

Shared Services Partnership Committee - May 2021

Thu 20 May 2021, 10:00 - 13:00

TEAMS



Agenda

10:00 - 10:10
10 min

1. Agenda

1.1. Welcome and Introductions

Margaret Foster

1.2. Apologies for absence

Margaret Foster

1.3. Declarations of Interest

Margaret Foster


1.4. Draft minutes of meeting held on 18 March 2021

Margaret Foster

 NWSSP Partnership Cttee Minutes - 2021. 03 .pdf (7 pages)

1.5. Action Log

Margaret Foster

 1.5 Action Log May 2021.pdf (1 pages)

10:10 - 10:50
40 min


2. Service Updates

2.1. IP5 Update

Mark Roscrow

2.2. National Primary Care Programme

Andrew Evans


 SSP Committee. May 2021.pdf (8 pages)

10:50 - 11:15
25 min

3. Items for Approval


3.1. GMPI - Update to Scheme of Delegation

Mark Harris/Paul Veysey

 SSPC ELS Change to Scheme of Delegation (002).pdf (14 pages)

3.2. Legal & Risk Case Management System

Mark Harris

 SSPC - LR Case Management System_final.pdf (4 pages)

3.3. Audit Wales - PPE Strategy

Andrew Butler

 SSPC PPE Long-Term Strategy.pdf (4 pages)

 Procuring and Supplying PPE for Covid-19 Pandemic report.pdf (64 pages)


3.4. Oracle Finance and Procurement System Upgrade - Verbal

Andrew Butler

3.5. Annual Governance Statement

Peter Stephenson

 SSPC Cover Sheet Annual Governance Statement.pdf (4 pages)

 FINAL DRAFT Annual Governance Statement 2020-21.pdf (40 pages)

3.6. SLA Updates

Peter Stephenson

 SLA Cover Paper.pdf (3 pages)

 OVERARCHING Service Level Agreement Updated.asd.pdf (19 pages)

11:15 - 11:25
10 min

4. Chair/Managing Director's Report

4.1. Chair's Report

Verbal

4.2. Managing Director's Update

Neil Frow

 SSPC MD Update May 21.pdf (6 pages)

11:25 - 11:30
5 min

5. Project Updates

5.1. Laundry Update

Neil Frow

 Laundry Update May 21 SSPCv2.pdf (8 pages)

5.2. PMO Highlight Report

Andrew Butler

 PMO Monthly Update April.pdf (15 pages)

11:30 - 11:50
20 min

6. Governance, Performance & Assurance

6.1. Finance & Workforce Report

Andrew Butler/Gareth Hardacre

- SSPC Finance and Corporate Services May 21.pdf (11 pages)
- SSPC People and OD Report May 21.pdf (18 pages)

6.2. Corporate Risk Register

Peter Stephenson

- SSPC Corporate Risk Register May 2021.pdf (5 pages)
- Corporate Risk Register 20210511.pdf (5 pages)

6.3. Issues and Complaints - Annual Report

Peter Stephenson

- SSPC Annual Report Issues and Complaints 2020-21.pdf (6 pages)

6.4. Audit Committee Terms of Reference

Peter Stephenson

- NWSSP Audit Committee ToR May 2021.pdf (13 pages)

11:50 - 11:55
5 min

7. Items for Information

7.1. Finance Monitoring Reports

Andrew Butler

- Monitoring Return Commentary Month 12 NWSSP 2020-21 FINAL.pdf (7 pages)
- NWSSP March 21 Table A Movement.pdf (1 pages)
- NWSSP March 21 Table A2 Risks.pdf (1 pages)
- NWSSP March 21 Table B Monthly Positions.pdf (2 pages)
- NWSSP March 21 Table C Savings.pdf (2 pages)
- NWSSP March 21 Table C3 Tracker.pdf (1 pages)
- Monitoring Return Commentary Month 1 NWSSP 2021-22.pdf (6 pages)
- M1 Table A.pdf (1 pages)
- M1 Table B3.pdf (5 pages)
- M1 Tables C, C1, C2.pdf (2 pages)
- M1 Table C3.pdf (1 pages)

7.2. Audit Committee Highlight Report

Peter Stephenson

- 20042021 SSPC Audit Committee Assurance Report.pdf (4 pages)

11:55 - 12:00
5 min

8. Any Other Business



NHS WALES SHARED SERVICES PARTNERSHIP COMMITTEE

MINUTES OF MEETING HELD THURSDAY 18th March 2021 10:00 – 12:00 Meeting held on TEAMS

ATTENDANCE	DESIGNATION	ORGANISATION
MEMBERS:		
Margaret Foster (MF)	Chair	NWSSP
Neil Frow (NF)	Managing Director	NWSSP
Huw Thomas (HT)	Director of Finance	Hywel Dda
Pete Hopgood (PH)	Director of Finance & IT Services	Powys THB
Geraint Evans (GE)	Director of Workforce & OD	Aneurin Bevan
Catherine Phillips (CP)	Director of Finance	Cardiff & Vale
Chris Turley (CT)	Director of Finance	WAST
OTHER ATTENDEES:		
Lauren Fear (LF)	Director of Corporate Governance	Velindre
Helen Bushell (HB)	Head of Board Business Unit	Public Health Wales
Julian Rhys Quirk (JRQ)	Assistant Director of Workforce	Swansea Bay
Martyn Pennell (MP)	Finance	HEIW
Steve Elliot (SE)	Deputy Director of Finance	Welsh Government
Darron Dupre (DD)	Union Representative	Unison
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Gareth Hardacre (GH)	Director of Workforce & OD	NWSSP
Alison Ramsey (AR)	Director of Planning, Performance, and Informatics	NWSSP
Peter Stephenson (PS)	Head of Finance & Business Development	NWSSP
Malcolm Lewis (ML)	Medical Director	NWSSP
Gareth Price (GP)	Personal Assistant	NWSSP
Jonathan Irvine (JI) (Item 4.3 only)	Director of Procurement Services	NWSSP
Andrew Smallwood (AS) (Item 4.3 only)	Head of Sourcing	NWSSP

Item		Action
1. STANDARD BUSINESS		
1.1	Welcome and Opening Remarks The Chair welcomed Committee members to the March 2021 Shared Services Partnership Committee meeting.	
1.2	Apologies Apologies were received from: <ul style="list-style-type: none"> • Sue Hill, Director of Finance, BCUHB; • Hywel Daniel, Director of Workforce & OD, CTMUHB; • Eifion Williams, Director of Finance, HEIW; • Kathryn Jones, Director of Workforce & OD, Swansea Bay UHB; • Steve Ham, Chief Executive, Velindre. 	
1.3	Declarations of Interest No declarations of interest were disclosed.	
1.4	Minutes of Previous Meeting Draft Minutes of meeting held on 21 st January 2021 were reviewed and accepted with no issues raised.	
1.5	Action Log No actions were outstanding.	
2. Chair/Managing Director's Report		
2.1	NF presented his update report which included: <ul style="list-style-type: none"> • Welsh Risk Pool - the 2020/21 £121m DEL forecast includes significant additional risk since December due to the current national lockdown. Cases which would have otherwise continued to settlement are being delayed into the next financial year. The potential risk to the outturn has been quantified at £6m and mitigating steps are being taken to see what other appropriate action can be taken to reduce any changes to the forecast outturn. The risk-sharing agreement has been frozen as at the end of January at the agreed figure of £13.779m and the resource adjustment actioned with organisations. • SSPC Membership - The Minister is currently updating the regulations to enable both Health Education and Improvement Wales, and Digital Health & Care Wales, to become full voting members of the Shared Services Partnership Committee. As part of this process, Welsh Government have taken the opportunity to review the Shared Services element of the 	

Item		Action
	<p>Velindre NHS Trust Establishment Order to ensure that it appropriately covers all the services provided and offered by NWSSP. Their findings were that the Order remains appropriate, and in accord with the definition of what NWSSP were established to do.</p> <ul style="list-style-type: none"> • TRAMS - Committee Members were written to at the start of February to confirm their support for the TRAMs proposal and specifically to fund a small and non-recurring revenue gap in years 3 and 4 of the project through a first call on NWSSP savings. Positive confirmation of support was received from all NHS organisations on this proposal, including a number who have committed to use their share of any NWSSP savings even though they do not directly benefit from the TRAMS business case. Feedback is currently awaited from the Ministers Office with regard to endorsement of the Programme Business Case following the positive Capital Infrastructure Investment Board meeting on the 28th January. 	
3. Items for Approval/Endorsement		
4.1	<p>Annual Plan</p> <p>Alison Ramsey, Director of Planning, Performance, and Informatics highlighted the approach that NWSSP had taken regarding the Plan for 2021/22 and beyond.</p> <p>Since presenting the Plan to the January SSPC, AR has met individually with Committee members to discuss the indicative plan and confirm key priorities. The Touchpoint meeting with the Welsh Government Planning team on 2 March was followed by a further meeting with the Finance Delivery Unit on 8 March. Both were extremely positive. The key aspects of the plan, and the associated financial implications and requirements, were presented to the Committee. The plan is ambitious but proportionate and financially balanced. The plan seeks to:</p> <ol style="list-style-type: none"> 1. Support the NHS in reducing the four harms of COVID19, including the vaccination campaign. 2. Continue to deliver the basics well, with a strong focus on end user experience. 3. Review processes and tailor services to customer priorities as they restart areas such as planned care. 4. Implement a number of 'Once for Wales' solutions that deliver service improvement and transformation. 5. Apply learning from the pandemic and embed new efficient and sustainable ways of working across the organisation. 	

Item		Action
	<p>6. Put the voice, health, and wellbeing of our staff at the heart of our plans.</p> <p>AB highlighted the financial aspects of the plan stating that there had been a substantial increase in income in 2021 which is set to continue into 2022. The two main reasons for this are funding for the Single Lead Employer Scheme and PPE expenditure.</p> <p>GH expanded upon the work taking place in Workforce to support the plan. GH detailed the development of the Service Champions and the tailored approaches that were informed by Staff surveys.</p> <p>DD stated that he would have liked the plan to be explicit on ensuring that all staff were employed on a living wage. He acknowledged that he had raised the same concern to the Velindre Local Partnership Forum which LF confirmed. This issue is being taken up by Velindre and GH confirmed that further discussion would take place between NWSSP and Trade Union colleagues to ensure that this concern was addressed.</p> <p>HT congratulated AR on an excellent plan and acknowledged all the excellent work that has taken place in Shared Services. HT also questioned if it is time for Shared Services to have a commercial strategy. The strategy should encourage growth outside of Wales and also outside of the NHS. This would help to provide opportunities for increasing employment within NWSSP to support the Welsh economy.</p> <p>The Committee APPROVED the plan.</p>	
4.2	<p>Laundry Services</p> <p>NF reported that sufficient progress has been made with three out of the five existing laundries to allow the TUPE transfer process to conclude on 1st April. A number of appointments have been made to strengthen the management structures within NWSSP to oversee the transfer and subsequent operation of the laundry service going forward as well as ensuring the next phase of the laundry development is taken forward in a timely manner. The financial positions have largely been agreed with ABUHB, BCUHB and Swansea Bay for the three laundries transferring on 1 April. The transfer will mean customers who currently have their laundry service provided by one of these laundries will continue to receive the same service "as is" with no anticipated change in delivery arrangements or cost attributed to that service at the present moment. A draft Service Level Agreement has been documented</p>	

Item		Action
	for the provision of this service which was APPROVED by the Committee and which will be reviewed after the end of the first quarter of operation together with the development of additional KPIs.	
4.3	<p>Temporary Medicines Unit</p> <p>The Committee had previously approved the SLA and Technical Agreements for the TMU in September 2020. Good progress is being made with the implementation and operation of this service, but the documentation now needs re-approval as it expires on 31 March 2021.</p> <p>The Committee APPROVED the extension of the associated TMU SLA and Technical Agreements, up to March 2023.</p>	
4.4	<p>Scan for Safety</p> <p>The Scan4Safety Business Case was presented by Jonathan Irvine and Andy Smallwood. This had previously been reviewed by the Committee in January. In addition, it had been taken to DoFs in February and was going back to DoFs on 19th March. The benefits of the initiative were reiterated and were fully supported by the Committee.</p> <p>The Committee therefore APPROVED the request for the Full Business Case to be submitted for approval by Welsh Government subject to endorsement by the Directors of Finance at their meeting on 19th March.</p>	
4.5	<p>All-Wales Network of Mediators</p> <p>GH presented a paper where the Committee were asked to consider a request to fund the costs associated with the development of a new Mediation Network for NHS Wales. The development of the Network is seen to be an integral part of the wider work to address concerns relating to bullying and harassment arising from Staff Survey feedback, setting a framework for improved working relationships and encouraging respect and early resolution of grievances and dignity at work matters. The Committee APPROVED the request to fund the 2021/22 costs (approx. £60k) on a non-recurring basis from a first call on savings within NWSSP.</p>	
4.6	E-Scheduling Update	

