

1 PRELIMINARY MATTERS

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SSPC AGENDA - Part 1 23 May 2019.doc

1.1 Welcome and Introductions

1.2 Apologies for Absence

1.3 Declarations of Interest

1.4 Unconfirmed Minutes of Meeting: 14.03.19

Reviewed Minutes Part A.docx

1.5 Action Log

1.5 Action Log May 2019.doc

1.6 Matters Arising not considered on the Action Log

2 SERVICE REVIEW - Employment Services

3 CHAIR AND MANAGING DIRECTOR'S REPORTS

3.1 Chairman's Report

3.2 Managing Director's Report

SSPC MD Update May 19 (1).docx

4 PROJECT UPDATES

4.1 PMO Highlight report

Flash Report May 1405sspc.pdf

4.2 Laundry Business Case - Workforce and Resource Requirements 2019/20

NWSSP Committee laundry resources paper may 19v4.docx

4.3 TRAMS - Resource Requirements 2019/20

NWSSP Committee trams resources paper may 19 v2.docx

5 GOVERNANCE, PERFORMANCE AND ASSURANCE

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5.1 Finance and Performance Report

SSPC Finance and Corporate Services May 2019 (002).docx

5.2 Annual Governance Statement

SSPC Cover Sheet Annual Governance Statement.docx

FINAL Annual Governance Statement 2018-19.docx

5.3 Corporate Risk Register

SSPC Corporate Risk Register May 2019.docx

Corporate Risk Register 20190509.xlsx

5.4 Audit Committee Highlight Report

09042019 SSPC Audit Committee Highlight Report.docx

6.1 Month 1 Financial Monitoring Return

SSPC Month 1 Monitoring Return Narrative Tables.pdf

7 OTHER MATTERS

7.1 Any Other Urgent Business

7.2 Date of Next Meeting: 18.07.19

NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE
THURSDAY 23 MAY 2019
10:00 – 13:00
BOARDROOM, CHARNWOOD COURT, NANTGARW

AGENDA

PART 1		
1. PRELIMINARY MATTERS		LEAD/ ATTACHMENTS
1.1	Welcome and Introductions	Chair
1.2	Apologies for absence	Chair
1.3	Declarations of Interest	Chair
1.4	Unconfirmed Minutes of meeting held on 14 March 2019	Chair
1.5	Action Log	Chair
1.6	Matters Arising not considered on the action log	Chair
2. SERVICE REVIEW		
2.1	Employment Services	Paul Thomas
3. CHAIR AND MANAGING DIRECTOR'S REPORTS		
3.1	Chairman's Report	Chair
3.2	Managing Director's Report	Managing Director
4. PROJECT UPDATES		
4.1	PMO Highlight Report	Director of Finance & Corporate Services
4.2	Laundry Business Case – Workforce & Resource Requirements 2019/20	Director of Workforce &

		OD/Director of Finance & Corporate Services
4.3	TRAMS – Resource Requirements 2019/20	Director of Finance & Corporate Services
5. GOVERNANCE, PERFORMANCE AND ASSURANCE		
5.1	Finance and Performance Report	Director of Finance & Corporate Services
5.2	Annual Governance Statement	Head of Finance & Business Development
5.3	Corporate Risk Register	Head of Finance & Business Development
5.4	Audit Committee Highlight Report	Head of Finance & Business Development
6. ITEMS FOR INFORMATION/DISCUSSION		
6.1	Month 1 Monitoring Return	Director of Finance & Corporate Services.
7. OTHER MATTERS		
7.1	Any Other Urgent Business	Chair
7.2	<u>Date of Next Meeting</u> Thursday, 18 th July 2019, Boardroom, NWSSP Headquarters, Nantgarw	Chair



MINUTES OF THE SHARED SERVICES PARTNERSHIP COMMITTEE (SSPC) PART A

THURSDAY 14TH MARCH 2019

10:00 – 13:00

NWSSP HQ, BOARDROOM

Present:

Attendance	Designation	Health Board / Trust
Margaret Foster (MF)	Chair	NWSSP
Neil Frow (NF)	Managing Director	NWSSP
Huw Thomas (HT)	Director of Finance	HddaUHB
Bob Chadwick (BC)	Director of Finance	Cardiff & Vale UHB
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Phil Bushby (PB)	Director of People & OD	PHW
Eifion Williams (EW)	Director of Finance	PTHB
Geraint Evans (GE)	Director of Workforce & OD	ABUHB
Gareth Hardacre (GH)	Director of Workforce & OD	NWSSP
Chris Turley (CT)	Interim Director of Finance	WAST
Steve Elliott (SE)	Deputy Director of Finance	Welsh Government
Stephen Harrhy (SHa)	Chief Ambulance Service Commissioner / CTUHB Director	CTUHB
Steve Ham (SH)	Chief Executive	Velindre
Other Attendees		
Martyn Pennell (MP)	Head of Finance	HEIW
Denise Roberts (DR)	Financial Accountant (VC)	BCUHB
Martin Riley (MR)	Head of Finance (item 4.1 only)	NWSSP
Mark Harris (MH)	Legal & Risk Services (item 4.1 only)	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Improvement	NWSSP

1. PRELIMINARY MATTERS

WELCOME AND INTRODUCTIONS

No.	Minute	Action
1.1	The Chair welcomed everyone to the March 2019 Shared Services Partnership Committee (SSPC) meeting.	

APOLOGIES FOR ABSENCE

1.2	Apologies of absence were received from the following: Hazel Robinson – ABMU Steve Ham – Velindre University NHS Trust (present for item 1.4 only) Sue Hill – BCU Danielle Neale – HEIW Joanna Davies – Cwm Taf	
DECLARATIONS OF INTEREST		
1.3	There were no additional declarations of interest to those already declared.	
LAUNDRY UPDATE – NEIL FROW		
<p>1.4 – NF presented the paper on the Laundry Project.</p> <p>The November SSPC meeting had endorsed the OBC, which included a reduction of operational laundry sites to three, with further work needed on management arrangements. These were discussed at a workshop held on 30 January, and the output from the workshop was included with the papers for members to discuss. NF outlined three options for the hosting arrangements as follows:</p> <ul style="list-style-type: none"> • Model A – Single provider for governance and management; • Model B – Central governance and Health Board delivery; and • Model C – Health Board hosted providers. <p>The attendees at the workshop voted for Model A, but did not determine who was to provide the service (i.e. NWSSP or a Health Board). NF stated that the Committee needed to endorse the overarching delivery model and then decide who was best placed to provide the service. He confirmed that following the last Committee meeting the OBC had been submitted to Welsh Government, but they confirmed that they would not consider the case further until SSPC confirm the management arrangements and therefore it is important that this is resolved as soon as possible.</p> <p>MF therefore asked whether there were any objections to Model A – DR confirmed on behalf of BCU having discussed it with the CEO that they were not in agreement with the sole provider model, and that they intended to submit their own proposal separately to Welsh Government. All other attendees were supportive of Model A.</p> <p>In terms of the provider, GE suggested that Health Boards should be asked whether they want to provide the service. HT stated that it should not be assumed that Shared Services would run the laundry without further discussion. MF stated that effectively running a beauty parade for the laundry between Shared Services and a HB(s) contradicts the reasons for establishing a Shared Service. EW stated that if there was a beauty parade of potential candidates for this service, who would make the decision as no one would be independent.</p> <p>EW stated that there was merit in the laundry service being reviewed, previously investment for laundry services was not a priority, capital investment in this area was very poor, and it should be considered as an all-Wales provision, to ensure that the service is fit for purpose. EW stated that we have a Shared Service Organisation that has proper governance arrangements, with all organisations represented at Committee, and he saw no reason why NWSSP should not be the provider for the service.</p> <p>BC stated that the business case provides for a £2.1m annual saving, and that the Committee should therefore focus on realising these savings as soon as practically possible. BC stated that NWSSP should be supported in taking forward the management of the service, as it is not a core service for Health Boards.</p> <p>SHa stated that CT have a laundry service currently, but are not interested in providing services to the rest of Wales. He is supportive of NWSSP providing the service so long as there are appropriate procedures in place to hold it to account.</p>		

PB stated that PHW are not a user of the Service, but support it being provided by NWSSP as this is a non-core service that would seem very appropriate for NWSSP to deliver. SH agreed that it would be odd for NWSSP not to deliver this service.

SE stated that from the Welsh Government perspective, they considered that the provision of laundry services was an operational matter for NHS Wales to decide. The SSPC have the authority to make the decision and the expectation would be that NWSSP would be the default provider for a non-core service such as laundry. If however, Welsh Government were needed to make the decision they would, but they would prefer this to be resolved within the SSPC.

EW re-iterated that there are significant potential savings across NHS Wales from this initiative. Any Health Board providing this service to NHS Wales would not be able to be truly independent, in the way that NWSSP can be. EW suggested that the Committee is creating a problem when it should be taking the obvious solution. SH stated that this is why we set up Shared Service (i.e. to operate non-core services on behalf of NHS Wales in a cost-effective way) and it works on behalf of all NHS organisations, so they should be embracing it. MF added that the service would be run the same as other NWSSP services (i.e. on a cost basis with any savings channelled back to NHS organisations).

It was suggested that clarification was needed on whether BCU would want to run a single service for Wales. DR stated that this is not the case but that they are not supporting a single management arrangement either. DR again stated that Welsh Government were apparently happy to receive an OBC from them in respect of laundry services.

GE stated that ABUHB agree to a single provider, but would still wish to ask health boards if they would want to provide the service. GE stated that ABUHB would like to be asked and there is a possibility that they would like to provide this service. NF asked if anyone else in Committee wanted to run the laundry service and if not was there any support for a Health Board to deliver the service. Members confirmed that there was no support for this proposal.

It was highlighted that ABMU were not present at today's meeting but from the workshop it is suggested that they are in support of the single provider.

MF stated that it was disappointing that there was some disagreement in the Committee on the way forward. The Committee are in a difficult position; the decision on laundry services has been delayed too long already and there is a need to move things on. PS reminded the Committee that the recent directive from Welsh Government on the constitution of the Committee allowed for a 2/3 majority in terms of voting on decisions.

MF asked for endorsement of the single provider option. With the exception of BCU, all members endorsed this proposal.

MF then asked for approval of the decision for NWSSP to provide this service. Although not subject to a formal vote, it was clear that there was in excess of a 2/3 majority to support this proposal.

MF confirmed that if individual organisations do not want to go with the decision, they would have to raise this formally. NF will write to all NHS Wales organisations to inform them of the outcome of the meeting.

The Committee (by a majority):

- 1. Endorsed the single provider model; and**
- 2. Approved NWSSP to provide the service.**

UNCONFIRMED MINUTES OF THE MEETING HELD ON 17th JANUARY 2019

1.5	The unconfirmed minutes of the meeting held on 17 th January 2019 were agreed as a true and accurate record of the meeting.	
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ACTION LOG

1.6	Members NOTED the updates provided and ENDORSED the Action Log. All actions were either complete or were on the agenda.	
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MATTERS ARISING		
1.7	No further matters were raised.	
2. SERVICE REVIEW		
Deep Dive		
2.1	Employment Services This item will be carried forward to the next meeting.	
3. CHAIR AND MANAGING DIRECTOR'S REPORT		
3.1	Chairman's Report MF attended the Health Board and Trust Chairs meeting and spoke to them about the GP Indemnity Project. Anne-Louise Ferguson, Director, Legal & Risk Services, received the MBE from Prince Charles last month. The Committee RESOLVED to: NOTE the update	
3.2	Managing Director's Report NF presented his report. AB, GH and NF visited Shared Business Services (SBS) last week, who provide a smaller range of Shared Services to a significant number of NHS bodies in England. SBS is a joint venture with the department of Health in England and an outsourced provider. Following the meeting the expectation would be to have a number of follow up meetings across Employment Services and Procurement to share knowledge, experience and ideas. Robert Prince, from the Royal Free Hospital is visiting NWSSP shortly to share ideas, as he is involved in a Shared Service for NHS organisations in London. Prices for the new NHAIS system have been received and are more expensive than anticipated. The Northern Ireland Team are visiting next week to progress this matter. Delays with the decommissioning programme in England are reducing the pressure for an urgent resolution, but this remains a red risk on the NWSSP Corporate Risk Register. The TRAMs project continues to make progress and further updates would be provided through to the Committee and the National Executive Board. SHa gave thanks to the support of staff from NWSSP for the assistance they have provided to Cwm Taf with the Bridgend transfer. The Committee RESOLVED to: NOTE the update	
4. ITEMS FOR APPROVAL/ENDORSEMENT		
4.1	GP Indemnity Protocol Martin Riley and Mark Harris introduced this item. MR provided some background to the proposal. There had been an announcement in England of a state-backed GP Indemnity Scheme, so it was requested by Welsh Government that NWSSP consider a similar scheme for Wales. NWSSP has now been	

	<p>confirmed as the provider of the Scheme in Wales.</p> <p>There has been extensive stakeholder communication on the scheme, and particularly with GPC Wales, who are supportive. The protocol that requires approval by the SSPC, was endorsed by the WRP Committee at its meeting on the 13.03.2019.</p> <p>Initially, the scheme will only cover future liabilities (i.e. those liabilities arising from incidents occurring after 1 April 2019). It is estimated that the scheme is likely to attract approximately 100 claims annually. There are currently approximately 350 live claims against GPs, and these will continue to be handled by Defence Organisations for the time being. There is a possibility that these might transfer to WRP in future.</p> <p>The scheme is optional to GPs, but they are either in it or they are not. It will only cover clinical negligence, but it is expected that most GPs will join, and the benefits of doing so are set out in the paper. The Welsh Government has approved the budget for 2019/20 and it is likely that the constitution of the WRP Committee will have to change.</p> <p>MH explained that there are three broad elements of the scheme:</p> <ol style="list-style-type: none"> 1. First Contact 2. WRP Decision to Accept (or not) 3. Reimbursement. <p>There was discussion on whether the introduction of the scheme would lead to a reduction in the GMS contracts. SE stated that this was subject to current negotiation.</p> <p>The Committee RESOLVED to:</p> <p>APPROVE the Protocol.</p>	
4.2	<p>Updated Scheme of Delegation</p> <p>PS introduced the paper. The Committee approved a number of changes to the Scheme of Delegation at its January meeting but two further changes are required to give greater flexibility to the Managing Director and Director of Finance & Corporate Services in signing off internal invoices.</p> <p>The Committee RESOLVED to:</p> <p>APPROVE the update</p>	
5. PROJECT UPDATES		
5.1	<p>PMO Highlight Report</p> <p>AB introduced the PMO Highlight Report.</p> <p>There are 20 projects in progress, with four being closed in January.</p> <p>There is a new member of staff that has joined the team on an 18-month secondment to specifically cover two projects for the Ystadau Cymru Wales and Welsh Government.</p> <p>The majority of the projects are showing as green and on target, however, there are currently five that are highlighted as being at risk including two that remain red, which are relatively small projects, and which have previously been discussed.</p> <p>GE stated that the way the report is presented is very helpful.</p> <p>The Committee RESOLVED to:</p>	

	NOTE the update	
6. GOVERNANCE, PERFORMANCE AND ASSURANCE		
6.1	<p>Finance Report</p> <p>AB introduced the Finance report. He emphasised that NWSSP was on track to exceed its financial targets. He also emphasised that the Risk Pool risk sharing agreement would not be invoked this year</p> <p>It was noted that the majority of KPIs were green, with a few ambers and a red, regarding recruitment. It was noted that work was on going to address this.</p> <p>AB highlighted that an additional capital allocation of £600k had recently been received.</p> <p>The Committee RESOLVED to:</p> <p>NOTE the update.</p> <p>Workforce Report</p> <p>GH introduced the Workforce report to the Committee.</p> <p>KPIS – GH reported that resource has been strengthened in an attempt to improve the time to hire data.</p> <p>Sickness rates are higher compared to last year, which is consistent with the current picture across NHS Wales. Stress and anxiety is the most common cause of sickness absence.</p> <p>Medical Examiner – The project is progressing with recruitment of a Programme Manager underway. The original deadline for implementation of the 1st April has been extended. There is still a lot to do, but the situation should be easier in Wales than in England where there is a need to engage with Local Authorities.</p> <p>The Committee RESOLVED to:</p> <p>NOTE the update</p>	
6.2	<p>Corporate Risk Register</p> <p>PS introduced the report regarding the Corporate Risk Register.</p> <p>There are currently two red risks, both of which have already been covered on the agenda:</p> <ul style="list-style-type: none"> • The demise of the Exeter Software System • Threat of a No Deal Brexit. <p>One new risk has been added to the register, that being the risk relating to the capacity within the Workforce Team.</p> <p>PB enquired as there appears to be a high number of risks for a small organisation. PS stated that while the number was on the high side, five risks are for monitoring only and the 13 for action are subject to constant review.</p> <p>The Committee RESOLVED to:</p> <p>NOTE the update</p>	
6.3	<p>Audit Committee Highlight Report</p> <p>PS presented the Audit Committee Highlight Report, covering the meeting held on 22 January.</p>	

	<p>Six internal reports were submitted, all of which provided reasonable assurance. No audit recommendations were outstanding for implementation.</p> <p>The WAO presented their position statement and audit arrangements for 2019 and advised that their report would be available in June or July.</p> <p>Updates were also provided on Counter Fraud and Declarations of Interest.</p> <p>The Committee RESOLVED to:</p> <p>NOTE the update</p>	
6.4	<p>2019/20 Forward Plan</p> <p>PS presented the forward plan for the SSPC meetings for 2019/20.</p> <p>The earlier submission dates for the IMTP may require a review of Committee dates to allow this to be effectively reviewed and approved.</p> <p>SHa stated that the business case for IP5 and the laundry review should be added to the plan.</p> <p>The Committee RESOLVED to:</p> <p>NOTE the update</p>	PS
7. ANY OTHER BUSINESS		
7.2	<p>Date of next meeting</p> <p>23rd May 2019</p>	

Item 1.5

ACTION LOG

SHARED SERVICES PARTNERSHIP COMMITTEE (SSPC)

UPDATE FOR 23 MAY 2019 MEETING

List No	Minute Ref	Date	AGREED ACTION	LEAD	TIMESCALE	STATUS MAR 2019
1.	SSPC/3/18	27 March 2018	National Health Applications and Infrastructure Services (NHAIS) – replacement Business Case on the options for replacing the NHAIS system to be considered by Committee.	NF/DH	March 2019	On-going Included in MD update
2.	SSPC/3/19	14 March 2019	Laundry Business Case NF to write to all organisations to advise them of the outcome of the discussion.	NF	March 2019	Complete
3.	SSPC/3/19	14 March 2019	SSPC Forward Plan Add IP5 and Laundry Business Case to Forward Plan.	PS	March 2019	Complete

 GIG CYMRU NHS WALES	Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:3.2 23 May 2019
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<i>The report is not Exempt</i>
Teitl yr Adroddiad/Title of Report
Managing Director's Report

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

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

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

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 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 March.

Hosted Visits

Over recent weeks, we have hosted visits from the following organisations:

- Business Services Organisation, Northern Ireland – who were particularly interested in our recruitment and payroll services;
- NHS Education Scotland – who are particularly interested in streamlining their services and the Lead Employer Model; and
- The Royal Free London NHS Foundation Trust – who had a particular interest in Transforming Access to Medicine.

Medical Examiners' Service

Andrew Evans, Deputy Director of Primary Care at Powys THB has been appointed as Project Manager and the advertisement for the Lead Medical Examiner role is being published this week.

All-Wales Bank

The project is progressing with a Go-Live date for two pilot sites of July. A Communications Strategy and Plan is currently being agreed which will help to inform staff and gauge interest in the bank. A number of Task and Finish Groups are also being established to address any priority areas.

All-Wales Laundry

There are two separate papers on the Committee agenda, and the business case has been submitted to Welsh Government who have provided feedback on the way forward.

Student Streamlining Update

Following a directive from the All-Wales Directors of Nursing and Workforce and in line with a Once for Wales approach, NWSSP has been working closely with all NHS Wales organisations and Universities in Wales to develop and implement an online application process for students to view and apply for vacancies in NHS Wales through the student streamlining process.

The primary aims of the Student Streamlining project are:

- To provide enhanced opportunities for students to stay and work in Wales upon graduation in line with the Terms and Conditions of the Bursary offer
- To create an environment within NHS Wales whereby students have an opportunity to view jobs across NHS Wales and make informed choice in a calm, non-competitive way which will reduce subsequent churn
- To reduce the traditional multi-application process thereby minimising the administrative burden on Ward managers and Senior Nurses

The benefits of working together to support healthcare students transition into employment within NHS Wales have already been realised through the first pilot cohort (March 2016) where 97% of students gained either their first or second choice job. On 3 May 2019, NWSSP released the job offers for the September 2016 cohort where 90% of students received their first or second choice job despite this being a significantly larger cohort.

