E-Business Central Team Section	12	2	17%
120 NWSSP Employment Section	366	183	50%
120 NWSSP Finance Section	28	3	11%
120 NWSSP GP Trainees Section	712	278	39%
120 NWSSP Legal & Risk Section	129	60	47%
120 NWSSP Medical Examiner Section	31	3	10%
120 NWSSP Primary Care Section	304	93	31%
120 NWSSP Procurement Section	630	488	77%
120 NWSSP Specialist Estates Section	48	21	44%
120 NWSSP Surgical Materials Testing (SMTL) Section	21	20	95%
120 NWSSP Welsh Employers Unit Section	4	2	50%
120 NWSSP Workforce & OD Section	32	8	25%
20 NWSSP Corporate & Finance (blank)			
Grand Total	3397	1573	46%

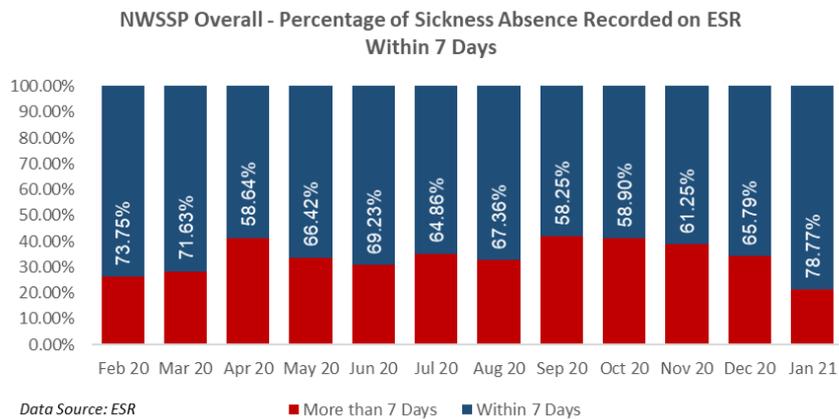
Sickness Absence by Service

The chart below shows the average sickness absence rate for each service from 1st February 2020 to 31st January 2021:



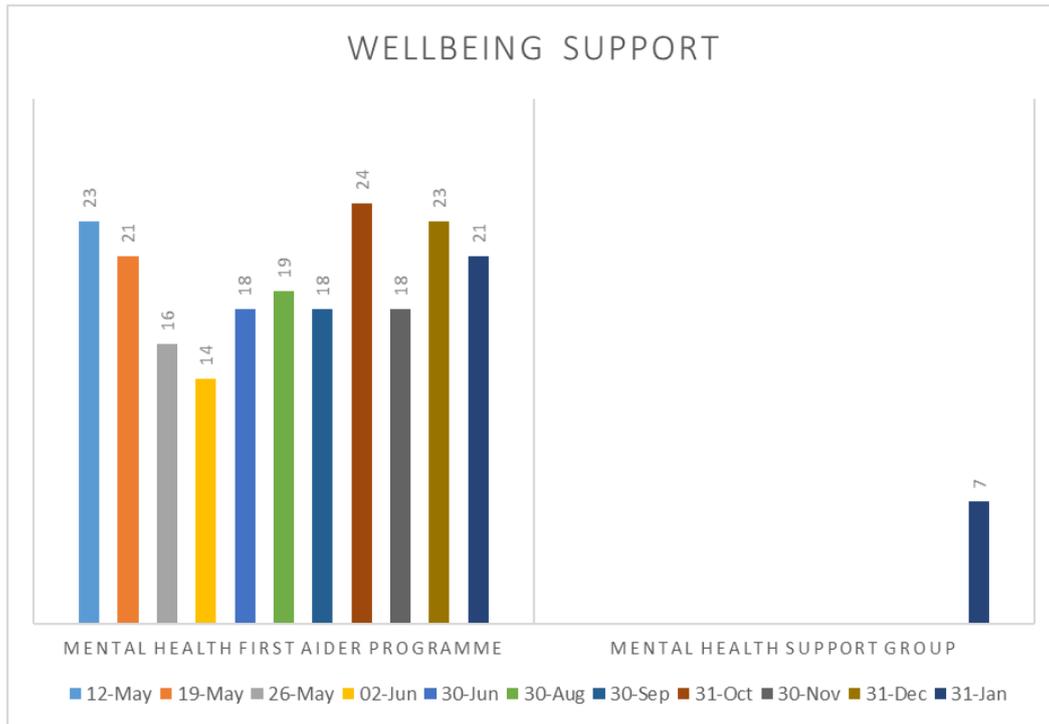
Percentage of Absence Entered Within 7 days

The graph below shows the percentage of absences entered into ESR within 7 days of the first day of absence, in the period 1st February 2020 to 31st January 2021. January 2021 saw further increases in those recording absences within 7 days. At 78.77%, this represents the greatest percentage in the rolling 12-year period.



Accurate and timely entry of sickness absence information into ESR is fundamental to ensuring accurate payment of staff and informed reporting. It should also be noted that this is a requirement of all managers as part of the NWSSP Core Organisational Objectives developed to support the application of the Pay Progression Policy.

Wellbeing Support



96.8% of our wellbeing support to date has been provided by the Mental Health First Aiders.

The Peer Support Programme is currently being reviewed due to see how this can increase its impact across the organisation.

All Wales Risk Assessment Completion

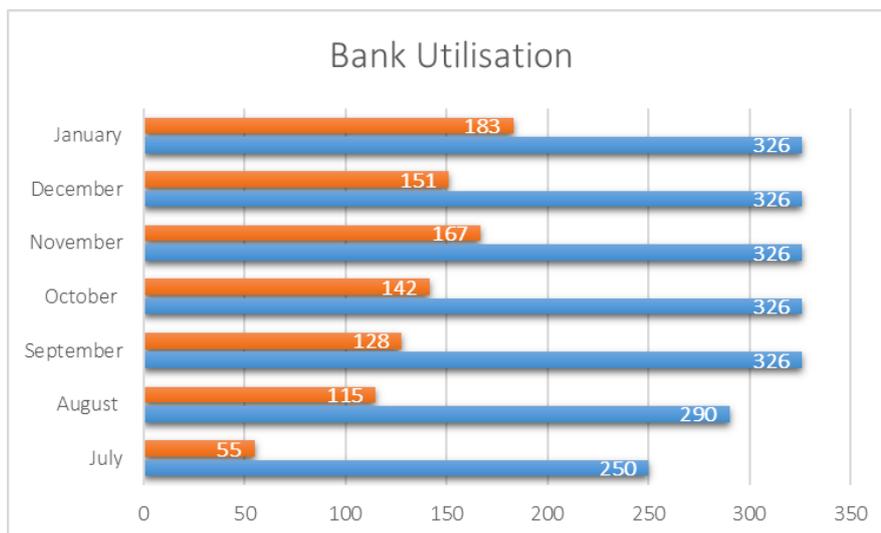
As of 15th February 2021, 52.4% of risk assessments have been completed, an fall of 7.9% points on the previous reported period. This is likely due to the 6 month period that has elapsed and the need for staff to update their risk assessments. A communication will be sent out to staff shortly to remind them to update their assessment and to provide instruction on how to do this.

The table below provides a breakdown of completion rates per division:

Service	No. In Service	No. Complete	% Completed per Service 16.02.21	% Completed per Service 18.01.21	% Change on previous period
043 Single Lead Employer ABU Area	118	9	7.6%	8.0%	-0.41%
043 Single Lead Employer BCU Area	150	53	35.3%	33.6%	1.8%
043 Single Lead Employer C&VU Area	202	17	8.4%	7.1%	1.4%
043 Single Lead Employer CTMU Area	120	10	8.3%	6.3%	2.0%
043 Single Lead Employer HDU Area	71	11	15.5%	10.6%	4.9%
043 Single Lead Employer HEIW Area	63	26	41.3%	33.3%	7.9%
043 Single Lead Employer SBU Area	128	17	13.3%	8.6%	4.7%
043 Single Lead Employer Vel Area	1		0.0%	0.0%	0.0%
120 NWSSP Accounts Payable Section	136	79	58.1%	94.1%	-36.0%
120 NWSSP Audit & Assurance Section	53	36	67.9%	88.2%	-20.3%
120 NWSSP Corporate Section	75	55	73.3%	74.3%	-1.0%
120 NWSSP Counter Fraud Section	7	6	85.7%	100.0%	-14.3%
120 NWSSP Digital Workforce Section	17	13	76.5%	76.5%	0.0%
120 NWSSP E-Business Central Team Section	14	8	57.1%	91.7%	-34.5%
120 NWSSP Employment Section	367	261	71.1%	66.9%	4.2%
120 NWSSP Finance Section	28	19	67.9%	96.4%	-28.6%
120 NWSSP GP Trainees Section	732	334	45.6%	54.1%	-8.5%
120 NWSSP Legal & Risk Section	130	106	81.5%	84.1%	-2.6%
120 NWSSP Medical Examiner Section	31	12	38.7%	35.5%	3.2%
120 NWSSP Primary Care Section	302	262	86.8%	98.0%	-11.3%
120 NWSSP Procurement Section	634	409	64.5%	80.9%	-16.4%
120 NWSSP Specialist Estates Section	49	44	89.8%	85.1%	4.7%
120 NWSSP Surgical Materials Testing (SMTL) Section	21	18	85.7%	95.2%	-9.5%
120 NWSSP Welsh Employers Unit Section	4		0.0%	25.0%	-25.0%
120 NWSSP Workforce & OD Section	32	20	62.5%	81.8%	-19.3%
Grand Total	3485	1825	52.4%	60.2%	-7.9%

BANK AND AGENCY

Bank Usage



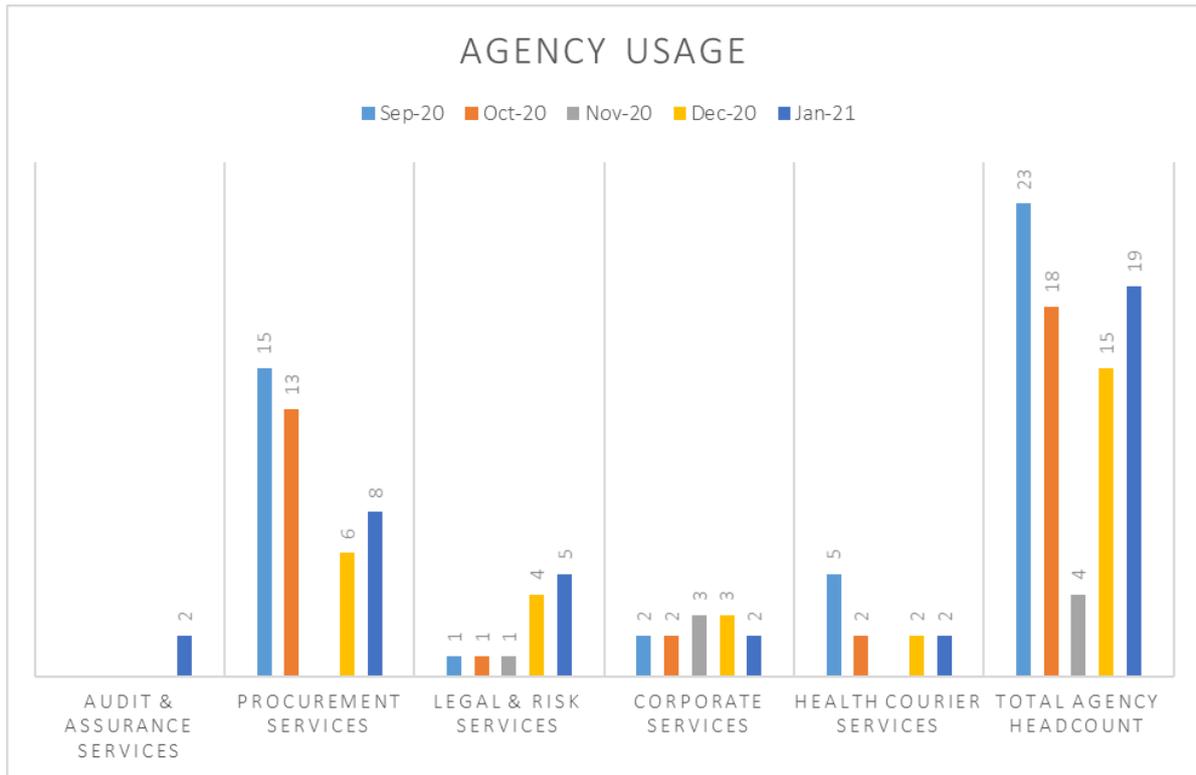
At present we have 326 Bank Workers on our books. Bank usage has risen to its highest levels since reporting began from 55 in July 2020 to 183 today.

There is an expectation that these figures will increase as services are needing to replenish those that have secured fixed term posts; providing support to the emerging work streams and covering for contingencies such as shielding; isolating or covering leave.

We currently have the following roles out for advert:

- Payroll Officer – shortlisting stage
- Recruitment Service Advisor – interviews arranged between 13th to 18th January
- Biological Testing Technician- offer pending
- Buyer – hidden link being arranged
- Legal Administrator – hidden link being arranged
- Law Student bank to support the L&R team
- Clerical Bank

Agency Usage



Data provided by Finance suggests that in January 2021 we engaged a total of 19 workers from Agencies, of those 8 were placed in Procurement, accounting for 42.1% of the total placements, 5 within Legal & Risk Services (26.3%), 2 within Corporate Services (10.5%), 2 in HCS (10.5%), and a further 2 in Audit & Assurance (10.5%).



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

**AGENDA ITEM:
18 MARCH 2021**

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Corporate Risk Update – March 2021

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 Management Team (SMT) 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 March 2021

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	March 2021
Red Risk	1
Amber Risk	16
Yellow Risk	1
Green Risk	0
Total	18

2.1 Red-rated Risks

Risk A1 - Demise of the Exeter Software System

The replacement of the GMS systems continues to be on track and we are now undertaking the checking process for validation of the new system. A period of dual running is due to commence shortly to ensure the accuracy of the new system, with a partial go-live scheduled for March for Swansea Bay UHB. Full go-live for all Health Boards will complete by 1 July. The planned implementation of the Capita system in NHS England was also due to go-live on 1 April but Capita have asked NHS Digital for six months of continued contingency cover.

2.2 New/Deleted Risks

There have been no additions or deletions from the Register since the last meeting of the SSPC in December.

3. RISKS FOR MONITORING

There is one risk that has reached its target score and which is rated as follows:

Current Risk Rating	March 2021
Red Risk	0

Amber Risk	0
Yellow Risk	1
Green Risk	0
Total	1

4. ASSESSMENT/GOVERNANCE & RISK ISSUES

There is a significant risk to the NWSSP if robust governance arrangements are not in place for risk management and each Director has responsibility for notifying the SMT of any risks that could have a financial impact if arrangements are not in place to manage risk. If there are insufficient communication flows to manage risk then there could be a resulting adverse effect on NWSSP and its customers.

5. RECOMMENDATION

The Committee is asked to:

- **NOTE** to the Corporate Risk Register as at March 2021.

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												
A1	The Northern Ireland model procured to replace the NHAIS system fails to deliver the anticipated benefits within required timescales impacting the ability to pay GPs (Original risk added April 2017) Escalated Directorate Risk	4	5	20	Legal Counsel advice received. PMO Support Project and Programme Boards in place Heads of Agreement signed	3	5	15	Programme and Project Boards to review progress in lead-up to go-live date for GP payments. Sign off contract extension to March 2021 with NHS Digital.	Work is on-going with Northern Ireland to implement the new system to allow 3 months parallel running with a go-live date in July. Roll-out of the Capita system in England has again been delayed with the existing service being available until at least September 2021. Risk Lead: Director of Primary Care Services	➔	30-jun.-21
A2	Risks to continuity of supplies and services to NHS Wales resulting from a no-deal Brexit (added Apr 2019) Strategic Objective - Customers	5	5	25	Storage facility in place (IP5) that has been adequately stocked to cope with a no-deal Brexit. BREXIT Mobilisation Team BREXIT Group which includes WG representation.	2	5	10	Review of Critical Care Items being undertaken. Review of NSDR arrangements. Clinical Decision making arrangements to be raised with Medical Directors.	Situation regarding paperwork is much improved and risk may well be able to be removed shortly. Risk Lead: Director of Procurement Services	⬇	31-mar.-21
A3	NHS Digital are withdrawing the Ophthalmics Payment service from the end of September 2020. (Added June 2019) Escalated Directorate Risk	5	5	25	Contingency arrangements in place in the event of NHS Digital switching off services before new solution in place. Programme Board established.	2	5	10	Developing in-house solution making use of K2 software. This was used to develop the Student Awards Service. The decision to move to a bespoke development and not to engage with CAPITA relates mainly to the fact that WG sources suggest a move away from the	The in-house development of the replacement Ophthalmology Payments system is on track, and a number of Health Boards went live with this before Christmas. The remaining Health Boards will go-live by 31 March. Risk Lead: Director of Primary Care Services	⬇	31-mar.-21
A4	NWSSP's lack of capacity to develop our services to deliver further efficiency savings and introduce innovative solutions for NHS Wales and the broader public sector. The restrictions on availability of capital due to COVID may increase the profile of this risk. (Added April 2017) Strategic Objective - Service Development	4	4	16	IMTP Horizon scanning days with SMT and SSPC to develop services Established new Programme Management Office (PMO) IT Strategy Regular reporting to SMT and SSPC	2	4	8	1. Implementation of project management software (AB) 2. Invest in Robotic Process Automation (AB)	1. Procurement pilot project completed - currently being rolled out in NWSSP 2. RPA pilot in progress - update to July SMT and further update to Dec 2019 SMT Risk Lead: Director of Finance & Corporate Services	➔	31-mar.-21
A5	Suppliers, Staff or the general public committing fraud against NWSSP. (added April 2019) Strategic Objective - Value For Money	5	3	15	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	1. Make better use of NFI (PS 31/03/21) 2. Produce Action Plan from Audit Wales "Raising ourGame" report (PS Complete)	Risk increased due to COVID-19 and significant increase in expenditure. Further Audit Wales report demonstrates that NHS Wales is in a good place for fraud prevention and detection compared to Central and Local Government but there are still further actions to be undertaken. Struggling to get access to NFI - being taken through DoFs. Risk Lead: Director of Finance & Corporate Services	⬇	31-mar.-21
A6	Risk of cyber attack exacerbated if NWSSP, or other NHS Wales organisations, run unsupported versions of software. (added Apr 2019) Strategic Objective - Service Development	5	5	25	Cyber Security Action Plan Stratia Consulting Review IGSG Information Governance training Mandatory cyber security e-learn introduced Dec 19 Internal Audit review - Reasonable Assurance (April 2020)	2	5	10	Follow up progress with Cyber Security Plan (PS On-going) Move all desktop devices to Windows 10 by the Windows 7 end of support (PS 31/03/21) NL to further update the SLT in the light of the recent Audit Wales report (NL Complete)	Nick Lewis presenting update to April 2021 Audit Committee and January 2021 SLT. E-learn introduced during 2020. Windows 10 migration delayed by COVID but almost complete as at Feb 21 Risk Lead: Director of Planning, Performance & Informatics	➔	31-mar.-21
A7	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. Strategic Objective - Service Development	4	4	16	In-house H&S and Fire Safety Expertise Role of PMO	3	4	12	PMO to ensure that Project Officers consult appropriately at outset of project. Programme Director to be appointed.	All organisations contributing towards a Fire & Evacuation Strategy for IP5. Risk Lead: Director of Workforce and OD	➔	31-mar.-21

A8	The transfer of approximately 250 laundry staff to NWSSP under TUPE arrangements many not proceed smoothly impacting the reputation of NWSSP in NHS Wales, and leading to further delays with the implementation of the Laundry Programme Strategic Objective - Service Development	4	4	16	All-Wales Programme Business Case Programme Board Regular updates to SLT.	3	4	12	Workforce workstream to oversee the TUPE arrangements.	PBC approved by WG in November 2020. Update provided to SSPC in November 2020.	➔	31-mar.-21
A9	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. <i>(added Feb 2020)</i> Strategic Objective - Staff	2	5	10	Fire Safety Officer Risk Assessment - assessed risk to life as low - Update Paper to Feb, May and November SMTs.	2	5	10	Discrete fire risk assessments to be undertaken for each site and results reported back to February 2021 SLT.	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.	➔	28-feb.-21
COVID-19 Risks												
CV1	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 2020-21.	5	5	25	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	2	5	10	Ensure that the costs directly associated with COVID-19 are identified and accurately captured. Provide regular updates to Welsh Government.	WG have agreed funding of projected total expenditure of £8m for full financial year.	➔	31-mar.-21
CV2	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	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. Provision of hand sanitisers and soap. Enhanced Cleaning services Notices in all buildings reminding of good hygiene practices. Regular SMT walk-arounds of all sites. COVID-19 Adapt and Future Change Group <i>More flexible building opening times</i>	2	5	10	Continue to monitor effectiveness of current measures through Site Leads and the weekly Site Leads meeting.	Current measures seem to be effective. 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 fall. The regular meetings of the Site Leads provide on the ground information in real time and the Site Leads Meeting includes direct representation from the COVID-19 Planning and Response Group so that matters can be escalated appropriately. Risk assessment exercises completed. 2nd Staff Survey reported in Dec and demonstrates that staff satisfaction with current arrangements is being sustained.	➔	31-mar.-21
CV3	NWSSP are unable to procure sufficient orders of PPE, medical consumables and equipment resulting in clical staff being able to treat patients safely and effectively. This risk may be exacerbated due to the potential need to supply Social Care, Primary Contractors, Carers and even retailers and train passengers. The continuing global difficulties with China also increases this risk.	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. <i>Internal Audit Review (Sept 2020)</i>	2	5	10	Review being undertaken by Audit Wales (AB 31 Jan 21) - draft report received for comment 19 Feb 2021.	The PPE plan has been developed in consultation with key stakeholders, and includes the arrangements to distribute PPE to the wider Family Care Practitioners and Social Care sectors. As services across Wales start to open back up, demand for such equipment is increasing in line with our expectations. The Welsh Local Government Association have been a key partner in helping us to take this agenda forward with Local Authorities	➔	31-mar.-21
CV4	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. Weekly IT Update meetings. IT Update also given to weekly COVID-19 Planning & Response Group	2	5	10	Updated BCP document covering response to COVID and possible impact of future waves presented to August SMT, and September SSPC. Further investment in laptops to ensure that PCS staff are able to work remotely. Increase investment in softphones.	The daily report on staff absence shows that absence rates are falling. The investment in hardware and software has allowed large numbers of staff to work remotely with minimal problems thus far.	➔	31-mar.-21

CV5	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.	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 (includes Trade Union Leads) Staff Surveys Virtual Coffee Mornings with SLT	2	5	10	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 falling linked to COVID-19 symptoms. Communications are being issued on a regular basis and all Directors and Managers are tasked with regularly checking the health and well-being of their staff. 2nd Staff Survey results suggest that arrangements in place still viewed as largely positive.	➔	31-mar.-21
CV6	Current uncertainty over the specific requirements for Field Hospitals is impacting on storage facilities within NWSSP impacting current and future plans for their strategic use.	4	4	16	IP5 Board Additional facilities secured at Picketston	2	4	8	Seek clarification from Welsh Government on future plans for Field Hospitals. Undertake wider consideration of the IP5 SOC alongside the future requirement for equipment needed to deal with emergency situations. Seek additional storage capacity - particularly for Medical Records.	Discussions are on-going with Welsh Government with regards to the Strategic Outline Case for IP5. Welsh Government have also agreed to cover the running costs of the facility for the current financial year as part of the overall COVID and BREXIT contingency arrangements. We are awaiting news on further capital allocations to cover the costs of additional roller-racking for increased stock holding requirements.	➔	31-mar.-21
CV7	The impact of the pandemic on workload and also travel restrictions has meant that staff have largely not taken annual leave in the first few months of the year and may be equally less inclined to do so over the summer. This stores up the potential for large numbers of staff to be looking to take high volumes of annual leave in relatively short timeframes towards the end of the year, impacting on service delivery.	5	4	20	Relaxation of carry-over rules that might lead to a flattening of the curve in terms of large numbers of staff being off at the same time. Updated guidance on annual leave approved by Planning & Response Group on 2 June.	1	4	4	Monitor taking of annual leave through directorate SMTs. Issue of reminders to staff to take their annual leave entitlement.	Trade Unions largely supportive of measures which are being introduced on an all-Wales basis.	➔	31-mar.-21
CV8	Lack of clarity regarding the requirements of HCS, and the timescale for delivery, of assisting with distributing vaccines leads to an inability to plan effectively for this service.	4	4	16	CNS & Saline being provided by UK Government leaving only medical consumables as risk. Staff Group & Picking Area ring-fenced. Rapid Staff Induction process for Bank/Agency QA Process to manage Pack Quality Spare Fleet in place and arrangements with hire companies for additional vehicles at short notice Work undertaken with specialists to address known security threats	3	4	12	Need to ensure that HCS staff are treated as Priority 1 for vaccinations so that they are able to undertake this work.	Pfizer Vaccine approved for use on 2/12/2020 and now being rolled out. Potential for HCS to be asked to deliver to Community Pharmacists - meeting being held 11/1 to discuss. Update provided to SSPPC 21/1/21.	➔	31-mar.-21
CV9	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	2	5	10	This was raised at the SLE Project Board Skype call on 27 May. The tripartite 'duties' agreement goes a long way to emphasising the health and safety at work responsibilities of the host. This will be pointed out at the meeting in the context of Covid-19 risks with emphasis on the risk assessment process.	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 will further mitigate this risk.	➔	31-mar.-21
Risks for Monitoring												
M1	Disruption to services and threats to staff due to unauthorised access to NWSSP sites. (Added May 2018) Strategic Objective - Staff	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18) Increased Security Patrols at Matrix.	1	4	4	Continue to monitor, and reissue comms to all staff to remind them of need to keep buildings and information secure. (PS 31/08/2020 - complete)	Security Review undertaken and reported to SMT in Dec 2018. No major findings and all agreed actions implemented or superceded.	➔	
										Risk Lead; Director Specialist Estates Services/Director of Finance and Corporate Services		

Key to Impact and Likelihood Scores						
		Impact				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood						
5	Almost Certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Possible	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5
	Critical	Urgent action by senior management to reduce risk				
	Significant	Management action within 6 months				
	Moderate	Monitoring of risks with reduction within 12 months				
	Low	No action required.				