Item		Action
	<p>The Committee received a proposal from GH relating to the adoption of a Once for Wales e-scheduling system contract for District Nursing and other Community-based staff at its January 2021 meeting. The required approach was endorsed in the January meeting and the Committee were now being asked to NOTE the award of a two-year contract for this system with effect from 31 March 2021.</p>	
5. Project Updates		
5.1	<p>PMO Highlight Report</p> <p>The Committee reviewed and noted the programme and projects monthly summary report, which highlighted the team's current progress and position on the schemes being managed.</p>	
4. Governance, Performance & Assurance		
6.1	<p>Finance & Workforce Report</p> <p>AB presented the report. At the end of M10, the overall position for NWSSP was an underlying underspend of £0.797m representing a significant reduction (by £1.22m) on the prior month as a result of the additional 2020/21 distribution being made. The year-end forecast remains at a break-even position. The final ESR recharges for 2020/21 have now been confirmed to UHBs/Trusts and the recharge invoices raised in February following the previously noted risk in respect of this. The previously communicated risk associated with the CTES SIP Fund has been reduced and £0.368m of funds will be returned to UHBs/Trusts in 2020/21.</p> <p>GH summarised the workforce information in the report. Sickness rates remain low across both short-term and long-term absence. Staff turnover is also very low which may be a result of the pandemic. GE commented that there may be a delayed effect as a result of COVID and turnover rates may increase as lockdown measures are gradually eased.</p>	
6.2	<p>Corporate Risk Register</p> <p>PS stated that there is now just one red risk on the register, relating to the replacement of the NHAIS system which is due to go live on 1 July. Two former red risks, relating to the implications of BREXIT and the replacement of the Ophthalmology Payments system have been reduced to an amber rating.</p>	

Item		Action
5. Items for Information		
7.1	<p>The following items were provided for information:</p> <ul style="list-style-type: none"> • Welsh Risk Pool MoU • Future Generations Commissioner Report • Finance Monitoring Reports • Audit Committee Highlight Report. 	
6. ANY OTHER BUSINESS		
8.1	There were no further items raised.	
<p align="center">DATE OF NEXT MEETING: Thursday, 20th May 2021 from 10:00-13:00 Via Teams</p>		

Item 1.5

ACTION LOG

SHARED SERVICES PARTNERSHIP COMMITTEE (SSPC)

UPDATE FOR 20 MAY 2021 MEETING

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

Increasing SSP support to the Strategic Programme for Primary Care

Andrew Evans

Director, Primary Care Services, SSP



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

Background

- SSP structure largely functional with limited cross over between Divisions
- Current SSP services are either transactional, expert or strategic in nature
- Customers (HBs and Trusts) not always clear what services are available or how to access them
- Opportunity to use market segmentation approach to bring greater integration internally and the tailoring of offers to meet specific segment needs more directly:
 - Primary and Community Care Services
 - Secondary Care Services
 - Support Services
 - Corporate Services



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

Primary and Community Care Services Overview

- **HB DoPCC Priorities 2021/22**

- Management of COVID 19
- Delivery of essential services
- Development of integrated primary and community care
- Improved access to primary care

- **Strategic Programme Focus**

- Urgent Primary Care Model
- 24/7 Model
- Mental Wellbeing
- Cluster Development (as an enabler of the above)



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

Using Cluster Development as an example:

- The recent survey reviewing the progress of Clusters identified the following barriers:
 - Problematic governance and IT issues
 - Health board bureaucracy and complex processes
 - The size and nature of funding
 - Poor evaluation
 - A lack of support to develop generally, and
 - A lack of support to develop new roles and models of employment specifically



Current SSP Offering to Primary and Community Care

Division	Transaction Services	Expert Services	Strategic Services
Primary Care	<ul style="list-style-type: none"> GP Payments Pharmacy Payments Dental Payments Ophthalmic Payments Document Scanning Safety Alerts Print & Post Supplies & Logistics 	<ul style="list-style-type: none"> Audit & Assurance Practice Support Medical Records Store & Scan Performers List Management Contracts Management Data Management 	
Legal & Risk		<ul style="list-style-type: none"> Negligence Law & Claims Management Commercial Law Property Law Employment Law 	
Workforce & OD	<ul style="list-style-type: none"> Trainee Lead Employer Workforce Monitoring Pre Employment Checks Recruitment Advertising 	<ul style="list-style-type: none"> Terms & Conditions Advice Learning @ Wales Management All Wales Locum Register & Hub Management Data Management 	
Specialist Estates	<ul style="list-style-type: none"> Building Guidance & Alerts 	<ul style="list-style-type: none"> Specialist Engineering Building Design Project Management 	<ul style="list-style-type: none"> Estates Strategy Advice
Procurement	<ul style="list-style-type: none"> Health Courier 	<ul style="list-style-type: none"> Procurement 	<ul style="list-style-type: none"> Procurement Strategy Advice Demand Modelling
Audit & Assurance		<ul style="list-style-type: none"> Audit & Assurance Counter Fraud 	<ul style="list-style-type: none"> Audit & Assurance Strategy Advice
Medical Examiner		<ul style="list-style-type: none"> Mortality Review 	<ul style="list-style-type: none"> Expert Analysis and Advice

These services already covers a number of the barrier areas identified in the survey, but could we do more?



Opportunities to support SPPC and HBs more directly

- **Cluster Development**
 - Governance (models & frameworks)
 - Workforce (lead employer, planning tools, model contracts)
- **Primary Care Estate**
 - Rationalisation & design
- **Practice Support**
 - Clinical review & advice (linked to negligence cases)
 - Practice management support
 - Conflict resolution & mediation
 - Back Office functions
 - Legal and operational models (practice and employment)
- **Data Management**
 - Dashboards & Analytics (NB. links to outcomes/impact)
- **Shared Care Interface**
 - Remote monitoring and care coordination

Could SSP become more of a vehicle for progressing elements of the PC Model for Wales?

- Operates on behalf of HBs, not instead of
- Able to use standardised systems and processes with solutions tailored to local circumstances
- Strong governance but flexible processes/less complexity
- Track record of partnership working and innovation

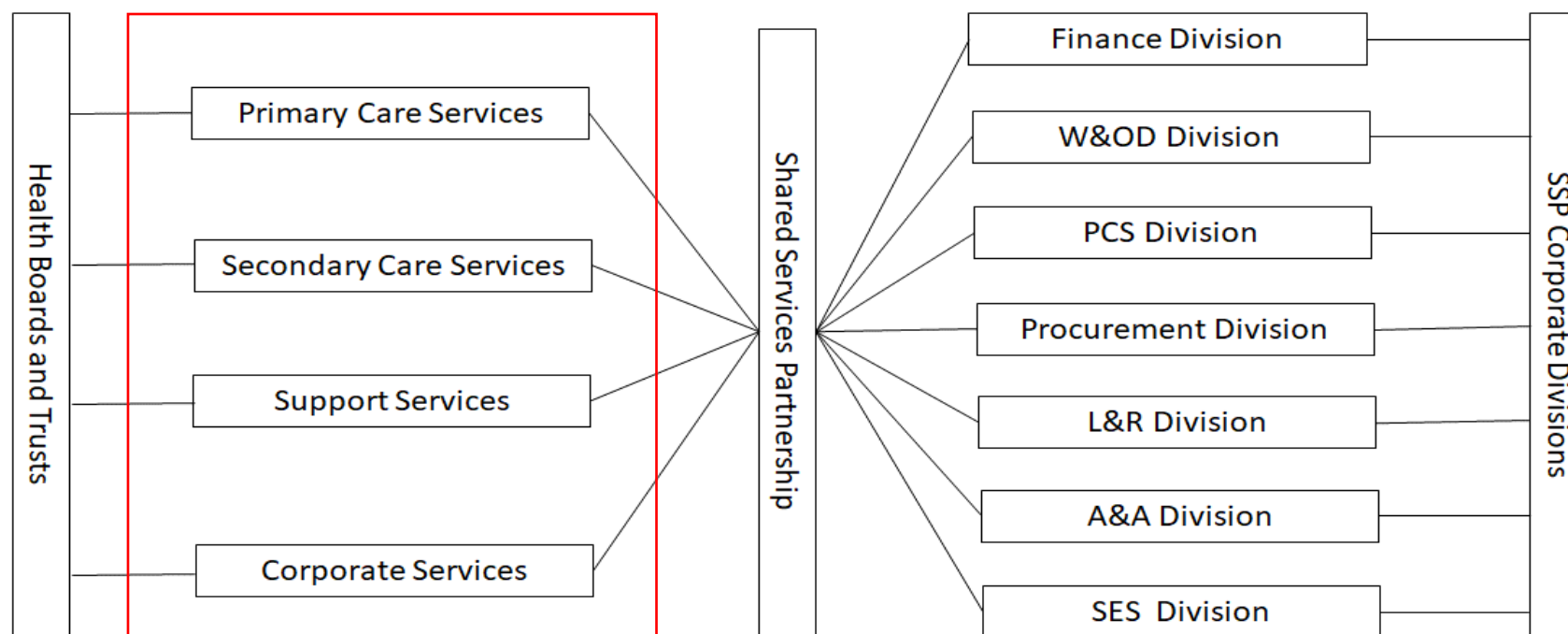


GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

Integrated solutions: SSP through a new lens

Customer Segmentation and SSP Integration



Key Point:

SSP can only help find solutions if it understands what the problems are:

- Partnership
- Innovation
- Excellence

Many of the barriers go beyond primary care and may require more integrated solutions.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership


Next Steps

- Primary and Community Care Services as a “Pathfinder”
 - SSP Director of PCS as P&CC Segment Expert
 - Work with Directors of Primary and Community Care and Strategic Programme to understand problems and identify opportunities for potential SSP service developments (developing Segment Report to inform SSP annual IMTP planning process)
 - Work with SSP Directors to clarify current/planned offerings and to leverage full range of skills, knowledge and expertise to develop potential solutions to identified opportunities (facilitating integration internally where required)
 - Provide “critical friend” role to critique developing solutions internally (avoid developing elegant solutions to problems people don’t actually have).
 - Act as SSP point of contact for P&CC stakeholders (to provide clarity where required)



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: 20 May 2021
--	--

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Proposed Changes to the Scheme of Delegation including for the Existing Liability Scheme

ARWEINYDD: LEAD:	Mark Harris, Director – Legal and Risk Services
AWDUR: AUTHOR:	Paul Veysey, Solicitor
SWYDDOG ADRODD: REPORTING OFFICER:	Mark Harris, Director – Legal and Risk Services
MANYLION CYSWLLT: CONTACT DETAILS:	Mark.Harris@wales.nhs.uk

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

For the Committee to agree the proposed changes to the authority levels within the Scheme of Delegation and to recommend approval to the Velindre University NHS Trust Board.

Llywodraethu/Governance

Amcanion: Objectives:	Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement Efficiency – to ensure the Scheme can operate and discharge its functions within time limits and with less single points of failure.
Tystiolaeth: Supporting evidence:	Included in paper

Ymgynghoriad/Consultation :

Welsh Government

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE		ARNODI/ ENDORSE	X	TRAFOD/ DISCUSS		NODI/ NOTE	
Argymhelliad/ Recommendation		The Committee is requested to agree the proposed changes to the authority levels within the Scheme of Delegation and to recommend approval to the Velindre University NHS Trust Board.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	All relevant considerations included in paper.
Iechyd Poblogaeth: Population Health:	No direct impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact.
Ariannol: Financial:	All relevant considerations included in paper.
Risg a Aswiriant: Risk and Assurance:	All relevant considerations included in paper.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	No direct impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

Proposed changes to the payment process for Existing Liability Scheme (ELS)

Change Proposed

To modify the authority limits within the Scheme of Delegation to allow ELS to operate more efficiently, to remove the risk of single points of failure and to reduce a disproportionate administrative burden upon the Managing Director of NWSSP.

Background

The Welsh Government has delegated operation of the Existing Liabilities Scheme (ELS) to the Legal and Risk Services (L&R) Division of NHS Wales Shared Services Partnership (NWSSP).

Operational leadership of ELS rests with Heather Grimbaldston as General Medical Services Indemnity Team Leader. Mark Harris, Director L&R, provides oversight.

On 30th June 2020, in scope claims being handled by the Medical and Defence Union of Scotland (MDDUS) transferred into ELS.

On 1st April 2021, in scope claims being handed by the Medical Protection Society (MPS) also transferred into ELS.

Prior to the first claims migrating into ELS, Welsh Government HSS Finance asked NWSSP to take responsibility for a direct payment process under which NWSSP makes direct payments on claims to third parties of damages, costs, fees etc. and seeks reimbursement of those payments from Welsh Government.