This project continues to maintain a vision to drive forward change that will encourage students trained in Wales to be employed in Wales. This is also part of the Terms and Conditions of the revised Bursary Scheme, which, for subsequent cohorts, will require the recovery of Bursary costs for students that do not commit to two years' work within Wales upon graduation.

Work is underway in preparation to include other staff groups in subsequent recruitment rounds.

IP5

Brexit preparation has generally gone well and the focus is now on non-stock items, where we are in discussion with Welsh Government, to agree a process to take this forward with Medical Directors. Mark Roscrow, the current Director of Procurement Services, will be taking on the role of Project Lead for the delivery of the IP5 Project and he would welcome suggestions from Committee members on how we maximise the effectiveness of this building.

Bridgend Transfer

Our involvement in this project should soon be drawing to a close, but in recent weeks there has been considerable additional work for Employment Services, post the transfer of relevant staff, with a large number of manual adjustments having to be made.

NHAIS

The discussions with Northern Ireland continue, but there are still queries over the financial proposal they have submitted. Consequently, I have escalated this issue to the CEO of the BSO to progress this. In the meantime,

additional delays in the implementation of systems in NHS England, alleviate some of the pressure in terms of obtaining an early resolution to this issue.

GP Indemnity

The scheme is fully up and running and significant consultation has taken place with GPs around the scope of the scheme. This appears to have gone well and no major issues have been experienced or are expected. Discussions will take place over the coming months with Welsh Government with regards to the Existing Liabilities Scheme.

NWIS

I continue to participate in the governance review currently being led by Frances Duffy from Welsh Government, which is now clearly linked to the outputs from the Architecture Review.

Staffing

- Mark Roscrow, MBE, Director of Procurement Services, is retiring in May but as stated above will return to NWSSP as the Project Manager for the IP5 facility. The recruitment process for his replacement is underway;
- Alison Phillips, the current Transition Director for the Bridgend transfer, takes up the post of Deputy Director of Finance in NWSSP at the start of June.

Other

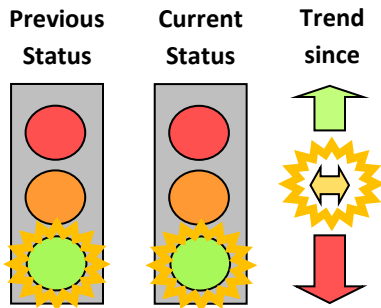
- The Annual Governance Statement for 2018/19 is included as a separate agenda item, but contains a Head of Internal Audit opinion of reasonable assurance, and the outputs of the Internal Audit programme produced no audit reports with limited or no assurance;
- The financial outturn is included in the finance update and was in line with the figures reported to the March SSPC; and
- The WAO review of the accounts is underway with no issues raised thus far.

**Neil Frow,
Managing Director, NWSSP,
May 2019**



Reporting Period	Apr 2019 – May 2019	Date Completed	13/05/2019
Summary	The purpose of this report is to provide a progress update to the Shared Service Partnership Committee.	Completed By	Ian Rose

Status Update



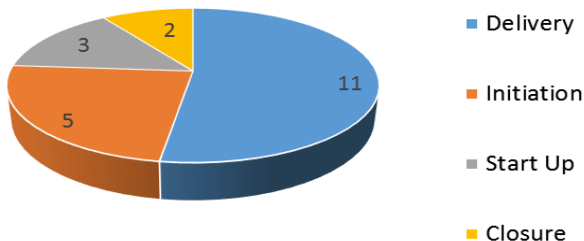
21 projects in progress.

All Project managers have passed the Better Business Case foundation with all PMs sitting the Practitioner exam in May and July. This will strengthen the adoption and application of the five case model on appropriate projects and programmes in NWSSP supported by the PMO.

New Project manager post now advertised and will close 22nd of May.

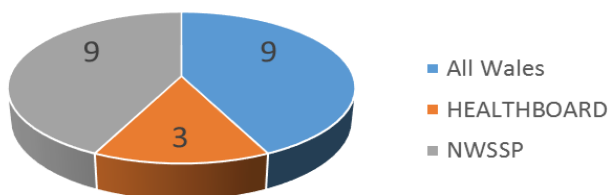
High Level Status

Projects In Progress - Current Stage



Projects in Progress – By Scope (Excl Closed)

Projects by Scope



PMO In Progress Projects Mar 2019 – Apr 2019

Green : Project on track -Time, Cost, Scope

Amber : At risk of failing - Time, Cost or Scope

Red : Failed Time, Cost or Scope - urgent attention req'd

Blue : Closed/ Delivered or Closed/Withdrawn/Ceased

**Agreed between Proj Man and Proj Exec/Lead/Proj Dir/Sro*

All Wales Projects/Programmes

Name	SRO	RAG
Laundry Services Project OBC Stage 1	Neil Davies	Amber
Transforming Access to Medicines (TRAMS)	Neil Frow	Green
GP Indemnity	Neil Frow	Green
Infected Blood Inquiry	TBC	Amber
Medical Examiner	Neil Frow	Green
Brexit	Graham Davies	Green
Welsh Government Planning Development Pathway	Simon Dean	Green
Ystadau Cymru Surveyor Development Pathway	Neil Frow	Green
New PMO software	Andy Butler	Green

Healthboard Projects/Programmes

Name	SRO	RAG
Community Dressings ABMU	TBC	Amber
Community Dressings AB	TBC	Amber
Community Dressings CTaf	S Scott-Thomas	Green

NWSSP Specific Projects/Programmes

Name	SRO	RAG
Procurement Server migration	Mark Roscrow	Red
Procurement Sabrecom TV	Mark Roscrow	Red
Cleric DR & Server	Mark Roscrow	Amber
NHAIS Patient Registration	Dave Hopkins	Amber
Bulk Mail	Dave Hopkins	Green
Car Club	Keir Warner	Green
Boss System Refresh	Paul Thomas	Green
Cascade to Mura Internet	Andy Butler	Green
Transport BCU & Powys	Tony Chatfield	Green



Key Planned Tasks next month / Completed Last Month

- Rebalance project workload within PMO – In progress

PMO Concerns/Issues/Risks

-

Projects On Track

13 Projects



- **Boss System Refresh**
- **Brexit**
- **Bulk Mail**
- **Car Club**
- **Community Wound Dressings project Cwm Taf**
- **GP Indemnity**
- **Medical Examiner**
- **New PMO software Requirements**
- **Transfer of Transport Services from BCU & Powys**
- **Transforming Access to Medicines (TRAMS)**
- **Transition from Cascade to Mura Internet - WIAP stage 1.1 redo the work of the original project**
- **Welsh Government Planning Development Pathway**
- **Ystadau Cymru Surveyor Development Pathway**

Projects At Risk

6 Projects



- **Laundry OBC** – Business submitted to Welsh Government and feedback expected during May on which basis the next steps will be undertaken.
- **Community Dressings AB** – Awaiting decision and feedback from the project board and healthboard expected in May.
- **Community Dressings ABMU** - – Awaiting decision and feedback from the project board and healthboard expected in May.
- **Patient Registration Workstream** – NHAIS Programme – Progress being made with NWIS and solutions to host archived data. This is being costed and evaluated throughout May.
- **Cleric DR and Server Reconfiguration** – NWIS ongoing actions being completed in May.
- **Infected Blood** – Delay signing off project documentation and approach. Approach and support requirement to be confirmed before progression to next stage.

Projects that have Slipped

2 Project



- **Sabrecom TV** – Procurement – Re-plan in progress with discussion between locations to re-establish current position and expected outcome and tasks to deliver.
- **Procurement Server migration** – Procurement - Action with Procurement teams in CV and Cwm Taf to continue.

Projects awaiting assignment to a Project Manager:

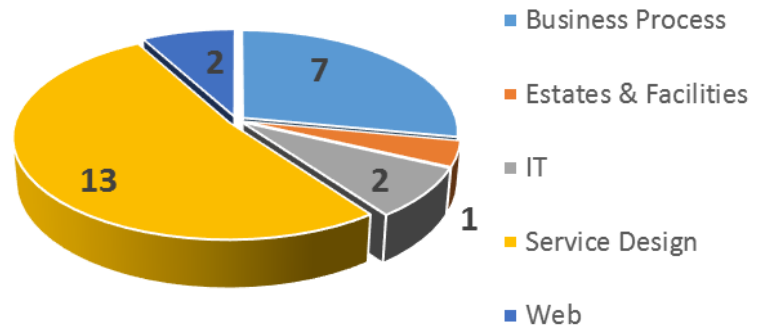
None



Summary Information

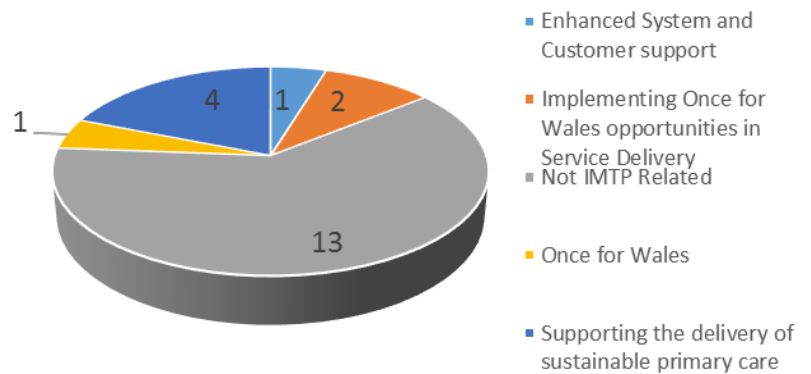
Projects covering 5 different product types.

Project By Product



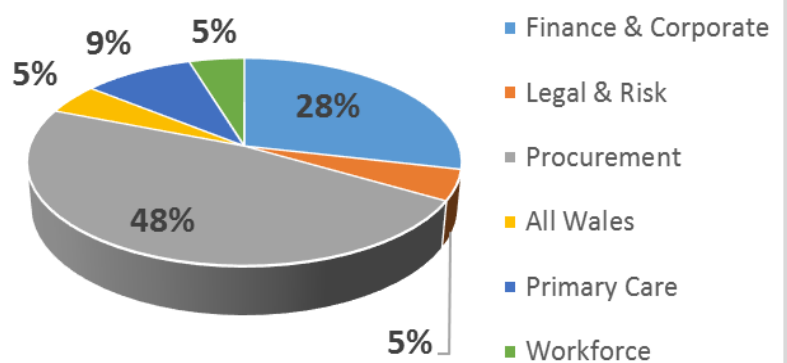
IMTP lower than 50% of overall in-progress projects.

IMTP Themes



Project in Progress by Service
Procurement still accounts for 33% it is anticipated that other areas will grow in 2019 such as Employment Services.

Project In Progress - Services



 GIG CYMRU NHS WALES Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:XX Date:
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<i>The report is Exempt</i>
Teitl yr Adroddiad/Title of Report
All Wales Laundry Project – Resource Plan for Completion of Business Case Strategy

ARWEINYDD: LEAD:	Neil Frow, Managing Director, NWSSP
AWDUR: AUTHOR:	Andrew Naylor, Programme Lead, NWSSP Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler, Director of Finance & Corporate Services

Pwrpas yr Adroddiad: Purpose of the Report:
To advise the NWSSP Committee of resources that need to be committed to support the development of the business cases for rationalising laundry services in NHS Wales.

Llywodraethu/Governance	
Amcanion: Objectives:	To set out the estimated resources needed to complete the required business cases for the rationalisation of laundry services in NHS Wales.
Tystiolaeth: Supporting evidence:	The Committee reviewed the outline business case for laundry services at its November 2018 meeting and approved a future delivery model based on three sites across Wales.

Ymgynghoriad/Consultation :
Extensive consultation and engagement with Health Boards and Trusts in the development of the outline business case for Laundry Services in NHS Wales.

Adduned y Pwyllgor/Committee Resolution (insert ✓):
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DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
Argymhelliad/ Recommendation		The NWSSP Committee is requested to note this report.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	Not applicable
Cyfreithiol: Legal:	No direct legal implications yet.
Iechyd Poblogaeth: Population Health:	No direct impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	Project will rationalise existing laundry provision and aim to improve services across NHS Wales.
Ariannol: Financial:	The project will deliver reduced operating costs
Risg a Aswariant: Risk and Assurance:	Risks managed through existing project structure risk register.
Safonau Iechyd a Gofal: Health & Care Standards:	No direct impact.
Gweithlu: Workforce:	Implications for staff because number of sites will reduce from five to three.
Deddf Rhyddid Gwybodaeth/ FOIA	None

1 BACKGROUND

The NWSSP Committee reviewed the outline business case for laundry services at its November 2018 meeting and approved a future delivery model based on three sites across Wales while acknowledging that further work was required on the proposed management arrangements for the service. The management arrangements were the subject of a workshop

held at the end of January, which decided that a single provider should manage the service. At the NWSSP Committee in March 2019, having considered a number of management options, the Committee agreed that NHS Wales Shared Services Partnership would manage laundry services.

2 KEY ISSUES

In order for the project to proceed to the next level of implementation, appropriate business cases need to be developed. This will develop the preferred 3-site option with further detail so that the project can move to implementation. Specifically, this will involve further steps as prescribed by the recommended business case approach and will include:

- Developing detailed specifications for new or upgraded laundry facilities.
- Confirmation of resource model to complete the next stage
- Confirmation with WG of appropriate case type (OBC,FBC or BJC)
- Develop detailed capital and revenue costs and benefits
- Drafting the business case

Once the business case has been written appropriate approvals will be required to proceed to implementation.

The Senior Responsible Owner for the project is Neil Davies, Director of Specialist Estate Services. The project will require resources to support delivery including the appointment of the core project team consisting of Project Director, Senior Project Manager and Project Administrator.

Resources and indicative costs are set out in Table 1 below:

Table 1

Position	WTE	Band	Annual Cost £'000	Comments
Senior Responsible Owner	0.2	9	-	NWSSP Resource
Project Director	1.0	8C/D	89	Appointment Required
Senior Project Manager	1.0	8B/A	64	Appointment Required
Finance Work Stream Lead	0.2	Senior Manager	-	NHS Wales/NWSSP Resource
Workforce Work Stream Lead	0.2	Senior Manager	-	NHS Wales/NWSSP Resource
Estates Work Lead Stream	0.2	Senior Manager	-	NHS Wales/NWSSP Resource
Operational (incl. Logistics) Delivery Work Stream Lead	0.5	Senior Manager	-	NHS Wales/NWSSP Resource
Project Manager	0.5	7		NWSSP Resource
Project Administrator	1.0	5	37	Appointment Required
Work Stream Administrative Support	0.8	4/5	-	NWSSP Resource
Total			190	

In addition, use of external consultants will be required to help develop the optimum laundry operational model and assist in developing the business case, estimated at £75K. Total indicative costs requiring additional funding can be summarised as follows:

	£'000
Project resources (18 months)	285
External Consultancy Support	75
Total	360

Costs in 2019/20 estimated to be as follows:

Project resources (9 months)	143
External Consultancy Support	75
Total	218

The costs associated with the project will be funded by being first call against savings identified in NWSSP during 2019/20 and 2020/21.

3 Recommendation

The NWSSP Committee is requested to note and support this report.

 GIG CYMRU NHS WALES	Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM:XX Date:
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The report is Exempt

Teitl yr Adroddiad/Title of Report

All Wales TRAMS Project – Resource Plan for 2019/20

ARWEINYDD: LEAD:	Neil Frow, Managing Director, NWSSP
AWDUR: AUTHOR:	Andrew Naylor, Programme Lead, NWSSP Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler, Director of Finance & Corporate Services

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

To advise the NWSSP Committee of resources that need to be committed in 2019/20 to support the development of the business case for the Transforming Access to Medicines programme (TRAMS) in NHS Wales.

Llywodraethu/Governance

Amcanion: Objectives:	To set out the estimated resources required in 2019/20 in order to further develop the business case for the TRAMS programme.
Tystiolaeth: Supporting evidence:	Previous papers to the NWSSP Committee in June and November 2018.

Ymgynghoriad/Consultation :

Significant consultation and engagement with senior pharmacy colleagues in Health Boards and Trusts in the development of a programme business case for TRAMS. A programme board is in place chaired by the WG chief pharmacist for Wales, which also includes directors of NWSSP, senior pharmacists from health boards and a health board director of finance.

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
Argymhelliad/ Recommendation		The NWSSP Committee is requested to note and support this report.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	Not applicable
Cyfreithiol: Legal:	No direct legal implications yet.
Iechyd Poblogaeth: Population Health:	The programme aims to reduce risk of prescribing errors by rationalising pharmacy production units.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	Project will rationalise existing hospital pharmacy aseptic production services, in part to reduce risk of prescribing errors. The programme will enable regulatory requirements for aseptic pharmacy production to be met and reduce risk of non-compliance within existing production units in Wales.
Ariannol: Financial:	The project aims to deliver financial benefits for NHS Wales. The next phase of work will define costs and benefits in more detail.
Risg a Aswariant: Risk and Assurance:	Risks managed through existing programme structure risk register.
Safonau Iechyd a Gofal: Health & Care Standards:	No direct impact.
Gweithlu: Workforce:	Implications for staff because number of production sites will reduce and existing local pharmacy procurement services are likely to be rationalised.
Deddf Rhyddid Gwybodaeth/ FOIA	None

1 BACKGROUND

The NWSSP Committee approved resources to develop a business case for TRAMS in June 2018. The Committee received a progress report in November 2018 reporting progress with the development of the SOC (Strategic Outline Case) and progress with the development of a Programme Business Case.

During 2018/19 the TRAMS project examined a broad scope of pharmacy supply activity and options for service reconfiguration. These are recorded in a draft Programme Business Case (PBC) which was endorsed by TRAMS Project Board in February 2019. The main action recommended in the PBC was a reconfiguration of Pharmacy Technical Services on an all-Wales basis.

The Project Board has requested a further, more detailed, examination of revenue costs and benefits of the business case is undertaken before putting the case forward for formal approval. These costs and benefits will be written up in an Outline Business Case (OBC) for the proposed new all-Wales service. It is anticipated that both business cases will be submitted for approval in autumn 2019.

2 KEY ISSUES

The principal activities planned for 2019/20 will be to prepare the financial elements of the OBC in more detail for the proposed all-Wales service and specifically will require:

- Further work to define the proposed operational workforce and service models
- Develop more detailed implementation plans.
- To reassess capital and revenue costs.
- To further refine the proposed benefits of the project

The indicative resources required to deliver the products set out in the previous bullet points have been approved by Project Board and are as follows:

Estimated Project Costs 2019/20	£000
Internal - Project Team Seconded Staff	40
External - Process Mapping Consultant	25
External - Possible further process mapping	25
Internal - Finance Support	23
External - additional finance contingency	27
External - Design work to clarify capital costs	60
Total	200

The costs associated with the project will be funded by being first call against savings identified in NWSSP during 2019/20.

3 Recommendation

The NWSSP Committee is requested to note and support this report.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:4.1

23rd May 2019

The report is/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 March 2019.

Llywodraethu/Governance

**Amcanion:
Objectives:**

Value for Money - To develop a highly efficient and effective shared service organisation, which delivers real terms savings and service quality benefits to its customers.
Excellence - To develop an organisation that delivers process excellence through a focus on continuous service improvement, automation and the use of technology.
Staff - To have an appropriately skilled, productive, engaged and healthy workforce.

**Tystiolaeth:
Supporting
evidence:**

-

Ymgynghoriad/Consultation :

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 March 2019 2. Note the final 2018/19 distribution. 3. Note the significant level of professional influence benefits generated by NWSSP to 31st March 2019. 4. Note the performance against the High-level key performance indicators to 31st March 2019. 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 Aswariant: 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

Finance, Workforce and Performance Update Report

INTRODUCTION

This report provides an update as at 30th April 2019 on:

- Outturn position for 2018/19;
- Cumulative Financial Position – 2019/20;
- High Level Performance indicators;
- Capital Update;
- Welsh Risk Pool Position; and
- Workforce Information.

NWSSP Financial Outturn position – 2018/19

KEY FINANCIAL TARGETS

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

Financial Position and Key Targets	Target		Position at 31-Jan	Position at 28-Feb	Position at 31-Mar
Financial Position – Forecast Outturn	Break even	Monthly	Break even	Break even	(£14k)
Capital financial position	Within CRL	Monthly	On target	On target	On target
Welsh Risk Pool	Within WG DEL	Monthly	On target	On target	On target
Surplus available for reinvestment/ Distribution	£0.75m	Annual	£2.00m	£2.00m	£2.00m
NWSSP PSPP %	95%	Monthly	98%	97%	99%

NWSSP reported a small surplus of £14,000 on the core revenue budget for the year ended 31 March 2019. The Welsh Risk Pool outturn was in accordance with the funding made available by Welsh Government and the capital outturn was within the Capital Resource Limit set by Welsh Government.