Consequence					
Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Yellow 5	Amber 10	Red 15	Red 20	Red 25
Likely	Yellow 4	Amber 8	Amber 12	Red 16	Red 20
Possible	Green 3	Yellow 6	Amber 9	Amber 12	Red 15
Unlikely	Green 2	Yellow 4	Yellow 6	Amber 8	Amber 10
Rare	Green 1	Green 2	Green 3	Yellow 4	Yellow 5
Red: Critical - Urgent action and attention by senior management to reduce risk					
Amber: Significant - Management consideration of risks and reduction within 6 months					
Yellow: Moderate - Monitoring of risks with a view to being reduced within 12 months					
Green: Low - These risks are considered acceptable					

	New Risk
	Escalated Risk
	Downgraded Risk
	No Trend Change

This

MEMORANDUM OF UNDERSTANDING
FOR THE MANAGEMENT AND ADMINISTRATION
OF THE WELSH RISK POOL

BETWEEN

THE WELSH MINISTERS

AND

THE NATIONAL HEALTH SERVICE WALES SHARED
SERVICES PARTNERSHIP

Memorandum of Understanding is between:

**NHS Wales Shared Services Partnership as hosted by
Velindre University NHS Trust,**

And

The Welsh Ministers

together known as 'the Parties'.

1. Preamble

- 1.1 NHS Wales Shared Services Partnership (NWSSP) has had responsibility for the management and administration of the Welsh Risk Pool including the management of the Welsh Risk Pool budget, since its establishment as a shared service function under the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 (the 2012 Regulations).
- 1.2 The NWSSP Partnership Committee (the NWSSP Committee) is a committee of all Local Health Boards and NHS Trusts and includes representation of Special Health Authorities in Wales.
- 1.3 In accordance with standing orders the NWSSP Committee has established a sub-committee called the Welsh Risk Pool Committee (WRPC). The WRPC's executive powers are limited to those specifically delegated in the Welsh Risk Pool Terms of Reference (attached as Appendix A).

- 1.4 In addition, on 1 April 2019, the National Health Service Clinical Negligence Scheme Wales Regulations 2019 (the 2019 Regulations) came into force. The 2019 Regulations create a Scheme for Clinical Negligence Claims in Wales. These were enacted *inter alia* to establish the GMPI scheme, for the management of clinical negligence claims involving primary care medical practitioners in Wales, operating under sections 41, 42 and 50 of the National Health Service Wales Act 2006.
- 1.5 Directions issued on the same date appointed Velindre Hospital University NHS Trust to operate the scheme, which is managed by NWSSP through Legal and Risk Services with the support of the Welsh Risk Pool, using its powers as a shared service function under the 2012 Regulations.

2. Purpose

- 2.1 The aim of this Memorandum of Understanding (MoU) is to set out the arrangements agreed between NWSSP and the Welsh Ministers in respect of the management and administration of the Welsh Risk Pool. This includes claim reimbursements and related services, resources and the exchange of information. This MoU must be read in the context of the relevant Welsh Health Circulars (currently WHC (2000)04 and addendum WHC (2000)12 and 51) and the Welsh Risk Pool Services All Wales Policy on insurance, NHS Indemnity and related risk management for potential losses and special payments. A separate document deals with management of the GMPI Scheme.
- 2.2 This MoU does not alter the legal functions of the respective parties or the exercise of those functions; neither does it amend any other policies or agreements relating to their activities. It does not imply any transfer of responsibility from one to the other, nor does it imply any sharing of statutory responsibilities except where this is permitted under existing law. This MoU is intended to complement and not override any other agreements entered into by the two parties.
- 2.3 It is not intended that this MoU should be legally binding. However, the Parties agree to adhere to its principles and to show proper regard for each other's activities and responsibilities.

3. Duration, review and variation of the Arrangements

- 3.1 This MOU will take effect from 1 April 2021 and be subject to review as a minimum after 3 years of operation, to ensure the arrangements continue to meet the requirements of the Parties.

Any proposal by either party to add, modify or remove any part of the arrangement will be subject to a three-month notice in advance of the intended change.

- 3.2 Changes to this MoU may only be varied in writing signed by the authorised officers as specified in this MoU.

4. Core principles and the relationship in practice

4.1 The working relationship between the Parties will be characterised by being patient focused, regular contact, mutual respect and open exchange of relevant information between the Parties.

4.2 Formal meetings will be held between the respective Parties as required, but no less frequently than every six months. NWSSP and the Welsh Ministers- shall both nominate designated representatives for the day to day operation of the arrangement. The contact points for liaison will be:

- Mark Harris, Director of NWSSP Legal and Risk Services
- Steve Elliot, Deputy Director of Finance, Health and Social Services Group, Welsh Government

The primary aim of these meetings is to ensure the smooth operational running of the Welsh Risk Pool arrangements including claims reimbursement and related services.

4.3 A secondary aim is to ensure that any risks or opportunities associated with the operational running of the Welsh Risk Pool are identified, assessed and appropriate mitigation put in place.

4.4 Other staff will meet, as matters of common interest, requiring co-operation and shared input to resolve matters arise. Such matters might include, but are not restricted to:

- (a) Sharing of information about trends, finances, policy and other initiatives which relate to the operational running of the Welsh Risk Pool.
- (b) The handling of any concerns raised by the Welsh Risk Pool Committee members which require both Parties to work together to resolve.
- (c) Co-operation in disseminating information about good practice where it relates to improving the health and wellbeing of local communities and ensures quality and delivery of improved patient care is central to all actions and decision-making.

- (d) The pro-active sharing of electronic copies of reports following reviews e.g. internal and external audit reports, which relate to the Welsh Risk Pool.
 - (e) The investigation of concerns and complaints where staff from both Parties have been involved in the handling of a claim.
- 4.5 Each party will use reasonable endeavours to assist the other with any request to the extent that it is practicable to do so and in so far as it relates to their functions. Wherever possible these requests will be made and agreed at a local level. Where this is not possible, for whatever reason, then agreement will be sought from the signatories to this Arrangement.
- 4.6 Each party will ensure that members of staff are aware of the content of this MoU and the key principles.

5. Responsibilities

- 5.1 The responsibilities covered by this Arrangement are set out below.
- 5.2 The Welsh Ministers will respond on a timely basis to requests for approval in relation to claims that exceed £1million.

5.3 Claims reimbursement process:

- 5.3(1) NWSSP is responsible for the effective management and administration of Welsh Risk Pool claim submissions and payments for reimbursement. This includes:(a) Reimbursement to member organisations of the Welsh Risk Pool for eligible expenditure incurred when claims are made against them, or loss caused by other means.
- (b)The cover provided is specified in the relevant Welsh Health Circulars (currently WHC (2000)04 and addendum WHC (2000)12 and 51).
- (c)Reimbursements are to be made when claims are approved by the Accountable Officer of NWSSP (namely the director of NWSSP), on the recommendation of the Welsh Risk Pool Committee.
- (d) For a claim to be approved, organisations must meet the criteria as set out in the terms of reference of the WRPC and the approved reimbursement procedures.(e) Provision of training and advice to the staff of member organisations on the claims reimbursement processes.(f) Provision of sufficient information on claims submitted for reimbursement to the WRPC to inform the consideration of claim reimbursement approval.

- (g) Review of claims submitted for reimbursement and advise the WRPC of trends in claim types, in non-compliance with claims reimbursement processes or emergent good practice in claims reimbursement.
- (h) Provide monthly finance updates on claims reimbursement expenditure and forecast expenditure to the Welsh Ministers, and NHS Directors of Finance group in an agreed format.
- (i) Provide regular reports on claims reimbursement expenditure and forecast expenditure to the WRPC in accordance with the Committee meeting cycles.
- (j) Management of former Health Authority claims on behalf of the relevant Health Boards.
- (k) Management of payments in relation to Periodical Payment Order settlements on behalf of member organisations.

5.4 Governance and reporting:

- 5.4.1 The governance of the Welsh Risk Pool will be undertaken in accordance with the Terms of Reference of the Welsh Risk Pool Committee, the relevant Standing Orders and Standing Financial Instructions of the Velindre University NHS Trust and Scheme of Scheme of Delegation as also approved by the Shared Services Partnership Committee.
- 5.4.2 At each meeting, the Shared Services Partnership Committee will receive a report from the Director of Finance & Corporate Services, NWSSP providing an update on the financial position of the Welsh Risk Pool.

5.5 Funding:

- 5.5.1 The Welsh Risk Pool is funded from a centrally managed resource budget held by the Welsh Ministers to meet claims for reimbursement made against the WRP, including Periodical Payment Orders and former Health Authority claims managed by the WRP.
- 5.5.2 An annual funding allocation will be mutually agreed as part of the Integrated Medium Term Plan process, with any additional funding requirements then met through NHS Health Boards and Trusts via a Risk Sharing Agreement.

5.6 Audit:

- 5.6.1 The Welsh Risk Pool, as part of NWSSP will be subject to audit by both the internal and external auditors of Velindre NHS Trust. The

external auditors will also ensure that there is overall audit coverage of the accounting arrangement of claims management provisions across the NHS in Wales.

5.7 Accounts:

- 5.7.1 NWSSP will put in place adequate arrangements to ensure that the transactions of the Welsh Risk Pool are properly accounted for and management accounts information is provided in a timely manner.
- 5.7.2 The transactions of the Welsh Risk Pool should be separately identifiable from those of Velindre University NHS Trust in the financial ledger records of Velindre University NHS Trust.
- 5.7.3 NWSSP shall produce a memorandum account for the Welsh Risk Pool annually in a format agreed with the Welsh Ministers and in accordance with the requirements of the Manual for Accounts produced by the Welsh Ministers.
- 5.7.4 In line with the agreed Hosting arrangements Velindre University NHS Trust shall produce accounts including the transactions of the Welsh Risk Pool which comply with the requirements of the Manual for Accounts produced by the Welsh Ministers.
- 5.7.5 The individual member bodies of the Welsh Risk Pool (each of whom is represented in the NWSSP committee as above) must provide NWSSP with information regarding the liabilities recorded in their individual member accounts to enable the full liability to be disclosed in the Welsh Risk Pool Memoranda accounts and the accounts of Velindre University NHS Trust.
- 5.7.6 The provision of information and production of the consolidated accounts will be undertaken in accordance with a mutually agreed timetable.

5.8 Communications:

- 5.8.1 NWSSP will ensure that members of the Welsh Risk Pool are kept informed of all operational changes and policy developments affecting the claims reimbursement process.

6. Data protection and freedom of information

- 6.1 The Parties will in their co-operation with each other ensure compliance with Data Protection Act (2018) and the General Data Protection Regulation (GDPR) as replaced or updated by United Kingdom legislation from time to time and ensure compliance with the Freedom of Information Act (2000). Any breach or potential

breach of data protection legislation affecting the other party needs to be reported to that party within 24 hours wherever possible.

- 6.2 If a party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made or requests for information made under the Freedom of Information Act 2000) in relation to the MoU, the matter shall be promptly referred to the other party. No action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect the MoU, without the approval of both parties.

7. Equality Duties

- 7.1 Both Parties shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination whether in race, gender, religion, disability, sexual orientation or otherwise.
- 7.2 Both Parties shall take all reasonable steps to secure the observance of this clause by all employees, agents and all suppliers and sub-contractors employed in the execution of this MoU.

8. Reconciliation of disagreement

- 8.1 In principle, the Parties will seek to resolve any disagreements amicably at an operational level and to the shared beneficial interest of patients. If a disagreement cannot be resolved then the escalation process is:
- Step 1: Director of Legal and Risk Services to Deputy Director of Finance, Health and Social Services Group
 - Step 2: Director General Health and Social Services Group to NWSSP Managing Director
- 8.2 By exception, the final route for recourse will be through the All Wales Dispute Arbitration Process.

9. Partnership or Agency

- 9.1 Nothing in this MoU shall be construed as creating a partnership or legal relationship of any kind that would impose liability on one party for the act or failure to act of the other party.
- 9.2 No party shall be deemed to be an agent of any other party, and no party shall hold itself out as having authority or power to bind any other party in any way.

Signed	Managing Director On behalf of NHS Shared Services Partnership
Signed	Director General Health and Social Services Group On behalf of the Welsh Ministers

DRAFT



PROCURING WELL-BEING IN WALES

A Review into how the Well-being
of Future Generations Act is
informing procurement in Wales.



February 2021



Contents

[P03](#) THE WELL-BEING OF FUTURE GENERATIONS ACT

[P05](#) 1.0 INTRODUCTION

[P08](#) 2.0 SECTION 20 REVIEW

[P09](#) 3.0 FINDINGS

- [P10](#) 3.1 SECTION 20 REVIEW - SUMMARY OF FINDINGS
- [P12](#) 3.2 WELSH GOVERNMENT FINDINGS
- [P24](#) 3.3 PUBLIC BODY FINDINGS
- [P34](#) 3.4 THE IMPACT OF COVID-19 - CHALLENGES AND OPPORTUNITIES

[P38](#) 4.0 RECOMMENDATIONS FOR WELSH GOVERNMENT

[P43](#) 5.0 RECOMMENDATIONS FOR PUBLIC BODIES, INCLUDING WELSH GOVERNMENT

[P46](#) USEFUL RESOURCES

[P47](#) USEFUL CONTACTS

This work has been completed in partnership with Cardiff University as part of a Memorandum of Understanding, particularly acknowledging the involvement of:

- **Dr Jane Lynch, Reader in Procurement at Cardiff Business School.**
- **Professor Kevin Morgan, Dean of Engagement.**



I would also like to thank the members of the steering group for their contribution:

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Vincent Hanley and Cat Griffith-Williams, Constructing Excellence in Wales.

Emma Waldron, Wales Council for Voluntary Action.

Rhian Edwards, Wales Co-op Centre.

Keith Edwards, Foundational Economy Network & Can-Do Toolkit.



The Well-being of Future Generations Act

[The Well-being of Future Generations Act](#) (hereby referred to as ‘the Act’) gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being.

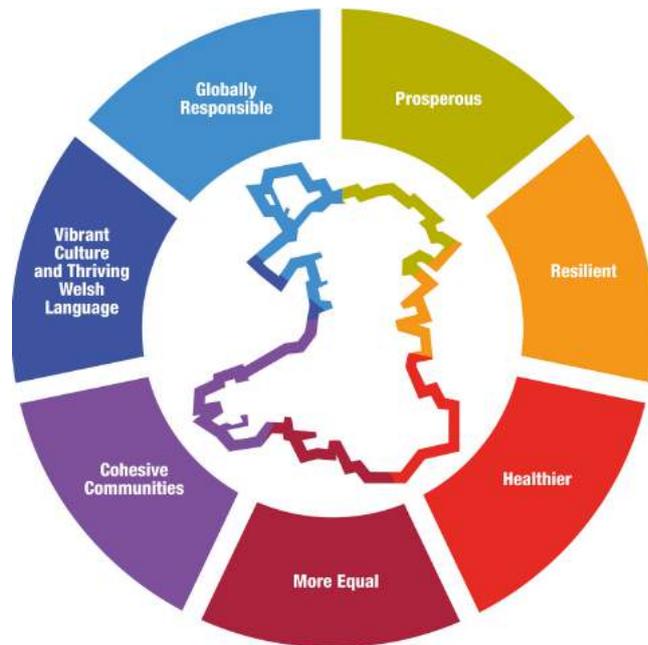
The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

The Act is unique to Wales attracting interest from countries across the world as it offers a huge opportunity to make a long-lasting, positive change to current and future generations.

To make sure we are all working towards the same purpose, the Act puts in place seven well-being goals.

The Act makes it clear the listed public bodies must work to achieve all of the goals, not just one or two. The Act establishes Public Services Boards in each Local Authority area. They are required to assess the state of well-being locally, set objectives and produce a plan designed to improve economic, social, environmental and cultural well-being in their local area, contributing to the well-being goals.

The Well-being of Future Generations Act defines Sustainable Development in Wales as: “The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.”



The Act sets out five ways of working needed for public bodies to achieve the seven well-being goals. This approach provides an opportunity for innovative thinking, reflecting the way we live our lives and what we expect of our public services.



Prevention



Involvement



Long-Term



Integration



Collaboration

You can find more about our work online at:

www.futuregenerations.wales



Sophie Howe is the first [Future Generations Commissioner for Wales](#) and her role is to be the guardian of future generations. This means helping public bodies and those who make policy in Wales to think about the long-term impact their decisions have.

Sophie took up post in 2016 and has led high profile interventions around transport planning, education reform and climate change, challenging the Government and others to demonstrate how they are taking account of future generations.

Described by the Big Issue Magazine as one of the UK's leading Changemakers, her interventions have secured fundamental changes to land-use planning policy, major transport schemes and Government policy on housing - ensuring that decisions taken today are fit for the future.

01 Introduction

The Act provides us with an opportunity to transform the way procurement is planned and delivered in Wales. By moving from a process-driven approach towards an outcomes-based approach, we can ensure the £6.3 billion spent annually by the public sector in Wales delivers the best outcomes across all four dimensions of well-being (economic, social, environmental, and cultural) for current and future generations.

Procurement is one of the seven corporate areas for change in the Act's statutory guidance ([Shared Purpose: Shared Future, SPSF 1: Core Guidance](#)) and it must be a key area of focus for public bodies in meeting their obligations under the Act, including setting, and taking all reasonable steps to meet, their organisational well-being objectives.

If it is accepted (as it should be, as it is set out in the statutory guidance) that the way in which resources are spent through procurement is a reasonable step, then a public body's procurement strategy should be setting out clearly how they are procuring in a way which helps them to meet their organisational well-being objectives, and in turn contributing to the seven national well-being goals. They should also evidence clear alignment with the four dimensions of well-being (cultural, economic, social and environmental) and how they have applied the five ways of working in the Act which are planning for the long term, prevention, integration, collaboration and involvement.

This should be reported through the outcomes that are achieved.

Working in partnership with Cardiff University, we have undertaken research to establish the extent to which the Act has been informing commissioning and procurement decisions across all 44 public bodies in Wales since 2016 (when the Act came into force).

Our work has been undertaken in two stages (i) research and (ii) Section 20 Review.

1.1. Phase 1 - Research

The desk-based research (August 2019-January 2020) consisted of the following approach:

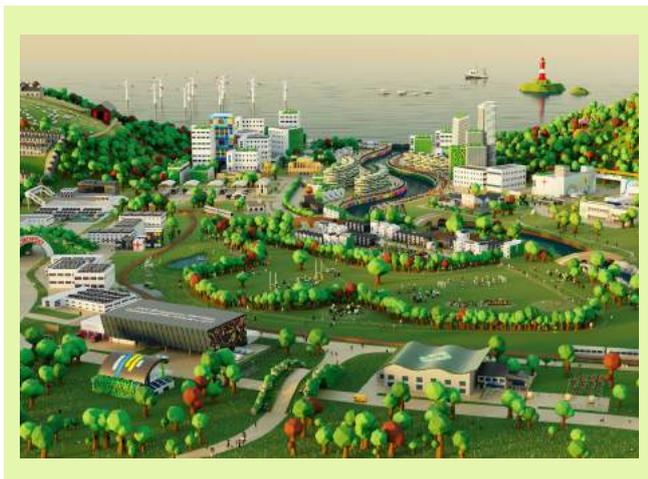
- Preliminary desk-based research on published procurement policies and current guidance
- Requesting evidence from the 44 public bodies and using the information shared to understand the progress that individual public bodies are making in meeting their well-being objectives, the seven national well-being goals and four dimensions of well-being, by using the five ways of working, within their approach to procurement
- Engaging with the wider community of stakeholders at regional events and forums.

The main findings from the first research phase are outlined in the [‘Spotlight on Procurement’](#) within the Commissioner’s Future Generations Report published in May 2020. The chapter outlines what it could mean if the [£6.3 billion a year](#) public bodies spend on procuring a range of goods, services and works was being spent on buying things and improving the economic, social, environmental and cultural well-being of people and communities in Wales. The Act provides an important opportunity to re-think how and where public funds are spent in the interest of current and future generations.