The direct payments process was duly set up with Welsh Government issuing letters of delegation to NWSSP and by NWSSP putting in place a Scheme of Delegation (Appendix 1) to govern the process. The Scheme of Delegation has been incorporated into the Standing Orders for the Operation of the Shared Services Partnership Committee.

In accordance with the Scheme of Delegation, decisions to compromise claims and to make payments up to a total claim value / payment limit of up to £1M can be made by NWSSP and approved internally in-line with the scheme of delegation authority levels. Any value of damages decisions / payments >£1M require approval from Welsh Government.

The design of the Scheme of Delegation reflected similar arrangements put in place for the administration of the Welsh Infected Blood Scheme (WIBSS), on behalf of the Welsh Government.

The Partnership Committee approved the Scheme of Delegation on 21st May 2020 and the Velindre NHS Trust Board approved the Scheme in June 2020. The Scheme of Delegation went live on 1st July 2020 following operational transfer of the MDDUS claims into ELS on 30th June 2020.

As we approach the anniversary of the Scheme and with the addition of the MPS claims from April 2021, a need to review and adjust the authority limits has become apparent to ensure the operational efficiency of ELS.

Proposed Adjustments to the Scheme of Delegation

The current Scheme of Delegation is structured on the following basis;

Scheme Designation	Damages Limit
Welsh Government	£1M and over
Managing Director and NWSSP Chairman	Up to £1M
Managing Director	Up to £500k
Director of Finance & Corporate Services	Up to £100k
Director of L&R	Up to £100k
Deputy Director of Finance & Corporate Services	Up to £50k
Deputy Director of L&R	Up to £50k
Head of Function - GMPI Team Leader	Up to £10k

A total of 37 claims and 28 potential claims came into ELS on 30th June 2020, when the MDDUS transfer took place. Since that time an additional 5 former MDDUS claims have been received.

A total of 88 claims and 25 potential claims came into ELS on 1st April 2021 when the MPS transfer took place.

With claims concluding, there are currently approximately 119 claims live within the scheme.

Given the number of claims within ELS from April 2021, the potential burden imposed by the Scheme upon the Managing Director and NWSSP Chair has become clearer. It is also apparent that in the absence of the Managing

Director on leave or otherwise, NWSSP cannot utilise the Scheme of Delegation for claims with a value over £100K.

Under the Scheme as currently in place, the potential referral rates for instructions are as follows:

Current Arrangement

Scheme Designation	Damages Limit	Cases	%
Welsh Government	£1M and over	7	6 %
Managing Director and NWSSP Chairman	Up to £1M	9	7 %
Managing Director	Up to £500k	45	38 %
Director of Finance & Corporate Services OR Director of L&R	Up to £100k	33	28 %
Deputy Director of Finance & Corporate Services OR Deputy Director of L&R	Up to £50k	17	14 %
Head of Function - GMPI Team Leader	Up to £10k	8	7 %

The figures indicate the Managing Director may be asked to provide instructions in up to 45% of ELS claims.

This creates a disproportionate workload which will inevitably result in claims decisions taking too long to make and payments of damages potentially not being made within the time limits ordered by the Court. In addition, should the Managing Director be unavailable due to leave or otherwise, the Scheme of Delegation fails and instructions would be required directly from Welsh Government.

It is proposed that the delegation levels are adjusted to realign the authorisation process in order to ensure senior leadership in NWSSP are not unduly burdened by the Scheme and the ELS claims can be efficiently administered within the time limits applicable and with less single points of failure.

The L&R and Welsh Risk Pool Services Limits in place for WRP Managed Claims already have much higher delegation levels than the current ELS Scheme of Delegation. Under the managed claims service levels, there is an authority level of up to £500K for the Director of L&R and WRP, which includes an authority for the Director to agree settlements and to make admissions. The Director of L&R (a clinical negligence solicitor) is therefore well placed to adjudicate decisions at the higher proposed authority levels requested for ELS claims in this paper.

The proposed changes, if approved, would change the Scheme of Delegation as follows;

Proposed Arrangement

Scheme Designation	Damages Limit	Cases	%
Welsh Government	£1M and over	7	6 %
Managing Director and NWSSP Chairman	Up to £1M	9	7 %
Director of Finance & Corporate Services OR Director of L&R	Up to £500k	45	38 %
Deputy Director of Finance & Corporate Services OR Deputy Director of L&R	Up to £100k	33	28 %
Head of Function - GMPI Team Leader	Up to £50k	25	21 %

This adjustment would require only 7% (down from 45%) of claims decisions to be referred to the Managing Director (and NWSSP Chair) for those cases with higher values.

The other value bands have also been adjusted to spread the administration of referrals more evenly within the Scheme.

In terms of senior leadership resources and the efficient management of ELS, it is proposed the balance of resources is better struck with the quality of oversight remaining in place. ELS claims with a value over £100K can also be administered within the Scheme should the Managing Director be on leave or otherwise.

Should another Medical Defence Organisation join ELS, the proposed amended Scheme will be better equipped and more resilient to efficiently administer the additional claims.

Conclusion

To ensure ELS can efficiently operate and meet expectations, a modification to the authority levels within the Scheme is required.

If approved by the Partnership Committee and Welsh Government, an updated Scheme of Delegation will be put before the Velindre NHS Trust Board for approval with the changes coming into effect immediately thereafter.

Other Required Changes

There are two other changes to the Scheme of Delegation that are unconnected to the ELS Scheme, but which require SSPC approval to enable

submission to the Trust Board for full approval. The detail of these is as follows:

- A further extension in the increase in limits for Procurement expenditure specific to COVID. The current temporary limit for the NWSSP Chair and Managing Director/Director of Finance and Corporate Services is £5m. This limit is due to expire on 30 June 2021 and we would like approval for this to be extended further until 30 September 2021; and
- An increase in the ESR Recharge limit (currently £750k) to £1m. This is to reflect significantly higher charges being recharged to NHS Wales by the Department of Health and Social Care for the ESR system.

Recommendation

The Committee is asked to:

- Note the content of the report.
- Agree the proposed change to the Scheme of Delegation and recommend approval to the Velindre NHS Trust Board at their next meeting.

Appendix 1

Payment process for Existing Liability Scheme

Background

The Welsh Government has delegated to NWSSP the function of oversight of the Existing Liabilities Scheme (ELS) and certain claims handling responsibilities to be undertaken by the Medical Protection Society (MPS) and Medical and Dental Defence Union of Scotland (MDDUS). Neil Frow will act as Accountable Officer for this delegated function.

A copy of the delegation letter is enclosed as Appendix A.

The Legal and Risk Services (L&R) Division of NHS Wales Shared Services Partnership (NWSSP) will deliver this service on a day-to-day operational basis under the leadership of Heather Grimbaldeston as General Medical Services Indemnity Team Leader. Mark Harris, Director L&R, will provide oversight.

As an additional level of assurance, L&R will follow NWSSP performance reporting arrangements. This includes regular update reports from L&R to our Senior Management Team, written and oral scrutiny on a quarterly basis on the Division's performance against agreed objectives and Key Performance Indicators.

NWSSP also reports quarterly by exception on performance against agreed objectives and KPIs to the Delivery and Performance Division Health & Social Services (HSS) Group.

This oversight function does not involve making payments to either of the Medical Defence Organisations (MDOs) nor direct payments to claimants or to those providing services to defend claims such as Counsel or expert opinion. The Welsh Government HSS Finance team solely handles payments to MDOs. The MDOs make the direct payments to claimants and to those involved in defending the claim.

Change in function

From 1 April 2021 the role of NWSSP will change and it will become responsible for the management of ELS claims, and this will be confirmed in a future delegation letter.

MDDUS has indicated a preference to transfer responsibility for the management of claims from 1 July 2020.

Welsh Government HSS Finance has asked NWSSP to consider if it can also take on responsibility for the direct payment process as part of the change

in function. There are two potential scenarios that may then be in operation alongside each other:

- **Scenario 1**

External solicitors previously engaged by the MDOs will continue to handle some of the claims once L&R has assumed responsibility for the management of the claims.

In this scenario, L&R will provide instructions. Authorisation and payment of the external solicitors' costs and disbursements will be approved in line with the Scheme of Delegation.

- **Scenario 2**

L&R solicitors handle some of the claims with no external solicitor involvement. In this scenario members of the GMPI team would then be instructing experts, counsel, cost draftsmen and incurring court fees.

In this scenario the Director or Deputy Director of L&R will approve claims decisions. Payment request will be approved in line with the Scheme of Delegation.

Annex 1 to this report summarises the process that will operate.

Proposal

For NWSSP to take on responsibility for processing direct payments there are three key considerations:

1) Scheme of delegation

The current NWSSP Scheme of delegation will need to be updated to reflect the change in responsibility.

The following proposal reflects similar arrangements put in place for the administration of the Welsh Infected Blood Scheme (WIBSS), on behalf of the Welsh Government.

A letter of delegation from the Welsh Government HSS Finance team will be required to support this way forward.

Separately then the following Scheme of Delegation is proposed relating to payment approvals within NWWSP:

Existing Liability Limits - proposal

Scheme Designation	Damages Limit
Welsh Government	£1M and over
Managing Director and NWSSP Chairman	Up to £1M
Managing Director	Up to £500k
Director of Finance & Corporate Services	Up to £100k
Director of L&R	Up to £100k
Deputy Director of Finance & Corporate Services	Up to £50k
Deputy Director of L&R	Up to £50k
Head of Function - GMPI Team Leader	Up to £10k

2) Reporting

The Welsh Risk Pool Committee has no role in the administration or oversight of the Existing Liability Scheme.

It is proposed that NWSSP would provide to the Welsh Government every quarter end a report. This report would include:

- Number of live cases.
- Total estimated value of live cases split by damages/claimant costs/defence costs.
- Indicative settlement date.
- Probability of the claim being successful.
- Summary total of payments made in the last quarter and year to date.

Whilst learning from events is not a requirement prior to a claims decision or payment under the Existing Liability Scheme Regulations, it would nonetheless be considered good practice.

A learning from events form will be completed, logged on the database and incorporated into the wider sharing of learning from GMPI through case studies, training and newsletters.

3) Payments and reimbursement

If adopted it is proposed that claims and payments would be made by NWSSP and approved in line with the above scheme of delegation.

Any value of damages decisions >£1M will require written (email acceptable) Welsh Government approval.

All other value of claims decisions <£1M will be approved in line with the Scheme of Delegation.

With no payment history to rely upon it is difficult to predict with any certainty the volume or value of ELS payments to be processed by NWSSP. It is proposed that initially NWSSP will seek reimbursement for claims payments on a quarterly basis via invoice; similar to the WIBSS process.

It is acknowledged that in the event there is a significant value of payment to be made in any one month, an ad hoc cash draw down may be required from the Welsh Government HSS Finance approval. The L&R Finance Manager will liaise directly with Welsh Government HSS Finance team when this scenario arises.

This initial proposal will be kept under review, and amended if required with the agreement of Welsh Government HSS Finance, to a more frequent reimbursement arrangement.

Conclusion

The Welsh Government HSS Finance team has agreed the above proposal, and a delegation letter will follow confirming the financial limits.

These proposed new arrangements will take effect from 1 July 2020 and be reviewed no later than 1 December 2020.

Annex 1 Existing Liability Scheme Payments – internal process

Overview



- 1) Any decision on value of claims >£1M approval must be sought in writing by the GMPI Team Leader from Steve.elliott@wales.nhs.uk at Welsh Government; cc john.evans@wales.nhs.uk.
- 2) Any decision on value of claims <£1M must be overseen by the GMPI Team Leader and a referral form completed for approval by the Director of L&R or Deputy.
- 3) GMPI solicitor instructs NWSSP finance to make payments for either an interim payment or final payment for damages or costs.

GMPI Team Leader will be cc'd into the request by the solicitor. This request may come from an external solicitor previously appointed by MDOs or from one of the L&R solicitors.

Director of L&R will be cc'd into requests made by the Team Leader for their own cases.

Team Leader will instruct NWSSP finance to make payments relating to L&R solicitors.

- 4) NWSSP finance will complete a dataload spreadsheet in a pro-forma format (to enable upload by Velindre NHS Trust).

The dataload detailed spreadsheet will include:

- a. Name of the case
- b. Case reference
- c. Bank account details
- d. Invoice date
- e. Invoice number
- f. Amount incl. VAT
- g. Cost Centre
- h. Subjective Code
- i. Invoice received date
- j. VAT type (exempt/reclaimable)
- k. Claimant Name
- l. Email address of recipient for remittance

The VAT detail is significant because VAT is reclaimable on expert fees except where they have been paid as part of the claimant costs.