The NWSSP results for the year are consolidated within the Velindre University Trust financial statements that are currently being subject to external audit. There have been no significant matters arising from the audit to date.

The income and expenditure position for the month period to 31st March 2019 is summarised overleaf

	Annual Budget	YTD Budget	YTD Expend	YTD under/overspend
	£000	£000	£000	£000
Audit & Assurance Services	2,641	2,641	2,693	52
Procurement Services	16,454	16,454	16,148	-306
Employment Services	9,824	9,824	9,637	-187
Primary Care Services	11,230	11,230	10,358	-872
Legal & Risk Services	2,422	2,422	2,415	-7
Welsh Risk Pool Services	579	579	545	-34
WIBSS	0	0	0	0
Specialist Estates Services	2,915	2,915	2,714	-201
E-Business Central Team Services	525	525	-229	-754
Counter Fraud Services	411	411	389	-22
Non-Medical Education	48,866	48,866	48,866	0
Health Courier Services	653	653	640	-13
SMTL	604	604	569	-35
Corporate Services	1,490	1,490	1,580	90
Corporate IT Support/RPA	1,516	1,516	1,502	-14
PMO/TRAMS	412	412	394	-18
Finance	891	891	760	-131
Workforce & OD/WFIS/ESR/TEL	1,573	1,573	1,469	-104
Accommodation	2,562	2,562	2,542	-20
WEDS	447	447	447	0
Salary Sacrifice	-30	-30	-31	-1
Finance Academy/Finance Graduate Scheme	422	422	337	-85
ESR Enhanced	-60	-60	-60	0
Stores	0	0	0	0
Allocation	-104,843	-104,843	-104,843	0
Reserves	-1,370	-1,370	-1,472	-102
Distribution	-134	-134	1,116	1,250

Welsh Risk Pool

The final outturn for 2018/19 was £112.412m. This included £2.495m of redress costs. The split of the £109.917m WRP expenditure (excluding redress) is shown in the table below

	£m
Payments to HBs	98.575
Payments for Managed Claims	4.419
Payments for Structured Settlements	12.054
Creditor	-5.193
EIDO invoice charged to DEL	0.062
TOTAL	109.917

Savings - Distribution and Reinvestment 2018/19

An additional NWSSP distribution of £1.250m was paid during 2018/19, which increased the distribution from the planned £0.750m per our IMTP to £2.000m. Some organisations have recurrently reinvested their share of the initial planned distribution within NWSSP services.

The final distribution / reinvestment for 2018/19 is shown in the table below

Health Board /Trust	%	Planned Distribution £	Agreed Reinvestment £	Net Initial Cash Distribution £	Additional Cash Distribution £	TOTAL DISTRIBUTION £
Aneurin Bevan	9.85	73,844		73,844	123,073	196,917
ABMU	12.43	93,251		93,251	155,418	248,669
BCU	11.98	89,815	-89,815	0	149,692	149,692
Cardiff and Vale	10.49	78,652		78,652	131,087	209,739
Cwm Taf	6.97	52,305		52,305	87,175	139,480
Hywel Dda	7.77	58,293	-58,293	0	97,155	97,155
Powys	1.95	14,598	-14,598	0	24,330	24,330
Velindre	1.17	8,781		8,781	14,635	23,416
WAST	1.28	9,580	-9,580	0	15,967	15,967
Public Health Wales	0.87	6,530	-6,530	0	10,883	10,883
Welsh Government	35.25	264,351	-264,351	0	440,585	440,585
Total	100%	750,000	-443,167	306,833	1,250,000	1,556,833

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, relating 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 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 - March 2019 are summarised as follows:

Service	YTD Benefit £m
Specialist Estates Services	14
Procurement Services	31
Legal & Risk Services	65
Total	110

Capital Update

Following receipt of additional capital funding during 2018/19, the final Capital Expenditure Limit for NWSSP was £13.961m. This was spent in full through expenditure on the schemes detailed in the table below:

	£ m		
Description	Value Allocated	Value Spent	Variance
HCS Replacement Vehicles Scheme - Part a	1.238	1.250	(0.012)
IP5 Part a	11.451	11.458	(0.007)
BOSS Phase 1	0.091	0.091	0.000
BOSS Phase 2	0.000	0.001	(0.001)
Employment System	0.147	0.133	0.014
SES Tablets	0.006	0.007	(0.001)
Assets Management Programme	0.027	0.027	0.000
PC and Laptop Replacement Programme	0.168	0.168	0.000
Support Software	0.043	0.037	0.007
Additional Funding Total	13.171	13.171	0.000
IT Software	0.223	0.223	(0.000)
IT Hardware	0.439	0.439	0.000
Property	0.020	0.020	0.000
Equipment	0.107	0.107	0.000
Vehicles	0.001	0.001	0.000
Discretionary Total	0.790	0.790	0.000
NWSSP Capital Total	13.961	13.961	0.000

Financial position – 2019/20

Income & Expenditure summary

The income and expenditure position to 30th April 2019 can be summarised as follows:

	Annual Budget	YTD Budget	YTD Expend	YTD under/ overspend
	£000	£000	£000	£000
Income	-142,463	-12,311	-12,350	-39
Pay	81,658	6,989	6,843	-146
Non Pay	60,055	5,322	5,333	11
WRP – DEL	76,259	399	399	0
Distribution	750	0	0	0
			174	174

The underlying position at the close of Month 1 is a surplus of £174k compared to £150k surplus at the same point last year.

As reported separately NWSSP is proposing that the first call on any additional savings arising is utilised on a non-recurring basis for the Laundry project (up to £218k) and the Transforming Access to Medicines Project (up to £200k). In addition, early indications suggest that the transfer to Office 365 is likely to cost an additional £250k per annum compared with the current arrangements.

PERFORMANCE

Performance Reporting – to Health Boards and Trusts

NWSSP performance reports are produced and distributed on a quarterly basis. The Quarter 4 reports have been prepared and issued to the majority of organisations, reflecting 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 tables below. This provides data for March 2019 (unless otherwise stated) along with comparison to the previous three periods.

KEY PERFORMANCE MEASURES

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

High Level - KPIs March 2019 (unless stated otherwise)	Target		Position at 31-Jan	Position at 28-Feb	Position at 31-Mar
Internal Indicators					
Corporate					
Aged Debts in excess of 13 weeks – Value	<£100k	Monthly	£1,403k	£137k	£72k

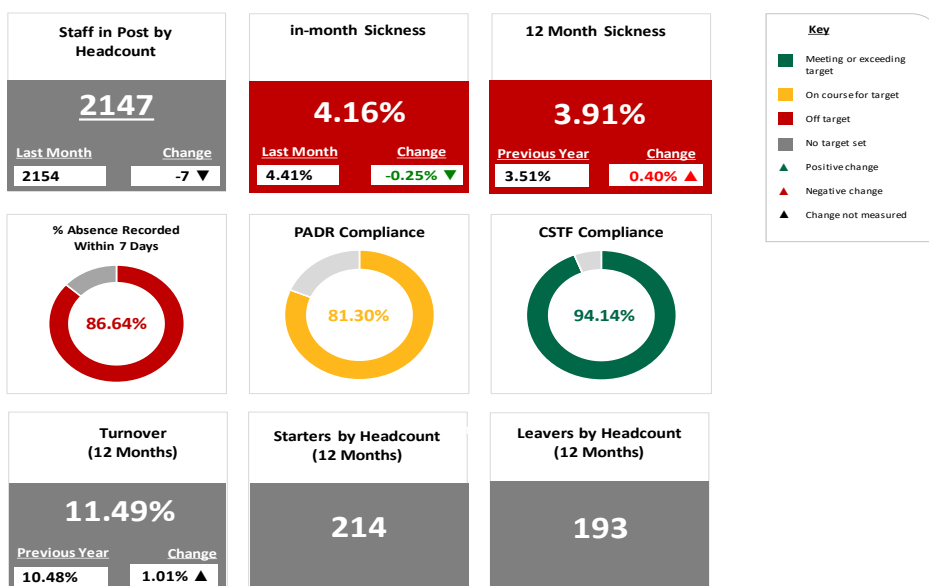
High Level - KPIs March 2019 (unless stated otherwise)	Target		Position at 31-Jan	Position at 28-Feb	Position at 31-Mar
NHS Debts in excess of 17 weeks – Value	<£10k	Monthly	£3k	£13k	£0k
Variable Pay – Overtime	<£43k	Monthly	£23k	£39k	£44k
Agency % to date	<0.8%	Cumulative	0.89%	0.92%	1.18%
<u>NWSSP Org KPIs Recruitment</u>					
Time to Approve Vacancies	10 days	Monthly	11.8 days	12.3 days	15.2 days
Time to Shortlist by Managers	3 Days	Monthly	6.8 days	12.9 days	7.4 days
Time to notify Recruitment of Interview Outcome	3 Days	Monthly	1.5 days	4.8 days	4.9 days
<u>Website & Social Media Reach</u>					
Internet hits per month	>20k	Monthly	93k	87k	109k
Intranet hits per month	>40k	Monthly	101k	95k	99k
Twitter Followers		Cumulative	2,501	2,555	2,611
Twitter New Followers		Monthly	30	52	52
Tweet Impressions		Monthly	21.7k	23.3k	18.5k
Tweets		Monthly	23	16	21
Workforce					
Staff Sickness	3.3%	Cumulative	3.89%	Available in WOD Report	Available in WOD Report
Staff Sickness	3.3%	Monthly	4.25%	Available in WOD Report	Available in WOD Report
PADR Compliance	>85%	Monthly	81.56%	Available in WOD Report	Available in WOD Report
Statutory and Mandatory Training	>85%	Monthly	92.76%	Available in WOD Report	Available in WOD Report
Professional Influence					
Professional Influence Savings	£50m annual target	Cumulative	£99m	£102m	£110m
Procurement Services					
Procurement savings *Current Year	£10.975m 18/19	Cumulative	£29.486m	£30.841m	£31.205m
All Wales PSPP	95%	Quarterly	Reported Quarterly	Reported Quarterly	95.9%
Accounts Payable % Calls Handled (South)	95%	Monthly	99%	Not Available	98.6%
Employment Services					
Payroll accuracy rate (Added Value)	99%	Monthly	99.77%	99.50%	99.75%
<u>All Wales Org KPIs Recruitment</u>					
Time to Approve Vacancies	10 days	Monthly	10.6 days	9.5 days	10.3 days
Time to Shortlist by Managers	3 Days	Monthly	7.1 days	7.1 days	6.2 days
Time to notify Recruitment of Interview Outcome	3 Days	Monthly	4.3 days	3.1 days	4.0 days
<u>All Wales Org - NWSSP KPIs recruitment element</u>					
Time to Place Adverts	2 days	Monthly	1.4 days	1.6 days	1.7 days
Time to Send Applications to Manager	2 days	Monthly	1.0 day	1.1 days	1.1 days

High Level - KPIs March 2019 (unless stated otherwise)	Target		Position at 31-Jan	Position at 28-Feb	Position at 31-Mar
Time to send Conditional Offer Letter	4 days	Monthly	3.7 days	3.7 days	3.6 days
Recruitment % Calls Handled		Monthly	98.6%	99.3%	99.5%
Primary Care Services					
Payments made accurately and to timescale	100%	Monthly	100%	100%	100%
Prescription - keying Accuracy rates (Jan)	99%	Monthly	99.77%	99.95%	99.55%
Internal audit					
Audits reported % of planned audits	84%	Cumulative	54%	67%	79%
Report turnaround management response to draft report [15 days]	80%	Cumulative	63%	67%	68%
Report turnaround draft response to final reporting [10 days]	80%	Cumulative	97%	100%	100%
Legal and risk					
Timeliness of advice acknowledgement - within 24 hours	90%	Monthly	100%	100%	100%
Timeliness of advice response - within 3 days or agreed timescale	90%	Monthly	100%	100%	100%
Welsh Risk Pool					
Acknowledgement of receipt of claim	100%	Monthly	100%	No Committee	100%
Valid claims received within deadline processed in time for next WRP committee	100%	Monthly	100%	No Committee	100%
Claims agreed paid within 10 days	100%	Monthly	100%	No Committee	100%

Workforce Section

NWSSP Workforce Performance Summary Dashboard March 2019

Analysis is showing data for: NWSSP Overall



NWSSP Staff in Post

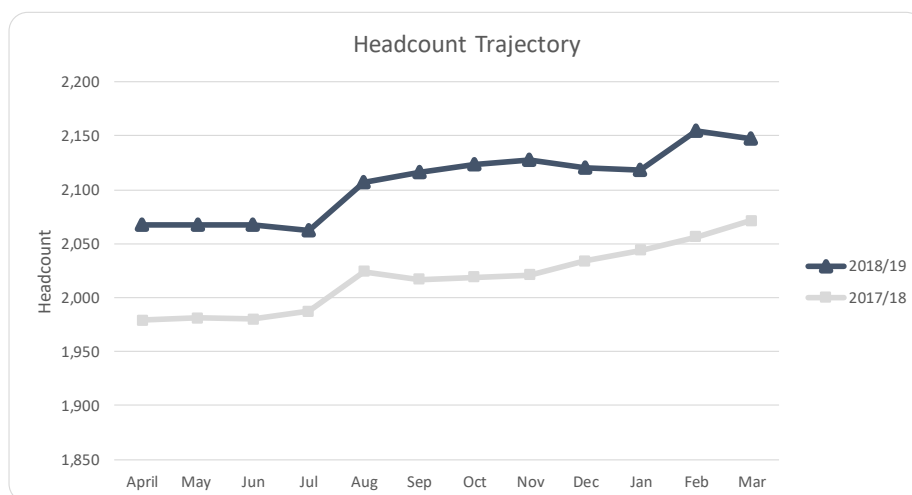
The table below outlines the directly employed contracted full time equivalent (FTE) and headcount figures for NWSSP as at 31st March 2019 :

Column1	Headcount February 2019	Headcount March 2019	FTE February 2019	FTE March 2019	Headcount Change +/-	Headcount Change +/- %
Audit & Assurance Section	56	57	53.29	54.49	1.00 ▲	1.75%
Corporate Section	47	48	45.46	46.46	1.00 ▲	2.08%
Counter Fraud Section	7	7	7.00	7.00	0.00	0.00%
Digital Workforce Solutions Section	13	12	13.00	12.00	-1.00 ▼	-8.33%
E-Business Central Team Section	13	13	11.12	11.12	0.00	0.00%
Employment Section	350	351	320.69	321.04	1.00 ▲	0.28%
Finance Section	21	22	19.92	20.92	1.00 ▲	4.55%
GP Trainees Section	454	445	407.30	401.40	-9.00 ▼	-2.02%
Legal & Risk Section	106	106	97.32	97.32	0.00	0.00%
Primary Care Section	301	298	276.89	274.39	-3.00 ▼	-1.01%
Procurement Section	701	701	665.35	664.16	0.00	0.00%
Specialist Estates Section	42	43	40.51	41.51	1.00 ▲	2.33%
Surgical Materials Testing (SMTL) Section	19	20	17.52	18.52	1.00 ▲	5.00%
Welsh Employers Unit Section	4	4	3.80	3.80	0.00	0.00%
Workforce & OD Section	20	20	19.32	19.32	0.00	0.00%
NWSSP Overall	2,154	2,147	1,998.48	1,993.45	-7.00 ▼	-0.33%

NWSSP Overall Headcount Trajectory

The graph below shows the rolling 12-month headcount trajectory compared to the same period the previous year.

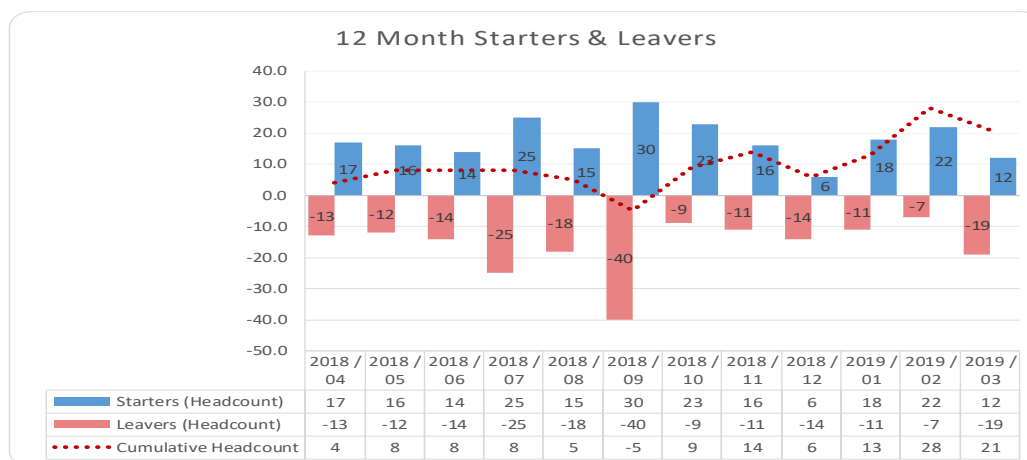
NWSSP Overall Headcount Trajectory



The significant increase in headcount in the months of August and February is attributable to the appointment of GP Trainees to NWSSP under the single lead employer scheme. The decrease in headcount in October 2018 is attributable to the TUPE transfer out of WEDS from NWSSP into Health Education Improvement Wales (HEIW).

Staff Turnover

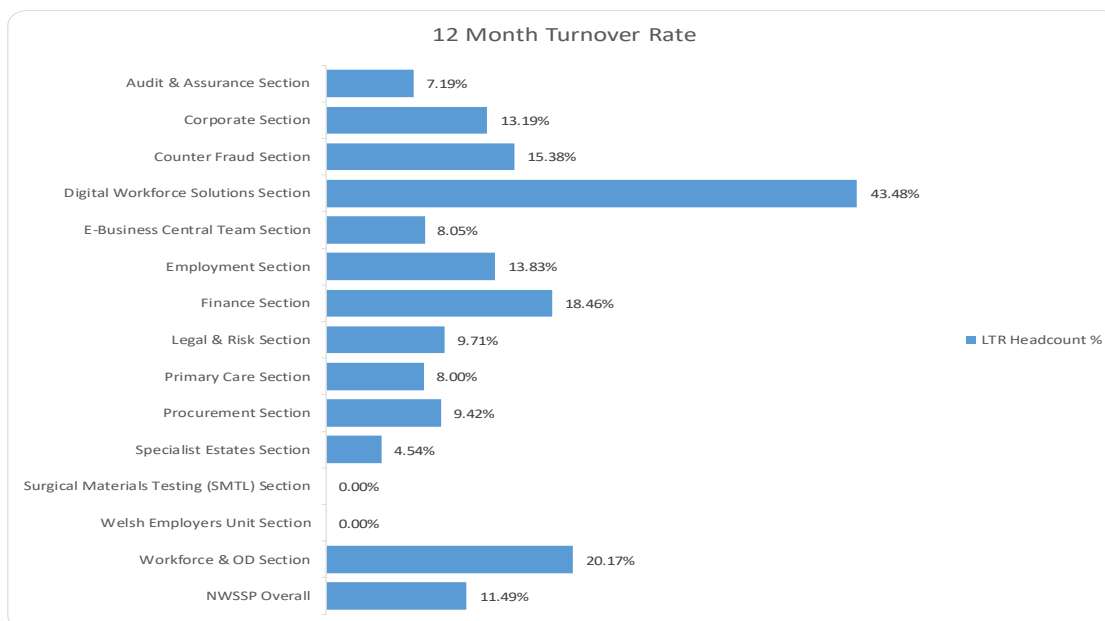
The graph below 2018. GP Trainees and Bank workers are excluded from this information:



The turnover rate for NWSSP from 1st April 2019 to 31st March 2019 is **11.48% %** compared to **10.48%** for the same period last year.

These figures do not reflect internal movement and turnover within NWSSP, or GP Trainee and Bank turnover.

Further detail of turnover by service area is provided in the chart overleaf:



Please note that 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 be understood within the context of the overall headcount.

A summarised analysis of the reasons why staff have left is provided below for the period 1st April 2018 to 31st March 2019.