1.2. Phase 2 – Section 20 Review

Building on the research findings from Phase 1, a [Section 20 Review](#) was triggered in March 2020 to formally examine the procurement practices of nine public bodies. The purpose of the formal Review was to:

- (i) gain a more detailed understanding of how efforts to embed the Act into procurement decisions are helping public bodies to meet (or take steps to meet) their well-being objectives; and
- (ii) to further understand how public bodies are taking account of the statutory ways of working, particularly considering long-term impact, within their approach to procurement.



Section 20: Reviews by the Commissioner

- (1) The Commissioner may conduct a review into the extent to which a public body is safeguarding the ability of future generations to meet their needs by taking account of the long-term impact of things the body does under Section 3.
- (2) In conducting a review, the Commissioner may review
 - (a) the steps the body has taken or proposes to take to meet its well-being objectives;
 - (b) the extent to which the body is meeting its well-being objectives;
 - (c) whether a body has set well-being objectives and taken steps to meet them in accordance with the sustainable development principle.
- (3) In conducting a review, the Commissioner must have regard to any examination of the body carried out by the Auditor General for Wales under section 15.
- (4) In conducting a review, the Commissioner may make recommendations to the public body about
 - (a) the steps the body has taken or proposes to take to meet its well-being objectives;
 - (b) how to set well-being objectives and take steps to meet them in accordance with the sustainable development principle.
- (5) The Commissioner may conduct a single review of two or more public bodies.
- (6) The Commissioner must publish a report of a review (including any recommendations made) and send a copy of it to the Welsh Ministers.
- (7) In conducting a review, the Commissioner may require a public body to provide such information as the Commissioner considers relevant to the review.
- (8) But a public body is not required to provide information to the Commissioner if the body is prohibited from providing it by virtue of an enactment or any other rule of law.

With the sudden onset of COVID-19, and the additional pressure being placed on public bodies dealing with the impact of the crisis, the Review was paused in March but resumed in October 2020.

Interview discussions with leaders and representatives from each of the nine

public bodies (during Autumn 2020) provided an opportunity to discuss the steps they were taking to embed the Act, and establish some of the more deep-rooted challenges faced by public bodies. The discussions helped to identify any gaps in support that may be required going forward.

Who are the Report and recommendations aimed at?

This Report includes findings and recommendations specifically for the nine public bodies who were subject to the Review. The nine organisations have a statutory duty (Section 22(4)) to publish their response to the recommendations made by the Commissioner in this Report. Public bodies are encouraged to do so within 25 working days of the recommendations being published.

Many of the recommendations are equally relevant to all public bodies who should consider them as advice, and we will be following progress as part of the Commissioner's duty to provide advice and assistance and to monitor and assess how public bodies are making progress towards their well-being objectives. The Commissioner and Auditor General for Wales also work closely on their complementary duties, and Audit Wales has contributed to this Review. Going forward, the Commissioner and Auditor General for Wales will be seeking to share relevant information on how public bodies are making progress towards meeting the requirements of the Act.

The findings and recommendations include those which are relevant to all the public bodies subject to the Review and those which are primarily directed at the Welsh Government in its leadership capacity.

The recommendations are specifically aimed at those in senior positions – Ministers, Chief Executives and Directors of Finance.

This Report also includes examples shared by public bodies, illustrating good practice and lessons learned, demonstrating a consideration of specific elements of the Act. However, it was challenging to find examples evidencing consideration of all elements of the Act. When implementing the recommendations from this Report, public bodies should consider how current and future procurement activities can contribute to Wales' seven well-being goals, their organisational well-being objectives and the four dimensions of well-being (cultural, economic, social and environmental), through the application of the five ways of working.

The well-being goals should be placed as the national primary objectives for delivering strategic procurement in Wales. The report explains how this may be achieved, considering the role of procurement professionals, the procurement function and how the procurement process can support delivery of wider organisational priorities and objectives.

02 Section 20 Review

This section outlines the methodology adopted for the Review.

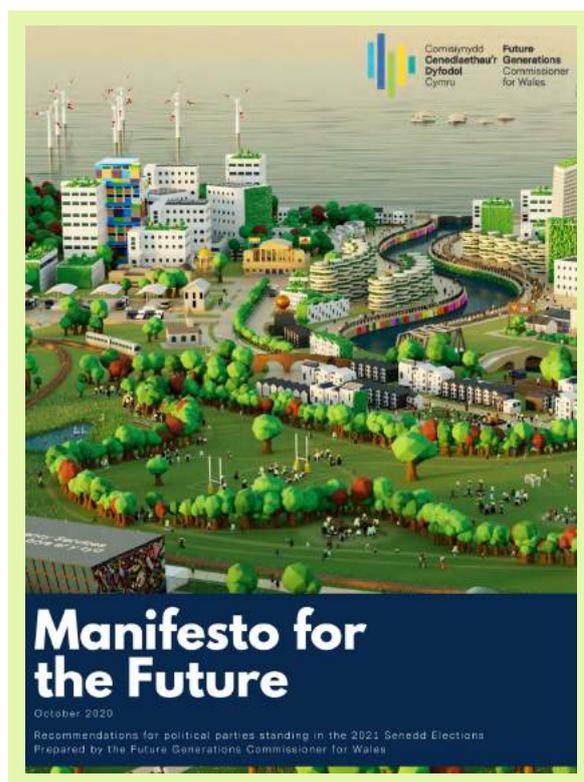
Shortlisted Participants

From the 44 Public Bodies invited to participate in the initial research phase, nine organisations representing a range of national, local authority and health board organisations were selected for the Review:

- Bridgend County Borough Council
- Cardiff and Vale University Health Board
- Denbighshire County Council
- Flintshire County Council
- National Library of Wales
- Velindre NHS Trust (as hosts of NHS Wales Shared Services)
- Wrexham County Council
- Welsh Government
- Ynys Môn / Anglesey Council

The nine public bodies were selected for the Review based on multiple factors including:

- The responses to Phase 1 – the desktop research phase.
- Fair representation of national, local authority and health board organisations being interviewed
- Evidence of individual procurement strategy development.
- Evidence received outlining the steps being taken to meet the requirements of the Act as part of their procurement process.

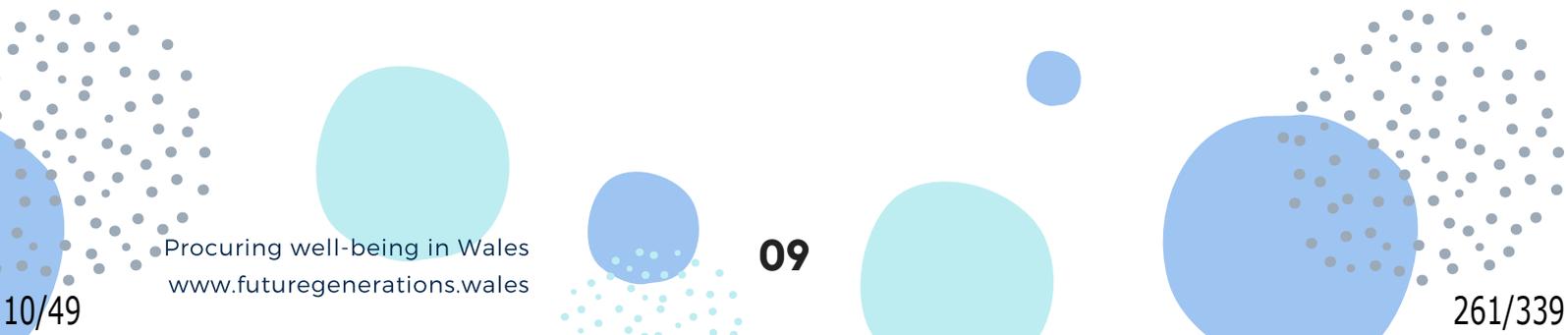


03 Findings

The key findings from the research phase were published in May 2020 as part of the Commissioner’s [Future Generations Report 2020](#). This is published every four years as part of a statutory duty and provides an assessment of the improvements public bodies have made in relation to meeting their well-being objectives. More than just meeting a ‘duty’ this Report explains how the Welsh public sector is collectively improving well-being in accordance with the Act. The Commissioner has identified procurement as an important lever for public bodies to achieve their well-being objectives, and it is also one of the seven corporate areas of change identified in Welsh Government’s Statutory Guidance on the Act.

Table 1: Summary of key findings and recommendations included in the ‘[Spotlight on Procurement](#)’ (Future Generations 2020 Report, May 2020).

CHALLENGES AND OPPORTUNITIES FOR CHANGE	WHERE ARE WE NOW?	RECOMMENDATIONS WELSH GOVERNMENT AND PUBLIC BODIES SHOULD:
<p>Develop leadership that supports a strategic approach to procurement, recognising the ‘power of purchase’.</p>	<p>There is renewed political commitment towards ensuring procurement is a lever in driving wider ambitions. As yet there is no clear national procurement strategy, process or support to share learning and drive improvement across the public sector in line with the Well-being of Future Generations Act.</p>	<p>Approach all procurement decisions through the lens of the Act – by applying the Five Ways of Working, considering their well-being objectives and/or steps and how to maximise contribution to the seven well-being goals at the very beginning of the process even at pre-procurement stage.</p> <p>Provide clear guidance and leadership to other public bodies, as well as monitoring and assessing how they are considering the Act in their procurement activities.</p>
<p>Procuring well-being: a focus on outcomes and measuring what matters.</p>	<p>The procurement process has improved considerably over the last decade; however, there is still too much focus on process and not outcomes.</p> <p>Measuring ‘community benefits’ has been in place for many years in Wales, but the reporting and impact of this are not widely shared.</p>	<p>Provide clear evidence for how their procurement activities are supporting the delivery of their well-being objectives.</p> <p>Review their procurement approach and activities to identify opportunities to maximise the social, economic, environmental and cultural impact of spending decisions.</p>



CHALLENGES AND OPPORTUNITIES FOR CHANGE	WHERE ARE WE NOW?	RECOMMENDATIONS WELSH GOVERNMENT AND PUBLIC BODIES SHOULD:
Focusing on longer-term financial planning.	There is too much focus on short-term cost versus delivering wider outcomes.	Explore how they can use budgets to give greater long-term financial certainty to other public and voluntary sector bodies to ease the short-termism challenges faced by procurement. This could include facilitating longer-term (minimum 5 years) contracts with break clauses built in to allow ongoing flexibility.
Promote effective collaboration, with each other and suppliers, to improve sharing, learning, capacity and skills.	Structures for collaboration and learning across Wales are in place but lack national coordination and support especially to facilitate collaboration across different sectors, e.g. local government and health. Opportunities for sharing information and learning appear limited and don't involve a wide cross-section of organisations or partners.	Capture lessons learned based on the outcomes of current frameworks to ensure opportunities to embed the Act are maximised in future.
Build on established frameworks, including legal.	There are opportunities to support innovation that need to be better understood.	Include specific contract clauses linked to well-being objectives/goals in every public sector contract and framework, using social value measures to capture impact.
Promote a can-do mindset and attitude.	There are future generations champions (sometimes frustrated) within our public bodies who are working to deliver positive procurement outcomes often without wider organisational or leadership support. Procurement is sometimes treated as a transactional process, and transformational opportunities are not being maximised.	Involve departments and organisations who are impacted by the procurement process when setting well-being objectives (e.g. commissioning, contract management, suppliers and waste management). This could lead to public bodies understanding the broader benefits and steps they can take to improve all aspects of well-being through procurement.

3.1. Section 20 Review - summary of findings

Evidence gathered in the research and Review phases (for the nine public bodies subject to the Review) included exploration of issues around leadership, embedding the Act, the impact of the Future Generations Report (May 2020) and the impact of Covid-19. In addition, good practice examples are presented throughout the findings.

The following main issues have been identified and each point will be explained in more detail within Section 3.2 and Section 3.3.

Issues directly relating to Welsh Government in their leadership capacity

- Welsh Government has failed to show clear joined up leadership on the role of procurement in delivering Wales' national well-being goals (and public bodies well-being objectives).
- There is poor communication and integration between different Welsh Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground.



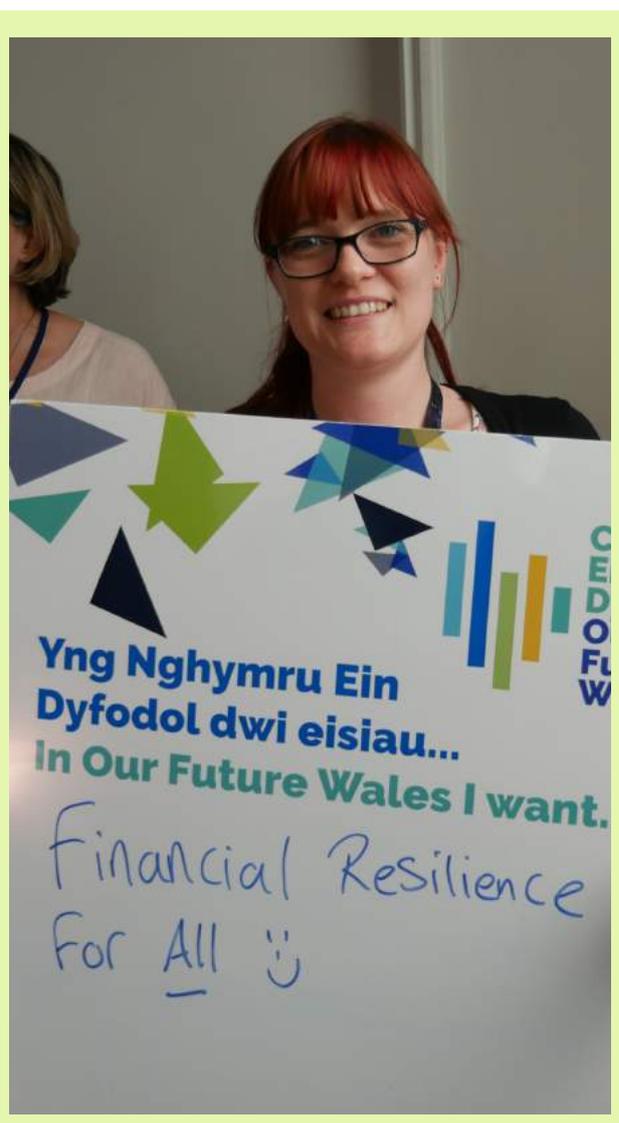
- Opportunities for making spend work harder are being missed due to lack of support for the procurement profession and lack of accountability at a leadership level.
- There is no ongoing monitoring of procurement approaches or outcomes either for the purposes of spotting where things are going wrong, and opportunities are being missed, or for identifying and sharing best practice.

Issues relating to public bodies

- Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to a lack of leadership and strategic approach that recognises the ‘power of purchase’.
- The “procurement system” is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.
- There is no mechanism for promoting effective collaboration for public bodies, particularly cross-sector to improve sharing, learning, capacity and skills.

Although there is evidence across the board that the nine public bodies interviewed are taking steps to apply the Act during the procurement process, the Review has identified a number of challenges and constraints in procuring sustainably including:

- **Organisational buy-in, leadership involvement and engagement – leaders failing to view procurement as an important function or lever in meeting corporate (well-being) objectives.**
- **Insufficient resources and capacity within the procurement function and amongst procurement professionals.**
- **Navigating what has become an increasingly complex landscape.**



3.2. Welsh Government Findings (in their leadership capacity)

The issue: Welsh Government has failed to show clear, joined up leadership on the role of procurement in delivering Wales' national well-being goals (and public bodies' well-being objectives).

The current situation: One of the opportunities for change outlined in the Commissioner's [Future Generations Report 2020](#) is that Welsh Government should develop leadership that supports a strategic approach to procurement, recognising the 'power of purchase'.

During discussions with the public bodies, there was a consensus that Welsh Government should be leading the way when implementing legislation and policy, providing practical support to other public bodies, as well as monitoring and assessing how they, and others, are considering the Act in their procurement activities.

Leadership at the national and local level is inconsistent and current guidance is insufficient in providing the necessary support to embed the Act. Many public bodies are expected to follow the national procurement strategy however, the current Wales Procurement Policy Statement (WPPS) has not been updated since 2015 and does not fully reflect the Act. We are aware that Welsh Government are hoping to publish a revised Statement imminently and the Office of the Future Generations Commissioner (OFGC) has contributed to this process through providing advice.

However, it isn't clear how the current vision in the draft revised Statement aligns to all aspects, or supports the ambitious aims, of the Act:

“Procurement will continue to be a facilitator of change and a conduit to collaboration. Building commercial activities that will foster vibrant Welsh supply markets and support sustainable communities through delivery of citizen centric services within the Welsh Public sector”.

The Act requires procurement to adopt a much wider approach to well-being beyond this quite traditional approach.

In March 2020, Welsh Government published [“Progress towards the development of a new procurement landscape in Wales”](#) which provides an update on their recent work as well as setting out their new way of working going forwards. Although the Commissioner offered feedback on a draft of this, the Act was not highlighted as a key framework underpinning Welsh Government's approach and is an example of a 'missed opportunity' for showing public bodies how the Act should be the framework for public procurement in Wales, demonstrating clear links between delivering policy and the seven national well-being goals.

Since 2016, when the Act has been in place, Welsh Government has not developed comprehensive guidance or a framework that supports public bodies to apply the Act within their procurement activities.

However there has been some developments in relation to evolving the approach to capturing social value, collaboration in developing a co-ordinated national and regional procurement programme and wider capability and capacity building.

In addition to considering how their own procurement decisions deliver on all elements of the Act, Welsh Government and the National Procurement Service (NPS) has a responsibility to monitor and assess how other public bodies are considering the Act in their procurement activities, particularly through national frameworks.

By working collaboratively, the NPS manages the delivery of all-Wales public sector contracts and frameworks for goods and services. The current NPS pipeline brings together public sector purchasing power of around £0.5 billion for categories of common and repetitive spend. Over 70 public sector organisations in Wales are signed up as NPS members including all local authorities, the NHS, the Welsh Parliament, Welsh Government and Welsh Government Sponsored Bodies (WGSBs), the Police and Fire and Rescue services and Higher and Further Education institutions.

A Welsh Government review in 2018 stated that “NPS will, over time, cease to exist” responding to the views of customers that “they required a different approach which provided greater support to enable delivery of regional and local well-being goals and priorities”. It is not clear what progress has been made to establish a “national policy development and delivery support function” as outlined by the [Cabinet Secretary for Finance in 2018](#).

Some public bodies, particularly those with smaller procurement teams, draw on these national frameworks relying on them as the first ‘port of call’ for managing procurement. They are under the impression that frameworks offer a safety net for capturing social value and assume that they have already considered the Act. During the Review, one national body

stated that “we make as much use of well-established local government procurement frameworks as we can and rely on other government agencies to have undertaken the necessary well-being assessments in arriving at the agreed frameworks which are in place”.

During the Section 20 Review, Welsh Government representatives emphasised it is the public bodies responsibility to evaluate how using frameworks can contribute to organisational well-being objectives. Therefore, whilst public bodies utilising frameworks to deliver social value is understandable, especially considering the capacity issues they face, the frameworks alone are not ensuring that public bodies are meeting their legal duties to ‘take all reasonable steps to meet their well-being objectives.’

Case Study: Carmarthenshire County Council

Carmarthenshire County Council lead on the tender for the South West Wales Regional Contractors framework (SWWRFCF) and was keen to embed opportunities to maximise economic, social, environmental and cultural well-being of people and communities into the core of the Framework. This is a significant regional Framework in South West Wales, with an estimated value of £1 billion worth of construction projects being awarded through it over the 4 year duration. ‘Objectives & Aims’ based on the Act were produced and included in the Tender to communicate their aspirations to all tenderers and subsequently appointed Contractors. This document has helped to guide opportunities at call-off level, and individual project opportunities can then be built upon further at the next stage.



Case Study: Carmarthenshire County Council (continued)

A commitment to the Act at Framework level, and the application of the five ways of working and seven national goals throughout the procurement process, has led to a more robust and meaningful tender and has created a 'golden thread' where the project aims and objectives are aligned with the Act and reflected in each tender. For example, the themes of innovation, sustainability, collaboration and community benefits form a key part of the quality questions and subsequent scoring criteria that will be asked of tendering contractors. In so doing, Carmarthenshire aims to ensure that sufficient consideration is given to the principles of the Act, together with tangible deliverables such as the delivery of targeted recruitment and training, which will foster involvement and long-term impact, and also opportunities for the community through the provision of services and jobs.

Another example is the forthcoming call-off from the SWWRCF 2020 Framework for Pentre Awel - Zone 1. Funded through City Deal and Council investment, this comprises public, academic, business, health and leisure facilities to boost employment, education, leisure provision, health research and delivery, and skills and training. Due out to tender in February 2021 it is valued at £80 million with a completion date of Summer 2023. Developing the work carried out by the Project Team on embedding the Act from the initial planning phases, they have flowed this vision through to the procurement stage and further aligned the Council's commitment to maximising the well-being goals and their own objectives.



Key Lessons

- They ensure clear communication and transparency on well-being aims and objectives throughout the tender process – “the golden thread”
- The themes of innovation, sustainability, collaboration and community benefits form a key part of the quality questions and subsequent scoring criteria that will be asked of tendering contractors.

Many of the procurement teams who participated in the Section 20 Review highlighted a desire to do things differently but noted that they were unsure how to fully embed the Act in all decision-making without additional support and consistent national guidance. One public body said that their intentions to take additional steps to meet the requirements of the Act, including the recommendations outlined in the Future Generations Report 2020, were ‘meaningless’ without coherent strategic guidance. When developing new initiatives, guidance and toolkits there needs to be clear consideration for how these support procurement activities to deliver against all elements of the Act.

Welsh Government are reviewing the structure and governance of procurement and the transition from NPS and Value Wales to a new structure. Welsh Government accepts that some of the policy implementation toolkits where Wales was once known to excel, such as the Procurement Route Planner, need re-prioritising and updating.

The Commissioner’s Recommendations:

- Welsh Government should establish a Procurement Centre of Excellence for improving coordination, collaboration and providing practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act. Development of this Centre of Excellence would require a comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation.
- The new Programme for Government should clearly set out how Welsh Government will provide strategic leadership and commitment to supporting and achieving wider outcomes from procurement, using language that is consistent with the Act.
- Welsh Government’s new Procurement Policy Statement should demonstrate how it will support public bodies to deliver the aspirations of the Act in public sector procurement in Wales. This Statement, along with progress to deliver the commitments, should be reviewed and reported annually.
- Welsh Government should ensure all future national procurement frameworks align with, and contribute to, the seven national well-being goals and apply the five ways of working set out in the Act.

The issue: There is poor communication and integration between different Welsh Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground.

The current situation: Public procurement operates under a regulatory regime, the Public Contracts regulations, but with growing attention to embedding social value and well-being into procurement, it is perceived by many that the policy landscape has become complex with an extensive set of tools, guidance and priorities coming from Welsh Government. Throughout the duration of the research and Section 20 Procurement Review, Welsh Government has been supporting many initiatives which relate to, and support, progressive procurement including the foundational economy, social partnerships, circular economy, social value, and community wealth building.