- 5) NWSSP finance will complete a batch control sheet total for all claims to be paid since the last batch.
- 6) The Batch control sheet will be signed by NWSSP Finance and checked by a second person before being sent to the appropriate Authorising Signatory in line with the scheme of delegation.

Electronic signatures are permissible if sent from the authorising email account.

- 7) NWSSP Finance then sends the Batch control sheet and the dataload spreadsheet for payment to Accounts Payable.

All supporting invoices for costs, including experts and barrister fees, should accompany the dataload spreadsheet.

Damages payment requests are supported by the email from the solicitor instructing the payment to be made following negotiation of the damages settlement.


Claimant costs to be paid are supported by email from the solicitor instructing payment following the negotiation of the costs settlement.

- 8) When payment has been confirmed, NWSSP finance will update the Finance detailed spreadsheet to confirm.

The Finance spreadsheet would contain the detail of all open cases with brought forward balances at the beginning of the year.

- The detail includes probability of loss to determine whether the case is a provision or a contingent liability, case ref and provision balances.
- Payments during the year are added so the closing balances are adjusted for in year utilisation
- The summary sheet shows the closing position which will reconcile to the yearend statements and can be used as a supporting document for the yearend audit.

- 9) Learning from events form completed, logged on the data base and incorporated into the wider sharing of learning from GMPI through case studies, training and newsletters.

 GIG Cymru NHS Wales Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: 20 May 2021
--	--

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Legal & Risk Services Case Management System

ARWEINYDD: LEAD:	Mark Harris, Director – Legal and Risk Services
AWDUR: AUTHOR:	Hywel Jones – Deputy Head of Sourcing
SWYDDOG ADRODD: REPORTING OFFICER:	Mark Harris, Director – Legal and Risk Services

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

For the Committee to note the intention to award a contract to DXC Limited for purchase of a Legal & Risk Case Management System.

Llywodraethu/Governance

**Amcanion:
Objectives:** Excellence – to develop an organisation that delivers a process excellence through a focus on continuous service improvement
Efficiency – to ensure the Scheme can operate and discharge its functions within time limits and with less single points of failure.

**Tystiolaeth:
Supporting
evidence:** Included in paper

Ymgynghoriad/Consultation :

Welsh Government

Adduned y Pwyllgor/Committee Resolution (insert ✓):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
----------------------------	--	----------------------------	--	----------------------------	--	-----------------------	----------

Argymhelliad/ Recommendation	The Committee is asked to: note the intention to award a contract to DXC Limited for purchase of a Legal & Risk Case Management System.
---	---

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact.
Cyfreithiol: Legal:	All relevant considerations included in paper.
Iechyd Poblogaeth: Population Health:	No direct impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact.
Ariannol: Financial:	All relevant considerations included in paper.
Risg a Aswiriant: Risk and Assurance:	All relevant considerations included in paper.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	No direct impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

NWSSP Legal & Risk Services Case Management System

Background

NWSSP wishes to procure a Legal & Risk (L&R) Case Management System. The new Case Management System will be aligned to a standard and efficient business administration processes. This will take the administration burden away from the lawyers so they can focus on their legal skills and legal work. The new solution will offer task management of each legal areas end to end lifecycle. This will aid the rapid training of new and junior lawyers, reducing time and effort. It will allow the opportunity to rebalance and reassign tasks to less costly administrators and free up lawyers to do the high value work.

The Crown Commercial Services (CCS) framework was identified and approved as the most viable and a compliant procurement route. A call-off through this framework met the timescales required and to enable efficiencies to be delivered through a mini-competition RM3821 Data Applications Lot 1a: Resource Planning & Management Solutions. The mini competition was carried out in line with the requirements of the framework as outlined in the CCS guidance documents

Conclusion

Following the review and evaluation of all bids received, the total scores are set out below:

	Weighted Score	One Advanced	Civica	DXC Limited
Technical Evaluation Score	80%	39.4%	57.6%	69.8%
Commercial Evaluation Score	20%	10.2%	20.0%	13.4%
Total	100%	49.6%	77.6%	83.2%
Ranking		3	2	1

The intention to award to DXC Limited a 6 years with option to extend for further 3 years (1+1+1). The proposed value during the fixed term of the contract is *£1,132,263.32 (ex VAT). Funding has been approved by Welsh Government.

*Please note the award to DXC requires the purchase of Microsoft Dynamic licences which can only be purchased over a 3-year period. Therefore, the licence cost for years 4-6 of the contract will be different because Microsoft pricing fluctuates based on exchange rates. It is impossible to work out what the exchange rates could be in 4 years' time so the commercial evaluation has used the same licence price for the duration of the contract to allow the evaluation to be completed. In addition, the licences will be purchased via the NHS Wales Enterprise Agreement providing a more competitive licencing cost through economy of scales instead of purchasing directly via DXC. This route to purchasing the licences is estimated to save NHS Wales £62,000 over the life of contract.

Recommendation

The Committee is asked to:

- Note the content of the report.
-



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM: 5.2

20 May 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Development of Long-Term PPE Strategy

**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 an update on the development of a long-term PPE Strategy.

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:

Extensive consultation has been undertaken with Welsh Government colleagues regarding the development of the PPE Strategy which also takes into account the findings of the recent Audit Wales Review.

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:	The development of the strategy should help in protecting the longer-term health of the population.
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 Aswiriant: 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 DEVELOPMENT OF LONG-TERM PPE STRATEGY May 2021

1. BACKGROUND

The supply and distribution of high-quality PPE to frontline health and social care workers continues to be a critical part of the Government's response to the COVID-19 pandemic and there remains considerable public interest in the effectiveness and propriety of its procurement and supply.

In July 2020, the Senedd Health, Social Care and Sport Committee recommended that the Welsh Government develop a strategy for securing a resilient PPE supply, including a plan for stockpiling. WG accepted the recommendation and in October NWSSP issued the Procurement Services PPE Winter Plan. Key to the plan was the decision to buy and warehouse a physical stockpile of 24 weeks of key PPE items to improve resilience. The 24 weeks stockpile was comprised of physical stock to meet the estimated demand from BAU PPE requirements (4 weeks), Covid-19 requirements (8 weeks), pandemic preparedness stock (4 weeks) and risks arising from the end of the EU Exit transition period (8 weeks).

NWSSP are currently working with Welsh Government to provide an initial draft of a longer-term PPE strategy by June 2021 with a view to implementing the plan from 1st Sept 2021. Key to shaping this plan will be decisions on the longer-term provision of PPE to wider primary care and social care settings and the operationalisation of those decisions. Policy leads in Social Service and Primary Care are reviewing.

Until the new plan is implemented the following measures have been agreed with Welsh Government:

- Until 1st July 2021 the stockpile should hold, as a minimum, 24 weeks supply, which includes 8 week contingency for residual risks related to EU Exit.
- Beyond 1st July the stockpile should be tapered to hold, as a minimum, 16 weeks supply at 31st August. The 16 weeks includes contingency for BAU PPE requirements (4 weeks), Covid-19 requirements (8 weeks), pandemic preparedness stock (4 weeks).

Since the start of the pandemic NWSSP have also improved demand modelling and continue to support health boards and Local Authorities to improve compliance with reporting via the 'StockWatch' system. Overall demand for PPE is reported as stable, with actuals on PPE issue rates falling below the forecasted levels and significant stock on most items also held at a local level.

The recent Audit Wales review of PPE procurement and supply is provided as an appendix.

RECOMMENDATION

The Committee is asked to:

- **NOTE** the report.

Procuring and Supplying PPE for the COVID-19 Pandemic

Report of the Auditor General for Wales

April 2021

This report has been prepared for presentation to the Senedd under the Government of Wales Acts 1998 and 2006.

The Auditor General is independent of the Senedd and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the Senedd on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

© Auditor General for Wales 2021

Audit Wales is the umbrella brand of the Auditor General for Wales and the Wales Audit Office, which are each separate legal entities with their own legal functions. Audit Wales is not itself a legal entity. While the Auditor General has the auditing and reporting functions described above, the Wales Audit Office's main functions are to providing staff and other resources for the exercise of the Auditor General's functions, and to monitoring and advise the Auditor General.

You may re-use this publication (not including logos) free of charge in any format or medium. If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Key messages	4
Key facts	7
Key roles and responsibilities	8
Recommendations	9
Main report	12
1 The supply of PPE	12
2 Procurement of PPE	34
Appendices	54
1 Audit approach and methods	55
2 Organisations and groups involved in the procurement and supply of PPE	58
3 Shared Services PPE stocks during the pandemic	60

Key messages

Context

- 1 This report looks at the procurement and supply of Personal Protective Equipment (PPE) during the COVID-19 pandemic. PPE is essential for protecting those who get close to infected people. It can also prevent people spreading the virus amongst each other and to those they are caring for.
- 2 Our report focuses on the national efforts to supply health and social care in Wales. These efforts have been led by the Welsh Government, working with partners in the NHS Wales Shared Services Partnership (Shared Services) and local government. Shared Services has taken on an expanded role in securing PPE for the whole health and social care sector. **Appendix 1** describes our audit approach and methods.
- 3 We have not reviewed arrangements for local procurement of PPE by NHS and local government bodies, nor the logistical arrangements in place locally to distribute PPE directly to frontline staff. We have, however, reflected evidence collected by professional bodies about the views of front-line staff. In carrying out this work, we have been mindful of the work by the National Audit Office (NAO) in England on the supply and procurement of PPE. Where possible, we have sought to align our scope, albeit in a devolved context.

Overall conclusion

- 4 In collaboration with other public services, Shared Services overcame early challenges to provide health and care bodies with the PPE required by guidance without running out of stock at a national level. It is now in a far stronger position, with stockpiles of most PPE equipment and orders in train for those that are below 24 weeks. Some frontline staff have reported that they experienced shortages of PPE and some felt they should have had a higher level of PPE than required by guidance. The Welsh Government and Shared Services put in place good arrangements overall to procure PPE that helped manage risks and avoid some of the issues reported on in England. However, Shared Services did not publish contract award notices for all its PPE contracts within 30 days of them being let.

Key findings

- 5 The challenge facing the NHS and social care at the start of the pandemic was stark. The stockpile developed for a flu pandemic was inadequate for a coronavirus. Global supply chains had fragmented as countries competed for scarce supplies and some imposed export controls.
- 6 Public services across Wales responded in an increasingly collaborative way. Shared Services took on an expanded role in supplying PPE to the wider NHS, including independent contractors in primary care (GPs, dentists, pharmacies and optometrists). Shared Services then worked closely with local government to understand demand in social care and then took on an increasing role supplying PPE. Shared Services now supplies almost all social care PPE needs. We recognise the huge individual and collective effort involved in the work to source and supply PPE to frontline staff.
- 7 Shared Services data shows that, nationally, stocks did not run out although stocks of some items got very low. At times, Wales drew on mutual aid from other countries but ultimately gave out significantly more than it received. The health and care system is now in a much better position, with buffer stocks of most PPE items in place and orders due on key items where stocks are below target.
- 8 Surveys carried out by the Royal College of Nursing and British Medical Association suggest confidence in the supply of PPE grew shortly after the start of the pandemic, but concerns remain. While we cannot be sure how representative these views are, some frontline staff reported shortages of specific items of PPE, with a small minority saying at times they had none at all. In some cases, staff concerns relate to the fact that they want a higher level of PPE than required under the guidance.
- 9 A range of bodies were involved in sourcing PPE globally and in responding to, and working with, local manufacturers. In contrast to the position described by the NAO in England, we saw no evidence of a priority being given to potential suppliers depending on who referred them.
- 10 Overall, Shared Services developed good arrangements to rapidly buy PPE, while balancing the urgent need to get supplies for frontline staff with the need to manage significant financial governance risks in an area of rapidly growing expenditure. These risks included dealing with new suppliers, having to make large advance payments and significant quantities of fraudulent and poor-quality equipment being offered.

- 11 Time pressure meant due diligence could not always be carried out to the level it would outside of a pandemic in a normal competitive tendering process. But, for each contract we reviewed, we found evidence of key due diligence checks. And while costs were generally higher than before the pandemic, we saw evidence of Shared Services negotiating prices down.
- 12 However, Shared Services did not meet the requirements under emergency procurement rules to publish contract award notices within 30 days. Shared Services told us that its staff needed to prioritise sourcing PPE and that there were other administrative reasons for delays.
- 13 Shared Services' plan for PPE ran until March 2021. There are now some key decisions to make about the future strategy for PPE, including the size and nature of the stockpile going forwards and the role of Welsh manufacturers.



Procuring and supplying PPE in these times has been far from business as usual. The challenges, risks and pressures have been higher, and a huge individual and collective response has been needed.

NHS Shared Services, working with others, has responded well to develop and maintain the national stock and to supply health and care bodies. However, despite competing pressures, Shared Services should have moved more quickly to publish details about the contracts it let.