NWSSP Leavers Voluntary Vs Non Voluntary for 12 Month - 1st April 2018 - 31st March 2019

Non Voluntary Resignations		Voluntary Resignations		Retirement	
Death In Service	2	Voluntary Resignation - Better Reward Package	9	Voluntary Early Retirement - with Actuarial Reduction	5
Dismissal - Capability	8	Voluntary Resignation - Health	5	Flexi Retirement	6
Dismissal - Conduct	1	Voluntary Resignation - Incompatible Working Relationships	1	Retirement - Ill Health	2
Employee Transfer	23	Voluntary Resignation - Lack of Opportunities	0	Retirement Age	23
End of Fixed Term Contract	4	Voluntary Resignation - Other/Not Known	27		
End of Fixed Term Contract - Completion of Training Scheme	2	Voluntary Resignation - Promotion	42		
		Voluntary Resignation - Relocation	10		
		Voluntary Resignation - To undertake further education or training	10		
		Voluntary Resignation - Work Life Balance	11		
		Mutually Agreed Resignation - Local Scheme with Repayment	0		
		Voluntary Resignation - Adult Dependents	1		
		Voluntary Resignation - Child Dependents	1		
Total	40		117		36
Grand Total	193				

Of **192** staff that left the organisation during this, period **117** staff terminated because of a voluntary resignation, equivalent to **61%** of all terminations.

19 staff terminated in March 2019. A summarised analysis of leaving reasons for those staff terminating is detailed in the table overleaf.

Leavers for 1 Month - 1st March 2019 - 31st March 2019

Leaving Reason	Headcount
Dismissal - Capability	1
Flexi Retirement	2
Retirement Age	3
Voluntary Early Retirement - with Actuarial Reduction	2
Voluntary Resignation - Other/Not Known	1
Voluntary Resignation - Promotion	6
Voluntary Resignation - Relocation	1
Voluntary Resignation - To undertake further education or training	2
Voluntary Resignation - Work Life Balance	1
Total	19

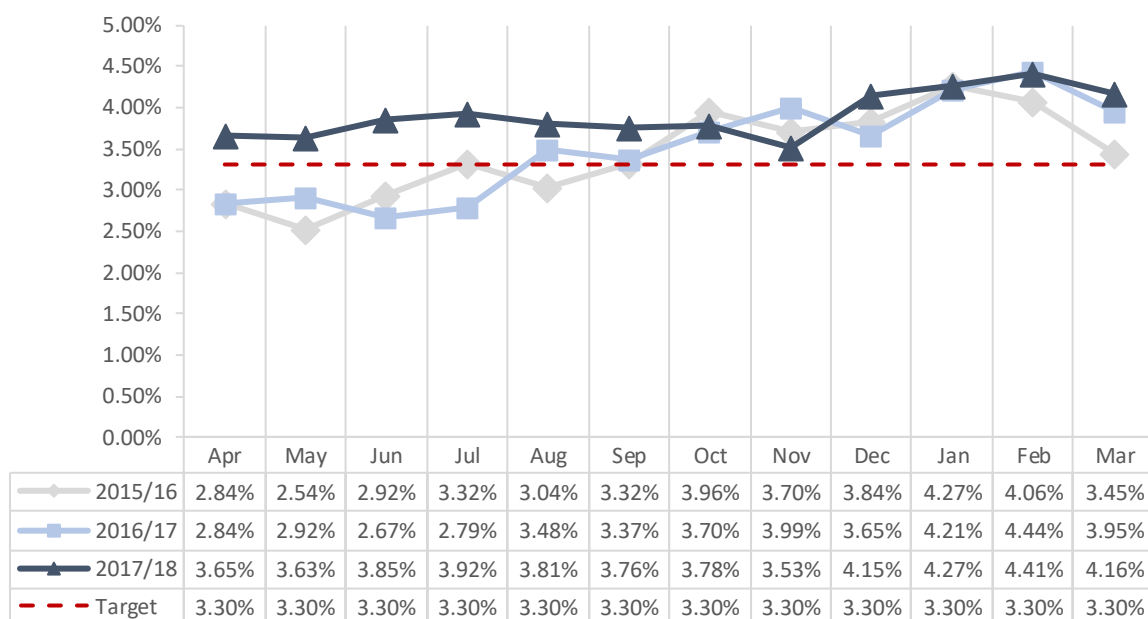
Sickness Absence

The chart below shows the average sickness absence rate for NWSSP for 12 months from 1st April 2018 to 31st March 2019 and compares this year's trends with previous years

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 March 2019 was **4.16%** , which is a **0.25% decrease** from the February position:

Sickness Absence % 3-Year Monthly Trend Comparison



Our sickness trend data is a cause for concern, as we have remained above target of 3.3% throughout the year.

The following actions are currently being undertaken to reduce sickness:-

- Using the Business Intelligence (BI) tool and Workforce Performance dashboard to address hot spots and areas where there are high level of sickness.
- Using the BI to identify managers and contacting to see if they require support
- Ongoing coaching and advice for management of complex STS and LTS cases.
- Development of a people management training programme to provide managers with the right skills to approach difficult conversations
- Development of a Mental Health First Aid Advisor role to support and signpost staff who are struggling to cope whilst in work and prevent them going off sick (pilot in one area with a view to roll out if successful)
- Less stress, personal resilience, mindfulness half day courses for staff
- Working towards Corporate Health Standard
- MAA Training and Working in partnership with TU reps in relation to the delivery of training

- Mediation service – for workplace conflict and stress at work
- aligning approaches to flexible working, re-deployment and other workplace policies to ensure that they support the aims of supporting staff in work
- Implementation the NHS Wales Menopause Policy
- The implementation of a NWSSP's Employee Health and Well Being Strategy Group Key objectives of this group will include:-
 - Ensuring that staff health and wellbeing remain a key focus across the organisation.
 - Enabling a platform for health and wellbeing to be discussed openly and fairly.
 - Leading and co-ordinating the development of staff health and well-being.
 - Supporting NWSSP's commitment to the health and wellbeing of its employees.
 - Providing a high-level strategic and fresh approach to improving staff health and wellbeing and managing attendance at work across Shared Services.

RECOMMENDATIONS

The Shared Service Partnership Committee is requested to note:

- The financial position as at 30th April 2019 and the financial outturn for the year ended 31th March 2019.
- The actual increased distribution for 2018/19.
- The significant level of professional influence benefits generated by NWSSP to 31st March 2019.
- The performance against the high-level key performance indicators.
- The workforce data for the period.



The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Annual Governance Statement

ARWEINYDD: LEAD:	Andy Butler Director of Finance & Corporate Services
AWDUR: AUTHOR:	Peter Stephenson Head of Finance & Business Development
SWYDDOG ADRODD: REPORTING OFFICER:	Andy Butler Director of Finance & Corporate Services
MANYLION CYSWLLT: CONTACT DETAILS:	Andy Butler 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 the finalised version of the NHS Wales Shared Services Partnership's (NWSSP) Annual Governance Statement.

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 purpose of this report is to receive the Annual Governance Statement (AGS) for the NHS Wales Shared Services Partnership (NWSSP). The Statement has also been submitted to the Senior Management Team in March 2019 and the Audit Committee in April 2019. The Statement will be formally approved at the July meeting of the Audit Committee.

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE		ARNODI/ ENDORSE	✓	TRAFOD/ DISCUSS		NODI/ NOTE	
Argymhelliad/ Recommendation		The Committee is asked to ENDORSE the report ahead of formal approval by the Audit Committee.					

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 governance processes in place.
Ariannol: Financial:	Not applicable
Risg a Aswariant: Risk and Assurance:	This report provides assurance to the Committee that NWSSP has robust governance 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 ANNUAL GOVERNANCE STATEMENT

May 2019

1. BACKGROUND

The Shared Services Partnership Committee ("the Committee") was established in accordance with the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No. 1261(W.156) and the functions of managing and providing shared services (professional, technical and administrative services) to the health service in Wales is included within the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012.

The Annual Governance Statement is a mandatory requirement. It provides assurance that NWSSP has a generally sound system of internal control that supports the achievement of its policies, aims and objectives, and provides details of any significant internal control issues.

The Statement must be signed off by the Managing Director as the accountable officer, and approved by the Velindre NHS Trust Audit Committee for NWSSP. As a hosted organisation, NWSSP's annual governance statement forms part of the Velindre NHS Trust's annual report and accounts. The external auditor will report on inconsistencies between information in the Statement and their knowledge of the governance arrangements for NWSSP.

The Head of Internal Audit provides an annual opinion to the accounting officer and the Velindre NHS Trust Audit Committee for NWSSP on the adequacy and effectiveness of the risk management, control and governance processes to support the Statement.

The Annual Governance Statement for 2018-2019 is presented at **Appendix 1**.

2. TIMELINE FOR APPROVAL

The timeline for approving the statement is as follows:

Date	Action
28 February 2019	<u>Senior Management Team (SMT)</u> The SMT reviewed the draft statement
9 April 2019	<u>Audit Committee</u> The Velindre NHS Trust Audit Committee for Shared Services considered the draft and agreed that it is consistent with the

	Committee's view on the NWSSP's assurance framework
23 May 2019	<u>SSPC</u> SSPC to note the AGS prior to submission to Audit Committee on 9 July 2018
24 May 2019	<u>Formal SMT</u> SMT to formally adopt the statement
9 July 2019	<u>Audit Committee</u> Velindre NHS Trust Audit Committee for NWSSP review of the Statement along with the final Head of Internal Audit Opinion and final version agreed. (given the later date of the Audit Committee, these papers will be circulated to members before 30 June 2019)
28 June 2019	Arrange Welsh language translation
22 July 2019	Publicise on NWSSP website

4. GOVERNANCE & RISK

The Managing Director of Shared Services, as head of the Senior Management Team reports to the Chair and is responsible for the overall performance of NWSSP. The Managing Director is the designated Accountable Officer for NWSSP and is accountable through the leadership of the Senior Management Team.

The Managing Director is accountable to the Shared Services Partnership Committee (SSPC) in relation to those functions delegated to him by the SSPC. The Managing Director is also accountable to the Chief Executive of Velindre NHS Trust in respect of the hosting arrangements supporting the operation of NWSSP.

The Annual Governance Statement is complete apart from a small number of areas where information is awaited e.g. results of Committee effectiveness survey. The Annual Governance Statement will be updated to reflect the information once available.

RECOMMENDATION

The Committee is asked to:

- **ENDORSE** the report

Annual Governance Statement 2018/2019

Version	Approved
1	SMT 28 February 2019 draft for information
2	Velindre Integrated Governance Group 8 April 2019
3	Audit Committee 9 April 2019
4	SSPC 23 May 2019 Final
5	Audit Committee 9 July 2019 (for Final Approval)

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ANNUAL GOVERNANCE STATEMENT 2018/2019

1. SCOPE OF RESPONSIBILITY

As Accounting Officer, the Managing Director has responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Wales Shared Services Partnership's (NWSSP), and the host's (Velindre NHS Trust) policies, aims and objectives. The Managing Director also safeguards the public funds and departmental assets for which he is personally responsible, in accordance with the responsibilities assigned to him. The Managing Director is responsible for ensuring that NWSSP is administered prudently and economically and that resources are applied efficiently and effectively.

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. Effective governance is paramount to the successful and safe operation of NWSSP's services. This is achieved through a combination of "hard" systems and processes including standing orders, policies, protocols and processes; and "soft" characteristics of effective leadership and high standards of behaviour (Nolan principles).

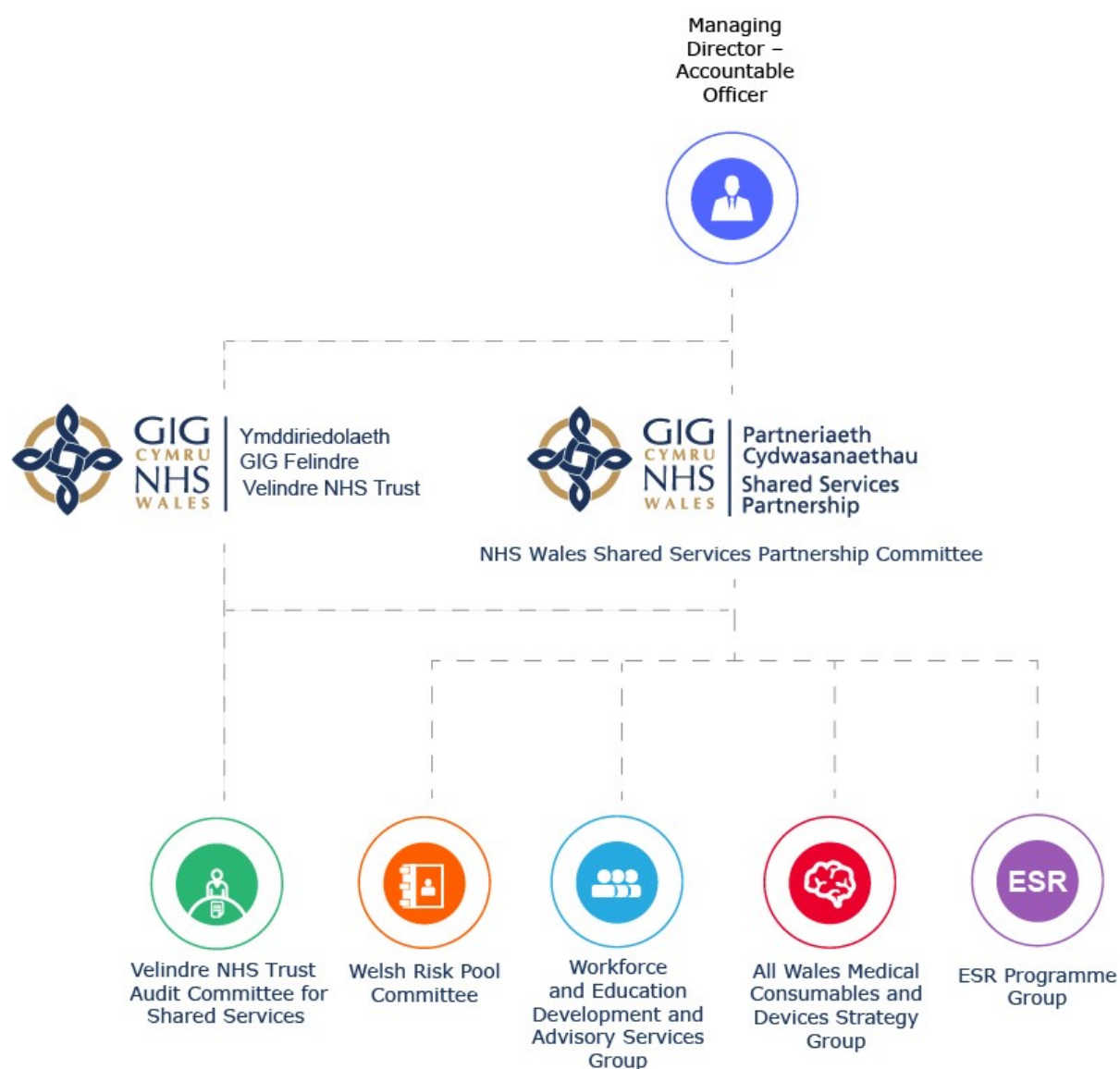
The Managing Director of Shared Services is accountable to the Shared Services Partnership Committee (Partnership Committee) in relation to those functions delegated to it. The Managing Director is also accountable to the Chief Executive of Velindre NHS Trust in respect of the hosting arrangements supporting the operation of Shared Services.

The Chief Executive of Velindre NHS Trust is responsible for the overall performance of the executive functions of the Trust and is the designated Accountable Officer for the Trust. As the host organisation, the Chief Executive (and the Velindre Board) has a legitimate interest in the activities of the Shared Services Partnership and has certain statutory responsibilities as the legal entity hosting Shared Services.

The Managing Director of Shared Services (as the Accountable Officer for Shared Services) and the Chief Executive of Velindre NHS Trust (as the Accountable Officer for the Trust) shall be responsible for meeting all the responsibilities of their roles, as set out in their respective Accountable Officer Memoranda. Both Accountable Officers co-operate with each other to ensure that full accountability for the activities of the Shared Services and Velindre NHS Trust is afforded to the Welsh Government Ministers/Cabinet Secretary whilst minimising duplication.

The Governance Structure for NWSSP is presented in Figure 1 below:

Figure 1 –NWSSP’s Governance Structure



Underpinned through the overarching Velindre NHS Trust legal and assurance framework

****The Workforce & Education Development and Advisory Services Group ceased to report to the Partnership Committee with effect from 1 October 2018 following the establishment of Health Improvement and Education Wales.***

2. GOVERNANCE FRAMEWORK

NWSSP has two main Committees that have key roles in relation to the Governance and Assurance Framework. Both Committees are chaired by Independent Members and undertake scrutiny, development discussions, and assess current risks and monitor performance in relation to the diverse number of services provided by NWSSP to NHS Wales.

2.1 Shared Services Partnership Committee

The Shared Services Partnership Committee (Partnership Committee) was established in accordance with the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No. 1261(W.156) and the functions of managing and providing shared services (professional, technical and administrative services) to the health service in Wales is included within the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012.

The composition of the Partnership Committee includes an Independent Chair, the Managing Director of Shared Services, and either the Chief Executive of each partner organisation in NHS Wales or a nominated executive representative who acts on behalf of the respective Health Board or Trust.

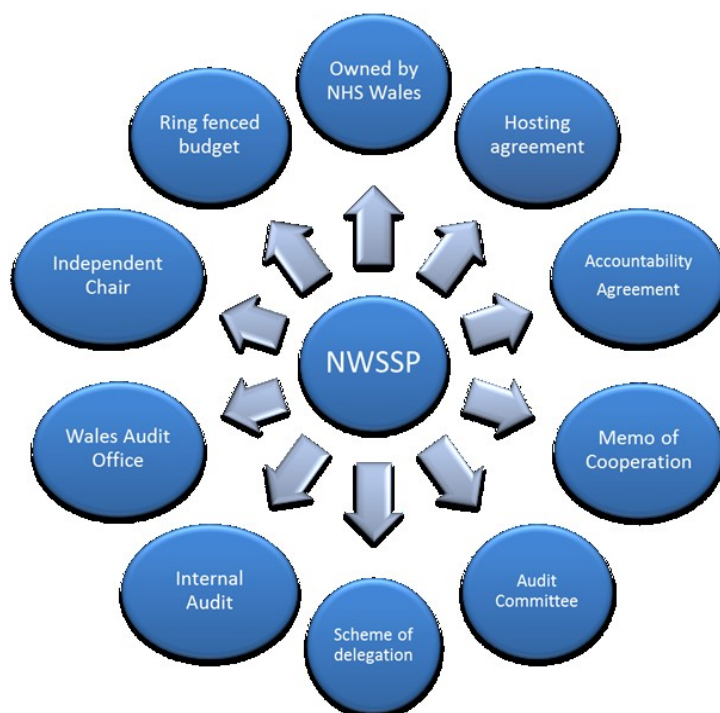
At a local level, Health Boards and NHS Trusts in Wales must agree Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out within the Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009, into day to day operating practice, and, together with the adoption of a scheme of matters reserved to the Board; a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of NWSSP and define its “way of working”. These documents, accompanied by relevant Velindre NHS Trust policies and NWSSP’s corporate protocols, approved by the SMT, provide NWSSP’s Governance Framework.

Health Boards, NHS Trusts and the newly formed Health Education and Improvement Wales (HEIW) have collaborated over the operational arrangements for the provision of shared services and have an agreed Memorandum of Co-operation to ensure that the arrangements operate effectively through collective decision making in accordance with the policy and strategy set out above, determined by the Partnership Committee.

Whilst the Partnership Committee acts on behalf of all NHS organisations in undertaking its functions, the responsibility for the exercise of Shared Services functions is a shared responsibility of all NHS bodies in Wales.

NWSSP’s governance arrangements are summarised below.

Figure 2: Summary of Governance Arrangements



The Partnership Committee has in place a robust Governance and Accountability Framework for NWSSP including:

- Standing Orders;
- Hosting Agreement;
- Interface Agreement between the Chief Executive Velindre NHS Trust and Managing Director of NWSSP; and
- Accountability Agreement between the Partnership Committee and the Managing Director of NWSSP.

These documents, together with the Memorandum of Co-operation form the basis upon which the Partnership Committee's Governance and Accountability Framework is developed. Together with the Velindre Values and Standards of Behaviour framework, this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

The Membership of the Committee during the year ended 31 March 2019 is outlined in Figure 3 below. All meetings were quorate and attended by the Chair, and the attendance of the Committee is outlined in Figure 4.