There are some innovative approaches being taken to consider the Act, but they appear to be lacking strategic connection. Whilst written guidance from Welsh Government in implementing national initiatives is helpful, when this is not coordinated or explained in the context of the Act, or linked to other relevant policy areas it can cause confusion and makes the already complex landscape even harder for public bodies to navigate.

Examples of relevant national initiatives that would benefit from further integration and coordination include:

- Value Wales and the National Procurement Service – creating new frameworks and managing existing

ones whilst transitioning to new arrangements;

- The focus on the Foundational Economy through a new Ministerial Advisory Board, a Foundational Economy Challenge Fund, Community of Practice and expert panel on procurement;
- The partnership with the Centre for Local Economic Strategies (CLES), focusing on community wealth building and supporting Public Service Board clusters to strengthen local supply chains;
- The creation of a Knowledge Hub and refreshing the Welsh Procurement Policy Statement;
- The update of the Community Benefits Toolkit and implementation of the Welsh social value framework (TOMS - Themes Outcomes and Measures);
- Work with the Chartered Institute of Procurement & Supply (CIPS) to develop further procurement training;
- Establishing a Critical Equipment Requirements Engineering Team (CERET) during COVID-19;
- Developing a Decarbonisation Dashboard for procurement;
- 'A More Equal Wales: Strengthening Social Partnerships' White Paper which proposes a 'Bill to strengthen our social partnership arrangements', including a requirement for 'specified public bodies to produce a procurement strategy in line with statutory guidance'.

The forthcoming Social Partnerships Bill will need to ensure that the new procurement duty placed on public bodies supports them to deliver outcomes that will help them to achieve their well-being objectives and, in turn, the national well-being goals.

Case Study

Case Study: Foundational Economy Challenge Fund

The foundational economy describes the jobs at the heart of our local communities, across sectors such as care and health services, food, housing, energy, tourism, construction and retail. This part of the economy account for four jobs in every ten and £1 in every £3 spent. Last year Welsh Government invested £4.5 million in a new Foundational Economy Challenge Fund which is currently supporting 52 projects that are testing new and innovative ways of making the everyday economy work better for all communities in Wales. They have recently committed an additional £3 million of funding to enable this work to continue. Funding support has been given to:

- ELITE Paper Solutions, a social enterprise based in Merthyr Tydfil which specialises in document management storage and data shredding. They have been able to develop a fully inclusive workplace, now employing a total of 39 people many of whom might otherwise have been excluded from the labour market, due to disability, health conditions or long-term unemployment. Through winning three large public sector contracts they have increased their revenue by £90,000 and recruited a further six staff members. ELITE is a community benefit arising from, and grown through, the NPS Office Supplies national framework.

- Community Care Collaborative in Wrexham, which is contracted by the local health board to run three GP practices, has developed a new model of primary care based on helping patients access support. They have recruited an emotional well-being team to provide well-being support for patients which has seen a 57% reduction in referrals to other mental health organisations.
- Vale of Glamorgan Council has been able to improve its procurement processes and engage with more than 1,000 businesses since June 2020 to increase the number of local small and medium-sized enterprises delivering Council contracts resulting in more money being retained within the local economy.

Alongside the Challenge Fund the Deputy Minister for the Economy and Transport has established a Ministerial Advisory Board and a package of practical support using experts in the Centre for Local Economic Strategies who are working with Public Services Boards to help them develop their approach to procurement in the foundational economy with a focus on 'community wealth building'. This is welcome practical support but it is currently disconnected from other initiatives in Government. Public sector procurement would benefit from an expanded package of support which integrates all aspects of the Act and related Government programmes.

Case Study

Case Study: Carmarthenshire Public Services Board Food Procurement

Carmarthenshire has a rich history of food production and supply, but it recognised that there is an opportunity for public sector organisations to make a greater contribution to the local supply chain by changing its approach to procurement and doing things differently. Smart public food procurement could provide a 'Double Dividend':

- An economic dividend by securing supply contracts for micro, small and medium sized firms that are locally or regionally based;
- A health dividend by promoting good food for all, especially in schools and colleges, where the citizens of tomorrow are acquiring their skills, habits and tastes today.



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Benefiting from a Foundational Economy Challenge Fund Award, the project will establish a new way of working not just for the food sector but potentially across all other public sector procured goods and services. The Act provides an excellent opportunity to test and challenge, and by using the five ways of working as a guiding framework there is an opportunity to have a significant impact on the social, environmental, economic, and cultural well-being of Carmarthenshire.

Key Lessons

- Welsh Government funded experimentation has accelerated the progress of public bodies taking steps to achieve their well-being objectives.
- A focus on the Foundational Economy is an effective approach for embedding well-being and social value into procurement, but needs to be better connected to other initiatives as well as the Act.

Whilst Welsh Government develops guidance for the public sector, for example on delivering social value and embedding the Act, unless it is integrated with existing guidance it is seen as an additional burden. Feedback from public bodies indicates a need for greater practical support on implementation.

There is also a significant issue around terminology and definitions – a variety of different terms are used, often with ambiguity over their meanings and their application, such as consistency with implementing collaboration and understanding social value, with general lack of coordination and connection back to the Act.

This results in a lack of clarity for procurement practitioners on how these different initiatives are connected. This lack of coordination has been highlighted at procurement forums by professionals unable to see how the outcomes are meaningful or impactful. In the absence of Welsh Government providing clarity and join-up between these activities, procurement professionals are having to communicate the connections between, and the outcomes of, these different initiatives.

This complex landscape is also perpetuating the competing priorities procurement teams are already managing, and the lack of guidance leaves public bodies unsure about which actions to prioritise. An example of this is that during the Section 20 Review discussion with one public body, they outlined clear decarbonisation aspirations but did not know how to prioritise this with limited resources.

Procuring in a Climate Emergency

Work undertaken by Natural Resources Wales and the NHS Wales Shared Services Partnership to calculate the carbon footprint of their activities has shown that procurement contributes nearly 60% and 49% respectively of their overall emissions, greater than emissions created by energy use in buildings and transport. The Welsh Government has set an ambition for the public sector to be carbon neutral by 2030, which is commendable, and the latest UK Committee on Climate Change advice has suggested ambitious emission reduction targets for Wales to be Net Zero by 2050. However, it is not clear how procurement is currently being used to meet our climate change targets. Although Welsh Government has recently developed guidance for the public sector on decarbonisation as a helpful resource - a Decarbonisation Dashboard [Procurement Advice Note](#) which enables public bodies to analyse the carbon intensity of their expenditure - it adds to the plethora of existing guidance and if not integrated with other requirements can be seen as an additional burden.

The 21st-century schools programme provides an opportunity for public bodies to deliver outcomes linked to the Act. Through our research, we have seen evidence from some public bodies delivering outcomes aligned to the Act, such as low/zero carbon schools. One local authority shared a case study on the construction of a school commissioned for £7 million, with a requirement for this project to achieve Passivhaus certification.

They provided evidence that they have considered each of the five ways of working and an explanation for how the project is meeting ten out of their 15 well-being objectives (including looking after the environment now and for the future, promoting Welsh language and culture and helping children live healthy lifestyles). I also welcome £5m of capital funding in the 2021-22 draft budget to take forward a Carbon Zero Pilot Project to decarbonise schools and colleges in Wales. Llancarfan Primary School in the Vale of Glamorgan, will be completed later this year and will be Wales' first Net Zero Carbon School.

However, this good practice isn't happening consistently, and we are still seeing disparity in the approach being taken by public bodies. Feedback from the construction sector has highlighted projects, including new schools, that are not seeking opportunities to contribute to all national well-being goals. Welsh Government needs to provide a clear commitment, through their Mutual Investment Model and other significant infrastructure programmes, to ensure that all publicly funded buildings will be zero carbon in future and maximise their contribution to all seven well-being goals, rather than just considering energy use or community benefits, and ensure that the 'pilot' being supported becomes normal practice across Wales.

Case Study: Collaborative Project to Develop a Warranted Design System for the Delivery of Zero Carbon Homes from Timber, at Scale

At its second meeting on the 2nd October 2020, members of the Council Housing Development Forum Wales, gave their backing for a collaborative working proposal to commence work on the development of a pattern book of zero carbon timber frame house designs and work together to establish a procurement club to purchase the homes direct from manufacturers. The Innovation Partnership project requires that 11 participating local authorities advertise and let a contract to develop the system with designers and manufacturers. Following the conclusion of the Innovation Partnership, the Councils will let a contract to deliver the zero carbon homes for a period of five years. It is recommended that a five-year contract is let to provide suppliers with order book certainty, enabling them to invest in new plant and equipment generating economies of scale, which should enable the price of the homes to reduce over the lifetime of the contract.

The Commissioner's Recommendations:

- Welsh Government should review all guidance and toolkits that are currently in place to support sustainable procurement and measure/monitor community benefits and/or social value, and publish a clear plan outlining how these will be revised and consolidated to enable a consistent approach for public bodies to report on the well-being outcomes being achieved.
- In order to meet carbon emission targets, every public body should set out how they have considered the carbon impact of their procurement decisions and in the case of construction or infrastructure contracts should require schemes to be net zero carbon over their lifetime.

The issue: Opportunities for making spend work harder are being missed due to lack of support for the procurement profession and lack of accountability at a leadership level.

The current situation: Procuring sustainably throughout the public sector in Wales requires leadership support: senior champions who will set a strategic vision, commit to effecting change, take ownership over targets and drive good practice throughout their organisations. The Act provides an opportunity to deliver innovative procurement; procurement that is focused on long-term value and achieving better outcomes for Wales. Evidence that this is happening is patchy, and there is no structure or mechanism in place to monitor or report on the outcomes that are being achieved from the £6.3 billion spend.

Getting buy in from senior organisational leadership is noted as challenging due to 'so many other competing priorities' and 'budgeting issues.' This situation is compounded by the initial reactive and fragmented response to the Covid-19 crisis and the impending Brexit transition. During one interview, a Director of Finance commented that their priority is to add value from a governance and audit perspective, with a focus on delivering 'value for money,' rather than sustainability, further stating "it is the role of the procurement team to manage relationships and carry out groundwork." Without the Act being recognised as a strategic issue, and prioritised, at a senior level within public bodies and in Welsh Government, any initiatives to fully embed the Act in procurement activities will be unsuccessful,

including the recommendations outlined in this report.

One public body stated that "as 'stewards of money,' cost must be the factor that drives procurement outcomes." Some public bodies perceive that it is cheaper to procure goods outside of Wales and justifying the additional spend of local sourcing is not an option. However, there is evidence of other public bodies being willing to prioritise spending in the local economy as it results in wider benefits. The focus on short-term cost and 'value for money' as opposed to wider benefits that could be achieved limits opportunities for public money to contribute towards Wales' seven well-being goals illustrating that without support from senior leadership, procurement cannot be realised as a lever that delivers best outcomes for current and future generations.

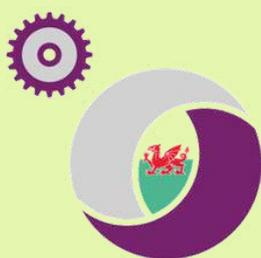
The Review has also shown that examples that demonstrate procurement's contribution to each of Wales' seven well-being goals, are rarely widely shared. Equally, not enough of these examples exist that focus on delivering the best outcomes across all four dimensions of well-being (economic, social, environmental, and cultural) because achieving 'value for money' or the 'most economically advantageous tender' is often prioritised. However, some organisations have progressed the 'Community benefits' agenda and we are beginning to see examples of contracts placing greater emphasis on social value through the application of the new [Themes, Outcomes and Measures \(TOMs\) framework](#). There needs to be further senior leadership support that empowers the procurement profession to drive and share good practice.

As already highlighted Welsh Government has, over many years, supported many initiatives designed to support the delivery of sustainable and progressive procurement (Community Wealth Building, Foundational Economy, and TOMs led by the Welsh Local Government Association) however the range of reporting tools available to capture procurement outcomes, combined with the lack of feedback on their application from Welsh Government and a lack of opportunity to share and learn, has resulted in an inconsistent approach to applying the Act and also uncertainty of what good practice looks like. All public bodies that participated in the Section 20 Review highlighted a need for a mechanism to share real-life examples and lessons learned when taking steps to consider the requirements of the Act during commissioning, procurement, and contract management.

Procurement professionals also felt a reticence in sharing lessons learned from ineffective attempts to embed the Act in the procurement process with procurement networks and/or forums. One such example is where two public bodies wanted to procure drinking fountains in public spaces, as an example of what is possible when procuring in collaboration, considering outcomes through the lens of the Act. However, there were insurmountable legal obstacles, preventing the procurement from going ahead. This example emphasises how difficult it can be to achieve long-term positive outcomes when all departments involved with the procurement process have not adopted a 'can do mindset'. Innovative approaches to embed the Act should be commended, public bodies should be encouraged to take risks, and further support needs to be provided by Welsh Government to maximise opportunities to deliver community benefits, social value and wider benefits that align with the Act.

The Commissioner's Recommendations:

- The Procurement Centre of Excellence should develop a mechanism or tool to assist public bodies to monitor and report consistently on the Act (possibly building on the work being done on social value and the new TOMS framework) demonstrating how their procurement spend is meeting the well-being goals and objectives.
- Welsh Government should monitor progress by public bodies in Wales. This must be reported within the annual reports on delivery of their well-being objectives for both Welsh Government, in respect of the overall outcomes being delivered across Wales, and by individual public bodies.



National TOMs
Wales
TOMs Cenedlaethol
Cymru

3.3. Public Body Findings

Whilst the issues identified in the above section focusses on Welsh Government, many are also relevant to public bodies including the need for a strategic approach with senior leadership support and commitment that recognises the role procurement can play in supporting the achievement of wider outcomes. We acknowledge that the issues identified at a national level do not always make it easy for public bodies to procure in line with the Act, however each public body has a role to play in identifying and delivering these wider outcomes to ensure that their procurement spend contributes to the achievement of their well-being objectives and the seven national well-being goals.

As well as an array of uncoordinated Welsh Government initiatives, there is also currently an agreed lack of clarity on the following areas which add to the complex landscape procurement teams are trying to navigate.

- Data analysis – access to accurate and timely data is challenging in organisations where resource and analytical skills are constrained. Internal communication is also reported as a key factor here.
- Training for non-procurement staff - some of the richer interview discussions were with public bodies that involved other departments wider than just procurement. In some public bodies, resources were so limited that having a standalone procurement function is not feasible.
- Tension between process and outcomes – it is challenging for procurement professionals to focus on delivering long-term positive outcomes,

in line with the Act, when public bodies have limited capacity and / or where procurement and commissioning do not collaborate effectively.

- Perception of procurement – the lack of acknowledgement from organisational leadership, as well as other departments, of the strategic role the procurement process has in taking steps to meet the requirements of the Act present numerous barriers. This means that procuring goods and services more sustainably becomes harder and more time consuming.

The issues that are specific to public bodies:

The issue: Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to lack of leadership and strategic approach that recognises the ‘power of purchase’.

All public bodies evidenced some steps being taken to consider economic, environmental, social, or cultural well-being. Most public bodies who actively embed the principles of the Act focus on delivering the well-being goals and only one public body focused on maximising their contribution through applying the ways of working.

The interview discussions revealed examples where public bodies are taking steps to consider the Act in procurement decisions, and others where embedding the Act has plateaued due to the Covid-19 crisis period, lack of understanding, feeling overwhelmed, resource constraints and general lack of central support.

Many public bodies were able to show how they had considered issues such as waste reduction, carbon emissions and local employment, but few public bodies recognised the importance of close alignment with their own individual well-being objectives. Hardly any of the public bodies that participated in the Section 20 Review were able to explain how their approach to procurement was helping them to meet wider long-term objectives, for example how they might procure a particular product which has less carbon impact, supports the growth of jobs and skills in the local economy which in turn supports objectives around tackling poverty and improving health. Nor were any able to show how they had involved citizens in the process.

There still needs to be further work across the public bodies in fully embedding all elements of the Act and aligning their procurement outcomes with their organisational well-being objectives.

For example, one public body demonstrated they are taking steps to meet the spirit of the Act, through sharing what they consider 'quick wins' including the procurement of compostable cutlery and cups. Whilst the steps they are taking to promote sustainability are welcome, they also need to be showing how they have considered procuring in a way which helps them to deliver their well-being objective to be "an exemplar organisation driving a culture that promotes well-being, equality, and sustainability". This finding indicates there may be missed opportunities to drive progress on achieving organisational objectives through procurement decisions.

Case Study – Cardiff Council

Based on the Act, and other policy drivers, Cardiff Council outlines their six procurement priorities and how they will be delivered through their [Socially Responsible Procurement Policy](#), illustrating the important role of procurement in supporting how a public body can take steps to meet the requirements of the Act. An example of this is their priority "to protect the environment, minimise waste, reduce energy consumption and use other resources efficiently" supporting their well-being objective "Cardiff Grows in a Resilient Way".

Case Study – Caerphilly Council

As an example of good practice, Caerphilly County Borough Council has published their '[Programme for Procurement 2018-2023](#)' which clearly outlines the steps they have taken, and plan to take, to achieve each of their 17 strategic goals. The strategy demonstrates clear consideration for each of the four dimensions of well-being, along with an understanding of how success will be measured, as shown below. Each strategic goal is accompanied by the steps already taken towards achieving it, what success looks like, how this will be achieved and a timescale for when it will be achieved. There is also an acknowledgement that progress will be measured through their service improvement plan.

Case Study – Caerphilly Council (continued)

THEME	STRATEGIC GOAL	MOST RELEVANT WELL-BEING OBJECTIVES	ONE ASPECT OF SUCCESS
Environment	Responsible business through procurement activity that works to help and not hinder the duty of care incumbent on us to be fair and considerate in all aspects of our business activities	Objective three - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being. Objective four - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment.	Tangible evidence that procurement activity is supportive of The Well-being and Future Generations (Wales) Act.'

Many Health Boards use the 'Well-being of Future Generations Act Checklist,' developed by the NHS Wales Shared Services Partnership and evidenced within the 'Procurement Services case study template', to demonstrate which of Wales' seven well-being goals and sometimes the five ways of working they consider relevant.

This example of how the 'Well-being of Future Generations Act checklist' has been applied, shows that five of Wales' seven well-being goals and all the five ways of working are considered relevant to this project. This illustrates consideration for how procurement outcomes can deliver some aspects of the Act which is positive, however the implementation of the Act is not being considered holistically as each element of the Act is being considered in isolation.

Also, the checklist does not provide space to explain how the goals are being considered and there is no consideration of the organisational well-being objectives or the four dimensions of well-being (cultural, economic, environmental, and social). Senior leadership should be considering how opportunities to deliver all elements of the Act are considered through procurement activities, utilising the Commissioner's existing tools and guidance to support this.

A Prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	✓	Long Term The importance of balancing short-term needs with the needs to safeguard the ability to also meet long-term needs	✓
A Resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change.		Prevention How acting to prevent problems occurring or getting worse may help public bodies meet their objectives	
A Healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood	✓	Integration Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their objectives, or on the objectives of other public bodies	✓
A More Equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic circumstances)	✓	Collaboration Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives	✓
A Wales of Cohesive Communities Attractive, safe, viable and well-connected.	✓	Involvement The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves	✓
A Wales of Vibrant Culture and Thriving Welsh Language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.			
A Globally Responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being			

In 2019, Cardiff and Vale University Health Board were the first Health Board to announce a climate emergency and have taken measures to introduce sustainable operating theatres. This highlights how procurement can be used to support the delivery of their strategic outcomes and supports the delivery of their well-being objective to ‘reduce harm, waste and variation sustainably, making best use of the resources available to us’.

The Commissioner has already given advice to public bodies (Chapter 2, Future Generations 2020 report), as set out below:

- Clearly align financial planning and decisions across the seven corporate areas of change to the achievement of their well-being objectives. The vision provided by well-being objectives should provide a longer-term plan of funding and corporate plans/well-being statements should set out how spending plans will seek to finance their steps.
- Provide evidence in their well-being statements/plans/corporate plans and annual reports on how applying the Act to the corporate areas of change is informing the steps they are taking to maximise their contribution to the goals.

The Commissioner’s Recommendations:

- Senior leadership should review their procurement approach and activities to identify opportunities to maximise the social, economic, environmental and cultural impact of spending decisions, setting clear steps that show how procurement is supporting the delivery of their organisational well-being objectives.

The issue: The “procurement system” is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.

Although the procurement process has improved considerably over the last decade, there is still too much focus on process and not outcomes. The Act requires public bodies to focus on procuring well-being with a greater focus on outcomes and measuring what matters.

Another key barrier to sustainable procurement has been that it can cost more at least in the short-term, especially when whole-life costing is not considered, even if it does offer long-term savings and wider ‘value’.

Generating community benefits is a long-established concept in the Welsh procurement landscape; an innovative approach when launched that has supported public sector bodies to consider additional economic and social benefits that can be achieved when tendering large contracts. Throughout the research and formal Section 20 Review, public bodies have shared examples of how they are delivering community benefits through procurement. Public sector organisations, particularly within the housing sector, use the Community Benefits Toolkit to report economic and social outcomes. These outcomes are reported to Welsh Government but the impact of these is often slow to be analysed and is not shared or reported more widely.

Case Study – Denbighshire County Council

In June 2019, Denbighshire County Council established a Community Benefits Hub, designed to provide support and enabling council services to include community benefits in contracts at the earliest opportunity. There is a clear understanding by the Local Authority on how using an outcomes approach to procurement contributes towards their corporate objectives and priorities: i.e., young people, connected communities, environment, and resilient communities. This is a positive example of developing a suitable platform for sharing knowledge and best practice.

The community benefits approach has achieved positive outcomes over many years; however the landscape has changed, and the Act now requires public bodies to move beyond community benefits, which have particularly focused on delivering outcomes that contribute to A Prosperous Wales, A Healthier Wales and A More Equal Wales, and less on areas such as nature and decarbonisation. The Community Benefits Toolkit does not clearly include consideration of the four dimensions of well-being (cultural, economic, social and environmental), organisational well-being objectives, or the application of the five ways of working. The Act requires us to move to spending more strategically to meet a wide set of organisational well-being objectives and in turn the long-term well-being goals for Wales.

Case Study – Flintshire County Council

Flintshire County Council has developed a Social Value Strategy, Social Value Procurement Policy and appointed a Social Value Officer to help them take steps to achieve strategic objectives outlined in their well-being Plan, and embed well-being and wider social value into commissioning and procurement. Their approach is summarised by [stating that](#) “Social value looks beyond the financial cost of a service and considers what wider additional benefits to the community can be generated. Implementing the Social Value Strategy will be a key element in delivering the Well-being of Future Generations Act and enable the Council and partners to create new resources for priority work streams”. This is an encouraging step which should assist the Council to better meet their objectives although, both in this case and in the development of the ‘Social Measurement Framework for Wales’, there are opportunities to further reinforce links to the Act by using the language of well-being and sustainability rather than ‘social value’ which could be construed as relating predominantly to ‘social well-being’ rather than embedding social, economic, environmental and cultural well-being as the Act requires.



In their efforts to do this and consider wider social value, focusing on contribution to all the well-being goals, the interviews with many public bodies revealed that commissioning and procurement teams are moving away from the community benefits approach.