While the overall picture painted by my report is relatively positive given the difficult circumstances, we cannot ignore the views expressed by some of those on the frontline about their own experience. There are also lessons for the Welsh Government and Shared Services to learn – about preparing for a future pandemic as well as addressing some current challenges.

Adrian Crompton
Auditor General for Wales



Key facts

630 million

the number of items of PPE issued by Shared Services between 9 March 2020 and 7 February 2021

Less than 2

the lowest number of days' worth of national stock of visors, Type IIR face masks and surgical gowns at points during April 2020



£8 million

the annual amount NHS Wales would typically spend on PPE before the pandemic



Over £300 million

the total amount expected to be spent on PPE for Wales during 2020-21

£880 million

our estimate of how much the Welsh Government has received so far through the Barnett formula as a result of spending on PPE in England

24

the number of weeks' worth of PPE stock Shared Services currently aims to hold



67

the number of suppliers Shared Services has contracted with to supply the NHS and social care with PPE since the start of the pandemic

Key roles and responsibilities

Appendix 2 sets out the main organisations and groups involved in the national supply and procurement of PPE. At a higher-level, the key roles are:

Welsh Government – provides a lead on the pandemic response and policy, including liaison with the UK Government, and funds PPE



Shared Services – responsible for procuring and supplying PPE to hospitals, took on an expanded role for procuring and supplying primary care and social care



Public Health Wales – responsible for developing and issuing, with other UK countries, the infection prevention and control guidance that determines what PPE is needed and in what circumstances





Recommendations

Recommendations

Preparedness for future pandemics

- R1** As part of a wider lessons learnt approach, the Welsh Government should work with other UK countries where possible to update plans for a pandemic stockpile to ensure that it is sufficiently flexible to meet the demands of a pandemic from different types of viruses.
- R2** In updating its own plans for responding to a future pandemic, the Welsh Government should collaborate with other public bodies to articulate a set of pan-public sector governance arrangements for planning, procuring and supplying PPE so that these do not need to be developed from scratch.
- R3** Shared Services should work with NHS and social care bodies to maintain an up-to date stock management information system that provides timely data on local and national stocks of PPE that can be quickly drawn upon in a future pandemic to support projections of demand and availability as well as providing a robust source of information for briefing stakeholders.

Recommendations

Procurement strategy for PPE

- R4** In updating the strategic approach to PPE, Shared Services and the Welsh Government should work together to develop a clear direction in terms of:
- a return to competitive procurement and an end to emergency exemptions.
 - fuller consideration of the wider criteria usually applied to procurement, such as sustainable development and policies on modern slavery.
 - the intentions and aspirations in relation to the domestic PPE market, including the balance between the potential benefits of resilience through local production capacity against the potentially increased costs compared to international manufacturers.
 - the size and nature of the pandemic stockpile it intends to hold, considering the benefits and costs of holding and maintaining stock and the timing of purchases given the ongoing disruptions to the PPE market.

Recommendations

Transparency

- R5** To increase confidence in stocks and supplies at the national level, Shared Services should work with the Welsh Government to publish details of the amount of stock it holds of each item alongside the regular publication of data on the numbers of items issued.
- R6** Shared Services should: check that it has published contract award notices for all contracts where it is required to do so; review those that it has published to ensure they are accurate; and ensure that it publishes contract award notices within the required timeframe for future contracts.
- R7** The Welsh Government should review whether the Sell2Wales site needs updating to allow bodies to publish retrospective contract award notices more efficiently without relying on suppliers to sign-up.
- R8** Given public interest in the awarding of PPE contracts and to promote confidence in the procurement system, the Welsh Government and Shared Services should publish details of the contracts awarded under emergency exemptions in a single place that is easy to access.



The supply of PPE

01

- 1.1 This part of the report covers the supply of PPE. In particular, it looks at the extended role that Shared Services took on for supplying hospitals, primary care and the whole social care sector. It covers the supply of PPE to those bodies in health and to the local government stores that distribute to social care. We did not look at local processes within hospitals or in local government for getting PPE to frontline staff. We have, however, reflected evidence collected by professional bodies about the views of front-line staff.

UK-wide arrangements for an influenza pandemic proved inadequate for the demands of dealing with the coronavirus and the Welsh Government quickly decided to secure its own PPE supplies through Shared Services

- 1.2 The Welsh Government and other nations of the UK have long-standing plans for an influenza pandemic. These included a 2011 Influenza Pandemic Preparedness Strategy, agreed by all four UK nations. Following the swine flu outbreak in 2009, the UK Government and Welsh Government developed and maintained a national stockpile in preparation for an influenza pandemic.
- 1.3 In addition to medicines and other countermeasures, the Pandemic Influenza Preparedness Programme (PIPP) held a stock of PPE, based on estimates of need for an influenza pandemic. The PIPP involved a physical stockpile of items, stored in South Wales, plus UK-wide contracts in place for additional stock to take the PIPP to 15 weeks of supply if required. However, due to a lack of supply in the global market, these 'just-in-time' contracts did not deliver as fully as expected with none of the FFP3 respirators being received. To mitigate some of these issues, equipment that was close to, or past, its expiry date was tested and had its expiry date extended.
- 1.4 The Welsh Government quickly realised that the PIPP would not be adequate for a coronavirus pandemic. The PPE would need to be used at a faster rate to deal with the specific demands of COVID-19. Some items – notably gloves and aprons – were below the estimated requirement for a flu pandemic and would not last as long as needed for COVID-19. Surgical gowns were not held in the PIPP stockpile.¹ These items proved to be critical for hospital staff treating COVID-19 patients. The NAO's report on the supply of PPE confirms the inadequacy of the UK stockpile for the demands of a coronavirus.

1 As reported by the NAO, the UK Government's scientific advisors had recommended in 2019 that gowns and visors be added to the stockpile, but the UK Government was still deciding which gowns to procure when the pandemic started.

- 1.5 The Welsh Government initially anticipated there would be a UK Government led approach to find additional supplies. However, this arrangement proved challenging in practice. The global market was fragmented, countries around the world were competing for scarce supply and some imposed export controls. The NAO has set out the challenges the UK Government faced just to secure PPE supplies for England.
- 1.6 The Welsh Government decided in late March 2020 that it would continue to work with the other UK administrations, where possible, but would procure and supply PPE for itself. We consider the work to procure PPE for Wales in **Part 2**.

The Welsh Government established effective arrangements for coordinating the supply effort although it took time to develop collaboration between health and social care

- 1.7 A small team of Welsh Government officials coordinated the PPE supply effort, working very closely with Shared Services. Daily meetings during the early stages of the pandemic discussed issues such as stock levels, likely demand, distribution of available stock and procurement of new supplies. Shared Services took day-to-day charge of delivery and collated information for Welsh Government officials to brief senior colleagues and ministers, and to respond to wider scrutiny.
- 1.8 The Welsh Government established two key groups to oversee PPE arrangements and provide a formal framework for joint working specifically on PPE:
- a 'health counter-measures group' started meeting on 12 February 2020 to secure and deploy PPE supplies in line with ministerial policy and public health guidance. The group included Welsh Government officials responsible for health and social care, Shared Services and Public Health Wales. It reported to the Planning and Response Group, which was set up in March to coordinate the overall health and social care response to the pandemic and chaired by a senior Welsh Government official. The Welsh Government suspended the health counter-measures group on 1 June 2020 once it judged the emergency phase had passed.
 - an 'executive leads group' met from late April 2020 and brought together a senior officer from the Welsh Government, Shared Services, each health board, Velindre University NHS Trust, Welsh Ambulance Services NHS Trust and Public Health Wales to exchange information on local issues and the national response. Before formalising this group, there was already extensive communication between senior NHS executives and Welsh Government officials through other mechanisms.

- 1.9 During March 2020, joint working was not as developed between Shared Services, local government and the social care sector. Shared Services' core work is to supply services delivered directly by health boards and trusts, and it had not previously been responsible for supplying independent primary care contractors and social care. The Welsh Government wrote to local authorities on 19 March 2020 stating that social care providers could obtain PPE from Shared Services for the treatment of symptomatic residents if they were unable to secure it from other sources.
- 1.10 The Welsh Local Government Association (WLGA) and the Welsh Government set up a working group on COVID-19 procurement, bringing together local government procurement leads and the Welsh Government's National Procurement Service. This group met daily from 23 March 2020 to the end of June 2020 when the meetings then became less frequent. The Planning and Response Group had a social care sub-group where representatives from the WLGA and social care organisations could raise issues about PPE supply. However, the WLGA told us that local authorities did not feel sufficiently involved in a collective health and social care response until 9 April, when Shared Services joined the procurement group.
- 1.11 Nonetheless, people we interviewed reported that collaboration and partnership working was much stronger than it had been during normal times. This collaboration was helped by already having a single public body responsible for supplying PPE to much of the NHS and existing networks and relationships between the Welsh Government, NHS bodies and local government. The position in Wales contrasts with the position in England. The NAO reported that prior to the pandemic many more organisations were involved and there was more distance between the government and the agencies responsible for procurement, supply and stock management, much of which was contracted to the private sector.

Public health guidance determined what PPE was needed and formed the basis of efforts to work out how much PPE would be required by health and social care







Guidance




- 1.12 Before the first UK case, public health authorities across the UK were working out PPE requirements. In January 2020, the four nations agreed that COVID-19 should be classified a High Consequence Infectious Disease (HCID). Guidance issued on 10 January 2020 set out infection controls, including the isolation of COVID-19 patients and use of PPE.

- 1.13 After reviewing emerging information, including the fatality rate, the virus was declassified from an HCID on 19 March 2020. As a result, the guidance changed from advising that anybody entering the room of an isolating patient wear a gown, long gloves, respirator masks (FFP3) and eye protection to tailoring the guidance to the setting, whether the patient was known or likely to have COVID-19 and what procedures were being undertaken.
- 1.14 The core infection prevention and control guidance are issued jointly by all four UK nations, although individual nations issue supplementary guidance where there are differences. Those developing the guidance, including representatives from Public Health Wales, have access to expert advice². In its July 2020 report, the Senedd Health, Social Care and Sport Committee reported some early uncertainty among providers about the guidance, notably in social care. It noted that updated guidance issued on 2 April 2020 had provided greater clarity.
- 1.15 **Exhibit 1** sets out the PPE requirements at the time of drafting this report. Overall, there have been over 30 changes to the guidance since it was first issued in January 2020. One key change came on 10 April 2020 when the guidance was updated to reflect that non-symptomatic patients could be contagious. The updated guidance provided more detailed information about what PPE should be worn by health and social care staff when treating all patients, not just confirmed or suspected COVID-19 patients. On 21 August 2020, the guidance was updated to include a COVID-19 risk pathway to support returning services.
- 1.16 On 17 April 2020, Public Health England issued separate guidance to allow for the re-use of PPE in the case of acute shortages until confirmation of adequate re-supply. The same day, Wales' Chief Medical Officer shared the English guidance with NHS and social care bodies in Wales but noted that he did not envisage re-use being needed in Wales. On 27 April, the Public Health England guidance on re-use of PPE was incorporated into the jointly issued UK infection prevention and control guidance.
- 1.17 By 3 May, the separate Public Health England guidance on re-use included a note from Public Health Wales (and the public health agencies of Scotland and Northern Ireland) stating that single use PPE should not be reused, and that reusable PPE should only be reprocessed in line with manufacturer instructions. This note was never included in the UK infection prevention and control guidance. The re-use section of the UK guidance was removed in August 2020.

2 Including from the Scientific Advisory Group on Emergencies (SAGE) and the New and Emerging Respiratory Virus Threats Advisory Group (NERVTAG).

Exhibit 1: PPE used to manage COVID-19

Type of PPE	Further detail
	<p>Aprons</p> <p>A single-use apron is used when providing direct care within two metres.</p>
	<p>Body bags</p> <p>Used by those managing the human remains of COVID-19-related deaths.</p>
	<p>Clinical waste bags</p> <p>Used across all health and care settings, at all times and for all patients or individuals, for the safe disposal of used PPE.</p>
	<p>Eye or face protectors</p> <p>These visors or safety spectacles are used during aerosol generating procedures and otherwise if blood and/or body fluid contamination to the eyes or face is likely.</p>
	<p>Face masks</p> <p>Non-fluid-resistant face masks (Type II masks) are used by health and care workers when entering a hospital or care setting.</p> <p>Fluid-resistant face masks (Type IIR masks), are used when delivering direct care within two metres of a suspected or confirmed COVID-19 case</p>
	<p>Gloves</p> <p>Worn during patient contact where there is a risk of exposure to body fluid.</p>

Type of PPE	Further detail
	<p>Gowns or coveralls</p> <p>Used (during aerosol generating procedures and otherwise) to withstand penetration by blood and/or body fluids when an apron provides inadequate cover for the task.</p>
	<p>Hand hygiene</p> <p>The use of alcohol-based hand rub is part of hand hygiene in all health and care settings, at all times and for all patients or individuals.</p>
	<p>Respirator masks</p> <p>Respirator masks are used to prevent inhalation of small airborne particles during an aerosol generating procedure.</p> <p>Respirator masks are known as a filtering face piece (FFP) mask. There are three categories of FFP mask (FFP1, FFP2, FFP3).</p> <p>FFP3 masks should be worn when performing an AGP. Workers should first be fit-tested for an FFP3 mask to ensure an adequate seal.</p> <p>In some circumstances FFP2 masks can be used as a safe alternative to FFP3 masks.</p>

Note: An aerosol generating procedure is a medical procedure that can result in the release of airborne particles (aerosols) from the respiratory tract.