Figure 3: Table of Members of the NHS Wales Shared Services Partnership Committee during 2018/2019

Name	Position	Organisation	From – To
Margaret Foster (Chair)	<i>Independent Member</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Huw Thomas (Vice Chair)	<i>Interim Director of Finance</i>	<i>Hywel Dda UHB</i>	<i>Full Year</i>

Name	Position	Organisation	From – To
Neil Frow	<i>Managing Director of NWSSP</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Hazel Robinson	<i>Director of Workforce & OD</i>	<i>Abertawe Bro Morgannwg UHB</i>	<i>Full Year</i>
Geraint Evans	<i>Director of Workforce and OD</i>	<i>Aneurin Bevan UHB</i>	<i>Full Year</i>
Christopher Lewis	<i>Acting Director of Finance</i>	<i>Cardiff and Vale UHB</i>	<i>Full Year</i>
Joanna Davies	<i>Director of Workforce & OD</i>	<i>Cwm Taf UHB</i>	<i>Full Year</i>
Eifion Williams	<i>Director of Finance</i>	<i>Powys THB</i>	<i>Full Year</i>
Phil Bushby	<i>Director of People & OD</i>	<i>Public Health Wales NHS Trust</i>	<i>Full Year</i>
Steve Ham	<i>Chief Executive</i>	<i>Velindre NHS Trust</i>	<i>Full Year</i>
Chris Turley	<i>Interim Director of Finance</i>	<i>Welsh Ambulance Services NHS Trust</i>	<i>Full Year</i>
Other Regular Attendees			
<i>Denise Roberts</i>	<i>Financial Accountant</i>	<i>Betsi Cadwaladr UHB</i>	<i>Full Year</i>
<i>Dafydd Bebb</i>	<i>Board Secretary</i>	<i>HEIW</i>	<i>Part-Year</i>

The composition of the Committee also requires the attendance of the following: Director of Finance, Welsh Government, Director of Finance & Corporate Services, NWSSP, Director of Workforce & Organisational Development, Board Secretary NWSSP as governance support.

Figure 4 – Attendance at the Meetings of the NHS Wales Shared Services Partnership Committee during 2018/2019

Organisation	21/06/2018	20/09/2018	15/11/2018	17/01/2019	14/03/2019
<i>Abertawe Bro Morgannwg UHB</i>	✓*	✓	✓	✓	*
<i>Aneurin Bevan UHB</i>	✓	✓	✓	✓	✓
<i>Betsi Cadwaladr UHB</i>	✓*	*	✓*	✓*	✓*
<i>Cardiff and Vale UHB</i>	✓	✓	✓	✓	✓
<i>Cwm Taf UHB</i>	✓	✓	*	✓	✓*
<i>HEIW</i>	N/a	N/a	N/a	✓*	✓*
<i>Hywel Dda LHB</i>	✓	✓	✓	✓*	✓
<i>Powys Teaching Health Board</i>	✓*	*	✓	✓	✓

<i>Public Health Wales Trust</i>	✓*	*	✓	✓	✓
Velindre NHS Trust	✓	✓	✓	*	✓
<i>Welsh Ambulance Service Trust</i>	✓	*	✓	*	✓
Welsh Government	✓	*	✓	*	✓

✓ Denotes the nominated member was present

✓* *Denotes the nominated member was not present and that a suitable officer attended on their behalf*

× Denotes Health Body not represented

The purpose of the Partnership Committee is set out below:

- To set the policy and strategy for Shared Services;
- To monitor the delivery of Shared Services through the Managing Director of Shared Services;
- To seek to improve the approach to delivering shared services which are effective, efficient and provide value for money for NHS Wales and Welsh Government;
- To ensure the efficient and effective leadership, direction, and control of Shared Services; and
- To ensure a strong focus on delivering savings that can be re-invested in direct patient care.

The Partnership Committee monitors performance monthly against key performance indicators. For any indicators assessed as being below target, reasons for current performance are identified and included in the report along with any remedial actions to improve performance. These are presented to the Partnership Committee by the relevant Director. *Deep Dive* sessions are a standing item on the agenda to learn more about the risks and issues of directorates within NWSSP.

The Partnership Committee ensures that NWSSP consistently followed the principles of good governance applicable to NHS organisations, including the oversight and development of systems and processes for financial control, organisational control, governance and risk management. The Partnership Committee assesses strategic and corporate risks through the Corporate Risk Register.

2.2 Partnership Committee Performance

During 2018/2019, the Partnership Committee approved an annual forward plan of business, including:

- Regular assessment and review of:
 - Finance, Workforce and Performance information;

- Corporate Risk Register;
- Welsh Risk Pool;
- Programme Management office updates.
- Annual review and/or approval of:
 - Integrated Medium Term Plan;
 - Annual Governance Statement;
 - Wales Audit Office Management Letter;
 - Annual Review;
 - Standing Orders and Standing Financial Instructions;
 - Health & Care Standards; and
 - Service Level Agreements.
- Deep Dives into:
 - Hire to Retire;
 - GP Specialty Registrar Trainees;
 - Legal & Risk Complex Case Team;
 - Specialist Estates Services.

2.3 Velindre Audit Committee for NWSSP

The primary role of the Velindre NHS Trust Audit Committee for Shared Services (Audit Committee) has been to review and report upon the adequacy and effective operation of NWSSP's overall governance and internal control system. This includes risk management, operational and compliance controls, together with the related assurances that underpin the delivery of NWSSP's objectives. This role is set out clearly in the Audit Committee's terms of reference, which were revised in July 2018 to ensure these key functions were embedded within the standing orders and governance arrangements.

The Audit Committee reviews the effective local operation of internal and external audit, as well as the Counter Fraud Service. In addition, it ensures that a professional relationship is maintained between the external and internal auditors so that assurance resource is effectively used.

The Audit Committee supports the Partnership Committee in its decision-making and in discharging its accountabilities for securing the achievement of NWSSP's objectives in accordance with the standards of good governance determined for the NHS in Wales.

The Committee attendees during 2018/2019 comprised of three Independent Members of Velindre NHS Trust supported by representatives of both Internal and External Audit and Senior Officers of NWSSP and Velindre NHS Trust. (NB Phil Roberts replaced Professor Jane Hopkinson as an independent member, with effect from January 2019).

Figure 5 - Composition of the Velindre NHS Trust Audit Committee for NWSSP during 2018/19

In Attendance	April 2018	June 2018	July 2018	Oct 2018	Jan 2019	Total
Committee Members						
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	✓	5/5
Ray Singh, Independent Member	✓	✓	✓	✓		4/5
Professor Jane Hopkinson, Independent Member (to October 2018)	✓	✓	✓	✓	N/a	4/4
Phil Roberts, Independent Member (from January 2019)	N/a	N/a	N/a	N/a	✓	1/1
Wales Audit Office						
Audit Team Representative	✓	✓	✓		✓	4/5
NWSSP Audit Service						
Director of Audit & Assurance	✓	✓		✓	✓	4/5
Head of Internal Audit	✓	✓	✓	✓	✓	5/5
Audit Manager	✓	✓	✓	✓	✓	5/5
Counter Fraud Services						
Local Counter Fraud Specialist	✓	✓	✓		✓	4/5
NWSSP						
Margaret Foster, Chair NWSSP	✓	✓	✓			3/5
Neil Frow, Managing Director	✓	✓	✓	✓	✓	5/5
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	✓	5/5
Peter Stephenson, Head of Finance & Business Development	✓	✓	✓	✓	✓	5/5
Roxann Davies, Compliance Officer	✓	✓	✓	✓	✓	5/5
NWSSP Secretariat	✓	✓	✓	✓	✓	5/5
Velindre NHS Trust						
Mark Osland, Director of Finance			✓	✓	✓	3/5

The Audit Committee met formally on five occasions during the year with the majority of members attending regularly and all meetings were quorate. An Audit Committee "Highlight Report" and Minutes of the meeting have been reported back to the Partnership Committee.

2.4 Reviewing Effectiveness of Audit Committee

The Audit Committee completes an annual committee effectiveness survey evaluating the performance and effectiveness of:

- the Audit Committee members and Chair;
- the quality of the reports presented to Committee; and
- the effectiveness of the Committee secretariat.

The survey questionnaire comprises self-assessment questions intended to assist the Committee in assessing their effectiveness with a view to identifying potential areas for development going forward. The survey for 2018/19, undertaken during May 2019, had a 91% response rate (10 responses received) and identified the following:

- Over 90% of all responses were positive;
- All respondents felt that the Committee had been provided with sufficient authority and resource to perform its role effectively;
- All respondents considered that the Committee meets sufficiently frequently to deal with planned matters and that sufficient time is made available for questions and discussion;
- All respondents agreed that the atmosphere at Committee meetings is conducive to open and productive debate;
- All respondents agreed that the behaviour of members and attendees was courteous and professional; and
- All respondents agreed that the reports received by the Committee were timely and included the right format and content to enable the Committee to discharge its internal control and risk management responsibilities.

The results highlighted areas for consideration, which will form a Committee Effectiveness Action Plan for 2019-20, including 70% of respondents welcoming greater use of Committee paper software (e.g. iBabs); the monitoring of implementation of actions arising and lessons learned in relation to Counter Fraud cases; and assessment of the quality and effectiveness of External Audit.

2.5 Sub Groups and Advisory Groups

The Partnership Committee is now supported by three, rather than four advisory groups. Following the establishment of Health Improvement & Education Wales on 1 October 2018, the Workforce Education and Development Services Advisory Group no longer reports to the Partnership Committee:

- **Welsh Risk Pool Committee**
 - Reimburse losses over £25,000 incurred by Welsh NHS bodies arising out of negligence;
 - Funded through the NHS Wales Healthcare budget;
 - Oversees the work and expenditure of the Welsh Risk Pool; and
 - Helps promote best clinical practice and lessons learnt from clinical incidents.
- **Evidence-Based Procurement Board**
 - Advisory group to promote wider liaison across NHS Wales;
 - Includes representatives of various disciplines across NHS Wales and relevant research bodies;
 - Helps inform and develop a value and evidence based procurement process for medical consumables and devices for NHS Wales.

- **Local Partnership Forum (LPF)**
 - Formal mechanism for consultation and engagement between NWSSP and the relevant Trade Unions. The LPF facilitates an open forum in which parties can engage with each other to inform debate and seek to agree local priorities on workforce and health service issues.

2.6 Senior Management Team (SMT)

The Managing Director leads the SMT and reports to the Chair of the Partnership Committee on the overall performance of NWSSP. The Managing Director is the designated Accountable Officer for Shared Services and is accountable, through the leadership of the Senior Management Team, for:

- The performance and delivery of NWSSP through the preparation of the annually updated Integrated Medium Term Plan (IMTP) based on the policies and strategy set by the Committee and the preparation of Service Improvement plans;
- Leading the SMT to deliver the IMTP and Service Improvement Plans;
- Establishing an appropriate Scheme of Delegation for the SMT; and
- Ensuring that adequate internal controls and procedures are in place to ensure that delegated functions are exercised properly and prudently.

The SMT are responsible for determining NWSSP policy, setting the strategic direction and aims to ensure that there is effective internal control, and ensuring high standards of governance and behaviour. In addition, the SMT is responsible for ensuring that NWSSP is responsive to the needs of Health Boards and Trusts.

The SMT comprises:

Figure 7 – Composition of the SMT at NWSSP during 2018/2019

Name	Designation
Mr Neil Frow	Managing Director
Mr Andy Butler	Director of Finance and Corporate Services
Mr Gareth Hardacre	Director of Workforce and Organisational Development
Mr Mark Roscrow	Director of Procurement Services
Mr Paul Thomas	Director of Employment Services
Mr Simon Cookson	Director of Audit and Assurance
Mrs Anne-Louise Ferguson	Director of Legal and Risk
Mr Dave Hopkins	Director of Primary Care Services
Mr Neil Davies	Director of Specialist Estates
<i>Mr Stephen Griffiths (until 30 September 2018)</i>	<i>Director of Workforce Education and Development Services (WEDS)</i>

3. THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to the achievement of the policies, aims and objectives of NWSSP. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NWSSP for the year ending 31 March 2019.

3.1 External Audit

During 2018/2019, NWSSP's external auditors were the Wales Audit Office (WAO). The Audit Committee has worked constructively with the WAO and the areas examined included:

- Position Statements (to every meeting);
- NWSSP Nationally Hosted NHS IT Systems Assurance Report 2017-18;
- Management Letter 2017/18; and
- WAO Assurance Arrangements 2019.

The work of external audit is monitored by the Audit Committee through regular progress reports. Their work is considered timely and professional. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and in minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to internal NWSSP issues, the Audit Committee has been kept apprised by our external auditors of developments across NHS Wales and elsewhere in the public sector. These discussions have been helpful in extending the Audit Committee's awareness of the wider context of our work.

3.2 Internal Audit

The Audit Committee regularly reviewed and considered the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit have attended meetings to discuss their work and present their findings. The Audit Committee are satisfied with the liaison and coordination between the external and internal auditors.

Quarterly returns providing assurance on any audit areas assessed as having "no assurance" or "limited assurance" were issued to Welsh Government in accordance with the instruction received from Dr Andrew Goodall, Chief Executive NHS Wales/Director General in July 2016. During 2018/19, no internal audit reports were rated as limited or no assurance.

For both internal and external audit, the Audit Committee have ensured that management actions agreed in response to reported weaknesses were implemented in a timely manner. Any planned revisions to agreed timescales for implementation of action plans requires Audit Committee approval.

Reports were timely and enabled the Audit Committee to understand operational and financial risks. In addition, our internal auditors have provided valuable benchmarking information relating to best practice across NHS Wales.

3.3 Counter Fraud Specialists

The work of the Local Counter Fraud Services is undertaken to help reduce and maintain the incidence of fraud (and/or corruption) within NWSSP to an absolute minimum.

Regular reports were received by the Audit Committee to monitor progress against the agreed Counter Fraud Plan; including the following reports:

- Progress Update at each meeting
- Annual Report 2017-18
- Counter Fraud Work Plan 2018-19
- Counter Fraud Self Review Tool Submission 2017-18

During 2018/19, five new investigations into possible fraudulent or corrupt activity were instigated together with the five cases that were brought forward from 2017/18. Out of the five new cases, four of them involved alleged false claims that had been submitted to the NHS Student Awards Service.

As part of its work, the Counter Fraud Department has a regular annual programme of raising fraud awareness for which a number of days are then allocated and included as part of a an agreed Counter Fraud Work-Plan which is signed off by the Director of Finance and Corporate Services annually.

As part of that planned area of work, regular fraud awareness sessions are arranged and then held with various staff groups at which details on how and to who fraud can be reported are outlined.

In addition to this and in an attempt to promote an Anti-Fraud Culture within NWSSP, a quarterly newsletter is produced which is then available to all staff on the intranet and all successful prosecutions are also publicised in order to obtain the maximum deterrent effect.

3.4 Integrated Governance

The Audit Committee is responsible for the maintenance and effective system of integrated governance. It has maintained oversight of the whole process by seeking specific reports on assurance, which include:

- The Quality Assurance and Improvement Plan arising from the 2017-18 Internal Audit self-assessment;
- Tracking of Audit Recommendations;
- Corporate Risk Register;
- Directorate Assurance Maps; and
- Governance Matters report on single tender actions, declarations of interest, gifts and hospitality received and declined.

During 2018/19, the Audit Committee reported any areas of concern to the Partnership Committee and played a proactive role in communicating suggested amendments to governance procedures and the corporate risk register.

3.5 Quality

During 2018/19, the Partnership Committee has given attention to assuring the quality of services by including a section on “Quality, Safety and Patient Experience” as one of the core considerations on the committee report template when drafting reports for Partnership Committee meetings.

In addition, quality of service provision is a core feature of the discussions undertaken between NWSSP and the Health Boards and Trusts during quarterly review meetings with the relevant Directors.

Procurement Services maintains certification to a number of international and national standards including ISO 9001 Quality Management, ISO 27001 Information Security, OHSAS 18001 Occupational Health & Safety and Customer Service Excellence. Our Regional Stores are also accredited to the STS Code of Practice & Technical Standard for the Public Sector. During 2018/19, our ISO 9001 scope of certification was extended to include our Accounts Payable function in South Wales and Front Line Procurement teams at an additional four locations. In 2019/20, we will include our Accounts Payable function in North Wales. We will also be extending our Customer Service Excellence accreditation to include Health Courier Services. Work will also be completed to transition from OHSAS 18001 to ISO 45001 and comply with updates to the STS Code of Practice.

We continue to work towards the ISO27001 Information Security Management Standard (ISMS). We have developed an organisation wide cyber-security action plan that will be implemented prior to ISO 27001. We recently took part in a cyber-security audit as part of our work to achieve the Cyber Essentials Plus standard from the international NIST framework, our plan has been updated to reflect the recommendations. The standard aims to improve resilience and responsiveness to threats to information, preserving confidentiality, integrity and availability of information (CIA) by applying a risk management process. It deals with the need for prevention and all aspects of protocol including technical, physical and legal control.

3.6 Looking Ahead

As a result of its work during the year the Audit Committee is satisfied that NWSSP has appropriate and robust internal controls in place and that the systems of governance incorporated in the Standing Orders are fully embedded within the Organisation.

Looking forward to 2019-20, the Audit Committee will continue to explore the financial, management, governance and quality issues that are an essential component of the success of NWSSP.

Specifically, the Audit Committee will:

- Continue to examine the governance and internal controls of NWSSP;
- Monitor closely risks faced by NWSSP and also by its major providers;
- Work closely with the "Chairs of Audit Committee group" on issues arising from financial governance matters affecting NHS Wales and the broader public sector community;
- Work closely with external and internal auditors on issues arising from both the current and future agenda for NWSSP;
- Ensure the Partnership Committee is kept aware of its work including both positive and adverse developments; and
- Request and review a number of "deep dives" into specific areas to ensure that it provides adequate assurance to both the Audit Committee and the Partnership Committee.

4. CAPACITY TO HANDLE RISK

The Shared Services Partnership Committee has overall responsibility and authority for NWSSP's Risk Management programme through the receipt and evaluation of reports indicating the status and progress of risk management activities.

The lead director for risk is the Director of Finance and Corporate Services who is responsible for establishing the policy framework and systems and processes needed for the management of risks within the organisation.

Velindre NHS Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with our host's strategy providing a clear systematic approach to the management of risk within NWSSP.

NWSSP seeks to integrate risk management processes so that it is not seen as a separate function but rather an integral part of the day-to-day management activities of the organisation including financial, health and safety and environmental functions.

The Corporate Risk Register is reviewed monthly by the SMT who ensure that key risks are aligned to delivery and are considered and scrutinised by the SMT as a whole. The register is divided into two sections as follows:

- Risks for Action – this includes all risks where further action is required to achieve the target score. The focus of attention for these risks should be on ensuring timely completion of required actions; and
- Risks for Monitoring – this is for risks that have achieved their target score but which need to remain on the Corporate Risk Register due to their potential impact on the organisation as a whole. For these risks the focus is on monitoring both any changes in the nature of the risk (e.g. due to external environmental changes) and on ensuring that existing controls and actions remain effective (e.g. through assurance mapping).

It is the responsibility of each Director and Head of Service to ensure that risk is addressed within each of the locations relevant to their Directorates. It is also important that an effective feedback mechanism operates across NWSSP so that frontline risks are escalated to the attention of Directors.

Each Director is required to provide a regular update on the status of their directorate specific risk registers during quarterly review meetings with the Managing Director. All risks categorised as being red within individual directorate registers trigger an automatic referral for review by the SMT, and if deemed appropriate the risk is added to the NWSSP Corporate Risk Register.

In 2018/19, assurance maps were updated for each of the directorates to provide a view on how the key operational or business-as-usual risks were being mitigated. An additional map was produced for the Wales Infected Blood Support Scheme and an overall map linked to the corporate objectives for NWSSP has also been documented. The new and updated assurance maps were presented to the Audit Committee in November 2018 and they will continue to be updated and reviewed by the Audit Committee annually.

During 2018/19, a Risk Appetite statement has also been documented and approved by the Audit Committee. This covers nine specific aspects of NWSSP activity with a separate appetite score for each. The operationalisation of the risk appetite is through the target scores in the corporate and directorate risk registers.

The annual internal audit of risk management was undertaken at the end of 2018/19 and concluded that the level of assurance given as to the effectiveness of the system of internal control in place to manage the risk associated with Risk Management was Substantial Assurance.

NWSSP's approach to risk management therefore ensures that:

- Leadership is given to the risk management process;
- Staff are trained on how to identify and manage risk;
- Risks are identified, assessed, and prioritised ensuring that appropriate mitigating actions are outlined on the risk register; and
- The effectiveness of key controls is regularly assured.

5. THE RISK AND CONTROL FRAMEWORK

NWSSP's commitment to the principle that risk is managed effectively means that we will continue to work to ensure that:

- There is compliance with legislative requirements where non-compliance would pose a serious risk;
- All sources and consequences of risk are identified and risks are assessed and either eliminated or minimised; information concerning risk is shared with staff across NWSSP and with Partner organisations through the Partnership Committee and the Audit Committee;
- Damage and injuries are minimised, and people health and wellbeing is optimised; and
- Lessons are learnt from compliments, incidents, and claims in order to share best practice and reduce the likelihood of reoccurrence.