This builds on the work that has been led by the Welsh Local Government Association (WLGA) over the last 15 months, working with local authorities to develop a new social value measurement framework for Wales. The Welsh National Themes, Outcomes and Measures (TOMs), led by the WLGA was launched in November 2020 and provides organisations with a social value measurement and management framework which is aligned to the seven national well-being goals and allows them to consider how their procurement decisions also contribute to their own well-being objectives.

We welcome the development of a framework that takes a more holistic approach to measuring social value and well-being, aligned to the Act. It is not however currently clear whether this approach should be, or will be, adopted consistently across Wales and there is currently a lack of national guidance on this. Any framework that is put in place will need to ensure sufficient resource and skills for managing contracts to ensure that efforts to embed the Act into procurement is followed through and measured; many public bodies expressed concern that this currently is not the case.

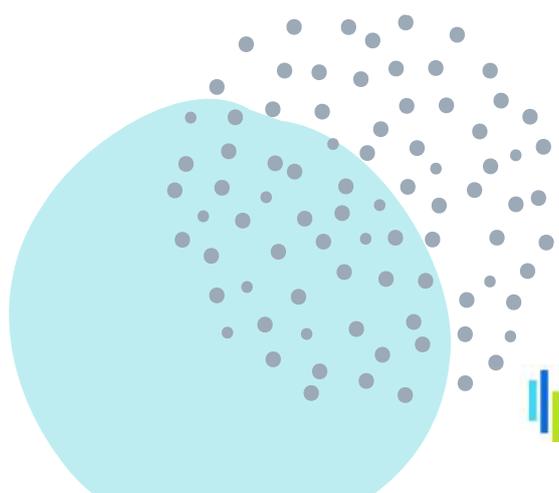
Welsh Government reported that they are focused on achieving consistency with measuring social value and the Act, however, there remains no mechanism in place to do this, and no consistent approach for clearly monitoring and reporting how procurement spend is meeting public body well-being objectives or the seven well-being goals.

This requires long-term cultural change across public bodies. Most interview participants (procurement professionals, finance, and respective team members) emphasised the need for, and a desire to, work towards achieving this cultural change to deliver wider social value and outcomes aligned to the Act.

The Commissioner's Recommendations:

Once a mechanism or tool is developed and adopted by Welsh Government (as recommended above), each public body should be using it to clearly monitor and report on its activities, both in individual procurement exercises and overall, how their procurement spend is meeting their well-being goals and objectives.

- This should be reported within the annual reports on delivery of their well-being objectives.
- In order to avoid confusion of language, and link clearly to the statutory requirements of the Act, the terminology should be revised to mirror the language of the Act.



The issue: There is no mechanism for promoting effective collaboration for public bodies, particularly cross-sector to improve sharing, learning, capacity and skills.

There are some structures for peer-to-peer support, collaboration and learning across Wales, such as the local government Heads of Procurement network, Welsh Government Sponsored Bodies Procurement group and NHS Wales Shared Services forum, but they lack national coordination and support especially to facilitate collaboration across different sectors, e.g. local government and health. Representatives from the public bodies, who participated in the Section 20 Review, consistently acknowledged there needs to be better alignment and opportunities for communication and closer collaboration across the Welsh public sector. This builds on the phase 1 research findings published in the ‘Spotlight on Procurement’ chapter of the Future Generations Report 2020.

Collaborative arrangements seem to be in flux since the changes announced to the NPS (in 2018). This lack of coordinated and practical support for collaboration means that:

- Opportunities for sharing information and learning are limited and don’t involve a wide cross-section of organisations or partners
- Examples of innovation and good practice are not shared, or encouraged to be adopted, as widely as they could.

Evidence from public bodies shows that there are many frustrated champions, who believe in the wider power of procurement working to deliver positive procurement outcomes, often

without wider organisational or leadership support.

However, lessons from these outcomes are not always being applied throughout frameworks and collaborative procurement, leading to a gap between the potential and actual outcomes being achieved.

There was a consensus that communication and agreement between Welsh Government Ministers and commissioning on high level priorities is key. For example, if austerity drives the need for ‘lowest cost’ as a priority this will restrict the ability (and mindset) to source locally and more sustainably and consider more innovative approaches. When there is a clear motivation for more local sourcing and sustainable outcomes it forces the organisation, not just the procurement profession, to think differently about the end-to-end procurement process. In other words, the extent to which the Welsh Government sets the narrative and shows leadership from Ministers, to the individual actions of departmental officials in this area, is critically important. It is not clear how this is communicated, understood or monitored consistently across Welsh Government and there are examples of where direction from Welsh Government has been counterproductive in encouraging other public bodies to take steps towards sustainable procurement.

There is a wide perception that communication on decision-making between UK Government and the Welsh public sector is poor. For example, there remains uncertainty over major political milestones such as Brexit and Wylfa leaving little time to budget and plan appropriately - these require significant investment and upfront planning which affects spend categories such as schools, housing, infrastructure, and food.



Some participants felt that further funding is required to implement “FG requirements” – i.e, a ‘sustainability budget’. Some public bodies felt they struggle to identify where opportunities to consider the Act are missed and do not know which type of resources are needed to support this (this was similar to a finding noted in the research phase published in the Future Generations Report 2020 recommendations).

However, whilst I agree that there needs to be a clear and consistent narrative from Welsh Government which emphasises the new requirements to consider long-term ‘well-being spend,’ alongside appropriate recognition of this in funding allocations and requirements that are placed on public bodies, I do not agree that the answer is sustainability budgets. What is required is longer-term cultural change towards well-being budgeting rather than short-term one-off allocations which have the result of working against a fundamental shift in attitudes towards how we spend public money in Wales.

Case Study – Wrexham County Borough Council

Wrexham County Borough Council are currently collaborating with Glyndwr University on systems leadership to improve the joining-up between services, resulting in a ‘can do mindset’ being established. However, during discussions, the local authority expressed that the Act is sometimes perceived as an additional ‘statutory thing’ rather than a strategic framework to achieve cultural change.

Throughout the interviews with public bodies there have been some good examples of innovative thinking and how collaborative procurement has helped to combat the pressures with individual budget constraints and further demonstrate consideration for the Act.

To take steps to meet the requirements of the Act, procurement teams have been working collaboratively with other departments, sectors, and organisations across regions. For example:

Case Study – Powys County Council

Over the last 3 years, the Home Grown Homes project, led by Powys County Council has worked to identify and test interventions that, if applied, could have a transformative impact on the Welsh timber construction supply chain in particular, and on the delivery of low carbon social housing in general. The project is funded by Welsh Government and the EU Rural Development Programme and delivered by Wood Knowledge Wales with Cardiff Metropolitan University, Coed Cymru and BM TRADA. The project report states that “now is the time for implementation at scale and in a manner that addresses the economic shock of Covid-19 to deliver meaningful green manufacturing, construction and forestry jobs together with Net Zero Housing at scale and supplied from Welsh manufacturing and forest industries.”

Case Study – Flintshire County Council and Denbighshire County Council

Flintshire County Council and Denbighshire County Council have a long-standing [collaborative procurement service](#). Representatives from Flintshire County Council explained that this was originally established due to procurement roles not being filled in either Local Authorities, and the organisations collaborated to deliver their joint vision which is to:

- Implement a shared, skilled and excellent corporate procurement service that ensures the required support for the two organisations and individual services in delivering corporate and service objectives and efficiency targets;
- Maximise procurement savings for the benefit of the residents and businesses of Denbighshire and Flintshire;
- Develop professional capacity and resilience to create a top performing procurement team, delivering organisational benefit and personal professional development for the team.

The discussion with Flintshire County Council highlighted that the agreement promotes a ‘Can Do mindset’ due to the scope of activities included in (day-to-day management, policy, advice, compliance and liaison). But maintaining the relationship is not without challenges, primarily due to the different priorities in each Local Authority. This collaborative working is to be commended but trying to align the two organisations’ priorities may result in missed opportunities for procurement outcomes to contribute to their individual organisational well-being objectives.



Case Study – Cardiff and Vale University Health Board

Cardiff and Vale University Health Board has developed a good example of long-term planning, effective communication and sustainable sourcing - a Memorandum of Understanding (MoU) has been organised through the Public Service Boards to help formalise relationships between the Health Board and the third sector. One such initiative taken to implement this MoU specific to procurement, to protect and grow the £7 million annual spend on contracts in the third sector, was to provide training for third sector organisations on the Light Touch Regime in procurement. The Health Board currently has 35 contracts in place with third sector organisations, over four years, which has led to creating new jobs and expansion of Welsh suppliers to support their service provision.

These examples highlight the need to involve other departments, organisations, sectors and suppliers at a pre-procurement stage to deliver outcomes that maximise contribution to organisational well-being objectives, and the seven well-being goals through applying the five ways of working.

Case Study – InFuSe – Innovation of Future Public Services

InFuSe is a research led collaboration between Cardiff Capital Region (with Monmouthshire leading), Y Lab (Nesta) and Cardiff University. The Wales European Funding Office project aims to help public sector workers develop skills that can better support communities and accelerate decarbonisation in the Cardiff Capital Region. The programme will target new capacity for innovation around experimentation, better use of data for decision-making, and targeted procurement to solve shared regional challenges, primarily across the region's ten local authorities. The three core workstreams for the programme are:

- The Adaption Lab - supporting officers to design and deliver experiments that test potentially scalable solutions to regionwide problems.
- The Procurement Lab – supporting officers to learn, develop and test new processes and methods for procuring innovative products and services that produce better outcomes for people who use and deliver services against the two thematic areas.
- The Data Lab – supporting officers to better collect, manage, analyse, understand and make more effective use of data in decision making.

The Commissioner’s Recommendations:

- The Procurement Centre of Excellence established by Welsh Government will act as a central portal to support cross-sector collaboration and implementation. In collaboration with others Welsh Government should review existing groups and networks to better coordinate activity across local government, health, PSBs and regions, along with the third sector and private sector.
- Public Services Boards should prioritise how they can collaborate and use spend to maximise social value, contribute to their well-being objectives, and improve well-being on a local level.



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3.4. The Impact of Covid-19 – Challenges and Opportunities

There is no doubt that the impact of Covid-19 has been significant on all public bodies and led to both positive and negative developments in procurement. Whilst there have been some examples of innovation and good practice, linked specifically to procuring during the pandemic, as a whole the steps public bodies are taking to meet the requirements of the Act has plateaued during the Covid-19 crisis period often due to ongoing challenges being exacerbated. Generally, this has been due to reduced capacity, lack of understanding, resource challenges and constraints, and a general lack of central support, the latter being considered essential by participants when considering the recovery phase.

Some of the main issues and challenges reported by public bodies during discussions were:

COVID-19 Challenges

Resource and Capacity Challenges

Resource and capacity have become even more of an issue during the crisis period affecting procurement and especially contract management and capacity to ensure the procurement process and contract management system captures all potential areas of social value.

Some public bodies reported high levels of staff on sick leave during this period and smaller public organisations appear to have faced greater negative impact due to the proportion of resource taken away from the day job when responding to the Covid-19 crisis. For example, one local authority reported that responding to Covid-19,

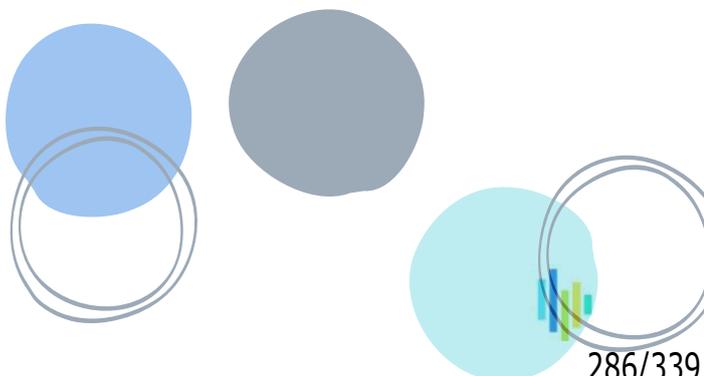
meant that 10 from a team of 16 employees were diverted from daily tasks. This has meant that some [innovative] projects have been paused and, in some cases the additional burden on staff to manage both normal daily activity and Covid-19 related activity means that significant pressures have been placed on staff – with a fear of ‘burn out’.

Time pressured procurement

The urgent need to re-think approaches to procurement to centralise and urgently scale up the supply of products and services required for Covid-19 sometimes meant that internal communication and consultation has been impacted. This has slowed down some procurement and shortened procurement pipelines, leaving less time for suppliers to prepare.

Public bodies reported that the urgency for supply and some relaxation of some procurement regulation meant that they were better able to prioritise local spend and support local communities, while others struggled with establishing supply chain voids and knowing how to reach out the local market quickly. This varied dependent on the type of product or service being procured. This point also relates back to the issue on capacity and resource.

Public bodies with lower spend and high-level uncertainty (power to purchase) found that they do not offer sufficient investment to convince suppliers to have a strategic change of direction, i.e, they were not able to offer suppliers a higher sense of longer-term security.



Embedding well-being and social value

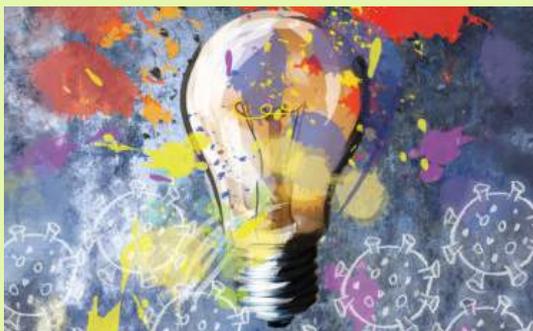
The response to the Covid-19 crisis has brought contrasting results when it comes to achieving social value. As a whole, prioritisation of the Act has reduced during Covid-19; procurement teams have had to contend with supply voids, short timescales and staff sickness. However, there have been some examples where Section 20 Review participants felt well prepared and didn't feel they needed to compromise on considering well-being objectives or delivery on the Act.

Projects Paused

Some public bodies reported that procurement spend has been reduced during the crisis with many new and innovative projects being put on hold leaving less opportunity to embed social value. But there have been examples of good practice where local suppliers have been deliberately sourced to provide goods and services necessary for the crisis period. This is especially relevant in the procurement of medical equipment (PPE, hand sanitiser).



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Case Study - National Library of Wales

During the Covid-19 pandemic, the National Library of Wales decided to cancel the procurement of a £4million project to build a storage facility as part of the national broadcasting archive. The funding for this is being invested in things that deliver community engagement with culture and heritage through digitalisation. This approach has been welcomed by the Heritage Lottery and contributes to their well-being objective to "deliver new ways of interpreting our collections to a wide range of audiences". In addition, this procurement outcome reflects the changing needs of Welsh citizens in response to Covid-19 where loneliness during periods of self-isolation has had a negative impact of people's mental health.

COVID-19 Lessons Learned & Opportunities

Although there has been little time, if any, to capture lessons learned during the crisis, it is important to consider how we can learn from the positive action during this period and take these lessons forward over the long-term. The Covid-19 learning project has been underway by Audit Wales' Good Practice Exchange and the Institute of Welsh Affairs (IWA) is seeking to learn from this period.

Some initial feedback to highlight includes:

Embedding well-being and Social Value

Some participants felt well prepared and did not feel they needed to compromise on well-being objectives or delivery on the Act because of Covid.

Strategically Elevating Procurement

There is a widely held view that the perception of procurement within the organisation has improved since Covid-19; procurement has been a critical function in terms of how public bodies have had to respond with opportunities to demonstrate how it can support delivery of key outcomes. Greater focus on outcomes over process is illustrated by Velindre NHS Trust who reported a higher drive towards achieving more value-based healthcare recognising the impact of procurement decisions from the patients' point of view with end users being more involved in product design.

Accelerating Innovation

Dearth in the supply market for PPE and other emergency products, has meant that Covid-19 has provided an opportunity for innovation in procurement with more focus on outcomes than process.

For example, building on the success and lessons learned from initiatives such as “Better jobs closer to home”, the Foundational Economy Challenge Fund has enabled experiments in the more challenging aspects of procurement such as through social care with lessons being shared through a Community of Practice (CoP) forum with the aim of developing and scaling-up similar projects across Wales. One important message that has become clear during the pandemic is the need to support Welsh small and medium-sized enterprises to be more resilient, able to scale up quickly, to diversify and to grow.

Sector Engagement

Discussions with the public bodies during the Section 20 Review showed that opportunities for more local sourcing has meant there has been greater motivation for public bodies to engage with third sector

partners who have historically been perceived as weaker links around the table. But since Covid-19, their unique position and closeness to serving local communities has changed the dynamic and attitude.

Workforce Mobility

The pandemic period has demonstrated that most procurement work can be managed electronically without the need to travel, with the same objectives within reach. This could offer opportunities for a more agile approach to collaborative procurement that have yet to be explored.

Budget Silos

[Outside of procurement] the crisis has accelerated the need for public organisations to better understand ‘what is value?’. Increased costs of sourcing locally may represent long-term better value for money as it is important to weigh up other factors such as logistics costs, whole life cost, and to factor in whether a higher cost product achieves wider or more longer-term benefits to the local economy. Local suppliers are also closer to understanding local needs.

Legacy Building

Covid-19 has demonstrated that a lot can be achieved in a short space of time which has prompted procurement professionals to work with others in the organisation to review how to procure differently, to understand the impact of the scale and scope of change when interventions are possible. Legacy building and understanding tools and techniques for capturing value is key going forward; participants quoted examples (e.g., face coverings) to understand what can be done when cost is not a priority driver.

Procurement of personal protective equipment (PPE)

There have been examples of Welsh manufacturers adapting their capabilities to develop local supply chains for PPE and other emergency products during the pandemic.

- One of the first examples in Wales was the [Royal Mint](#), a producer of coins, who adapted their manufacturing capabilities and created a medical visor, gaining mass production approval within 48 hours. The medical visors are being supplied to hospitals in Wales.
- Local gin producers Hensol Castle Distillery adapted their manufacturing capability in response to Covid-19 and supplied the health board with hand sanitiser.

[The Auditor General for Wales](#) stated that “although the bulk of PPE came from international suppliers, the Welsh Government and NHS worked with Welsh manufacturers to develop local supply chains. Welsh Government officials told us that this involved collaborative working within the Welsh Government, NHS and Industry Wales through the critical equipment requirements engineering team (CERET).” This collaborative approach during the crisis is welcome and should be built on over the long-term as we look to recover from the pandemic.

COVID-19 Concluding Statement

Due to the pervasive nature of the pandemic, and the significant role of procurement, it has been important to understand the opportunities and challenges experienced by public bodies when considering the Act during the procurement process.

The response to Covid-19 has demonstrated that procurement can deliver ambitious and

innovative outcomes, in a time-pressured environment, sometimes with reduced capacity. Looking towards a Covid-19 recovery, it is important for this good practice is scaled up, reflecting upon the lessons learned.

Equally, the impact of Covid-19 has drawn attention to the existing barriers to delivering procurement outcomes in line with the requirements of the Act, including an absence of organisational buy-in, leadership involvement and engagement (both with the Act and with procurement), having insufficient resources and capacity, along with the challenges navigating what has become an increasingly complex landscape.

The lessons learned from Covid-19 appear to have accelerated change with special attention to working digitally and working from home leading to greater environmental benefits. In procurement there has been improved collaboration horizontally across public bodies and vertically between public bodies and the local supply market. It was noted by some public bodies that while they are keen to continue with the changes made, there is a fear that business will revert to normal pre-covid times.

As we emerge from the pandemic and meet head on the economic and social fallout, it is critical that we do not lose sight of the advancements made and that procurement continues to develop. There is more of an imperative than ever for the Welsh Government to address the barriers to implementing sustainable procurement, to ensure that public money is spent in a way which drives wider benefits towards those further from the labour market, towards meeting our decarbonisation targets and towards the regeneration of communities worst hit by the crisis.



04 RECOMMENDATIONS FOR WELSH GOVERNMENT

These Recommendations are designed to promote and sustain positive change, but to have maximum effect they need to be considered expeditiously. The Recommendations were put together on the basis they can, and ought to be achieved, within the next 12 months, i.e before end March 2022.

Issue highlighted:

Welsh Government has failed to show clear joined up leadership on the role of procurement in delivering Wales' national well-being goals (and public bodies well-being objectives).

Recommendations to Welsh Government

- Welsh Government should establish a Procurement Centre of Excellence for improving coordination, collaboration and providing practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act. Development of this Centre of Excellence would require a comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation.
- The new Programme for Government should clearly set out how Welsh Government will provide strategic leadership and commitment to supporting and achieving wider outcomes from procurement, using language that is consistent with the Act.
- Welsh Government's new Procurement Policy Statement should clearly demonstrate how it will support public bodies to deliver the aspirations of the Act in public sector procurement in Wales. This Statement, along with progress to deliver the commitments, should be reviewed and reported annually.
- Welsh Government should ensure all future national procurement frameworks align with, and contribute to, the seven national well-being goals and apply the five ways of working set out in the Act.

Further advice on how this could be achieved:

We would strongly advise that this Centre of Excellence is not developed by civil servants alone, but should be done in collaboration with the wider procurement community and external experts, with Ministerial oversight. Welsh Government should involve a holistic range of organisations who bring knowledge and expertise of each of the national well-being goals as well as relevant professions. This structure could have oversight from the Office of the Future Generations Commissioner but as a minimum should have a clear link.

The Centre of Excellence will:

- Act as a central portal to coordinate and support cross-sector collaboration and implementation.
- Report outcomes delivered through procurement on a regular basis.
- Provide feedback to public bodies on good and bad practice.
- Support and enable shared learning amongst public bodies that drives improvement in line with the Act.
- Provide on the ground practical support for the procurement profession.
- Raise the profile of procurement, giving agency and authority to procurement professionals supported by senior-level commitment.

Welsh Government should establish the Centre and set clear outcomes (in agreement with others), reporting annually on how these are being delivered.

Welsh Government's Centre of Digital Service is an example of a 'mechanism' designed to provide guidance, training, standards, collaborative networking and hands-on practical help to the Welsh public services. A similar approach could be taken for procurement.

The Foundational Economy Challenge Fund, Centre for Local Economic Strategies (CLES) work and the development of Welsh National TOMs highlighted in this report are a good starting point. However, there needs to be better integration and more join up between these projects, as well as the provision of additional coordinated practical support for public bodies.

Welsh Government should provide practical guidance, supporting public bodies using national and/or regional frameworks to contribute to the seven national well-being goals and apply the five ways of working set out in the Act.

Issue highlighted:

There is poor communication and integration between different Welsh Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground.

Recommendations to Welsh Government

- Welsh Government should review all guidance and toolkits that are currently in place to support sustainable procurement and measure/monitor community benefits and/or social value, and publish a clear plan outlining how these will be revised and consolidated to enable a consistent approach for public bodies to report on the well-being outcomes being achieved.
- In order to meet carbon emission targets every public body should set out clearly how they have considered the carbon impact of their procurement decisions and in the case of construction or infrastructure contracts should clearly require schemes to be net zero carbon over their lifetime.

Further advice on how this could be achieved:

The forthcoming Social Partnerships Bill will need to ensure that the new procurement duty placed on public bodies supports them to deliver outcomes that will help them to achieve their well-being objectives and, in turn, the national well-being goals.