Source: Based on NAO analysis of official guidance reported on page 15 in [The supply of personal protective equipment \(PPE\) during the COVID-19 pandemic](#), November 2020

Modelling

- 1.18 Initially, Shared Services worked with NHS bodies to obtain information on local stocks and estimate short-term demand. Each health board had its own systems for projecting demand and managing stocks. Local authorities came together to try to work out the demand for care homes and domiciliary care, but this proved difficult and early estimates of demand quickly grew as guidance on the use of PPE changed.
- 1.19 The Welsh Government secured support from a military logistics team. The team reported on 2 April 2020 recommending central modelling of demand. With help from the NHS Wales Finance Delivery Unit, Shared Services started to develop its working model, drawing on the rate of items being issued. This proved challenging as guidance and policy were changing during the first few weeks, for example to expand the scope of provision to optometrists and dentists. The analysts found it difficult to obtain reliable information on the number of primary care providers, staff and treatment sessions, the principal drivers of demand. Information on social care was also incomplete, especially for the large number of independent providers commissioned by local authorities. Shared Services obtained feedback and tested assumptions with NHS bodies. The WLGA and local authorities were involved in developing the demand model for social care.
- 1.20 Shared Services hired Deloitte in late April 2020 to review the modelling and suggest further improvements. Deloitte helped to develop a more detailed and formal supply and demand model, adding reporting functionality that Shared Services did not have the capacity to deliver and helping Shared Services staff develop their modelling skills. The model developed iteratively, with the final model (model 1) largely ready by late May with some further refinement in June. Shared Services, working with Deloitte, developed a second version (model 2) to incorporate the planned return of routine health services from August 2020. This resulted in an increase in projected demand that informed the PPE Winter Plan (**paragraph 1.36**) and stockpiling to carry health and social care through the winter.
- 1.21 The models were an important planning tool. Actual PPE distribution by Shared Services differed considerably from the projections for some items. In general, Shared Services issued to the NHS more stock than projected by model 1, but less stock than projected by model 2. However, this varied considerably by product. For example, Shared Services has issued more aprons than anticipated but fewer FFP3 respirators. In social care, the number of items issued was well below those projected under both models through to the end of 2020.

- 1.22 Shared Services highlighted a number of reasons for the variations in healthcare. The models are based on assumptions about the scale of activity and interaction with patients or residents, based on a reasonable worst-case scenario. Many routine face-to-face services that had been expected to resume from August 2020 did not do so as the second wave took hold, or they were replaced by remote consultations using video technology. Shared Services also identified increased staff sickness levels in health boards, and staff not using PPE in accordance with guidance, as factors.
- 1.23 In social care, the WLGA told us that some providers continued to use their established PPE suppliers to maintain contractual relationships, even after PPE funded by the Welsh Government was available. It is also possible that demand is less than expected due to staff re-using PPE that was intended for single use or using items for longer than recommended. In addition, we are aware of differences in policy between local authority areas. Some go beyond the guidance, for example requiring social care staff to wear visors where the client is not a confirmed or suspected COVID-19 case. Such departures from guidance impact on the amount of PPE required.

Shared Services responded quickly to meet increased demand for PPE, though stocks of some items were very low at times before the position stabilised from late April 2020

- 1.24 From mid-March 2020, Shared Services took on new staff to meet the operational and logistical challenges. At the time of drafting, it had hired 94 new members of staff and expanded its vehicle fleet, hiring 44 extra vehicles, to support deliveries. It expanded its use of existing warehouses, including a large warehouse that it had procured in January 2019 to store equipment in the event of a no-deal Brexit. Shared Services also secured additional logistical capacity by contracting with Welsh hauliers and securing around 10,000 cubic metres of storage space from the private sector, paying only for the space actually used.
- 1.25 The military logistics team supporting the Welsh Government (**paragraph 1.19**) identified in its 2 April 2020 report that national and regional storage distribution capacity was fit for purpose and there was sufficient capacity to meet demand. The military would not need to replace existing supply chain provision but could usefully support local stores to manage supplies effectively and step in if workforce resilience failed. The military did subsequently assist local stores, but Shared Services were able to handle logistics nationally, with the military assisting on occasions with urgent requirements, such as unloading gowns from a plane at Cardiff Airport.

1.26 Shared Services initially distributed stock from the PIPP stockpile on a ‘push’ basis, issuing standard packs of available stock to providers based on a broad estimate of their needs. The PIPP stockpile made a substantial contribution to PPE provision during March and April 2020, but this varied by product (**Exhibit 2**). As noted in **paragraph 1.4** the PIPP stockpile did not contain all of the items needed for a coronavirus pandemic.

Exhibit 2: quantity of Items in the PIPP stockpile in March 2020 and how long it lasted

Product category	Units in stock at the outset (1 March 2020)	How long it lasted (weeks from 9 March 2020) ¹
Aprons	9,129,800	6.0
Eye protectors	3,144,000	10.0 ²
Type IIR masks	4,906,000	5.5
FFP3 respirators	870,000	10.9
Gloves (singles)	4,814,000	1.5
Hand sanitiser	37,326	4.3

Notes:

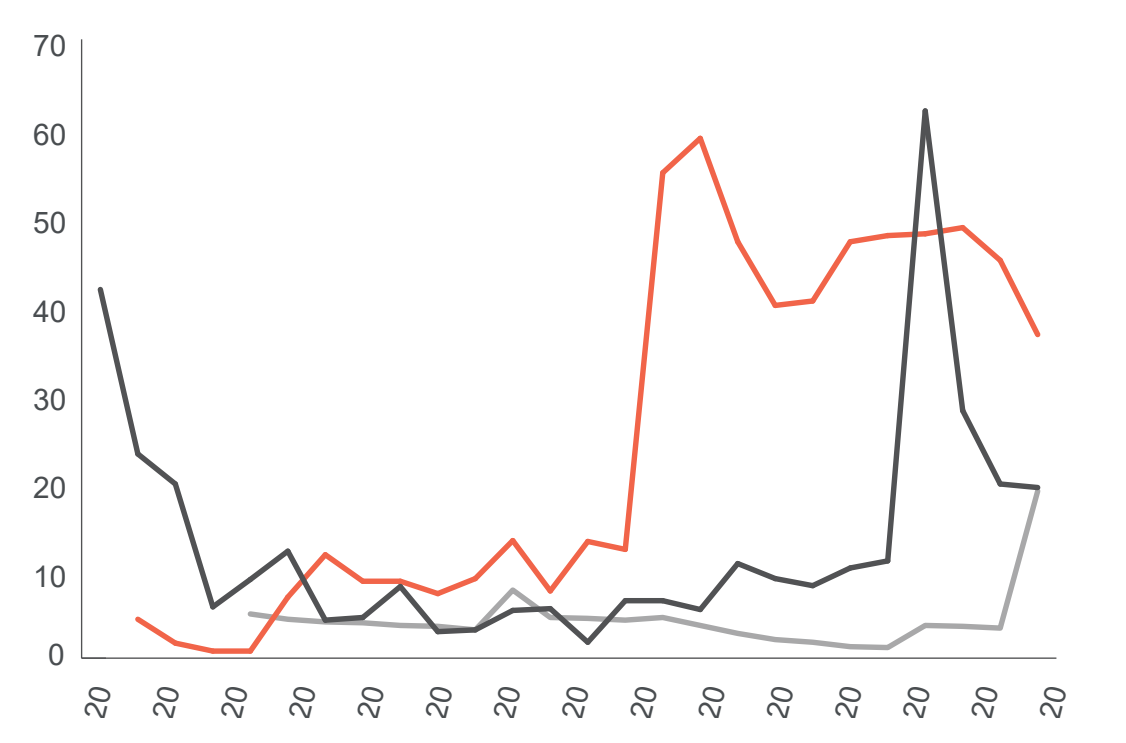
- 1 The length of time the stock lasted is based on actual distribution of stock by Shared Services to health and social care providers. Actual consumption by users may be different.
- 2 The PIPP stockpile included a type of safety glasses, procured by the UK Government, that were found by the Health and Safety Executive to not meet the required standards for splash protection. The Medicines and Healthcare products Regulatory Agency issued a safety alert for these products in May and around 25,000 glasses were subsequently destroyed by Shared Services.

Source: Audit Wales analysis of Shared Services data

1.27 PIPP stock levels declined as items were drawn down and deliveries from other sources were limited by supply shortages. Meanwhile, demand increased rapidly as Shared Services started to supply the independent primary health care and social care sectors as well as hospitals.

1.28 Pressures were particularly acute in April (**Exhibit 3**). There was less than a week’s supply of Type IIR masks, face visors and fluid-resistant gowns in Shared Services’ stock for much of the month. Type IIR masks almost ran out on 16 April, with stocks coming through on the day as part of mutual aid from Scotland and then as an order from China arrived. Supplies of fluid-resistant gowns were in perilously low supply, with less than two days of stock available at some points. Shared Services relied on an emergency delivery of fluid-resistant gowns around 20 April 2020 from England, and urgent action was taken to identify stocks held in local stores and hospitals. Shared Services did not have a comprehensive view of stocks held at local stores until the StockWatch system was established (**paragraph 1.41**).

Exhibit 3: days of Shared Services stock available for Type IIR Masks, face visors and fluid-resistant gowns, April 2020

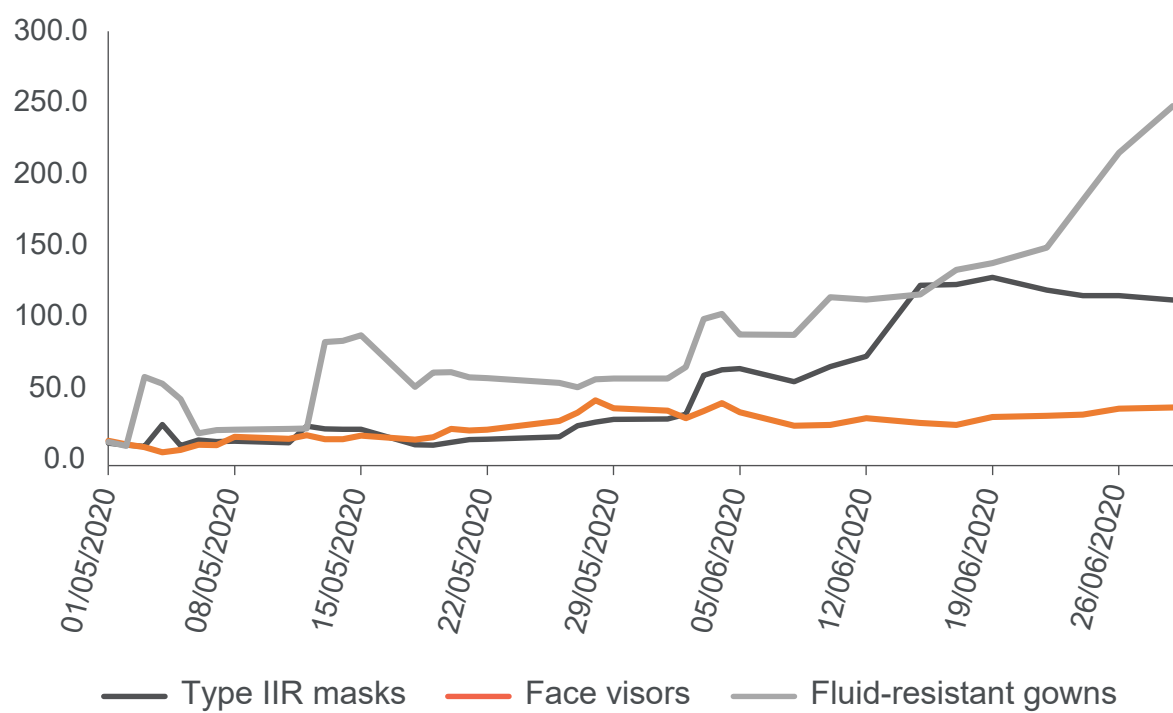


Note: days of Shared Services’ stock remaining calculated using an average of previous 28-day issues. Lowest point for Type IIR Masks was 1.8 days on 18 April, for Face Visors was 0.8 days on 8 April, and for Fluid-Resistant Gowns was 1.2 on 26 April.