5.1 Corporate Risk Framework

The detailed procedures for the management of corporate risk have been outlined above. As at 31 March 2019, there are two corporate risks categorised as having a "red" risk rating, relating to:

- Risk of a no-deal Brexit with a particular focus on the supply chain; and
- Plans for the replacement of the NHAIS system to allow payments to be made to GPs.

Generally, to mitigate against potential risks concerning governance, NWSSP is proactive in reviewing its governance procedures and ensuring that risk management is embedded throughout its activities, including:

- NWSSP is governed by Standing Orders and Standing Financial Instructions which are reviewed on an annual basis;
- The Partnership Committee and Audit Committee both have forward work plans for committee business which provide an assurance framework for compliance with legislative and regulatory requirements;
- The effectiveness of governance structures is regularly reviewed including through Committee self-effectiveness surveys;
- The front cover pro-forma for reports for Committees includes a summary impact analysis section to be completed prior to submission. This provides a summary of potential implications relating to equality and diversity, legal implications, quality, safety

- and patient experience, risks and assurance, Wellbeing of Future Generations, Health and Care Standards and workforce;
- The Service Level Agreements in place with the Health Boards and NHS Trusts set out the operational arrangements for NWSSP's services to them and are reviewed on an annual basis;
- NWSSP are proactive in completing the Welsh Government's Health and Care Standards framework and ensure that Theme 2 Safe Care provided a clear picture of NWSSP's approach to health, safety and risk management; and
- The responsibilities of Directors are reviewed at annual Performance and Development Reviews (PADRs).

5.2 Policies and Procedures

NWSSP follows the policies and procedures of Velindre NHS Trust as the host organisation. In addition, a number of workforce policies have been developed and promulgated on a consistent all-Wales basis through the Welsh Partnership Forum and these apply to all staff within NWSSP.

All staff are aware of and have access to the internal Intranet where the policies and procedures are available. In a number of instances, supplementary guidance has been provided. Velindre NHS Trust ensures that NWSSP have access to all of the Trust's policies and procedures and that any amendments to the policies are made known as they are agreed. NWSSP participate in the development and revision of workforce policies and procedures with the host organisation and has established procedures for staff consultation.

The Partnership Committee will where appropriate develop its own protocols or amend policies if applicable to the business functions of NWSSP. The Managing Director and other designated officers of NWSSP are included on the Velindre NHS Trust Scheme of Delegation.

5.3 Information Governance

NWSSP has established arrangements for Information Governance to ensure that information is managed in line with the relevant ethical law and legislation, applicable regulations and takes guidance, when required from the Information Commissioner's Office (ICO). This includes established laws including Data Protection Legislation, Common Law Duty of Confidentiality, the Human Rights Act, the Caldicott Report and specific Records Management Principles. The implementation of the General Data Protection Regulations in May 2018 increased the responsibilities to ensure that the data that NWSSP collects, and its subsequent processing, is for compatible purposes, and it remains secure and confidential whilst in our custody.

The Director of Finance and Corporate Services is the designated Senior Information Risk Owner (SIRO) in relation to Information Governance for NWSSP and, due to NWSSP's hosted status, the Caldicott Guardian for decisions of a clinical nature is Rhydian Hurle, Medical Director, who is employed by the NHS Wales Informatics Service (NWIS).

NWSSP has an Information Governance Manager who has the objective of facilitating the effective use of controls and mechanisms to ensure that staff comply with Information Governance fundamental principles and procedures. This work includes awareness by delivery of an online core skills training framework eLearning module on Information Governance, classroom based training for identified "high risk" staff groups, developing and reviewing policies and protocols to safeguard information, and advising on and investigating Information Governance breaches reported on the Datix incident reporting system.

The Information Governance Manager is responsible for the continuing delivery of an enhanced culture of confidentiality. This includes the presence of a relevant section on the intranet and a dedicated contact point (via ActionPoint) for any requests for advice, training or work.

NWSSP has an "Information Governance Steering Group" (IGSG) that comprises representatives from each directorate who undertake the role of "Information Asset Administrators" for NWSSP. The IGSG discusses quarterly issues such as GDPR and Data Protection Legislation, the Freedom of Information Act, Information Asset Ownership, Information Governance Breaches, Records Management, Training compliance, new guidance documentation and training materials, areas of concern and latest new information and law.

NWSSP has a suite of protocols and guidance documents used in training and awareness for all staff on the importance of confidentiality and to ensure that all areas are accounted for. These include email and password good practice guides, summarised protocols and general guidance for staff. There is also a documented Privacy Impact Assessment (or "Privacy by Design") process in place to ensure consideration of Information Governance principles during the early stages of new projects, processes or work streams proposing to use identifiable information in some form.

NWSSP has developed an Integrated Impact Assessment process to include broader legislative and regulatory assurance requirements, and the pro-forma includes the need to consider the impact of the protected characteristics (including race, gender and religion) on the various types of Information Governance protocols.

The Information Governance Manager attends various meetings including the Velindre NHS Trust IG and IM&T Committee and the NHS Wales Information Governance Management Advisory Group (IGMAG) hosted by NHS Wales Informatics, attended by all NHS Wales Health Boards.

5.4 Counter Fraud

Counter Fraud support is incorporated within the hosting agreement with Velindre NHS Trust. Under this agreement, local Counter Fraud Services are provided to NWSSP by Cardiff and Vale UHB.

In addition, NWSSP lead the NHS Wales Counter Fraud Steering Group, facilitated by Welsh Government, which works in collaboration with the NHS

Counter Fraud Authority in NHS England to develop and strengthen counter fraud services across NHS Wales. The Director of Finance and Corporate Services chairs the group. During the year, the Group has documented and approved a NHS Anti-Fraud Strategy for Wales.

5.5 Internal Audit

The NWSSP hosting agreement provides in Section 14 that the Partnership Committee will establish an effective internal audit as a key source of its internal assurance arrangements, in accordance with the Public Internal Auditing Standards.

Accordingly for NWSSP, an internal audit strategy has been approved by the Audit Committee which provides coverage across NWSSP functions and processes sufficient to assure the Managing Director of Shared Services and in turn the Partnership Committee and Velindre NHS Trust as host organisation, on the framework of internal control operating within NWSSP.

The delivery of the audit plan for NWSSP culminates in the provision of a Head of Internal Audit opinion on the governance, risk and control processes operating within NWSSP. The opinion forms a key source of assurance for the Managing Director when reporting to the Partnership Committee and partner organisations.

In March 2018, the internal audit team was subject to a formal external quality assessment undertaken by the Chartered Institute of Internal Auditors. The opinion from this review was that:

*The Institute of Internal Audit's (IIA's) International Professional Practice Framework (IPPF) includes the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. The Public Sector Internal Audit Standards are wholly aligned with these standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. It is our view that NWSSP Audit and Assurance Services conforms to all of these principles, and it is therefore appropriate for NWSSP Audit and Assurance Services to say in reports and other literature that it **"conforms to the IIA's professional standards and to PSIAS"**.*

5.6 Integrated Medium Term Plan (IMTP)

NWSSP has continued with the medium term approach to planning and has undertaken a significant amount of work, which continues to ensure it, maintains progress to develop its three-year IMTP. The IMTP is approved by the Partnership Committee and performance against the plan is monitored throughout the year.

The IMTP is formally reviewed and amended annually and approved by the Partnership Committee in March each year prior to submission to Welsh Government. The planning process for the 2019-2021 IMTP commenced with a stakeholder away day in September 2018 and the completed IMTP was submitted to Welsh Government at the end of January 2019.

5.7 Health and Care Standards for NHS Wales

The Standards for Health Service in Wales provide a framework for consistent standards of practice and delivery across the NHS in Wales, and for continuous improvement. In accordance with the programme of Internal Audits, the process is tested and is an integral part of the organisation's assurance framework process.

The Health and Care Standards Framework comprises seven main themes and sub criteria against which NHS bodies need to demonstrate compliance. A summary of the themes is outlined below:



The process for undertaking the annual self-assessments is:

- The Head of Corporate Services undertakes an initial evaluation;
- A draft self-assessment is then presented to the SMT for discussion and further consultation is undertaken at Directorate level;
- Feedback from each Directorate is reviewed and incorporated into the self-assessment pro-forma and is then re-presented to SMT for final approval
- Once approved, it is presented to the Partnership Committee, Audit Committee and the Velindre NHS Trust Quality and Safety Committee.

Each theme is assessed and given an overall self-assessment rating of between 1 and 5. As a largely non-clinical service provider, not all of the sub-criteria are applicable.

A summary of the self-assessment ratings is outlined overleaf:

Figure 9 – Self- Assessments Rating Against the Health and Care Standards 2018/2019

Theme	Executive Lead	2018/2019 Self-Assessment Rating	2017/2018 Self-Assessment Rating
Governance, Leadership and Accountability	Senior Management Team	4	4
Staying Healthy	Director of Workforce and Organisational Development	4	3
Safe Care	Director of Finance and Corporate Services Director of Specialist Estates	4	4
Effective Care	Senior Management Team	4	3
Dignified Care	Not applicable	Not applicable	Not applicable
Timely Care	Not applicable	Not applicable	Not applicable
Individual Care	Senior Management Team	4	3
Staff and Resources	Director of Workforce and Organisational Development	4	4

The overall rating against the mandatory Governance, Leadership and accountability module and the seven themes within the Health and Care Standards reflects NWSSP's overall compliance against the standards and has been rated as a 4 as outlined below:

Figure 10 – NWSSP's Overall Self-Assessment Score Health and Care Standards 2018/2019

Assessment Level	1 We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what / where we need to improve	2 We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action	3 We are developing plans and processes and can demonstrate progress with some of our key areas for improvement	4 We have well developed plans and processes can demonstrate sustainable improvement throughout the organisation / business	5 We can demonstrate sustained good practice and innovation that is shared throughout the organisations / business, and which others can learn from
Rating				✓	

6. MANDATORY DISCLOSURES

In addition to the need to report against delivery of the Standards for Health Services in Wales, NWSSP is also required to report that arrangements are in place to manage and respond to the following governance issues:

6.1 Equality, Diversity and Human Rights

We are committed to eliminating discrimination, valuing diversity and promoting inclusion and equality of opportunity in everything we do. Our priority is to develop a culture that values each person for the contribution they can make to our services for NHS Wales. As a non-statutory hosted organisation within Velindre University NHS Trust, we are required to adhere to their Equality and Diversity Policy, Strategic Equality Plan and Equality Objectives, which set out the Trust's commitment and legislative requirements to promoting inclusion.

Our Corporate Services Manager chairs the NHS Wales Equality Leadership Group, together with sitting on the All Wales Senior Offices Group for Equality. We work together with colleagues across NHS Wales to collaborate on events, facilitate workshops, deliver and undertake training sessions, issue communications and articles relating to equality, diversity and inclusion, together with the promotion of dignity and respect.

We also benefit from the proactive work undertaken by our host organisation to strengthen our offering, including the Positive About Disabled People "Double Tick" symbol, "The Rainbow Mark" and we are working towards achieving a place on the Stonewall Cymru Workplace Index. Furthermore, 2018 saw NWSSP supporting NHS Wales

organisations with completion of their submission for all-Wales services, such as Procurement and Recruitment.

We have developed a process for undertaking Equality Integrated Impact Assessments (EQIIA), which we are hoping to integrate into our Project Management System software. The EQIIA considers the needs of the protected characteristics identified under the Equality Act 2010, the Public Sector Equality Duty in Wales and the Human Rights Act 1998, whilst recognising the potential impacts from key enablers such as Well-being of Future Generations (Wales) Act 2015 incorporating Environmental Sustainability, Modern Slavery Act 2015 incorporating Ethical Employment in Supply Chains Code of Practice (2017), and Welsh Language, Information Governance and Health and Safety.

Personal data in relation to equality and diversity is captured on the Electronic Staff Record (ESR) system and staff are responsible for updating their own personal records using the Electronic Staff Record Self-Service. This includes ethnicity; nationality, country of birth, religious belief, sexual orientation and Welsh language competencies. The "NHS Jobs" all Wales recruitment service, run by NWSSP adheres to all of the practices and principles in accordance with the Equality Act and quality checks the adverts and supporting information to ensure no discriminatory elements. NWSSP has a statutory and mandatory induction programme for all recruits, which includes the NHS Wales "Treat Me Fairly" e-learning module focusing on equality and diversity. The module is a national training package and the statistical information pertinent to NWSSP completion contributes to the overall figure for NHS Wales. NWSSP provides a "Core Skills for Managers" Training Programme and the "Managing Conflict" module includes an awareness session on the Dignity at Work Policy and Procedure. A corporate induction package on equality, diversity and inclusion was been included within the 2019 programme for new starters in the organisation.

6.2 Welsh Language

NWSSP is committed to ensuring that the Welsh and English languages are treated equally in the services we provide to the public and NHS partner organisations in Wales. This is in accordance with the current Velindre NHS Trust Welsh Language Scheme, Welsh Language Act 1993, the Welsh Language Measure (Wales) 2011 and the Welsh Language Standards [No7.] Regulations 2018.

The work of NWSSP in relation to Welsh language delivery and performance is reported to the Welsh Government, National Assembly and the Welsh Language Commissioner within the Annual Performance Report. This work is largely undertaken by the Welsh Language Officer and a team of Translators.

These posts enable us to comply with our current obligations under the current Welsh Language Scheme and in meeting the requirements of the

Welsh Language Standards with the first deadline in May 2019. This has increased the demand for translation services in the following areas:

- Service Delivery Standards;
- Policy Making Standards;
- Operational Standards;
- Record Keeping Standards; and
- Supplementary Standards.

The preparation for the formal implementation of the standards is monitored through an action plan that is reviewed by the NWSSP SMT monthly. The arrangements for implementation were also the subject of an internal audit that reported in January 2019, and which provided reasonable assurance. Our achievements from the implementation plan will enable us to report on our performance against the Welsh Language Standards within our Annual Performance Report, which is bilingually to the Welsh Language Commissioner in June each year.

NWSSP has made significant progress in developing and growing its Welsh language services by successfully offering all staff the opportunity to learn Welsh at work. The NWSSP website is bilingual and we have invested in the development of a candidate interface on the TRAC recruitment system. We are now looking to offer our language services to other organisations and have already agreed to provide services to Public Health Wales, HEIW, and NWIS.

6.3 Handling Complaints and Concerns

NWSSP is committed to the delivery of high quality services to its customers; the NWSSP mission is 'to enable the delivery of world class Public Services in Wales through customer focus, collaboration and innovation'.

NWSSP's Issues and Complaints Protocol is reviewed annually. The Protocol aligns with the Velindre NHS Trust Handling Concerns Policy, the Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011 and Putting Things Right Guidance.

During 2018-19, 25 complaints were received. 88% of the complaints received were responded to within the 30 working day target, which is an improved rate from 71% compliance during 2017/18, based on 14 complaints. Three responses were issued outside of the target, being responded to at 32, 34 and 46 working days respectively, where cases were particularly complex in nature. However, in all instances holding letters were issued and/or telephone calls were made to the complainants explaining that NWSSP were still in the process of investigating the matters raised and that they would be provided with a substantive response as soon as the investigation had been concluded.

6.4 Freedom of Information Requests

The Freedom of Information Act (FOIA) 2000 gives the wider UK public the right of access to a variety of information held by public bodies and provides commitment to greater openness and transparency in the public sector, especially for those who are accountable for decisions made on behalf of patients and service users.

Figure 12 – Freedom of Information Requests 2018- 2019

There were 59 requests received within NWSSP during 2018/19, many of these were redirected to other bodies for response but those received were handled within the prescribed 20-day time limit for requests. This figure includes 26 requests that were either transferred out, or information provided to Velindre to complete a hosting body response.

FOI Breakdown
59 answered within the 20 day target
13 transferred out to another NHS body
13 provided a response for Velindre to complete a hosted organisation reply
0 responded to outside of the deadline
0 withdrawn

6.5 Data Security

In 2018/2019, 33 information governance breaches were reported within NWSSP; these included issues with mis-sending of email and records management. The majority of these were down to human error and education in these areas has been increased to ensure awareness of confidentiality and effective breach reporting when issues arise.

All breaches are recorded in the Datix risk management software, and investigated in accordance with the Information Governance and Confidentiality Breach Reporting protocols, which have been updated in year to reflect the implementation of GDPR. The protocols encourage staff to report those breaches that originate outside the organisation for recording purposes.

From this, the Information Governance Manager writes a report including relevant recommendations and any areas for improvement to minimise the possibility of further breaches. Members of the Information Governance Steering Group are required to report on any incidents in their areas to include lessons learned and any changes that have been made since an incident was reported.

There was one Information Governance breach reported in 2018/19 that was assessed as being of a category serious enough to report to the Information Commissioner's Office (ICO) for further investigation. However, this was done as a matter of course as the mitigations in place and the circumstances of the breach were handled in such a way that the data in question was not released into the public domain and was controlled

and secured to a point where there were no risks to the data subject's information. The ICO were satisfied with the processes involved and the recommendations made and did not consider it to be an issue that required enforcement action.

6.6 ISO14001 – Sustainability and Carbon Reduction Delivery Plan

As an organisation, we are committed to managing our environmental impact, lowering the organisation's carbon footprint and integrating the sustainable development principle into our day-to-day business. We successfully implemented ISO14001, our Environmental Management System in 2014, in accordance with Welsh Government requirements and have successfully maintained our certification to date through the operation of a Plan, Do, Check, Act cycle.

During August 2018, we successfully achieved transition to the updated ISO14001:2015 Standard, which puts greater emphasis on protection of the environment, continuous improvement through a risk process based approach and commitment to top-down leadership, whilst managing the needs and expectations of our interested parties. At this audit, no non-conformities and three opportunities for improvement were raised.

During February 2019, we successfully brought into scope of certification Westpoint Industrial Estate, Cardiff, which is where Health Courier Services, the wheels of the NHS in Wales, are based. At this audit, one minor non-conformity and three opportunities for improvement were raised.

Carbon Footprint

As part of our commitment to reduce our contribution to climate change, a target of 3% reduction in our carbon emissions (year on year, from a baseline of carbon footprint established in 2016-17), has been agreed and this is reflected within our Environmental and Sustainability Objectives. During 2018-19, we achieved our target and obtained an 11.32% reduction overall. We committed to reducing our carbon footprint by implementing various environmental initiatives and efficiencies at our sites within the scope of our ISO14001:2015 certification. Our *Sustainable Development Statement* explores this area in further detail. Performance highlights from 2018-19 were as follows:

Area	2016/17	2017/18	2018/19	Target	Target Achieved
Electricity CO2e	11% reduction	18% reduction	11.57% reduction	3% reduction	✓
Gas CO2e	13% increase	7% reduction	38.13% reduction	3% reduction	✓
Water M3	51% increase	9% reduction	6.72% increase	3% reduction	✗
Business Mileage Expenditure	6% reduction	15% reduction	New Baseline Established	15% reduction by 2021	✓
Business Mileage	7% reduction	11% reduction	New Baseline Established	15% reduction by 2021	✓
Waste CO2e	62% recycled/recovered	95% recycled/recovered	89% recycled/recovered	70% recycled/recovered	✓
Overall Carbon Footprint	5.37% increase	3.78% reduction	11.32% Reduction	3% reduction	✓

6.7 Business Continuity Planning/Emergency Preparedness

NWSSP is proactive in reviewing the capability of the organisation to continue to deliver products or services at acceptable predefined levels following a disruptive incident. We recognise our contribution in supporting NHS Wales to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care, in accordance with requirement for NHS bodies to be classed as a Category 1 responders deemed as being at the core of the response to most emergencies under the Civil Contingencies Act (2004).

As a hosted organisation under Velindre NHS Trust, we are required to take note of their Business Continuity Management Policy and ensure that NWSSP has effective strategies in place for:

- People – the loss of personnel due to sickness or pandemic;
- Premises – denial of access to normal places of work;
- Information Management and Technology and communications/ICT equipment issues; and
- Suppliers internal and external to the organisation.

In addition, much work has been undertaken in terms of the specific business continuity risks arising from a no-deal Brexit. Specific risk assessments have been undertaken and we have participated in and directed business continuity exercises to assess the effectiveness of our response to specific risks.