A recent [Wales Co-operative Centre report](#) provides a useful summary of how existing legislation, policy and guidance supports delivery of social value within the social care sector.

Issue highlighted:

Opportunities for making spend work harder are being missed due to lack of support for the procurement profession and lack of accountability at a leadership level.

Recommendations to Welsh Government

- The Procurement Centre of Excellence should review and reform structures for national accountability and establish an appropriate mechanism to scrutinise progress on implementation. Welsh Government should report annually on how overall national public spend is contributing to the national well-being goals.
- In addition, their annual report (on progress with the Act) should clearly set out how all of their own procurement spend, and grant spend, is contributing to meeting their well-being objectives, and in turn the seven national well-being goals.

Further advice on how this could be achieved:

This Centre of Excellence will be connected to key decision-makers including Ministers and public sector leaders, and supported by external advisers with knowledge and expertise of each of the national well-being goals as well as relevant professions. The Centre will have a specific remit to highlight where overall spend across Wales is not aligning or making slow progress to meeting the well-being goals and directing national action to address this.

Issue highlighted:

There is no ongoing monitoring of procurement approaches or outcomes either for the purposes of spotting where things are going wrong, and opportunities are being missed, or for identifying and sharing best practice.

Recommendations to Welsh Government

- The Procurement Centre of Excellence should develop a mechanism or tool to assist public bodies to monitor and report consistently on the Act (possibly building on the work being done on social value and the new TOMS framework) demonstrating how their procurement spend is meeting the well-being goals and objectives.
- Welsh Government should monitor progress by public bodies in Wales. This must be reported within the annual reports on delivery of their well-being objectives for both Welsh Government in respect of the overall outcomes being delivered across Wales and by individual public bodies.

Further advice on how this could be achieved:

Welsh Government should commit to providing support to public bodies (specifically the procurement function) on achieving this.

This could include establishing a Community of Practice for sharing and learning what works.

05

RECOMMENDATIONS FOR PUBLIC BODIES, INCLUDING WELSH GOVERNMENT

Again, these Recommendations are designed with a 12-month (before end March 2022) timeframe in mind, unless stated otherwise.

Issue highlighted:

Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to lack of leadership and strategic approach that recognises the ‘power of purchase’.

Recommendations to Public Bodies

Senior leadership should review their procurement approach and activities to identify opportunities to maximise the social, economic, environmental and cultural impact of spending decisions, setting clear steps that show how procurement is supporting the delivery of their organisational well-being objectives.

Further advice on how this could be achieved:

Procurement needs to be ‘at the top table’. Public bodies should involve departments and organisations who are involved in, and impacted by, the procurement process when setting well-being objectives (e.g. commissioning, contract management, suppliers and waste management). This could lead to public bodies understanding the broader benefits and steps they can take to improve all aspects of well-being through procurement.

Issue highlighted:

The “procurement system” is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.

Recommendations to Public Bodies

Once a mechanism or tool is developed and adopted by Welsh Government (as recommended above), each public body should be using it to clearly monitor and report on its activities, both in individual procurement exercises and overall, how their procurement spend is meeting the well-being goals and objectives.

- This should be reported within the annual reports on delivery of their well-being objectives.
- In order to avoid confusion of language, and link clearly to the statutory requirements of the Act, the terminology should be revised to mirror the language of the Act.

Further advice on how this could be achieved:

As a minimum, all contracts above £1 million (same as Community Benefits Toolkit) should include an assessment of the outcomes being delivered against the four dimensions of well-being (cultural, economic, social and environmental) or the seven well-being goals and their own well-being objectives.

Public bodies should proactively participate in the Community of Practice for sharing and learning what works.

Public bodies should use the [resources](#) published by the Future Generations Commissioner and other organisations.

- Chapter 2 in the Future Generations Report 2020 '[A spotlight on Procurement](#)' outlines a vision for public section procurement in Wales with recommendations for all public bodies (including Welsh Government).
- Chapter 4 of the Future Generations Report 2020 focuses on '[Setting good well-being objectives](#)'.
- Art of the Possible 'journeys' for each of the seven well-being goals provide guidance for public bodies on the actions they should be taking. Fair and local procurement is a theme within a [Journey to a Prosperous Wales](#), and ethical consumption and procurement is a theme within a [Journey to a Globally Responsible Wales](#).

Issue highlighted:

There is no mechanism for promoting effective collaboration for public bodies, particularly cross-sector to improve sharing, learning, capacity and skills.

Recommendations to Public Bodies

The Procurement Centre of Excellence established by Welsh Government will act as a central portal to support cross-sector collaboration and implementation. In collaboration with others Welsh Government should review existing groups and networks to better coordinate activity across local government, health, PSBs and regions, along with the third sector and private sector.

Public Services Boards should prioritise how they can collaborate and use spend to maximise social value, contribute to their well-being objectives, and improve well-being on a local level.

Further advice on how this could be achieved:

Review the impact of existing initiatives and mechanisms (e.g. Knowledge Hub, Foundational Economy Community of Practice, national and regional networks).

Greater peer-to-peer support to harness good practice and drive change across sectors.

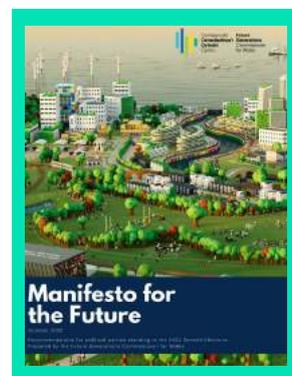
The Centre for Local Economic Strategy (CLES) is currently working with five clusters of Public Services Boards in Wales to explore opportunities around procurement, local spend and community wealth building. There should be support to scale this work up across Wales.

Useful resources and tools, which can help you follow these recommendations:



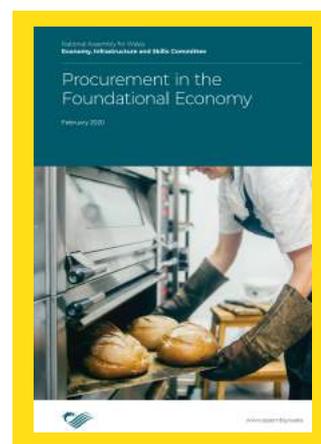
[The Future Generations Report 2020](#) - This report sets out the Commissioner's assessment of progress made in implementing the Act within the reporting period.

[The Manifesto for the Future](#) - This document aims to amplify the voices of young people as we approach the Senedd election in 2021. It sets out the key recommendations that the Commissioner wants to see the next Welsh Government commit to. The Commissioner has called on all political parties to consider these recommendations within their manifesto work.



The Wales Centre for Public Policy '[Sustainable Public Procurement' 2019 Report](#) - Outlines how to implement sustainable procurement practices.

[Procurement in the Foundational Economy](#) - This report highlights the Welsh Government's ambitions for the role of procurement in Wales, the current role of procurement, and best practice examples.





[Supporting Care Commissioners and Procurers to Promote 'Social Value' Models of Delivery](#) - This document is the outcome of work commissioned from the Wales Co-operative Centre by the Welsh Government in mid-2019. The intention was for the work to “influence commissioners and procurers to promote co-operatives and other social value models”.

[The National TOMs Wales](#) - A framework for social value measurement and management that allows for an unlocking of social value through its integration into procurement and project management. It incorporates all of the requirements of the Community Benefits Toolkit and has been designed to allow organisations to assess their social value contribution to the Well-being of Future Generations Act.



Useful contacts to support you with following these recommendations:

[Wrap Cymru](#)

[Atebion Solutions](#)

[National Social Value Taskforce](#)

[Procurement & Supply Chain Knowledge - CIPS](#)

[National Procurement Service](#)

[Sustainable Procurement - CIPS](#)

[Constructing Excellence in Wales](#)

[Institute for Collaborative Working](#)

[Natural Resources Wales](#)

[Making Wales a Deforestation Free Nation – Size of Wales](#)

[Welsh Local Government Association](#)



NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 9 – DECEMBER 2020

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for December 2020 and should be read in conjunction with the Monitoring Return tables submitted for Month 9.

Thank you for your letter of 17th December 2020 responding to the Month 8 monitoring return. The action points you have raised have been clarified within this return and additional information provided where requested.

Overview of Performance and Financial Position

NWSSP's financial position for Month 9 is reported at break-even. This is based on the assumption that the balance of all additional operational Covid19 related expenditure will be fully funded by Welsh Government. The Quarter 1 and 2 costs have been invoiced as agreed and the balance of the forecast funding requirement for Quarters 3 and 4 will be invoiced in January as requested.

An additional distribution of £1.250m to Health Boards, Trusts and Welsh Government was declared in Month 7, and approved at the November Shared Services Partnership Committee, bringing the total 2020/21 distribution to £2.000m which is consistent with the 2019/20 distribution.

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 WG funding as detailed in our IMTP. These have been included using the profile from our IMTP and continue to show a break-even in year plan as reported in previous months.

The additional distribution is included at £1.250m, with an additional line for the £0.986m balance of the £2.236m overachievement of savings and additional income generation. These will be utilised on planned investments in our services to accelerate improvements as previously detailed. There was an amendment in the savings and income generation figures in Month 8 due to a reduction in the forecast savings and an

increase in the in year income generation, any further material changes will be detailed in future returns **(Action Point 8.2)**

The table also continues to be populated with the amended profile of the additional costs and income assumed from WG in respect of additional Covid pressures. These include the costs that we have incurred and are forecast to incur for All Wales PPE and Equipment purchases, TTP, mass vaccination programme and increased operational costs being incurred within NWSSP to support Covid.

Due to the confirmation of the recurrent funding for the IP5 running costs, the FYE recurrent position is reported in balance **(Action Point 8.3)**

2. Overview of Key Risks & Opportunities (Table A2)

The table below identifies the calculation of the risk that we continue to report in respect of Covid costs that haven't yet been invoiced to Welsh Government:

	Total Forecast Costs	Invoiced M1-9	Net Risk
	£m	£m	£m
Mass Vaccination	1.250	0.000	1.250
All Wales Covid costs	250.342	-296.000	-45.658
TOTAL	251.592	-296.000	-44.408

As we have now invoiced for more income than the forecast All Wales costs in order to support the cashflow impact from additional stockpiling, the risk for the All Wales Covid costs has been included at zero in Table A2.

The Covid cash position is reviewed weekly and the cash position on stock is reviewed after the inventory position is closed on day 1 each month. At the close of December inventory position, the 2020/21 stock invoices paid totalled £27m more than the stock recharges to NHS Wales, and due to the reduction in the forecast from the lower demand for PPE in primary and social care, there is a forecast minimum of £18m excess cash balance at the end of March. This will be impacted by any further cash recovery on the stock invoicing position during the last quarter which will be closely monitored. Discussions will continue with Welsh Government during January regarding the return of this excess cash, with continued efforts to predict any cash support required at 31st March 2021.

The forecast costs of the mass vaccination programme of £1.250m have been included in Table A2 from Month 9 as it is assumed that these costs will need to be funded separately from the All Wales PPE/Equipment/TTP costs that we have invoiced to date. We await confirmation on when and how we should invoice for these forecast costs.

The figures included in the table above have also been reflected in Table E1.

A further review of the risks and opportunities has been undertaken in month in respect of uncertainty surrounding our year end forecast. These include:

- NWSSP Operational Covid 19 costs are not funded - As funding for the Quarter 3 and 4 operational Covid costs for NWSSP has been confirmed the risk of not receiving this funding has been reduced to zero in Month 9.
- PPE additional VAT/import duty charges not included in the forecast – this risk has been reduced to zero in month now we have established the import VAT charges we are liable for on the PPE deliveries made after 31st October 2020 and the PPE forecast expenditure has been increased accordingly
- Additional PPE & Consumable costs for vaccination packs are above forecast – this risk has been reduced to zero in month following a more detailed review of the PPE & consumable costs included in the vaccine packs and a more detailed schedule of the number of packs to be issued each month
- Potential increase in PPE requirements for Social Care/Primary Care over forecast – the forecast for social care & primary care PPE requirements has reduced further in month to £3m per month for the last quarter. A risk of additional costs of £3m during the last quarter has been included to reflect the uncertainty with the fluctuating demand for these items.
- Staff turnover factor is greater than budgeted – this opportunity has been reduced to zero in month due to greater certainty as we enter the last quarter and the reduced likelihood of any additional savings achievement
- PPE VAT savings on stock items being reviewed – as part of the ongoing balance sheet reconciliation of the significant number of stock transactions this financial year we have identified circa £15.033m of tax credits as a result of invoices for PPE with zero VAT being paid against orders that were originally set up with VAT as part of the inventory call off. This is an increase from the figure reported in Month 8.
- PPE Valuation of Stock – this is a high level estimate of the potential value of the stock that we will have at year end that has been purchased through the non-stock route and written on to the stock balance at zero value. In order to accurately value this stock and write this onto the balance sheet the equivalent credit would have to be transferred to the I&E. This forecast is at the current value which is the lowest we can forecast based on a number of assumptions regarding value of stock and the demand over the next three months so will need some refinement during the remainder of the financial year before this can be quoted with any further accuracy. The detailed stock valuation model has been developed and meetings are ongoing with Audit Wales colleagues in

respect of this **(Action Point 8.1)** We will ensure that we liaise with WG colleagues regarding the resource only adjustment that will be required as a result of this.

NWSSP hosts the Central Team e-Business Services which receives funding from contributions from individual Health Boards and Trusts. The contributions received reflect the intention to build up a fund for future investment in oracle developments and hardware requirements . It is forecast that this fund will total circa £1m at the end of 2020/21. It is now evident that we will need to return these funds to health organisations. The requirement for the return of these funds was highlighted at the November Shared Services Partnership Committee and was also included in the December NWSSP update to DoFs which was also shared with Deputy DoFs. Invoices from Health Boards and Trusts will be requested in Quarter 4 in order to return the funds.

NWSSP undertakes the central role for NHS Wales with regards to the payment and recharging of ESR costs. NWSSP makes payment of the 6.1315% recharge for Wales of the total ESR contract administered by the Department of Health & Social Care (DHSC) and apportions costs and recharges to UHBs/Trusts. In year and full contract forecasts are received quarterly and these are subject to change dependent upon the level of enhancements and additional functionalities deployed. Recharges are levied to organisations apportioned on ESR assignment headcount in September of each year.

At the end of October 2020 when the quarterly forecast was received, the DHSC indicated that there could be a significant increase in the forecast recharge for 2020/21 and subsequent years. The 2020/21 additional cost is currently forecast at £0.939m which would be recharged to UHBs/Trusts based on the ESR assignment apportionment methodology.

The ESR contract with IBM is due to expire in August 2022 and an extension to August 2025 is in the process of being negotiated by DHSC. In addition to additional costs being charged in respect of a significant data centre move in 2020/21, these negotiations also include additional payments to IBM from August 2020-August 2022 to cover contract losses to negotiate more realistic charges in the contract extension period.

We continue to meet regularly with DHSC colleagues to fully understand the potential additional costs and the risk and timing of these payments. A further update will be provided by the end of January to aim to finalise and invoice the 2020/21 recharges. This issue was also noted as a risk in the December NWSSP update to DoFs.

3. Actual Year to Date and Forecast Monthly Position (Tables B, B2 & B3)

The key points to note within the year to date position are:

- The overall forecast income of £672.609m has reduced from the forecast reported in Month 8 due to a further reduction in both the forecast value for social care & primary care PPE issues and a reduction in the value of the All Wales stores recharges from previous months.
- The Welsh Government income for Month 9 was less than forecast at Month 8 due to a number of orders forecast to be delivered in December being delayed until January due to delays with sea freighting and docking at ports in the UK. The income has been deferred and the forecast expenditure has been reprofiled into January and February based on the delivery profile received from procurement. The £10.010m expenditure profiled into March is the VAT charge we have calculated that we need to pay on imports into the UK after 31st October when the zero rate of VAT on PPE ended.
- The Welsh NHS income forecast continues to increase each month due to the planned expansion of the SLE model to other training specialties each month. The Welsh NHS income also increases materially in Month 12 in respect of income anticipated under the Welsh Risk Pool risk sharing agreement which it is envisaged will be invoked once the Welsh Government funding is fully utilised in line with our IMTP. In line with last financial year we anticipate a resource adjustment will be actioned for the £13.779m risk sharing agreement by Welsh Government, who we will then invoice for the additional funding. Following initial discussions with Steve Elliot we await Welsh Government confirmation that this has been actioned based on the Month 9 position.
- Other income continues to be reported above normal levels due to the PPE recharges we have made to the Department of Health & Social Care, NHS Scotland and Northern Ireland for the provision of Type IIR masks. There is a large increase in other income in Month 12 in respect of the pharmacy rebate income that we invoice for. There is no risk to our financial plan with the significant increase late in the financial year as the funds are repatriated back to UHBs.
- The inclusion of forecast costs for the mass vaccination programme of £1.250m in 2020/21 have been profiled into income, pay and non-pay from December to March which reconciles to the mass vaccination template. This forecast is a reduction on that provided in Month 8 due to a reduction in the consumable items being included in the vaccination packs, combined with reduced staff costs whilst the distribution model reaches full capacity.. The forecast remains fluid in some respects due

to the changing vaccine delivery schedules and the impact of these on our forecast costs. All pay and non pay costs have been profiled into the appropriate categories in Table B3 with PPE included with the other all Wales PPE forecast spend on line 95 as requested.

- The increases in income due to PPE and equipment recharges are offset by equivalent increases in non pay where this expenditure is recorded.
- Increases in pay costs are profiled in line with the increased income anticipated for the Single Lead Employer and All Wales Collaborative Bank. These increases can be seen in the Medical & Dental and Nursing & Midwifery pay categories. The Medical & Dental forecast costs have been increased in line with the new proposed rollout expansion plan for the SLE.
- Forecast depreciation charges of £3.012m are included which reconciles to our November non-cash submission. The income above our depreciation baseline of £1.551m is anticipated in Table E1. A detailed review of our capital expenditure will be undertaken in January and any further revisions to the non cash charges will be reflected in the Month 10 monitoring return submission.
- £81.130m income and expenditure is included to Month 9 in relation to the WRP DEL budget and redress. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts with a full year forecast outturn of £123.289m (£120.955m WRP DEL per our IMTP plus £2.334m for redress).

After a detailed review of all cases forecast to settle in 2020/21 the full year forecast remains at £120.955m per the forecast included in our IMTP. At the end of December there is a significant risk on three cases, with a combined value of £7m, that are due to settle before the end of the financial year. We are liaising closely with our legal and risk team to mitigate this risk. The risk on some cases is Covid related due to the claimants needing to shield, which means expert witnesses are unable to complete their assessment reports and this impacts on the ability to hold round table meetings and agree final settlements before 31st March 2021.

The Chair of the WRPC has written to the CEO of CTM setting out the concerns raised by the WRPC at their last meeting and the required action to expedite the submission of claims for reimbursement. In response to this we anticipate that CTM will be submitting claims for consideration for reimbursement for the next WRPC meeting which is on 27th January.

The redress income of £2.334m is anticipated in Table E1 on the basis that this funding will be required as the risk sharing agreement is forecast to be invoked. This is £1.075m over the £1.259m budget transferred for redress, as year 3 of the transitional funding arrangement agreed with Steve Elliot. Redress returns were received from health bodies at the end of December, these are being reviewed and the updated forecast will be included in the Month 10 monitoring returns.

- Agency expenditure of £0.954m has been reported to the end of Month 9, £0.772m of which has been incurred to support additional Covid work. Negative agency expenditure is reported against Estates and Ancillary due to an over accrual in previous months.
- Table B3 details the monthly actuals and forecast Covid additional expenditure totalling £259.163. This has been collated and reviewed on a service by service basis within NWSSP and will continue to be monitored at this level.

The All Wales PPE costs are reported on line 95. The All Wales Equipment and services have been included separately on line 92 to aid the separate identification of the PPE costs. The split and profile of the various elements of Table B3 are detailed in the table below:

	YTD	M10	M11	M12	TOTAL
All Wales Non stock PPE	81.333	49.522	9.297	10.010	150.162
Social/Primary Care PPE	54.614	3.000	3.000	3.000	63.614
Pandemic Stock PPE	3.865				3.865
Mass Vaccination PPE	0.266	0.120	0.128	0.129	0.643
All Wales Covid Equipment	20.809	0.329	0.329		21.467
TTP	6.560	2.286	1.195	1.193	11.234
Mass Vaccination (excl PPE)	0.102	0.130	0.168	0.207	0.607
NWSSP Operational Costs	5.442	0.817	0.530	0.782	7.571
TOTAL	172.991	56.204	14.647	15.321	259.163

TTP costs of £11.234m are included in Table B3 - £11.051m in Line 66 for the point of care testing kits and £0.183m in Line 80 for the swab sticks used for testing.

The Social/primary care issues are lower than forecast last month on the basis of the actual cost of the issues in November and December which have been lower than anticipated and less than the SLAs and demand model volumes.

The full year forecast NWSSP Operational Costs have increased from £6.994m in Month 8 to £7.571m in Month 9. The movements are summarised in the table below:

Additional COVID Expenditure	M8	M9
	£m	£m
Staff costs - bank and overtime	2.594	2.549
Staff costs - agency	0.830	0.817
Interim F1s	0.513	0.513
Transportation/warehousing costs	1.270	1.410
Additional cleaning/equipment/security	0.657	0.638
Distribution of shielding letters	0.064	0.064
External laboratory testing	0.088	0.087
Loss of income	0.020	0.020
Temporary Medicines Unit	0.589	0.589
Oracle Licences/Bomgar Licences	0.175	0.175
Pulse oximeters - primary care		0.269
Annual leave accrual		0.250
Other non pay costs	0.194	0.190
TOTAL	6.994	7.571

The key reasons for the movement are:

- Inclusion of £0.269m for pulse oximeters to be provided to primary care to support Covid.
- Inclusion of £0.250m in respect of the additional funding required to cover the increase in our annual leave accrual due to Covid. The overall accrual has been calculated in line with the methodology proposed through TAG **(Action Point 7.5)**
- Increase in transportation costs based on December costs. A more detailed review of these costs will be undertaken during January to establish if these costs are due to supporting the mass vaccination programme, although this is difficult to ascertain as a number of deliveries are often built into the regular courier runs.

Table B3 includes forecast expenditure of £0.589m for the Temporary Medicines Unit. The Unit is now ready for operation following the central investment and

having been through MHRA assessment. It is also supporting the vaccination programme.

The PPE Winter plan identifies the need for additional recurring and non-recurring resource in respect of systems, PPE category management team and additional senior procurement management capacity. Estimated costs for these for 2020/21 have been built into Table B3, however discussions are ongoing regarding the recurrent and non-recurrent support required into 2021/22.