Source: Audit Wales analysis of Shared Services data

1.29 The situation gradually improved in late April 2020 and through May and June as stock from new suppliers started to be delivered (**Exhibit 4**). A delivery of 200,000 fluid-resistant gowns from Cambodia on 27 April (see case study in **Exhibit 10, page 39**), followed by larger deliveries from China in early May, enabled the Welsh Government to provide mutual aid to the other UK nations. Wales has ultimately provided more PPE items than it received³. The position on most items was stable by the end of May, with more than 14 days’ worth of supply in central stocks for all items except gloves. By 20 July, following a delivery of gloves, there were more than 14 days’ of supply for each item and all categories were classified as ‘green’ on Shared Services’ risk rating system.

Exhibit 4: days of Shared Services stock available for Type IIR masks, face visors and fluid-resistant gowns, May to June 2020



Note: days of Shared Services stock remaining calculated using an average of previous 28-day issues.

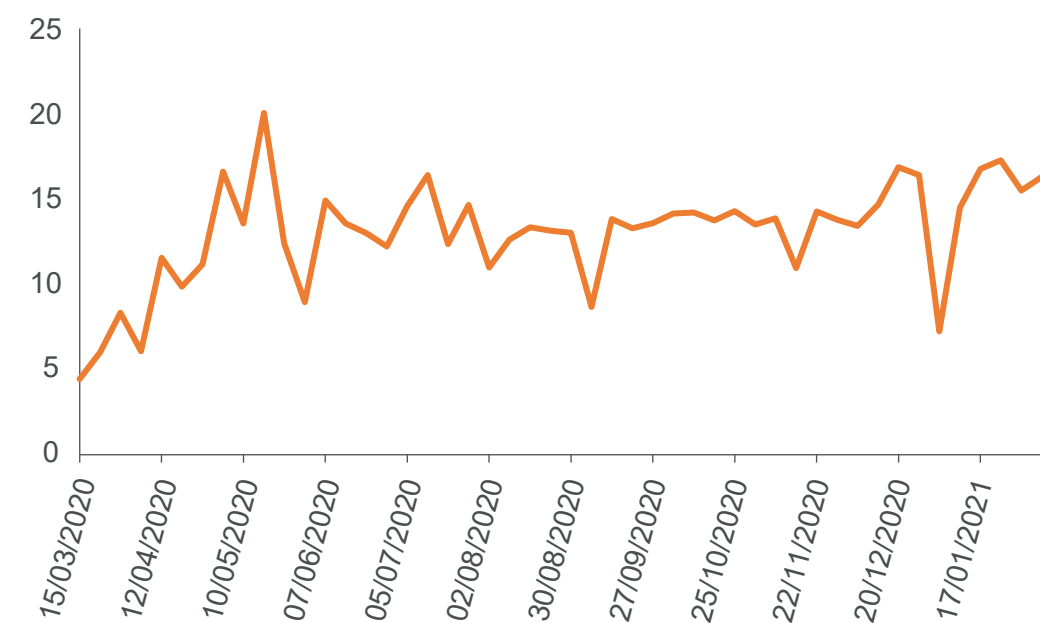
Source: Audit Wales analysis of Shared Services data

3 Shared Services reports that, since the start of April 2020, it has issued 13.8 million items of mutual aid to other UK nations and received 1.4 million items on request from Scotland and Northern Ireland. In addition, it has received around 3.3 million items from the UK Government to replenish the PIPP stocks. Shared Services also entered into contracts to provide £37.5 million of PPE for other UK nations (**paragraph 2.42**).

- 1.30 Shared Services has gradually shifted to a 'pull' system of supply. Rather than standard packages or deliveries based on available stock, providers can specify what they need. This shift happened relatively quickly for NHS providers, in August for local government and in September for primary care. The 'pull system' means Shared Services has a better understanding of demand and providers are better able to get what they need and avoid having an oversupply that they need to store locally.
- 1.31 Shared Services' stock data shows that it did not run out of stock for any item of PPE during the pandemic. We have not sought to check the levels of local stocks nor whether PPE was reused locally. Shared Services told us that NHS bodies were always kept supplied with sufficient stock to meet the requirements of the guidance. The minutes of the executive leads group (**paragraph 1.8**) showed that no NHS body reported that it had run out of PPE. The minutes reflect the concerns about low stocks detailed above and that at times there was mutual aid between health boards.
- 1.32 The Senedd Health, Social Care and Sport Committee highlighted the significant difficulties that the social care sector faced in meeting PPE requirements in the early stages. Notes from the local government working group on procurement (**paragraph 1.10**) confirm this picture. The group expressed serious concerns about the developing situation in late March 2020 and early April, including concerns about a lack of information on the availability of stock, the clarity of guidance and very low stocks of key items including hand sanitiser and masks.
- 1.33 By 6 April 2020, the group felt that the sector was in a crisis. At this stage, Shared Services was only responsible for supplying social care providers with PPE where they were unable to secure their own. Councils and private care homes were primarily securing PPE for themselves individually or as part of regional arrangements. However, the Welsh Government tasked Shared Services with supplying social care more widely and supplies started to increase. These were essential in maintaining a basic level of supply.

- 1.34 The situation improved, with the group reporting that by 7 May 2020 around two-thirds of the social care sector’s needs were being met by Shared Services. The WLGA and Shared Services adopted a service level agreement on 1 September 2020 under which Shared Services would make weekly deliveries to local stores based on councils’ estimated requirements. The change from Shared Services acting as a supplier of last resort to supplying most of social care’s needs was not formally communicated to social care until 12 October. However, a shift in policy towards supplying social care providers’ needs on demand occurred much earlier, in April 2020, and was communicated informally to providers through the WLGA and local authorities. While some independent providers preferred to maintain contracts with existing PPE suppliers, it appears that most needs are now being met by Shared Services.
- 1.35 Between 9 March 2020 and 2 February 2021, Shared Services distributed around 630 million items of PPE to health and social care. **Exhibit 5** shows that the amount distributed ramped up between March and June before becoming more stable. Over the period April 2020 to January 2021 around half of the PPE issued by Shared Services was for social care.

Exhibit 5: weekly distribution of PPE items by Shared Services, 9 March 2020 to 7 February 2021 (millions of items)



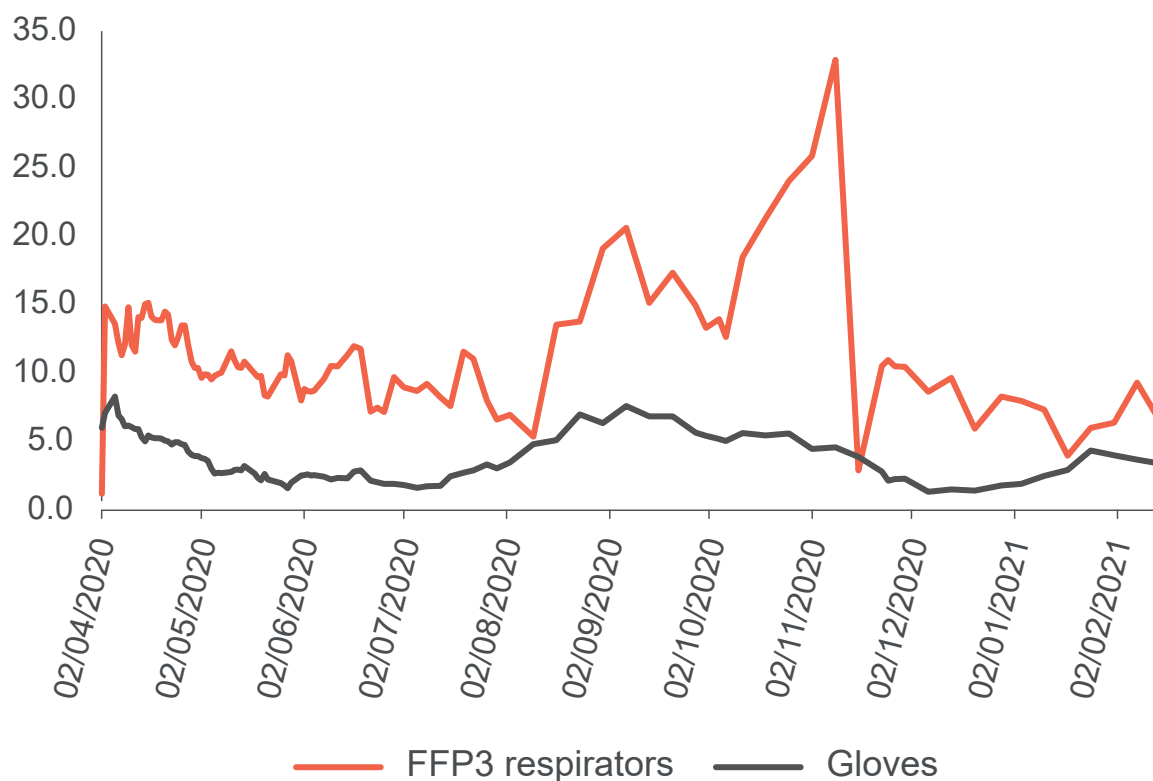
Source: Welsh Government, [Weekly Personal Protective Equipment issues: up to 7 February 2021](#), released 11 February 2021

Shared Services has built up a buffer of PPE stock but the goal of 24-weeks' worth has not been met for all items

- 1.36 In July 2020, the Senedd Health, Social Care and Sport Committee recommended that the Welsh Government publish a strategy for securing a resilient PPE supply, including a plan for stockpiling. The Welsh Government accepted the recommendation. Shared Services' Winter Plan for PPE, agreed by the Welsh Government, involved building up a 24-week buffer of key items. Shared Services and the Welsh Government are in the process of reviewing the Plan and the 24-week target (**paragraph 2.46**).
- 1.37 For most items Shared Services was able to build up a 24-week buffer. For some items Shared Services' data shows several years of stock, although this may reflect the way that future demand is calculated⁴. **Appendix 3** sets out in detail the position on levels of stock issued and held nationally (excluding local stocks).
- 1.38 However, for some items there has never been a 24-week buffer. Through the second wave of the pandemic some stocks have declined significantly – in particular, FFP3 respirators and nitrile gloves (**Exhibit 6**). These two items have proved difficult to source.
- 1.39 In the case of nitrile gloves there are very few manufacturers, mostly located in Malaysia where the rubber needed to make them is grown. Shared Services reported that the state of emergency declared in Malaysia in January 2021 due to COVID-19 has hampered recent supplies. For FFP3 respirators, the issue is with a particular brand of mask which clinicians' favour. Shared Services told us that the manufacturer had refocused its efforts on FFP2 respirators, which had contributed to a global shortage and slippage in expected delivery dates.
- 1.40 At the time of drafting, Shared Services was awaiting delivery of large orders of FFP3 respirators and gloves. Shared Services calculates that these deliveries will take stock levels of these items to over 24 weeks. In the meantime, Shared Services has procured small amounts of these items to keep supply stable. However, the WLGA told us that while gloves are available, there is a shortage of specific sizes.

4 We have projected how long stock will last based on a combination of modelled and actual draw down over the previous 28 days. For some items, such as body bags, stock is sent out in a batch that lasts for several weeks. By basing the projections on recent supply, it can look like the stock will last longer than is the case and these projections then change when the next batch is sent out.

Exhibit 6: weeks of Shared Services' stocks of FFP3 respirators and nitrile gloves held, 2 April 2020 to 8 February 2021



Note: weeks of Shared Services' stock remaining calculated using an average of previous 28-day issues. The lowest point for FFP3 respirators was 1.2 weeks on 2 April and for gloves was 1.3 weeks on 7 December.

Source: Audit Wales analysis of Shared Services data

1.41 Systems for monitoring stock have improved over time. Shared Services' systems came under strain as stocks arrived from the PIPP stockpile, new purchases and as mutual aid, sometimes unexpectedly. The volume of stock and activity was far higher than before the pandemic. In response to the report of the military logistics team (**paragraph 1.25**), Shared Services introduced a StockWatch system for local stores to report weekly on their stock holdings for each item. However, Shared Services told us that local authorities do not always report information on a timely basis.

- 1.42 The WLGA told us that some councils question the value of StockWatch for social care. Local authorities' joint equipment stores hold minimal stocks of PPE, with most of it being sent to providers as soon as it arrives. StockWatch does not record stocks held by social care providers and is not integrated with local authorities' stock management systems. Notwithstanding these issues, Shared Services considers the information from StockWatch is valuable in helping it supply PPE to social care.