NWSSP is committed to ensuring that it meets all legal and regulatory requirements and has processes in place to identify, assess, and implement applicable legislation and regulation requirements related to the continuity of operations and the interests of key stakeholders. In 2018/19, work has been undertaken to document an overarching business continuity plan and supporting business impact assessment. This built on the local directorate plans that were already in place. Desktop exercises were undertaken in September 2018 to test NWSSP's resilience in a number of specific scenarios, and we also undertook a joint exercise with NWIS in October 2018 to consider our response in the event of a major cyber-attack. Our resilience was also tested for real in April 2018 when travellers took over part of the Matrix House Car Park, and also through adverse weather conditions during the year.

Over and above this, we complete the Caldicott Principles Into Practice (CPIP) annual self-assessment, which assesses if organisations have current and tested business continuity plans in place for all of their critical infrastructure components and core information systems.

NWSSP are working towards implementing the Cyber Security Framework in order to address the specific needs of the service. This is an ongoing plan covering the areas of Identify, Protect, Detect, Respond and Recover. NWSSP have already started a number of work streams including

Information Workflows and Governance, Awareness and Training, Procurement of Professional Incident Response Capability, Protective Technology through the SIEM Procurement Project and Business Continuity Planning workshops across the whole of the whole of Shared Services. NWSSP have also recently implemented a robust new virtualised infrastructure based on the tenets of the framework in order to provide a safe and secure environment for NWSSP business systems.

6.8 UK Corporate Governance Code

NWSSP operates within the scope of the Velindre NHS Trust governance arrangements. Velindre NHS Trust has undertaken an assessment against the main principles of the UK Corporate Governance Code (which was updated in July 2018) as they relate to an NHS public sector organisation in Wales. This assessment was informed by the Trust's assessment against the "Governance, Leadership and Accountability" theme of the Health and Care Standards undertaken by the Board. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report. NWSSP have also completed the self-assessment on the "Governance, Leadership and Accountability" theme of the Health and Care Standards with a positive maturity rating of 4.

6.9 NHS Pension Scheme

As an employer under Velindre NHS Trust and as the Payroll function for NHS Wales, within NWSSP's remit there are robust control measures in place to ensure that all employer obligations contained within the Scheme regulations for staff entitled to membership of the NHS Pension Scheme are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

7. MANAGING DIRECTOR'S OVERALL REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the Directors and Heads of Service within NWSSP who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

As Accountable Officer, I have overall responsibility for risk management and report to the NHS Wales Shared Services Partnership Committee regarding the effectiveness of risk management across NWSSP. My advice

to the Partnership Committee is informed by reports on internal controls received from all its committees and in particular the Audit Committee.

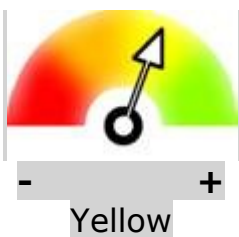
Each of the Committees have considered a range of reports relating to their areas of business during the last year, which have included a comprehensive range of internal audit and external audit reports and reports on professional standards from other regulatory bodies. The Committees have also considered and advised on areas for local and national strategic developments and a potential expansion of the services provided by NWSSP. Each Committee develops an annual report of its business and the areas that it has covered during the last year and these are reported in public to the Velindre NHS Trust and the local Health Boards.

Internal Audit Opinion

Internal audit provide me and the Partnership Committee through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work, which has been delivered in accordance with Public Sector Internal Audit Standards by the Audit and Assurance function within NWSSP.

The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities. The overall opinion of the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The Head of Internal Audit opinion for 2018/2019 was that the Partnership Committee can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively:

RATING	INDICATOR	DEFINITION
Reasonable assurance		The Committee can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.

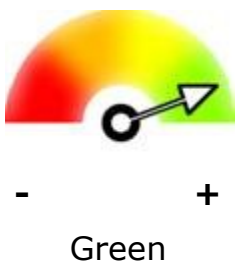
In reaching this overarching opinion the Head of Internal Audit has identified that the assurance domains relevant to NWSSP have all been assessed as providing reasonable assurance.

Internal Audit review of Risk Management

Internal Audit undertook a review of Risk Management in 2018/19 to assess the effectiveness of the systems in place to manage and assure risks. This

audit provides assurance to the Audit Committee that risks material to the achievement of system objectives are managed appropriately.

Internal Audit concluded that the level of assurance given as to the effectiveness of the system of internal control in place to manage the risk management framework was **Substantial Assurance**. This report was taken into account when completing the theme on the Governance, Leadership and Accountability Health and Care Standards self-assessment for 2018/19.

<p>Substantial assurance</p>		<p>The Committee can take substantial assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Few matters require attention and are compliance or advisory in nature with low impact on residual risk exposure.</p>
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Financial Control

NWSSP was established by Welsh Government to provide a range of support services to the NHS in Wales. As Managing Director and Accountable Officer, I retain overall accountability in relation to the financial management of NWSSP and report to the Chair of the Partnership Committee.

NWSSP Financial Control Overview

There are four key elements to the Financial Control environment for NWSSP as follows:

- **Governance Procedures** – As a hosted organisation NWSSP operates under the Governance Framework of Velindre NHS Trust. These procedures include the Standing Orders for the regulation of their proceedings and business. The statutory requirements have been translated into day-to-day operating practice, and, together with the Scheme of Reservation and Delegation of Powers and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Trust. These arrangements are supported by detailed financial operating procedures covering the whole of Velindre and also local procedures specific to NWSSP.
- **Budgets and Plan Objectives** – Clarity is provided to operational functions through approved objectives and annual budgets. Performance is measured against these during the year.
- **Service Level Agreements (SLAs)** – NWSSP has SLAs in place with all customer organisations and with certain key suppliers. This

ensures clarity of expectations in terms of service delivery, mutual obligations and an understanding of the key performance indicators. Annual review of the SLAs ensures that they remain current and take account of service developments.

- **Reporting** – NWSSP has a broad range of financial and performance reports in place to ensure that the effectiveness of service provision and associated controls can be monitored and remedial action taken as and when required.

Through this structure, NWSSP has maintained effective financial control, which has been reviewed and accepted as appropriate by both the Internal and External Auditors.

CONCLUSION

This Governance Statement indicates that NWSSP has continued to make progress and mature as an organisation during 2018/19 and that we are further developing and embedding good governance and appropriate controls throughout the organisation. No significant control weaknesses have been identified during the year. NWSSP has received positive feedback from Internal Audit on the assurance framework and this, in conjunction with other sources of assurance, leads me to conclude that it has a robust system of control.

Looking forward – for the period 2019/20:

I confirm that I am aware of my on-going responsibilities and accountability to you, to ensure compliance in all areas as outlined in the above statements continues to be discharged for the financial year 2019/20.

Signed by:

Managing Director – NHS Wales Shared Services Partnership

Date: May 2019



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:5.3

23 May 2019

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Corporate Risk Update – May 2019

**ARWEINYDD:
LEAD:**

Peter Stephenson
Head of Finance & Business Development

**AWDUR:
AUTHOR:**

Peter Stephenson
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Andy Butler
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**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 May 2019

1. INTRODUCTION

The Corporate Register is presented at **Appendix 1** for information.

RISKS FOR ACTION

The ratings are summarised below in relation to the Risks for Action:

Current Risk Rating	May 2019
Red Risk	2
Amber Risk	7
Yellow Risk	3
Green Risk	0
Total	12

2.1 Red-rated Risks

Risk A1 - Demise of the Exeter Software System
Current Risk Score: Red 20

Risk A2 – Failure to obtain clinical engagement in assessing non-stock requirements in preparation for a no-Deal Brexit.
Current Risk Score: Red 20

There has been no further change with the risks associated with the demise of the Exeter Software. We are continuing the dialogue with Northern Ireland and while there is more clarity on how we would be able to contract with them from a legal perspective, we still have concerns over the financial proposal that they have submitted.

The risk relating to a no-deal Brexit has been revised to focus on a specific requirement to engage with clinicians in assessing non-stock requirements, where we are currently waiting from guidance from Welsh Government. The more general supply chain risk has been reclassified as a monitoring risk, as IP5 is now up and running and contains sufficient stock to cope if there was no deal on Brexit by the end of October.

2.2 New Risks

Two new risks have been added to the Risk Register since the last meeting of the Committee in March. The first of these relates to the risk of fraud

against the NHS, where significant activity is being co-ordinated by the Counter Fraud Steering Group. The second is an escalation of a risk previously managed at directorate level concerning cyber security, where the arrangements are overseen by the Information Governance Steering Group.

2.3 Risks removed from Register

The following risks have been removed from the Risk Register since the last meeting of the Committee:

- Pay Award and Priority Service Reconfiguration – this had been a major potential issue for Employment Services but has now been resolved;
- Changes to Student Bursary Scheme – these have been successfully implemented;
- Workforce Capacity – additional resource has now been recruited;
- Accounts Payable – public sector payment policy performance has exceeded the required targets for a considerable length of time and this risk will now be managed at a directorate level;
- Establishment of HEIW – this has been successfully achieved;
- Welsh Risk Pool – the financial position is reported regularly to SSPC and SMT and this will be managed at directorate level; and
- GDPR – recent internal audits have provided substantial assurance in this area and the risk is managed through the Information Governance Steering Group.

2. RISKS FOR MONITORING

There are two risks that have reached their target score and which are rated as follows:

Current Risk Rating	May 2019
Red Risk	0
Amber Risk	1
Yellow Risk	1
Green Risk	0
Total	2

3. 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.

4. RECOMMENDATION

The Committee are asked to:

- **NOTE** to the Corporate Risk Register as at May 2019.


Corporate Risk Register

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	Risks associated with the demise of the Exeter system coming to an end in 2015, with no replacement system designed for NHS Wales. The contract in NHS England has been outsourced to Capita. (Added Apr 2017)	4	5	20	Establishment of NHS Wales Steering Group. High level option appraisal undertaken. Mapping exercise completed with Capita and PCS subject matter experts to identify gaps between NHSE and NHSW. Legal Counsel advice received.	4	5	20	Further challenge costings provided by NI (DH 31/05/2019) Liaise with NHS Scotland as to how their service is provided (DH 31/05/19)	Further discussions have taken place with Northern Ireland following receipt of their detailed proposal. We have taken the advice of Legal Counsel and their opinion is largely favourable. The costing contained within the proposal are significantly higher than our current level of payments, and we are currently challenging a number of these costs. Although continuing delays to the implementation of the Capita model in England reduce the pressure, this remains a high risk.	➡	30-Sep-19
	Escalated Directorate Risk									Risk Lead: Director of Primary Care Services		
A2	Failure to obtain clinical engagement in assessing non-stock requirements stemming from a no-deal Brexit (added Apr 2019)	4	5	20	Storage facility in place (IP5)	3	5	15		Brexit deadline extended to 31 October 2019. Trying to get WG to identify key stakeholders to take this issue forward.	✳	31-Dec-19
	Strategic Objective - Customers									Risk Lead: Director of Procurement Services		
A3	Disruption to services and threats to staff due to unauthorised access to NWSSP sites. (Added May 2018)	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18) Increased Security Patrols at Matrix.	1	4	4	Review progress with findings from security review (PS 30/06/19) On-going discussion with Landlord at Matrix re installing our own barrier) (RD/ND 30/06/19) Police reviewing security at IP5 (MR 30/06/19)	Security Review undertaken and reported to SMT in Dec 2018. No major findings but all agreed actions will be followed up through audit tracker. Any high risk actions are due for completion by 30 April 2019	⬇	30-Jun-19
	Strategic Objective - Staff									Risk Lead; Director Specialist Estates Services/Director of Finance and Corporate Services		
A4	NWSSP are unable to recruit and retain sufficient numbers and quality of staff for certain professional services (Procurement Services) resulting in a potential failure to meet desired performance targets and/or deliver service improvements. (Added April 2017)	5	4	20	Staff Surveys & Exit Interviews Monitoring of turnover and sickness absence Workforce & OD Framework Work with Great With Talent to develop On-Boarder, Absence & Exit questionnaires (3, 6 and 12 months) Development of Clerical Bank Strengthened relationship with local universities Work-based degree opportunities in some professional services Use of Social Media Use of Recruitment Consultants Targeted Advertising - Trade Journals	4	3	12	Exit interviews to assess rationale for staff leaving employment - 31 Mar 2018 (HR) - on hold due to procurement tender exercise	Recruitment and retention remains a concern, particularly within professional posts primarily with the procurement services function. Recruitment has improved in other professional functions. Work is taking place with all services to have in pace agile recruitment and retention strategies to attempt to address these concerns, utilising available data and information.	➡	30-Jun-19
	Strategic Objective - Staff									Risk Lead: Director of Workforce and OD		

A5	NWSSP is unable to adequately demonstrate the value it is bringing to NHS Wales due to insufficiently developed reporting systems. (Added April 2017)	4	4	16	Quarterly Performance Reports to Health Boards & Trusts Performance Reporting to SSPC & SMT SSPC Assurance reports Periodic Directorate Meetings with LHBs & Trusts Quarterly meetings with LHB and Trust Exec Teams Regular updates to Peer Groups (DOF's, DWODS, Board Secretaries) Customer Satisfaction Surveys Internal Audit Review (May 2018) Presentations from CEB Gartner (June 2018)	2	4	8	1. Introduce consistent approach in reporting and meetings for all directorates and all LHBs & Trusts (AP) 2. Review and refine performance framework - (AP - 30/06/19) 3. Work proactively to support NHS Wales in delivering the actions outlined within the NHS Wales Chief Executives National Improvement Programme (NIP)	1. Completed 2. Ongoing - draft framework produced and due to be implemented Apr 2019 3. Regular updates provided to DoFs and other peer groups	➔	31-Jul-19
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A6	The transfer of responsibilities and staff in Bridgend from ABMU to CTUHB wef April 2019 will have significant implications for NWSSP processes and workloads. (added March 2018)	5	4	20	Standing item on SMT agenda Programme Director attends SMT periodically NWSSP on finance and governance workstreams	3	3	9	Work on-going to ensure that payroll data is accurate for April pay run (PT 18/04/19)	Remaining issues primarily relate to payroll and the lack of support received from IBM in migrating details across.	⬇	31-May-19
	Strategic Objective - Customers									Risk Lead: Director of Finance and Corporate Services		
A7	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. (Added April 2017)	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	3	6	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	⬇	30-Jun-19
	Strategic Objective - Service Development									Risk Lead: Director of Finance & Corporate Services		
A8	Lack of effective succession planning at a senior level will adversely impact the future and strategic direction of NWSSP due to the age profile of the SMT. (added April 2017)	4	3	12	Workforce & OD Framework On-going development of existing staff to ensure a ready supply of staff to meet the maturing organisation's needs. Leadership Development Programmes	3	3	9	1. Develop a plan which includes likely key dates for each of the affected services and which prioritises succession planning based on proximity of risk (HR) 31 Dec 18 2. NHS Wales Leadership Programme - identify key staff with potential for future development and encourage them to undertake the leadership programme - (HR) 31 Dec 18 3. National Succession Strategy for NHS Wales - participate in the work of the national group and identify high performing staff who may be eligible for consideration to support succession planning requirements - (HR) 31 Dec 18	Recent appointments of senior staff have helped to address this risk - risk to be reviewed again to check whether still requires reporting at this level.	➔	31-Aug-19
	Strategic Objective - Staff									Risk Lead: Director of Workforce and OD		
A9	Operational performance is adversely affected through the use of some out-of-date software systems, lack of consistent IT support across NHS Wales resulting in interoperability issues and the limited capacity of NWIS to meet the demand for IT development to develop our services. (added April 2017)	4	5	20	Created a Business Systems and Informatics Department Service Level Agreement (SLA) in place with NWIS Significant additional capital funding obtained from Welsh Government in prior year for IT investment Development of draft IT strategy Quarterly Reporting of Performance to SMT	1	4	4	1. Finalise IT Strategy for NWSSP, to include an IT replacement strategy - complete 2. Consolidate Desktop support from one strategic partner - currently a mix of arrangements (NWIS & BCU) - 31 Mar 2019 (AB) 3. Finalise Cyber Security Action plan - complete 4. Develop an overarching Business Continuity plan for NWSSP incorporating operational, IT and building requirements and test the plan annually - complete	All actions on track and a consultant from the Wales Quality Centre is currently working with NWSSP to enhance BCP arrangements. 1. Completed 2. Ongoing 3. Completed 4. Completed - plan developed and tested in Sept. Internal audit of BCP arrangements undertaken - <u>reasonable assurance</u> .	➔	30-Jun-19
	Strategic Objective - Excellence									Risk Lead: Director of Finance & Corporate Services		
A10	Suppliers, Staff or the general public committing fraud against NWSSP. (added April 2019)	5	3	15	Counter Fraud Service Internal Audit WAO PPV National Fraud Initiative Counter Fraud Steering Group Policies & Procedures Fraud Awareness Training	3	3	9	1. Increase level of counter fraud resource (AB 30/6/19) 2. Implement actions from Fighting Fraud Strategy (PS 30/6/19) 3. Formally present Counter Fraud Work Plan to SMT (AB 31/05/19)	Discussion with Craig Greenstock on 2/4/19 to increase level of resource. Fighting Fraud Strategy approved by CFSG on 26/3/19	✳	30-Jun-19
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		





A11	Risk of cyber attack exacerbated if NWSSP, or other NHS Wales organisations, run unsupported versions of software. (added Apr 2019)	5	5	25	Cyber Security Action Plan Stratia Consulting Review IGSG Information Governance training	2	5	10	Consider introduction of mandatory cyber security e-learn (AB 30/06/19) Follow up progress with Cyber Security Plan (AB 30/06/19) Complete actions from internal audit review of BCP (PS 30/06/19) Promote use of Self-Serve ESR (GH 30/06/19) Move all desktop devices to Windows 10 by the Windows 7 end of support.		✳	30-Jun-19
	Strategic Objective - Service Development									Risk Lead: Director of Finance & Corporate Services		
A12	Failure to comply with Welsh Language requirements and capacity to meet the increased demand for Welsh translation services resulling from the implementation of the Welsh Language Standards leading to reputational damage for NWSSP. (added April 2017)	3	4	12	Welsh Language Officer appointed Staff required to populate Welsh language skillset in ESR Welsh Language Translator appointed WL awareness is included within the face to face corporate induction training day Accredited WL training in place at several NWSSP sites WL monitoring report submitted to SMT External comms - WIAP project ensuring all web information is bilingual, graphic design, public events, etc	2	4	8	1. Undertake a Cost/benefits analysis to justify further investment in Welsh Language capacity - complete 2.Bilingual interface of TRAC recruitment software to be fully bilingual - complete 3. Investigate the potential for introducing a WL hub to provide support with translation for NHS Wales - complete 4. Undertake Internal Audit review of progress against Welsh Language Standards - complete. Reasonable Assurance.	Regular updates to SMT and additional resource recruited Jan 2019. Further recruitment exercise in May 2019 Reasonable Assurance from Internal Audit review. Undertaken joint recruitment with PHW and NWIS	➡	31-May-19
	Strategic Objective - Staff									Risk Lead: Director of Finance and Corporate Services		
Risks for Monitoring												
M1	1. The Learning@Wales server provided and supported by NWIS requires enhancements to ensure user capacity is aligned with forecasted usage and is fully supported and managed to ensure provision of service does not degrade further. Further enhancements are required to reporting capability as this is affecting the service provided and reputation of NWSSP. 2. The ESR e-learning server is currently provided by NWSSP, via a server located in Manchester. This server has little resilience and requires hosting within NWIS DMZ with a fully supported service management wrap. Over 70% of learning undertaken in NHSW at 07/2017 was via e-learning. There would be a significant impact on the compliance of the workforce if the server failed. (Added April 2017)	4	4	16	Additional support provided from NWIS to schedule reports out of hours to minimise impact on server disruption. Significant cleansing and formatting of reports by DWS Team before they are forwarded to organisations to enable them to manage compliance. NWSSP IT function have enabled a temporary solution via the Manchester server.	2	4	8	1. Escalation with NWIS for resolution. 2. Provision of fully supported server, hosted in NWIS, DMZ required.	Migration should be fully complete by end of May 19	⬇	
Escalated Directorate Risk	Risk Lead: Director of Workforce and OD											
M2	Threats to the supply of medical consumables, and potential employment issues, in the event of a no-deal Brexit. (Added Sept 2018)	4	5	20	Regular discussions with UK and Welsh Governments Attend Ministerial Advisory Board Velindre Brexit Group IP5	1	5	5	Need to continue to monitor in light of extension to Brexit to 31 October	Acquisition of IP5 completed on 22 March . Pdetailed papers provided to SSPC (Mar 19) and Audit Committee (Apr 19)	⬇	
Strategic Objective - Customers	Risk Lead: Director of Procurement 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.				