With regard to the Welsh Government request for a forecast of the total funding required for PPE, the summary below has been updated for Month 9:

	£m
PPE Non stock value of orders placed	187.622
Mutual Aid	-37.460
Primary/Social Care M1-9 actual (stores issues)	54.614
Primary/Social Care M10-12 forecast (stores issues)	9.000
Pandemic Stock Replenishment to date	3.865
Vaccination Numbers PPE Dec	0.266
Vaccination Numbers PPE Jan - Mar	0.377
TOTAL ALL WALES PPE PER TABLE B3	218.284
Additional Adjustments	
Stores VAT Tax Credits	-15.033
NWSSP Forecast PPE Costs prior to stock revaluation	203.251
Credit to I&E for Stock Revaluation	-54.067
Total NWSSP PPE Forecast	149.184

****Please note the above forecast does not include the PPE funding requirements forecast for the UHBs/Trusts.***

The cells highlighted in yellow have been included as opportunities in Table A2 and detailed in section 2. The pandemic stock replenishment has been included in the income & expenditure to Month 9 due to the write on to the PIPP stock. Discussions are ongoing with Welsh Government colleagues with regards to the replenishment levels of the PIPP stock and the accounting treatment of this in 2020/21.

It should be noted that the above represents our ongoing assessment and is subject to change. There a number of very significant assumptions that have been made to calculate this forecast position. Further work is ongoing in a number of areas including the factoring of the updated Deloitte supply and demand. The stock valuation model continues to be refined in view of the significant PPE price variations during the year. Discussions are continuing with Audit Wales regarding the stock value and we review on a monthly basis to aim to quantify more accurately.

4. Savings (Table C, C1, C2 & C3)

The Savings Tracker, Table C3, has been updated in Month 9 to include the over achievement of savings forecast and additional income generation totalling £2.236m so that the overall reported position reconciles to the ledger position.

5. Welsh NHS Assumptions (Table D)

The NWSSP Table D submission to Welsh Government 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. Lines 2-25 have been populated with anticipated income streams which reconcile to our annual income forecast. There are a few amendments to this table in Month 9 with the key ones summarised as:

- GP Indemnity – Future Liability Claims – the anticipated income has reduced to £0.006m in month per the value of claims forecast to settle in 2020/21
- Medical Examiner – the forecast income has been amended in line with the most recent expenditure forecast expenditure for the service less the total that has been invoiced to date.
- SLE Expansion – The forecast income based on the amended intake profile for the remainder of 2020/21 continues to be included under other income whilst we assess the UHBs that each intake will transfer from. This has reduced from the Month 8 total due to the intake of dermatology & rheumatology trainees during December which are now built into our forecast income.
- All Wales Collaborative Bank – the forecast income has been reduced in month to reflect the revised forecast to the year end.
- IP5 Running Costs – this income has been removed in month following confirmation of recurrent funding for these costs.
- Covid operational costs – the £3.714m anticipated is the difference between the full year forecast of £7.571m and the £3.857m of costs invoiced for Quarters 1 and 2.

- The anticipated income for All Wales PPE, Equipment, Mass vaccination and TTP have been separately listed as requested (**Action Point 8.5**) The table below has been prepared to aid the reconciliation:

	TOTAL	Invoiced to M9	All Wales PPE	Equipment	TTP	Mass Vacc (excl PPE)	Operational Covid
All Wales Non stock PPE	150.162	- 296.000	150.162				
Social/Primary Care PPE	63.614		63.614				
Pandemic Stock PPE	3.865		3.865				
All Wales Covid Equipment	21.467				21.467		
TTP	11.234					11.234	
Mass Vaccination PPE	0.643		0.643				
Mass Vaccination (excl PPE)	0.607					0.607	
NWSSP Operational Costs	7.571	-3.857					3.714
TOTAL	259.163	- 299.857	218.284	21.467	11.234	0.607	3.714

7. Cash Flow (Table G)

Not required for completion.

8. PSPP (Table H)

This table is not required for NWSSP, although it is pleasing to report that the NWSSP Non NHS PSPP achievement for Month 9 was 96.61%

9. Capital Expenditure Limit Management and Disposals (Tables I, & K)

Table I has been populated with the year to date and forecast achievement of our current CEL of £4.365m which was last updated on 24th November 2020.

Table J has been populated with the monthly expenditure to date and the forecast expenditure profile to the year end. This includes expenditure of £0.125m to utilise the proceeds from the sale of the land at Denbigh which is now correctly reported showing a £0.005m underspend against our CEL as requested (**Action Point 7.7**).

We have submitted additional requests for funding as requested by 18th December and we await the outcome of these submissions.

There are no changes to report to Table K in Month 9.

10. Aged Debtors (Table M)

At 31st December there were nine invoices outstanding over 17 weeks, five of which remain outstanding at the submission date. All of these relate to Cwm Taf Morgannwg for GP trainee recharges under the Single Lead Employer arrangements. We have been informed that these have been agreed as part of the Month 8 agreement of balances exercise and payment is being made imminently. **(Action Point 8.4)**

11. GMS (Table N)

Not required for completion by NWSSP.

12. Dental (Table O)

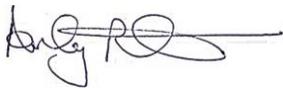
Not required for completion by NWSSP.

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 Management Team reports.

The Shared Services Partnership Committee will receive the Month 9 Financial Monitoring Return, along with the Month 7 & 8 returns at the January meeting.

14. Authorisation of Return



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ANDREW BUTLER
DIRECTOR OF FINANCE AND
CORPORATE SERVICES



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NEIL FROW
MANAGING DIRECTOR
NWSSP

14th January 2021

NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 10 – JANUARY 2021

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for January 2021 and should be read in conjunction with the Monitoring Return tables submitted for Month 10.

Thank you for your letter of 29th January 2021 responding to the Month 9 monitoring return. The action points you have raised have been clarified within this return and additional information provided where requested.

Overview of Performance and Financial Position

NWSSP's financial position for Month 10 is reported at break-even. This is based on the assumption that the balance of all additional operational Covid19 related expenditure will be fully funded by Welsh Government. Invoices totalling £7.571m have been raised to date, however the forecast funding requirements have increased in Q4 due to ongoing warehousing costs above those previously forecast. We await confirmation that we can invoice for the additional £0.237m in February. We also await confirmation that we can invoice for the forecast mass vaccination costs.

An additional distribution of £1.250m to Health Boards, Trusts and Welsh Government was declared in Month 7, and approved at the November Shared Services Partnership Committee, bringing the total 2020/21 distribution to £2.000m which is consistent with the 2019/20 distribution. UHBs/Trusts have been asked to raise invoices in respect of this in February.

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 WG funding as detailed in our IMTP. These have been included using the profile from our IMTP and continue to show a break-even in year plan as reported in previous months.

The additional distribution is included at £1.250m, with an additional line for the £0.950m balance of the £2.200m overachievement of savings and additional income generation. These will be utilised on planned investments in our services to accelerate improvements as previously detailed.

The table also continues to be populated with the amended profile of the additional costs and income assumed from WG in respect of additional Covid pressures. These include the costs that we have incurred and are forecast to incur for All Wales PPE and Equipment purchases, TTP, mass vaccination programme and increased operational costs being incurred within NWSSP to support Covid.

2. Overview of Key Risks & Opportunities (Table A2)

The table below identifies the calculation of the risk that we continue to report in respect of Covid costs that haven't yet been invoiced to Welsh Government:

	Total Costs	Invoiced M1-10	Net Risk
	£m	£m	£m
Mass Vaccination	1.736		1.736
NWSSP Operational Covid Costs	7.808	-7.571	0.237
All Wales Covid costs	248.906	-296.000	-47.094
All Wales Stockwrite ons/VAT credits	-77.720	0.000	-77.720
TOTAL	180.730	-303.571	-122.841

As we have now invoiced for more income than the forecast All Wales costs in order to support the cashflow impact from additional stockpiling, the risk for the All Wales Covid costs and stock write ons/VAT credits have been included at zero in Table A2.

The All Wales Covid cash position is reviewed weekly and the cash position on stock is reviewed after the inventory position is closed on day 1 each month. The table above identifies that we have invoiced for £47m more income than the forecast full year costs. At the close of the January inventory position, the 2020/21 stock invoices paid to suppliers totalled £26m more than the stock recharges made to NHS Wales, which require cash support. Also due to the reduction in the forecast from the lower demand for PPE in primary and social care in recent months, there is a forecast return of £21m excess cash balance to Welsh Government before the end of March. This will be impacted by any further cash recovery on the stock invoicing position during the last two months which will be closely monitored. Discussions will continue with Welsh Government during the rest of the financial year regarding the return of this excess cash, with continued efforts to predict any cash support required at 31st March 2021 and also how to treat the stock write on/return of VAT credits at year end from both a cash and resource perspective.

The increased forecast costs of the mass vaccination programme of £1.736m have been included in Table A2 as it is assumed that these costs will need to be funded separately from the All Wales PPE/Equipment/TTP costs that we have invoiced to date. We await confirmation on when and how we should invoice for these forecast costs.

The NWSSP operational costs were forecast at £7.571m in Month 9 which were invoiced for in full in January, however the forecast has increased to £7.808m in Month 10 and the risk of receiving the additional £0.237m funding has been included in Table A2.

The figures included in the table above have also been reflected in Table E1.

A further review of the other risks and opportunities has been undertaken in month in respect of uncertainty surrounding our year end forecast (**Action Point 9.1**). These include:

- Potential increase/reduction in PPE requirements for Social Care/Primary Care over forecast – a risk and opportunity of £2m has been included at Month 10 to reflect the uncertainty with the fluctuating demand for these items.
- PPE VAT savings on stock items being reviewed – this risk has been reduced to zero in month with the inclusion of these credits in the overall forecast reported in Table B from Month 10
- PPE Valuation of Stock – The forecast value of the stock write ons have been included in the overall forecast from Month 10, although the value is totally dependent upon the quantity of issues of zero value stock during February and March to determine the stock balance at 31st March 2021. We have included a risk and opportunity of £5m each to reflect the potential fluctuation in this valuation figure. There is also the potential that some PPE orders may not be delivered before 31st March 2021, these will not impact the NWSSP financial position as any orders not delivered would be prepaid in 2020/21 with an equal net reduction in the stock valuation.

NWSSP hosts the Central Team e-Business Services which receives funding from contributions from individual Health Boards and Trusts. The contributions received reflect the intention to build up a fund for future investment in oracle developments and hardware requirements . It is forecast that this fund will total circa £1m at the end of 2020/21. Following agreement with Welsh Government circa £0.500m will be returned to UHBs/Trusts in 2020/21. The requirement for the return of these funds was highlighted at the November Shared Services Partnership Committee and was also included in the December and February NWSSP update to DoFs which was also shared with Deputy DoFs. Invoices from Health Boards and Trusts will be requested in Quarter 4 in order to return the funds.

NWSSP undertakes the central role for NHS Wales with regards to the payment and recharging of ESR costs. NWSSP makes payment of the 6.1315% recharge for Wales of the total ESR contract administered by the Department of Health & Social Care (DHSC) and apportions costs and recharges to UHBs/Trusts. In year and full contract forecasts are received

quarterly and these are subject to change dependent upon the level of enhancements and additional functionalities deployed. Recharges are levied to organisations apportioned on ESR assignment headcount in September of each year.

At the end of October 2020 when the quarterly forecast was received, the DHSC indicated that there could be a significant increase in the forecast recharge for 2020/21 and subsequent years. The 2020/21 additional cost is currently forecast at £0.885m which would be recharged to UHBs/Trusts based on the ESR assignment apportionment methodology.

The ESR contract with IBM is due to expire in August 2022 and an extension to August 2025 is in the process of being negotiated by DHSC. In addition to additional costs being charged in respect of a significant data centre move in 2020/21, these negotiations also include additional payments to IBM from August 2020-August 2022 to cover contract losses to negotiate more realistic charges in the contract extension period.

We continue to meet regularly with DHSC colleagues with the most recent meeting held on 10th February 2021. They have agreed to invoice us by the end of February 2021 to provide certainty in the recharges to NHS Wales. This issue was also noted as a risk in the December and February NWSSP updates to DoFs.

3. Actual Year to Date and Forecast Monthly Position (Tables B, B2 & B3)

The key points to note within the year to date position are:

- The overall forecast income of £594.737m has reduced from the forecast reported in Month 9 due to the inclusion of the impact of the PPE stock write on and the VAT credits. These have been included in Month 12 **(Action Point 8.1)**.
- The Welsh Government income for Month 10 was less than forecast at Month 9 due to a number of orders forecast to be delivered in January being delayed until February/March due to delays with sea freighting and manufacturing. The income has been deferred and the forecast expenditure has been reprofiled into February and March based on the delivery profile received from procurement. Of the expenditure profiled into March, £10.010m relates to the VAT charge we have calculated that we need to pay on imports into the UK after 31st October when the zero rate of VAT on PPE ended.

- The Welsh NHS income forecast continues to increase each month due to the planned expansion of the SLE model to other training specialties each month. The Welsh NHS income also increases materially in Month 12 in respect of income anticipated under the Welsh Risk Pool risk sharing agreement. This will transfer to Welsh Government income in Month 11 when the resource adjustment for the £13.779m risk sharing agreement is actioned.
- Other income continues to be reported above normal levels due to the PPE recharges we have made to the Department of Health & Social Care, NHS Scotland and Northern Ireland for the provision of Type IIR masks. There is a large increase in other income in Month 12 in respect of the pharmacy rebate income that we invoice for. There is no risk to our financial plan with the significant increase late in the financial year as the invoiced funds are repatriated back to UHBs.
- The inclusion of forecast costs for the mass vaccination programme of £1.736m in 2020/21 have been profiled into income, pay and non-pay from December to March which reconciles to the mass vaccination template. This forecast is an increase on that provided in Month 9 due to the issue of £0.483m of face visors in January. We are querying if these were actually issues to primary or social care that have been misclassified as mass vaccine issues. The forecast remains fluid in some respects due to the changing vaccine delivery schedules and the impact of these on our forecast costs. All pay and non pay costs have been profiled into the appropriate categories in Table B3 with PPE included with the other all Wales PPE forecast spend on line 95 as requested. We have contacted Gareth Haven regarding invoicing for these costs and await a response **(Action Point 9.6)**
- Increases in pay costs are profiled in line with the increased income anticipated for the Single Lead Employer and All Wales Collaborative Bank. These increases can be seen in the Medical & Dental and Nursing & Midwifery pay categories. The Medical & Dental forecast costs have been increased in line with the new proposed rollout expansion plan for the SLE.
- Forecast depreciation charges of £2.958m are included which is a decrease from the £3.012m forecast in our November non-cash submission due to the purchase of some assets slipping into quarter 4. There is a reduction in the in-month depreciation charge in January due to the year to date adjustment for the ventilators that we are holding as All Wales assets and which will potentially be transferred to UHBs before the end of the financial year and which we have not capitalised yet. The depreciation charges relating to these assets are currently included in Month 12 as if these assets are transferred, it is assumed that the

depreciation costs will need to be borne by the receiving organisations from the date the assets were brought into use instead and which won't currently be in their non-cash forecasts. This is summarised in the table below:

	M1-10	M11	M12	TOTAL
Depreciation Charges	2.205	0.234	0.233	2.672
Accelerated Depreciation		0.006		0.006
All Wales Assets (ventilators)			0.281	0.281
TOTAL	2.205	0.240	0.513	2.958

The income above our depreciation baseline of £1.551m is anticipated in Table E1.

We are awaiting confirmation of the details of the assets that are being donated to Wales by DHSC. Any capital items provided to Wales but in stock within NWSSP at 31st March 2021 will need to be capitalised as donated assets with the associated AME depreciation to be calculated. Initial reviews of the assets held in stock within NWSSP against the DHSC costing schedule look to identify that the majority of equipment held will be classed as revenue so we are not anticipating this will have a material impact, although we do need receipt of the schedules from DHSC to be able to confirm this (**Action Point 9.7**).

- £85.610m income and expenditure is included to Month 10 in relation to the WRP DEL budget and redress. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts with a full year forecast outturn of £123.289m (£120.955m WRP DEL per our IMTP plus £2.334m for redress).

After a detailed review of all cases forecast to settle in 2020/21 the full year forecast remains at £120.955m per the forecast included in our IMTP. However, at the end of January there remains a significant risk on a number of cases, with a combined value of £6m, that are due to settle before the end of the financial year which could reduce the WRP outturn to £115m. We are liaising closely with our legal and risk team to mitigate this risk and identify other expenditure that could be brought forward into 2020/21. The risk on some cases is Covid related due to the claimants needing to shield, which means expert witnesses are unable to complete their assessment reports and this impacts on the ability to hold round table meetings and agree final settlements before 31st March 2021. We have agreed with Steve Elliot that the risk sharing adjustment with UHBs/Trusts will be actioned for £13.779m in February and any movement from the forecast outturn will be managed directly with Welsh Government (**Action Point 9.2**).

The Chair of the WRPC has written to the CEO of CTM setting out the concerns raised by the WRPC at their last meeting and the required action to expedite the submission of claims for reimbursement. CTM did submit claims for reimbursement to the January WRPC. This is positive progress, however the debtor balance remains high and discussions are ongoing as to further action required from CTM.

The redress income of £2.334m is anticipated in Table E1 on the basis that this funding will be required as the risk sharing agreement is forecast to be invoked. This is £1.075m over the £1.259m budget transferred for redress, as year 3 of the transitional funding arrangement agreed with Steve Elliot. Redress returns are being reviewed with the aim of meeting the expenditure forecast however the forecast may reduce as cases haven't progressed to settlement stage as quickly as anticipated. The year end forecast could reduce to £1.8m if we cannot identify additional expenditure to accrue into the 2020/21 financial position.

- Agency expenditure of £1.040m has been reported to the end of Month 10, £0.803m of which has been incurred to support additional Covid work.
- Table B3 details the monthly actuals and forecast Covid additional expenditure totalling £180.730m. This has been collated and reviewed on a service by service basis within NWSSP and will continue to be monitored at this level.

The All Wales PPE costs of £139.530m are reported on line 95. These have reduced in month due to the inclusion of the VAT credits and the impact of the stock write on within the forecast. The All Wales Equipment and services have been included separately on line 92 to aid the separate identification of the PPE costs. The split and profile of the various elements of Table B3 are detailed in the table below:

	YTD	M11	M12	TOTAL	PPE ONLY
All Wales Non stock PPE	90.563	38.164	21.239	149.966	149.966
Social/Primary Care PPE	56.365	3.000	3.000	62.365	62.365
Pandemic Stock PPE	3.865			3.865	3.865
Mass Vaccination PPE	0.797	0.128	0.129	1.054	1.054
All Wales Covid Equipment	21.224	0.252		21.476	
TTP	8.015	1.610	1.610	11.234	
Mass Vaccination (excl PPE)	0.232	0.211	0.239	0.682	
Stock write on			-55.577	-55.577	-55.577
VAT credits			-14.469	-14.469	-14.469
St Athan (non PIPP) stock write			-7.674	-7.674	-7.674

on					
NWSSP Operational Costs	6.041	0.900	0.867	7.808	
TOTAL	187.102	44.265	-50.637	180.730	139.530

TTP costs of £11.234m are included in Table B3 - £11.051m in Line 66 for the point of care testing kits and £0.183m in Line 80 for the swab sticks used for testing. The year to date and full year costs reported on Line 109 reconcile to the separate TTP return (**Action Point 9.5a**)

The £0.250m for the annual leave accrual has been included on line 52 as requested. The additional £0.250m that we have requested funding for is included in Month 12 under Administrative, Clerical & Board Members in Table B2. We have invoiced for the NWSSP operational costs in January so the income is not anticipated in Table E1 (**Action Point 9.4**)

The full year forecast NWSSP Operational Costs at the end of December totalled £7.571m, the balance of which was invoiced for in January (**Action Point 9.6**). At the end of January the forecast has increased to £7.808m primarily due to continued additional warehousing costs that we had forecast would have reduced once the additional Owens warehousing arrangements had been consolidated, however this has been delayed.

We await confirmation that we can raise an invoice for the additional £0.237m in February. This additional income has been anticipated in Table E1.

The movements are summarised in the table below:

Additional COVID Expenditure	M9	M10
	£m	£m
Staff costs - bank and overtime	2.549	2.523
Staff costs - agency	0.817	0.863
Interim F1s	0.513	0.513
Transportation/warehousing costs	1.410	1.611
Additional cleaning/equipment/security	0.638	0.670
Distribution of shielding letters	0.064	0.075
External laboratory testing	0.087	0.087
Loss of income	0.020	0.020
Temporary Medicines Unit	0.589	0.566
Oracle Licences/Bomgar Licences	0.175	0.175
Pulse oximeters - primary care	0.269	0.269
Annual leave accrual	0.250	0.250
Other non pay costs	0.190	0.186
TOTAL	7.571	7.808

The PPE Winter plan identifies the need for additional recurring and non-recurring resource in respect of systems, PPE category management team and additional senior procurement management capacity. Estimated costs for these for 2020/21 have been built into Table B3, however discussions are ongoing regarding the recurrent and non-recurrent support required into 2021/22.

4. Savings (Table C, C1, C2 & C3)

The Savings Tracker, Table C3, has been updated in Month 10 to include the over achievement of savings forecast and additional income generation totalling £2.200m so that the overall reported position reconciles to the ledger position.

5. Welsh NHS Assumptions (Table D)

The NWSSP Table D submission to Welsh Government 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. Lines 2-25 have been populated with anticipated income streams which reconcile to our annual income forecast. There are a few amendments to this table in Month 10 with the key ones summarised as:

- SLE Expansion – The forecast income based on the amended intake profile for the remainder of 2020/21 continues to be included under other income whilst we assess the UHBs that each intake will transfer from. This has reduced from the Month 9 total due to the intake of cardiology, respiratory, T&O and general surgery trainees in January. We are liaising with HEIW to identify the training places by UHB for each specialty intake so that we can forecast this income by UHB for 2021/22 (**Action Point 9.3**)
- All Wales Collaborative Bank – the forecast income has been reduced in month to reflect the revised forecast to the year end.
- Covid operational costs – the £0.237m anticipated is the difference between the full year forecast of £7.808m and the £7.571m of costs invoiced to date.

- GP Indemnity – Existing Liability Claims – these have been reduced based on the forecast of claims left to settle this financial year
- The anticipated income for All Wales PPE, Equipment, Mass vaccination and TTP have been separately listed as requested. The table below has been prepared to aid the reconciliation:

	TOTAL	Invoiced to M10	All Wales PPE	Equipment	TTP	Mass Vacc (excl PPE)	Operational Covid
All Wales Non stock PPE	149.966	- 296.000	149.966				
Social/Primary Care PPE	62.365		62.365				
Pandemic Stock PPE	3.865		3.865				
All Wales Covid Equipment	21.476				21.476		
TTP	11.234					11.234	
Mass Vaccination PPE	1.054		1.054				
Mass Vaccination (excl PPE)	0.682					0.682	
NWSSP Operational Costs	7.808	-7.571					0.237
Stock write on	-55.577						
VAT credits	-14.469		-77.720				
St Athan (non PIPP) stock writ	-7.674						
TOTAL	180.730	-303.571	139.530	21.476	11.234	0.682	0.237

7. Cash Flow (Table G)

Not required for completion.

8. PSPP (Table H)

This table is not required for NWSSP, although it is pleasing to report that the NWSSP Non NHS PSPP achievement for Month 10 was 95.31%

9. Capital Expenditure Limit Management and Disposals (Tables I, & K)

Table I has been populated with the year to date and forecast achievement of our current CEL of £5.628m which was last updated on 5th February 2021.

Table J has been populated with the monthly expenditure to date and the forecast expenditure profile to the year end. This includes expenditure of £0.125m to utilise the

proceeds from the sale of the land at Denbigh which is now correctly reported showing a £0.005m underspend against our CEL as requested.

We have submitted additional requests for funding that we could utilise before the end of the financial year and we await the outcome of this.

There are no changes to report to Table K in Month 10.

10. Aged Debtors (Table M)

At 31st January there were four invoices outstanding over 17 weeks, one of which remains outstanding at the submission date. All of these invoices are for Cwm Taf Morgannwg. We met with CTM during January to discuss issues with the delay in making payment of our invoices. A number of old invoices were outstanding due to the change to the locality structure and issues obtaining authorisation. These invoices have now been approved for payment. The one remaining invoice relates to payment of the annual DATIX system recharge which is urgently being agreed for payment. We will liaise with Velindre to ensure that invoices are escalated sooner in future to ensure we meet the requirements of the WHC **(Action Point 9.5b)**

11. GMS (Table N)

Not required for completion by NWSSP.

12. Dental (Table O)

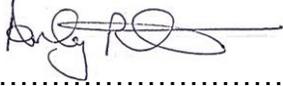
Not required for completion by NWSSP.

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 Team reports.

The Shared Services Partnership Committee will receive the Month 10 Financial Monitoring Return at the March meeting.

14. Authorisation of Return



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**ANDREW BUTLER
DIRECTOR OF FINANCE AND
CORPORATE SERVICES**

11th February 2021



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**NEIL FROW
MANAGING DIRECTOR
NWSSP**

NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 11 – FEBRUARY 2021

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for February 2021 and should be read in conjunction with the Monitoring Return tables submitted for Month 11.

Thank you for your letter of 25th February 2021 responding to the Month 10 monitoring return. The action points you have raised have been clarified within this return and additional information provided where requested.

Overview of Performance and Financial Position

NWSSP's financial position for Month 11 is reported at break-even. This is based on the assumption that the balance of the mass vaccination costs will be funded in full and we await confirmation that we can invoice for the non PPE element of these costs (funding for the PPE element has been assumed from the All Wales PPE funding already invoiced).

An additional distribution of £1.250m to Health Boards, Trusts and Welsh Government was declared in Month 7, and approved at the November Shared Services Partnership Committee, bringing the total 2020/21 distribution to £2.000m which is consistent with the 2019/20 distribution. UHBs/Trusts have been asked to raise invoices in respect of this in February.

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 WG funding as detailed in our IMTP. These have been included using the profile from our IMTP and continue to show a break-even in year plan as reported in previous months.

The additional distribution is included at £1.250m, with an additional line for the £1.187m balance of the £2.436m overachievement of savings and additional income generation. These will be utilised on planned investments in our services to accelerate improvements as previously detailed.

The table also continues to be populated with the amended profile of the additional costs and income assumed from WG in respect of additional Covid pressures. These

include the costs that we have incurred and are forecast to incur for All Wales PPE and Equipment purchases, TTP, mass vaccination programme and increased operational costs being incurred within NWSSP to support Covid as detailed in Table B3.

The reduction in income generation from Month 10 was due to a review of our forecast income streams in particular due to a reduction in the legal & risk chargeable income following a drop in Month 9 over the Christmas period (**Action Point 10.1**).

2. Overview of Key Risks & Opportunities (Table A2)

The table below identifies the calculation of the risk that we continue to report in respect of Covid costs:

	Total Costs	Invoiced M1-11	Net Risk
	£m	£m	£m
Mass Vaccination (non PPE)	0.626	0.000	0.626
NWSSP Operational Covid Costs (non PPE)	7.547	-7.571	-0.024
Consultant Connect	0.454	-0.454	0.000
All Wales Covid costs (PPE, Equip & TTP)	154.985	-296.000	-141.015
TOTAL	163.611	-304.025	-140.414

The forecast costs of the non PPE elements of the mass vaccination programme of £0.626m have been included in Table A2 as it is assumed that these costs will need to be funded separately from the All Wales PPE/Equipment/TTP costs that we have invoiced to date. We await confirmation on when and how we should invoice for these forecast costs.

As we have now invoiced for more income than the forecast All Wales costs in order to support the cashflow impact from additional stockpiling, the risk for the All Wales Covid costs have been included at zero in Table A2.

We met with Welsh Government finance colleagues on 9th March to review the position regarding the cash and resource adjustments required in respect of the £296m invoiced to date (**Action Point 8.1**). The £141.015m surplus resource is summarised in the table below:

	£m	£m
ALL WALES PPE/EQUIP/TTP INVOICES RAISED		296.000
FORECAST RESOURCE REQUIREMENTS:		
PPE	131.413	
Equipment	22.369	
TTP	1.202	
		- 154.985
SURPLUS RESOURCE & CASH BALANCE		141.015
CASH ADJUSTMENT:		
FORECAST STOCK BALANCE INCREASE	- 36.000	
TIME LAG STORES INVOICES BEING PAID	- 3.000	
STOCK WRITE ON	- 39.301	
DELIVERIES POST 31/3 PAID IN ADVANCE	- 29.449	
		- 107.750
SURPLUS CASH TO BE RETURNED MARCH 2021		33.265
CREDIT NOTE ACCRUAL M12 - RESOURCE ADJUSTMENT		107.750

A further review of the other risks and opportunities has been undertaken in month in respect of uncertainty surrounding our year end forecast. These include:

- Potential increase/reduction in PPE requirements for Social Care/Primary Care over forecast – a risk of £0.5m and an opportunity of £0.7m has been included at Month 11 to reflect the uncertainty with the fluctuating demand for these items against the forecast of £2.000m included for March.
- PPE Valuation of Stock – The forecast value of the stock write ons were included in the overall forecast from Month 10. The value has been amended in month due to an updated forecast and the removal of a £10m accrual for VAT charges following receipt of VAT advice from EY on 9th March 2021. A £2.000m risk and opportunity has been included in Table A2 in respect of potential movements due to the number of stock issues this month impacting the forecast stock balance at 31st March 2021.
- Welsh Risk Pool – a risk of £4.290m has been included in Table A2 which represents the potential additional claim costs we could incur over the most likely outturn reported of £115.394m. These cases are dependent upon round table meetings booked for the end of March proceeding as planned. We are

keeping Steve Elliot updated with regards to this risk as we approach the end of March (**Action Point 9.2**)

- Redress – a risk of £1.5m has been included over the £1.8m forecast. This is due to the ongoing consideration by TAG of the potential to accrue for redress cases on an offers accepted basis and would need to be agreed across all NHS Wales organisations.
- Valuation of beds – NWSSP currently hold a quantity of beds with a cost price of £5.5m. We are liaising with WG regarding the accounting treatment of these in 2020/21.

3. Actual Year to Date and Forecast Monthly Position (Tables B, B2 & B3)

The key points to note within the year to date position are:

- The overall forecast income of £573.052m has reduced from the forecast reported in Month 10 due to the reduction in the WRP forecast, an increased TTP test kit stock adjustment and reduced PPE charges due to confirmation that VAT will not be payable on a number of orders.
- The Welsh Government income for Month 11 was less than forecast at Month 10 due to a number of orders forecast to be delivered in February being delayed. It has also now been confirmed that a number of orders of PPE will not be delivered before 31st March 2021 in addition to confirmation on 9th March 2021 from EY that no further VAT accruals are required on imported PPE. The impact of both of these issues have been adjusted for in month. The WG income increased for the WRP risk share income now that the resource adjustments have been actioned with UHBs.
- The Welsh NHS income forecast continues to increase monthly due to the planned expansion of the SLE model to other training specialties every month. The Welsh NHS income has reduced from that forecast at Month 10 due to the resource adjustment for the WRP risk sharing agreement being actioned in February so that we receive the additional income from WG rather than NHS Wales organisations.
- Other income continues to be reported above normal levels due to the PPE recharges we have made to the Department of Health & Social Care, NHS Scotland and Northern Ireland for the provision of Type IIR masks. There is a large increase in other income in Month 12 in respect

of the pharmacy rebate income that we invoice for. There is no risk to our financial plan with the significant increase late in the financial year as the invoiced funds are repatriated back to UHBs.

- The inclusion of forecast costs for the mass vaccination programme of £2.046m in 2020/21 have been profiled into income, pay and non-pay from December to March which reconciles to the mass vaccination template. This forecast is an increase on that provided in Month 10 due to the issue of significant volumes of face visors again in February to support the mass vaccination programme. The forecast remains fluid in some respects due to the changing vaccine delivery schedules and the impact of these on our forecast costs. All pay and non pay costs have been profiled into the appropriate categories in Table B3 with PPE included with the other all Wales PPE forecast spend on line 95 as requested. We await confirmation on when we can invoice for the £0.626m of non PPE costs for supporting the programme.
- Increases in pay costs are profiled in line with the increased income anticipated for the Single Lead Employer and All Wales Collaborative Bank. These increases can be seen in the Medical & Dental and Nursing & Midwifery pay categories. The Medical & Dental forecast costs have been increased in line with the new proposed rollout expansion plan for the SLE (**Action Point 10.2**).
- Forecast depreciation charges of £2.677m are included as confirmed to Welsh Government in early March. This has reduced from previous months due to the impact of the transfer of the 2019/20 and 2020/21 ventilators.

The income above our depreciation baseline of £1.551m is anticipated in Table E1 and has been invoiced for in early March.

We are awaiting final confirmation of the details of the assets that are being donated to Wales by DHSC and will be held in stock by NWSSP at 31st March 2021. Any capital items will need to be capitalised as donated assets with the associated AME depreciation to be calculated. Initial reviews of the assets held in stock within NWSSP against the DHSC costing schedule look to identify that the majority of equipment held will be classed as revenue so we are not anticipating this will have a material impact, although we do need confirmation of the assets which will be held in stock from the schedules provided by DHSC. This is being urgently progressed.

- £91.121m income and expenditure is included to Month 11 in relation to the WRP DEL budget and redress. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts

with a full year forecast outturn of £117.194m (£115.394m revised WRP DEL forecast and £1.800m for redress).

After a detailed review of all cases forecast to settle in 2020/21 the most likely forecast of £115.394m has been included in our return. There is potential for a number of additional cases to settle which could bring the forecast up to £119.684m but these are dependent upon round table meetings either being booked or proceeding and/or part 36 offers being made. Due to the level of risk surrounding these cases these haven't been included in the forecast outturn but the additional risk has been included in Table A2.

The redress forecast has reduced from £2.334m in previous months to £1.800m in Month 11. This is following a review of case submissions provided by UHBs. The Technical Accounting Group are reviewing a proposal to consider moving to an accruals basis on offers made which would incur additional costs of £1.5m in 2020/21 if all UHBs agree to this, bringing the overall redress forecast up to £3.300m. The forecast of £1.800m has been included in our return and the £1.500m risk included in Table A2.

- Agency expenditure of £1.139m has been reported to the end of Month 11, £0.833m of which has been incurred to support additional Covid work.
- Table B3 details the monthly actuals and forecast Covid additional expenditure totalling £163.611m. This has been collated and reviewed on a service by service basis within NWSSP and will continue to be monitored at this level.

The All Wales PPE costs of £131.380m are reported on line 95 (overall PPE costs total £131.413m when including the £0.033m NWSSP internal PPE charges). These have reduced in month due to the removal of VAT accruals on imported VAT and an adjustment due to deliveries slipping into 2021/22. The All Wales Equipment and services have been included separately on line 92 to aid the separate identification of the PPE costs. The NWSSP internal PPE costs are now included as part of the overall PPE forecast (**Action Point 10.5**).

The split and profile of the various elements of Table B3 are detailed in the table below:

	YTD	M12	TOTAL	PPE ONLY
All Wales Non stock PPE	93.082	17.131	110.213	110.213
Social/Primary Care PPE	57.680	2.000	59.680	59.680
Pandemic Stock PPE	3.865		3.865	3.865
Mass Vaccination PPE	1.291	0.130	1.421	1.421
All Wales Covid Equipment	20.789	1.580	22.369	
TTP	8.031	-6.829	1.202	
Mass Vaccination (excl PPE)	0.409	0.217	0.626	
Stock write on	0.000	-21.712	-21.712	-21.712
VAT credits	0.000	-14.412	-14.412	-14.412
Consultant Connect	0.454		0.454	
St Athan (non PIPP) stock write on	0.000	-7.674	-7.674	-7.674
NWSSP Operational Costs excl PPE	6.524	1.023	7.547	
NWSSP Operational Costs - PPE	0.000	0.033	0.033	0.033
TOTAL	192.125	-28.514	163.611	131.413

The TTP forecast has reduced to £1.202m due to the volume of test kits that are forecast to be in stock at 31st March 2021. The test kits (£1.019m) are recorded on Line 66 in Table B3 and £0.183m on Line 80 for the swab sticks used for testing (**Action Point 10.3**).

The full year forecast NWSSP Operational Costs have reduced to £7.547m at the end of February due to the capitalisation of perpetual licences previously charged to Covid, the classification of NWSSP PPE against the All Wales spend and a small reduction in the warehousing and distribution cost forecast.

To date we have invoiced £7.571m for the costs and it is proposed that any movement from this figure, which is likely to be minimal, is adjusted for as part of the agreement of balances exercise.

The movements are summarised in the table below:

Additional COVID Expenditure	M10	M11
	£m	£m
Staff costs - bank and overtime	2.523	2.528
Staff costs - agency	0.863	0.867
Interim F1s	0.513	0.513
Transportation/warehousing costs	1.611	1.538
Additional cleaning/equipment/security	0.670	0.626
Distribution of shielding letters	0.075	0.085
External laboratory testing	0.087	0.092
Loss of income	0.020	-
Temporary Medicines Unit	0.566	0.588
Oracle Licences/Bomgar Licences	0.175	0.083
Pulse oximeters - primary care	0.269	0.269
Annual leave accrual	0.250	0.250
Other non pay costs	0.186	0.141
PPE Adjustment to All Wales		- 0.033
TOTAL	7.808	7.547

The PPE Winter plan identifies the need for additional recurring and non-recurring resource in respect of systems, the PPE category management team and additional senior procurement management capacity. Estimated costs for these for 2020/21 have been built into Table B3, however discussions are ongoing regarding the recurrent and non-recurrent support required into 2021/22.

4. Savings (Table C, C1, C2 & C3)

The Savings Tracker, Table C3, has been updated in Month 10 to include the over achievement of savings forecast and additional income generation totalling £2.436m so that the overall reported position reconciles to the ledger position.

5. Welsh NHS Assumptions (Table D)

The NWSSP Table D submission to Welsh Government 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. Lines 2-25 have been populated with anticipated income streams which reconcile to our annual income forecast. There are a few amendments to this table in Month 11 with the key ones summarised as:

- Depreciation – this has been amended to reflect the final depreciation funding requirement of £1.126m which has been invoiced for in early March.
- SLE Expansion – The forecast income based on the amended intake profile for the remainder of 2020/21 continues to be included under other income whilst we assess the UHBs that each intake will transfer from. This has reduced from the Month 10 total due to the intake in February. We are liaising with HEIW to identify the training places by UHB for each specialty intake so that we can forecast this income by UHB for 2021/22.
- All Wales Collaborative Bank – the forecast income has been reduced in month to reflect the revised forecast to the year end.
- GP Indemnity – Existing Liability Claims – £0.340m has been included in respect of the invoice that has been raised in early March.
- Covid operational costs – both the £7.571m invoiced and the £7.547m forecast costs have been included
- The anticipated income for All Wales PPE, Equipment, Mass vaccination and TTP have been separately listed as requested. The table below has been prepared to aid the reconciliation:

	TOTAL	Invoiced to M11	All Wales PPE	Equipment	TTP	Mass Vacc (excl PPE)	Operational Covid	Consultant Connect
All Wales Non stock PPE	110.213		110.213					
Social/Primary Care PPE	59.680		59.680					
Pandemic Stock PPE	3.865		3.865					
All Wales Covid Equipment	22.369	- 296.000		22.369				
TTP	1.202				1.202			
Mass Vaccination PPE	1.421		1.421					
NWSSP Operational Costs - PPE	0.033		0.033					
Mass Vaccination (excl PPE)	0.626					0.626		
NWSSP Operational Costs excl PPE	7.547	-7.571					-0.024	
Consultant Connect	0.454							0.454
Stock write on	-21.712		-21.712					
VAT credits	-14.412		-14.412					
St Athan (non PIPP) stock write on	-7.674		-7.674					
TOTAL	163.611	-303.571	131.413	22.369	1.202	0.626	-0.024	0.454

7. Cash Flow (Table G)

Not required for completion.

8. PSPP (Table H)

This table is not required for NWSSP, although it is pleasing to report that the NWSSP Non NHS PSPP achievement for Month 11 was **97.31%**

9. Capital Expenditure Limit Management and Disposals (Tables I, & K)

Table I has been populated with the year to date and forecast achievement of our current CEL of £4.526m which was last updated on 3rd March 2021.

Table J has been populated with the monthly expenditure to date and the forecast expenditure profile to the year end. This includes expenditure of £0.125m to utilise the proceeds from the sale of the land at Denbigh which is now correctly reported showing a £0.005m underspend against our CEL as requested.

There are no changes to report to Table K in Month 11.

10. Aged Debtors (Table M)

At 28th February there were six invoices outstanding over 17 weeks, all of which are now paid or approved for payment.

We continue to chase all remaining invoices for payment and to ensure no invoices over 17 weeks will be part of the agreement of balances exercise.

CTM UHB invoice 1097628 has now been paid (**Action Point 10.4**)

11. GMS (Table N)

Not required for completion by NWSSP.

12. Dental (Table O)

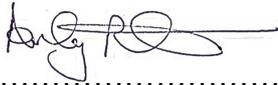
Not required for completion by NWSSP.

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 Team reports.

The Shared Services Partnership Committee will receive the Month 11 Financial Monitoring Return at the March meeting.

14. Authorisation of Return



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ANDREW BUTLER
DIRECTOR OF FINANCE AND
CORPORATE SERVICES

11th March 2021



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NEIL FROW
MANAGING DIRECTOR
NWSSP



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:
SSPC 18 March 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Audit Committee Assurance Report – 26 January 2021

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Pwrpas yr Adroddiad:

Purpose of the Report:

The purpose of this paper is to provide the SSPC with assurance and details of the key issues considered by the NWSSP Audit Committee, at its meeting on 26 January 2021.

Llywodraethu/Governance

Amcanion:

Each of the five key Corporate Objectives

Objectives:

Tystiolaeth:

Individual reports submitted to Audit Committee

Supporting evidence:

Ymgynghoriad/Consultation:

Who has been consulted on the details of the report?

- NWSSP Audit Committee

Adduned y Pwyllgor/Committee Resolution (insert ✓):

**DERBYN/
APPROVE**

**ARNODI/
ENDORSE**

**TRAFOD/
DISCUSS**

**NODI/
NOTE**

✓

**Argymhelliad/
Recommendation**

Outline the recommendation of the report
• 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:**

No direct impact

**Iechyd Poblogaeth:
Population Health:**

No direct impact

**Ansawdd, Diogelwch a Profiad
y Claf:**

No direct impact

Quality, Safety & Patient Experience:	
Ariannol: Financial:	No direct impact
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://gov.wales/docs/dhss/publications/150402standardsen.pdf
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

**VELINDRE UNIVERSITY NHS TRUST AUDIT COMMITTEE FOR NWSSP
ASSURANCE REPORT**

1. CEFNDIR/BACKGROUND

The Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership (Audit Committee) provides assurance to the Shared Services Partnership Committee (SSPC) on the issues delegated to them through the Trust and NWSSP Standing Orders. A summary of the business matters discussed at the meeting held on 26 January 2021, is outlined below:

ALERT	No matters to alert/escalate.
ADVISE	No matters to advise.
ASSURE	<p>External Audit</p> <p>Audit Wales presented a detailed Position Statement which set out an update as to current and planned audit work, with associated audit assurance arrangements for 2021 including an increased emphasis on Covid-19 and focus on PPE. The Auditor General of Wales is undertaking a comprehensive review of the Procurement and Supply of PPE, and local audit teams are reviewing any contract awarded greater than 1m. The timetable for audit work to be undertaken in 2021 was set out and approved.</p>
ASSURE	<p>Counter Fraud</p> <p>The Committee received a Position Statement summarising the Counter Fraud work carried out to date. The Statement identified that Covid-19 restrictions had significantly reduced the amount of training sessions delivered to staff and during the period only three sessions had been delivered to 31 delegates via Microsoft Teams. There were two cases currently under investigation.</p>
ASSURE	<p>Internal Audit</p> <p>The Committee received an update from Internal Audit including the Position Statement, which highlighted progress against the Work Plan, together with an overview of other activity undertaken since the previous meeting. In addition, the Committee received the following report for consideration:</p> <ul style="list-style-type: none"> • <u>COVID-19 Advisory Report</u> No assurance rating as an advisory review. The findings were positive, but a number of recommendations were included for consideration.
ASSURE	<p>Governance, Risk and Assurance</p> <p>The Committee received comprehensive updates surrounding NWSSP COVID-19 matters, including Business Continuity Planning and COVID-19 Expenditure and Governance Arrangements.</p> <p><u>Governance Matters</u> - The Committee received the Governance Matters paper, which detailed the contracting activity from October to date and highlighted that there had been no departure from the Standing Orders but that NWSSP were looking to consider developing local Standing Financial Instructions.</p> <p>In relation to contracting activity, during the reporting period, there had been 11 contracts let for NWSSP and 51 contracts let for NHS Wales. Where contracting activity related to the procurement of goods relating to COVID-19, these had been recorded centrally and</p>

	<p>each had been subject to robust governance and due diligence processes, which required a separate file note to be held.</p> <p>No declarations of gifts, hospitality or sponsorship have been made since the last meeting and there had been no limited or no assurance audit reports.</p> <p><u>Audit Tracking</u> - There were 205 recommendations, of which 197 were implemented, 5 were not yet due, and two had a proposed a revised deadline of 31/03/2021, for Committee approval. One further recommendation was overdue but was outside NWSSP's responsibilities to implement. The Committee approved the revised deadlines.</p> <p><u>Corporate Risk</u> - The Corporate Risk Register highlighted 3 existing red risks, 14 amber risks, and two yellow risks, in the Risks for Action section of the Register. There is one yellow risk in the Risks for Monitoring section of the Register and the Committee was reminded that the Register is reviewed at each SSPC, Audit Committee and Formal Senior Leadership Team meeting. The existing three red risks were summarised as follows and the Committee was informed that these long-standing risks had been progressed and would hopefully come off the Register in the coming months:</p> <ul style="list-style-type: none"> • Demise of Exeter Software System; • The threat arising from a no-deal Brexit (including the implications of the agreed deal); • NHS Digital plans to withdraw the Ophthalmic Payment system; and
INFORM	<p>The following items were received for Committee information:</p> <ul style="list-style-type: none"> • Audit Committee Forward Plan 2021-22; • NWSSP Welsh Language Annual Report 2019/20; and • Auditor General Rollout of Data Analytics Project.

2. ARGYMHELLIAD/RECOMMENDATION

The Committee are asked to:

- **NOTE** the Assurance Report