	New Risk
	Escalated Risk
	Downgraded Risk
	No Trend Change

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

 GIG CYMRU NHS WALES	Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: 23 May 2019
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The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Audit Committee Highlight Report – 9 April 2019

ARWEINYDD: LEAD:	Peter Stephenson Head of Finance & Business Development
AWDUR: AUTHOR:	Roxann Davies Compliance Officer
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:**

The purpose of this paper is to provide the SSPC with details of the key issues considered by the Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership at its meeting on 9 April 2019.

Llywodraethu/Governance

**Amcanion:
Objectives:** Each of the five key Corporate Objectives

**Tystiolaeth:
Supporting evidence:** Individual reports submitted to Audit Committee

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	✓
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**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: 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 (i.e. is the information exempt) 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.

HIGHLIGHT REPORT FROM THE VELINDRE UNIVERSITY NHS TRUST AUDIT COMMITTEE FOR NWSSP

1. CEFNDIR/BACKGROUND

The Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership (the "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 9 April 2019 is outlined below:

ALERT	No matters to alert/escalate.
ADVISE	No matters to advise.

<p>ASSURE</p>	<p>Internal Audit</p> <p>The Committee were informed that Internal Audit had made good progress with the annual programme of work and received the following internal audit reports for consideration, in addition to the Internal Audit Position Statement:</p> <ul style="list-style-type: none"> • Recruitment and Retention Advisory Report <ul style="list-style-type: none"> ◦ Advisory report commissioned, which identified three findings within the areas of management reporting, exit interviews and strategy. • General Ophthalmic Services <ul style="list-style-type: none"> ◦ Substantial assurance over the progress made in responding to the recommendations from a NHS Counter Fraud Authority review. It was noted that some actions were not within the gift of NWSSP to implement, but rather sat with Welsh Government. • Business Continuity Planning <ul style="list-style-type: none"> ◦ Reasonable assurance with three recommendations for action; one high, one medium and one low priority. • Risk Management and Assurance <ul style="list-style-type: none"> ◦ Substantial assurance with one medium and one low priority recommendation. • Employment Services Payroll Internal Audit Report <ul style="list-style-type: none"> ◦ Reasonable assurance with six medium priority recommendations raised, of which five were reoccurring from the 2017-18 audit findings.
<p>ASSURE</p>	<p>Tracking of Audit Recommendations</p> <p>An update on the current position with audit recommendations was provided:</p> <ul style="list-style-type: none"> • 167 recommendations raised; • 146 recommendations implemented; • 17 recommendations not yet due; • 0 overdue audit recommendations; and • 4 recommendations with revised deadlines to 30 June 2019, which were approved by Committee.
<p>ASSURE</p>	<p>Corporate Risk Register</p> <p>The Register was discussed and it was noted that there were two red risks for action:</p> <ul style="list-style-type: none"> • The demise of the Exeter software system, a long-standing risk where the preferred option remains working with Northern Ireland; and • The risk surrounding the impact of Brexit for NHS Wales.

	<p>Draft Annual Governance Statement</p> <p>The Statement is still in draft, although close to completion. The remaining sections to be finalised were the Audit Committee Effectiveness Survey Results, Head of Internal Audit Opinion outcome and sustainability figures as at year-end. The Committee noted it was a positive draft Statement. There were no limited or zero assurance internal audit reports to declare, the attendance at Committees has increased and the updated Risk Appetite Statement had been included.</p>
	<p>Audit Committee Effectiveness Survey</p> <p>The Committee was advised that the annual survey would be issued using the set of benchmark questions developed last year, which aligned with the Audit Committee Handbook and Velindre. The key themes of the Survey were compliance, internal control and risk management, internal and external audit, counter fraud and Committee leadership. The link would be circulated to Committee Members to complete by email and would close on 10 May 2019, as this timescale aligned with the Annual Governance Statement completion. The findings of the Survey would be presented at the July meeting.</p>
INFORM	<p>External Audit</p> <p>Wales Audit Office (WAO) presented their Position Statement, which set out progress against the work plan and highlighted that the majority of work was complete. The NHS Nationally Hosted IT Systems Assurance work was likely to be finished by the end of April, with the findings being presented to Committee in July. WAO confirmed that there were no significant concerns to bring to the attention of the Committee at this time and flagged that there was a good practice event in May, which Committee Members may be interested in attending.</p>
OTHER AGENDA ITEMS	<p>Additional agenda items presented to the Committee included Counter Fraud Position Statement, Governance Matters for consideration and the Audit Committee Forward Plan, Review of Procedure for NHS Staff to Raise Concerns and NWSSP Counter Fraud Policy, for information. The Committee Chair also conducted an informal Meeting Review of effectiveness.</p>

2. ARGYMHELLIAD/RECOMMENDATION

The Committee are asked to:

- **NOTE** the Highlight Report

NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 1 – APRIL 2019

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for April 2019 and should be read in conjunction with the Monitoring Return tables submitted for Month 1.

Thank you for your e-mail of 9th May 2019 responding to the Month 12 monitoring return and for your confirmation that you did not have any materials issues to raise with the information submitted.

Overview of Performance and Financial Position

NWSSP's financial position for Period 1 is reported at break-even. This is after providing for the pro-rata 2019/20 savings distribution of £0.750m per the submitted IMTP, of which £0.306m will be distributed and £0.444m has been recurrently reinvested. This forecast also assumes the return of the 2018/19 brokerage provided of £0.500m which will be invoiced for in May.

As requested, this is an abbreviated Month 1 monitoring return, with only the specified tables and associated commentary provided this month.

1. Actual Year to Date and Forecast Under/Overspend 2019/20 (Tables A, B & B2)

Table A has been completed to reconcile to the IMTP submission as requested. This has been updated for the over-achievement of £0.174m of non-recurrent savings in Month 1 with the inclusion of a reserve for potential distribution/reinvestment to offset this.

The actual position for month 1 has been reported with the forecast position for months 2-12. This identifies a projected full year outturn at break-even and has been undertaken based on year 1 of the IMTP assumptions. Monthly reviews of our forecast will be undertaken throughout the year to ensure a break-even year end outturn position is achieved and any additional savings or required changes are identified as early as possible.

The key points to note within the actual and forecast position are:

- The annual forecast income totals £263.980m. This is less than the forecast in our IMTP primarily due to the non-inclusion of income in 2019/20 from the reimbursement of bursary payments to Universities which are currently being transacted through HEIW. The position with this income will be updated once the project to pay bursaries to NHS students through ESR via NWSSP has progressed further.
- Depreciation charges of £2.376m have been forecast for 2019/20 based on our current depreciation profile and the additional charges from assets that will be purchased from the 2019/20 approved discretionary capital of £0.600m. These will be subject to a full review before the next non-cash submission. Income from WG of £0.827m has been anticipated in Table E in respect of the charges over and above the baseline depreciation funding of £1.551m. As requested we will raise an invoice for our baseline provider depreciation funding in May.
- £0.399m income and expenditure is included for Month 1 in relation to the WRP DEL budget. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts.

The WRP DEL budget for 2019/20 has again been set at £75.000m. The forecast for 2019/20, as identified in our IMTP is £110.200m. Additional funding of £31.500m is forecast to be required due to the impact of the PIDR and forecast income of £3.700m will be generated under the risk sharing agreement. This additional income has been anticipated in Table E. The 2019/20 WRP outturn has been profiled to £111.459m which includes £1.259m redress expenditure.

The balance of the 2019/20 forecast expenditure has been profiled equally over months 2-12 and the associated WG income, PIDR income and risk sharing agreement income has also been profiled on this basis.

- Pay expenditure in Month 1 includes the 1.1% non-consolidated lump sum payments for agenda for change staff at top of band, hence a forecast reduction in pay expenditure in future months.
- £2.189m of income and expenditure has been included in respect of ESR Enhance based on the most recent recharge profile received from the Department of Health. This will change during the financial year when revised schedules are received based on the progress of the rollout of system functionality.

- An estimate of the GP trainee expenditure and the associated recharges to LHBs/Trusts/Deanery (£26.851m) has been made within the forecast, although as they are charged based on actual expenditure incurred, these may be subject to change.
- An estimate of Stores expenditure and recharges to NHS Wales of £35.000m have been included within the forecast.

2. Underlying Position (Table A1)

There is no brought forward deficit to report for NWSSP. The non-recurrent savings, funding and income generation linked through from Table A have been in the main offset with non-recurrent pressures (primarily WRP risk sharing agreement) that will not be carried forward. The table reports a £0.170m pressure carried forward where non-recurrent savings have been used to fund recurrent cost pressures in 2019/20 and further savings plans are being developed to ensure this underlying gap is closed to enable a breakeven underlying position to be reported in future.

3. Ring Fenced Funding (Table B)

Baseline depreciation funding of £1.551m will be invoiced for in May. The current forecast charges for 2019/20 based on our depreciation profile for current assets and the 2019/20 discretionary expenditure of £0.600m total £2.376m, indicating additional funding of £0.827m will be required.

4. Net Expenditure Profile Analysis (Table B1)

This table has been populated with the actual and forecast information and reconciles to the ledger position reported in Month 1.

5. Agency/Locum (Premium) Expenditure (Table B2 – Sections B & C)

Agency expenditure of £0.031m, 0.5% of total pay expenditure, was reported in Month 1 due to the requirement to cover vacancies, sickness and additional workload. A monthly forecast agency expenditure of £0.050m has been assumed throughout 2019/20. The NWSSP SMT reviews agency expenditure

monthly in an attempt to reduce this and further recruitment to the NWSSP bank has assisted significant agency spend reductions from previous financial years.

6. Savings Plans (Tables C, C1, C2 & C3)

These tables have been completed this month as requested with the NWSSP 2019/20 savings schemes and reconcile back to the required savings plan total as identified in Table A per the IMTP. Actual achievement of these savings schemes has been recorded against each plan with the addition of some non-recurrent savings that have been made in Month 1.

7. Income Assumptions 2019/20 (Tables D & E)

Table D has been populated with the forecast NHS income & expenditure per our IMTP. We are continuing work to review all the income & expenditure assumptions included in this table and will revise this table accordingly once this exercise has been completed.

Table E has been populated with the budgeted income streams by NHS Organisation with a number of additional income streams included that have been anticipated within our forecast financial position. These totals will not reconcile to the NHS Income reported in Table B or the NHS Income & Expenditure reported in Table D. This is due to the ledger reporting of intra-trading within Velindre, classification of non-material NHS recharges against pay/non pay per the manual for accounts and solicitor income not recorded against NHS income subjectives.

8. Healthcare Agreements & Major Contracts

Not applicable to NWSSP.

9. Risk Management (Table F)

The risks identified within our IMTP have been included within Table F. One of these risks has been reduced to zero in Month 1 now that it has been confirmed that the additional costs from the increase in the employers superannuation contributions will be paid directly by WG during 2019/20.

10. Statement of Financial Position and Aged Welsh NHS Debtors (Tables G & N)

NWSSP has not been requested to complete Table G.

At the close of Month 1, there were 30 invoices exceeding 11 weeks and to date only 4 of these remain outstanding. We continue to actively chase all old year invoices to obtain payment as soon as possible.

11. Cash Flow Forecast (Table H)

This table is not required for NWSSP.

12. Public Sector Payment Compliance (Table I)

This table is not required for NWSSP, although it is pleasing to report that the NWSSP PSPP achievement for Month 1 was 97.84%

13. Capital Schemes & Other Developments (Tables J, K & L)

These tables are not required for Month 1.

14. EFL (Table M)

This table is not required for completion by NWSSP.

15. Other Issues

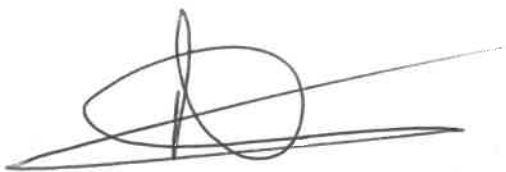
The financial information provided in this return is an accurate assessment of the NWSSP financial position at this point in time and aligns to the details provided in the NWSSP Partnership Committee and Senior Management Team reports.

It is pleasing to be able to set a balanced budget for 2019/20 and to report a positive month 1 position with confidence in the achievement of the IMTP showing a forecast year-end break-even position and the distribution of £0.750m savings to NHS Wales.


The Shared Services Partnership Committee will receive the Month 1 Financial Monitoring Return at the next meeting on 23rd May 2019.

16. Authorisation of Return

The governance arrangements have been agreed for when the Director of Finance and Corporate Services and/or the Managing Director are not available to sign the monitoring returns. Gareth Hardacre, Director of Workforce & OD and/or Linsay Payne, Head of Financial Management are permitted to authorise the returns in the absence of either the Director of Finance and/or Managing Director.



.....
ANDREW BUTLER
DIRECTOR OF FINANCE AND
CORPORATE SERVICES



.....
NEIL FROW
MANAGING DIRECTOR
NWSSP

14th May 2019

NHS Wales Shared Services Partnership

Period : Apr 19

Table A - Movement of Opening Financial Plan to Forecast Outturn

This Table is currently showing 0 errors

Line 11 should reflect the corresponding amounts included within the latest IMTP submission to WG

Lines 1 - 11 should not be adjusted after Month 1

	In Year Effect £'000	Non Recurring £'000	Recurring £'000	FYE of Recurring £'000
Underlying Position b/fwd from Previous Year - as per 3 year plan (Surplus - Positive Value / Deficit - Negative Value)	0	0	0	0
1 New Cost Pressures - as per 3 year plan (Negative Value)	-6,991	-4,544	-2,447	-2,447
2 Opening Cost Pressures	-6,991	-4,544	-2,447	-2,447
3 Identified Savings Plan (Positive Value)	1,031	302	729	729
4 Savings / Mitigating Actions Yet To Be Identified (Positive Value)				
5 Welsh Government Funding (Positive Value)	821	547	274	274
6 Net Income Generated (Positive Value)	5,139	3,962	1,177	1,177
7 Planned Accountancy Gains (Positive Value)	0	0	0	0
8 Release of Uncommitted Contingencies & Reserves (Positive Value)				
9				
10				
11 Opening Financial Plan	0	267	-267	-267
12 Cost Pressures b/fwd from Previous Year - unidentified within 3 year plan (Negative Value)				
13 Opening Plan Savings - Forecast (Underachievement) / Overachievement	135	38	97	97
14 Additional In Year Identified Savings - Forecast (Positive Value)	0	0	0	0
15 Additional In Year Identified Accountancy Gains (Positive Value)	0	0	0	0
16 Additional Net Income Generated (Positive Value)	39	39	0	0
17 Non Identification of Savings / Mitigating Actions Yet To Be Identified in Opening Plan	0	0	0	0
18 Release of Previously Committed Contingencies & Reserves (Positive Value)	0			
19 Additional In Year Welsh Government Funding (Positive Value)	0			
20 Reinvestment/Distribution Reserve	-174	-174		
21	0			
22	0			
23	0			
24	0			
25	0			
26	0			
27	0			
28	0			
29	0			
30	0			
31	0			
32	0			
33	0			
34	0			
35	0			
36	0			
37	0			
38 Forecast Outturn (- Deficit / + Surplus)	0	170	-170	-170

[illegible]

NHS Wales Shared Services Partnership

Table C - Identified Expenditure Savings Schemes (Excludes Income Generation and Accountancy Gains)

Period : Apr 19

This Table is currently showing 0 errors

	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY		Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings £'000
	Apr £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000			YTD as %age of FY		Green £'000	Amber £'000	non recurring £'000	recurring £'000	
1 CHC and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	YTD Variance as %age of YTD Actual/Plan		0	0	0	0	0
2 Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
3 Actual/Fcast	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
4 Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
5 Commissioned Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
6 Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
7 Actual/Fcast	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
8 Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
9 Medicines Management (Primary & Secondary Care)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
10 Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
11 Actual/Fcast	6	6	6	6	6	6	6	6	6	6	6	6	6	71			71	0	0	0	0
12 Variance	(4)	0	0	0	0	0	0	0	0	0	0	0	(4)	61			61	0	0	0	76
13 Non Pay	(10)	0	0	0	0	0	0	0	0	0	0	0	(10)	(10)			(10)	0	(15)	0	0
14 Budget/Plan	80	80	80	80	80	80	80	80	80	80	80	80	80	860			740	220	0	0	0
15 Actual/Fcast	225	80	80	80	80	80	80	80	80	80	80	80	225	1,105			822	283	355	750	0
16 Variance	145	0	0	0	0	0	0	0	0	0	0	0	145	145			82	63	0	0	0
17 Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
18 Actual/Fcast	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
19 Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	0
20 Budget/Plan	86	86	86	86	86	86	86	86	86	86	86	86	86	1,031			811	220	0	0	0
21 Actual/Fcast	221	86	86	86	86	86	86	86	86	86	86	86	221	1,168			863	283	340	826	0
22 Variance	135	0	0	0	0	0	0	0	0	0	0	0	135	135			72	63	0	0	0
23 Variance in month % percentage of FY actual /forecast	157.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	157.13%								

Table C1- Savings Schemes Pay Analysis

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Full-year forecast	YTD as % of YTD variance as % of YTD Budget/Plan		Assessment		Full in-year forecast		Full-Year Effect of Recurring Savings £'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					Green £'000	Amber £'000	non recurring £'000	recurring £'000	
1 Changes in Staffing	80	80	80	80	80	80	80	80	80	80	80	80	80	960			740	220			
2 Establishment	172	80	80	80	80	80	80	80	80	80	80	80	172	1,052	16.35%		769	283	302	750	
3	92	0	0	0	0	0	0	0	0	0	0	0	92	0	115.00%	29	63				
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
5 Variable Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
8 Locum	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
11 Agency / Locum paid at a premium	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
14 Changes in Bank Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
17 Other (Please Specify)	53	0	0	0	0	0	0	0	0	0	0	0	53	53	100.00%	53	0	53	0		
18	53	0	0	0	0	0	0	0	0	0	0	0	53	53		53	0				
19	80	80	80	80	80	80	80	80	80	80	80	80	80	960		740	220				
20 Total	225	80	80	80	80	80	80	80	80	80	80	80	225	1,105	20.36%	822	283	355	750		
21	145	0	0	0	0	0	0	0	0	0	0	0	145	145	181.25%	82	63				

Table C2- Savings Schemes Agency/Locum Paid at a Premium Analysis

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Full-year forecast	YTD as % of YTD variance as % of YTD Budget/Plan		Assessment		Full in-year forecast		Full-Year Effect of Recurring Savings £'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					Green £'000	Amber £'000	non recurring £'000	recurring £'000	
1 Reduced usage of Agency/Locums paid at a premium	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
5 Non Medical 'off contract' to 'on contract'	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
8 Medical - Impact of Agency pay rate caps	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
11 Other (Please Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			
14 Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0	0	0	
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0	0			

This Table is currently showing 0 errors

Table C3 - Savings Tracker

Summary of Forecast Savings (£000's)	Cash-Releasing Saving (Pay)	Cash-Releasing Saving (Non Pay)	Cost Avoidance	Savings Total	Income Generation	Accountancy Gains
Planned Care	0	0	0	0	0	0
Unscheduled Care	0	0	0	0	0	0
Primary and Community Care (Excl Prescribing)	0	0	0	0	0	0
Mental Health	0	0	0	0	0	0
Clinical Support	0	0	0	0	0	0
Non Clinical Support (Facilities/Estates/Corporate)	1,105	61	0	1,166	5,178	0
Commissioning	0	0	0	0	0	0
Across Service Areas	0	0	0	0	0	0
CHC	0	0	0	0	0	0
Prescribing	0	0	0	0	0	0
Medicines Management (Secondary Care)	0	0	0	0	0	0
Total	1,105	61	0	1,166	5,178	0

NHS Wales Shared Services Partnership

Period : Apr 19

This Table is currently showing 0 errors

Table F - Overview Of Key Risks / Opportunities Affecting Forecast Outturn

		FORECAST YEAR END			
		Worst Case	Likelihood	Best Case	Likelihood
		£'000		£'000	
	Current Reported Forecast Outturn	(0)		(0)	
	Risks (negative values)				
1	Non delivery of Saving Plans/CIPs				
2	WHSSC Performance				
3	Other Contract Performance				
4	WG Income assumed is not forthcoming	(274)	Medium		
5	Income generation schemes do not achieve income targets	(200)	Medium		
6	Service demands/activity levels increase above anticipated levels	(250)	Medium		
7	Inability to recruit to substantive posts and continuing to incur higher agency costs	(150)	Medium		
8	Lack of capital funds incur increased vehicle hire/maintenance costs	(300)	Medium		
9	No funding for pension discount rate increase is received	0	Low		
10	Vacancy factor decreases below that assumed in budget setting	(300)	Medium		
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
	Opportunities (positive values)				
23	Increased vacancy factor	1,000	Medium	1,000	Medium
24					
25					
26					
27					
28					
29					
30	Total Risks /Opportunities	(474)		1,000	
31	Total Amended Forecast	(474)		1,000	