Confidence in the supply of PPE seemed to increase following the initial response but there remain concerns about specific items and some equality issues

Staff and social care providers' views

- 1.43 The Senedd Health, Social Care and Sport Committee heard evidence from representative groups and noted 'the fears and concerns of frontline staff about the availability of appropriate PPE' during the initial response. We invited organisations that gave evidence to the Committee to provide any updates for us to consider. We received further Wales-only survey evidence from the Royal College of Nursing (RCN), who surveyed nurses working in health and social care, and the British Medical Association (BMA). As the participants were self-selecting, rather than a random sample, we cannot know how representative these experiences are of the whole NHS and social care workforce.
- 1.44 While the overall number of respondents fell significantly, the RCN data suggested some improvement between April and May 2020 in the percentage who said they had sufficient supplies of different types of PPE. However, a significant minority of respondents still identified concerns, particularly in response to questions about FFP3 respirators and gowns in the context of high-risk procedures, such as aerosol generating procedures (**Exhibit 7**). Staff perceptions of PPE may have reflected their experiences of distribution within local sites rather than the national picture on stock levels.

Exhibit 7: RCN survey respondents who said they had sufficient supplies of each type of PPE, April and May 2020

PPE Type	April	May
Eye protection	52%	85%
Type IIR masks	46%	80%
Apron	90%	96%
Gloves	94%	96%
FFP3 respirators	63%	79%
Long-sleeved gowns	57%	67%

Note: the RCN received 875 and 292 responses from Wales in April and May respectively. The RCN only asked respondents about FFP3 respirators and gowns within the context of high-risk procedures, such as aerosol generating procedures.

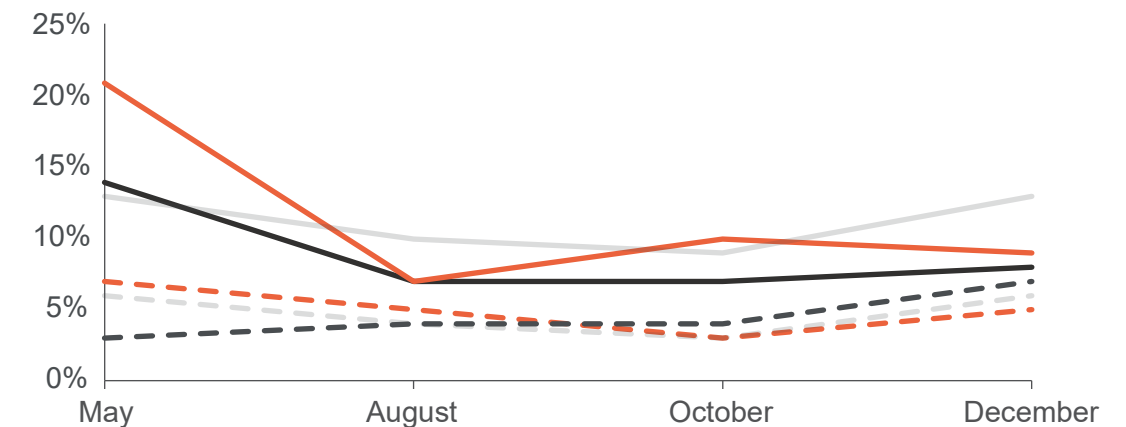
Source: RCN member surveys

- 1.45 The BMA asked its survey respondents to identify areas of concern from a list of different issues. Those identifying PPE shortages as a concern dropped from 38% to 13% between May and December 2020⁵. However, when asked about specific types of PPE, BMA respondents’ perceptions of PPE levels is mixed.
- 1.46 For several items, very few or no respondents said there was no supply at all (**Exhibit 8**). However, the proportion highlighting shortages increased for most items in December 2020. Concerns about shortages of gloves in December 2020 may reflect the fact that these have been challenging to source (**paragraph 1.38**). However, it is unclear why there would be an increase in concerns about supply of fluid-repellent (Type IIR) masks, eye protection and aprons given the levels of national stock of these items at the time. In its report (**paragraph 1.25**), the military said that some perceptions of supply could be due to a lack of sight of available stocks.

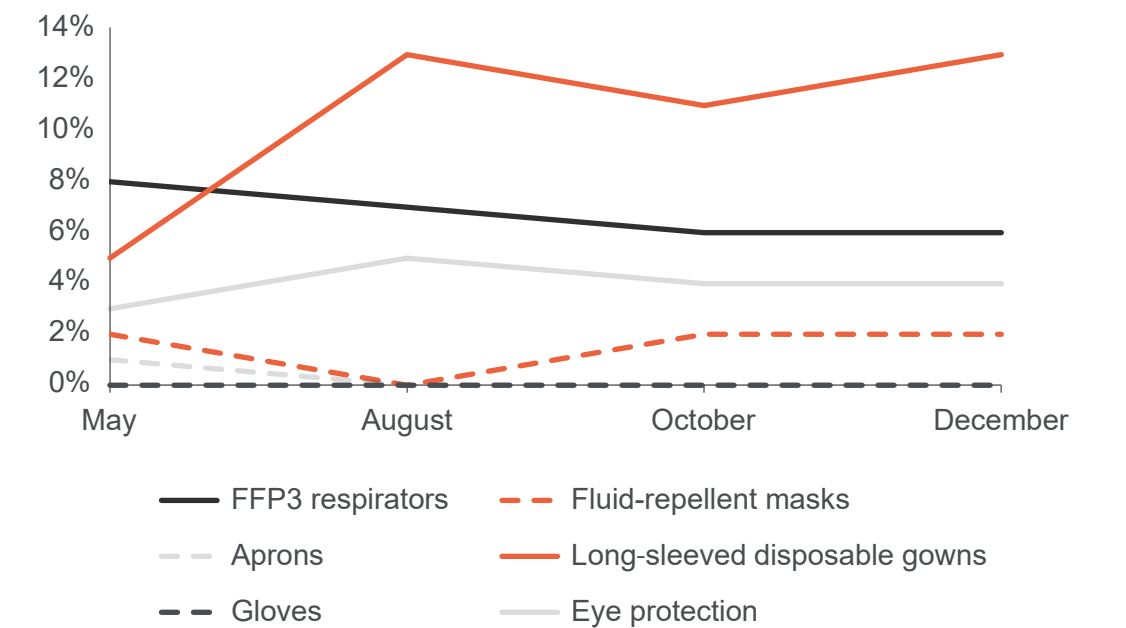
5 The question asked respondents to choose from a list of possible concerns over the next few months. They were able to choose as many options as they wanted, including ‘PPE shortages’.

Exhibit 8: BMA survey respondents who said they had shortages or no supply of each type of PPE, May to December 2020

Shortages



No supply at all



Note: response numbers varied between 463 in May, 258 in August, 492 in October, and 505 in December. The survey asked: ‘Over the last two weeks, have you had adequate NHS supplies or shortages of the following PPE?’. Respondents could answer ‘adequate’, ‘shortages’, ‘no supply at all’, ‘don’t know’, or ‘not relevant’. In some cases, the ‘not relevant’ response was as high as 27% and was consistently around 25% for those responding to the questions on FFP3 respirators and long-sleeved gowns.

Source: BMA COVID-19 PPE surveys

- 1.47 A key concern of staff reflected in the BMA survey has been the availability of FFP3 respirators and long-sleeved disposable gowns. These items are required by the guidance for higher risk aerosol generating procedures. It is hard to be sure to what extent staff concerns are about a lack of supply of required PPE or the guidance itself. The RCN and BMA survey findings in relation to FFP3 respirators and gowns also reflect wider concerns with the level of PPE required by the guidance. The BMA has expressed concern about revisions to guidance around gowns and FFP3 respirators when COVID-19 was downgraded from a High Consequence Infectious Disease in March 2020 (**paragraphs 1.12-1.13**).
- 1.48 In its February 2021 survey⁶, the BMA found that just 37% (166 of 488) of respondents in Wales said they are currently provided with adequate PPE for non-aerosol generating procedures, while 44% said they did not feel it was adequate. In response to a question about what PPE would help them to feel safe in non-aerosol generating procedures, 88% said FFP3 respirators would help, while 45% said that long-sleeved disposable gowns would help. Neither of these items are required by guidance for non-aerosol generating procedures.
- 1.49 Evidence provided by the WLGA records some deep concerns that social care workers felt their PPE was inadequate. The contemporaneous notes of meetings of heads of procurement (**paragraph 1.10**) in the middle of May 2020 record that social care staff felt unprotected with 'just a flimsy apron over street clothes'. Again, these concerns seem to reflect concerns with the nature of PPE required by guidance rather than the level of supply. Care Inspectorate Wales' surveys show social care providers' views improving during April 2020. In the first two weeks 11% of care home providers and 18% of domiciliary care providers said they had insufficient PPE. By the second half of April those figures fell to 5% and 8% respectively.
- 1.50 We are also aware that some health and care staff had concerns about the quality of some certified PPE. These were few in number relative to the overall volume of PPE supplied by Shared Services. The safety glasses that were held in the PIPP stockpile were unpopular, in part because they needed to be manually assembled, and were subsequently withdrawn for other reasons (see note to **Exhibit 2**). There were also complaints from staff about skin irritation caused by face masks, but these did not indicate non-compliance with product safety standards. There was also an isolated issue with a batch of nitrile gloves that were prone to tearing when putting on. These were mislabelled as nitrile gloves and were a vinyl mix that had not been ordered. Shared Services reported the issue to the Medical and Healthcare products Regulation Authority, and the contractor replaced the batch of 16 million gloves with the correct specification.

⁶ The BMA provided us with early sight of part of its February 2021 survey, but we had not seen the full dataset at the time of drafting.

Equality

- 1.51 Staff and representative groups have raised the issue of feeling inadequately protected due to PPE generally being designed for generic male physiques. This issue has been identified as a concern long before the start of the pandemic. Early in the pandemic, an issue was identified with the fit of a particular type of mask. Cardiff and Vale University Health Board identified a method to improve the fit and reduce fit-test failures. It shared a video across NHS Wales to help improve the fit of the masks for a wider range of healthcare staff. The use of fit test machines also lowered failure rates.
- 1.52 The Welsh Government and Shared Services are aware of these concerns about the fit of PPE for certain groups. They told us that there are several manufacturers, including a manufacturer in Wales, developing products with potential to offer a more bespoke fit for different face and body types. However, as far as they are aware these items are yet to secure full certification.
- 1.53 Equality concerns have also been raised by groups who have identified that being unable to see a carer's face is to the detriment of some care. The use of clear face masks has been suggested. However, the leading design purchased by the UK Government, on behalf of all UK nations, is not yet certified as PPE so can only be used where a user has undertaken a risk assessment and in line with Health Safety Executive guidance.

Cases and deaths

- 1.54 There have been several COVID-19 outbreaks in Welsh hospitals⁷, but we do not have evidence to establish a casual link between these outbreaks and PPE. Some health boards have reviewed the factors contributing to individual outbreaks, including potential links to staff compliance with PPE. Further work would be needed to fully understand any role that PPE, as part of overall infection prevention and control measures, may have played.

7 Public Health Wales publishes data on the number of 'probably' and 'definite' cases of hospital transmission on its [COVID-19 data website](#).

- 1.55 Many health and care staff have contracted COVID-19, and sadly some of those people have died. There is published Office for National Statistics data⁸ on cases and deaths generally and the Health and Safety Executive has provided us with data on notifications it has received⁹. However, there are various limitations noted with the data in both cases and care needs to be taken when interpreting the findings. We do not have hard evidence that any of these cases or deaths were caused by occupational exposure, or more specifically by a shortage of suitable PPE.
- 1.56 We did not examine these issues and any possible root causes in more detail as part of our work. The Welsh Government has emphasised to us that NHS Wales has well-established processes to ensure that staff and patient deaths are appropriately reported, fully investigated and where appropriate referred to the coroner. It is from these processes that it and NHS Wales will gain evidence on any potential systemic failures, including in the supply or use of PPE, that have resulted in work-related deaths from COVID-19. In its February 2021 report, the UK Public Accounts Committee recommended that the UK Government carry out a review into whether there are any links between PPE shortages and staff infections and deaths.

8 Office for National Statistics data shows that 23 social care workers and 34 NHS workers died of COVID-19 in Wales between 9 March and 28 December 2020. The analysis does not prove conclusively that rates of death involving COVID-19 are necessarily caused by differences in occupational exposure. Office for National Statistics, [Deaths involving the coronavirus \(COVID-19\) among health and social care workers in England and Wales, deaths registered between 9 March and 28 December 2020](#), released 28 January 2021.

9 Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), employers have a duty to report to the Health and Safety Executive (HSE) cases where a worker has been diagnosed as having COVID-19 and there is reasonable evidence to suggest that it was caused by occupational exposure for whatever reason. Of 1,696 notifications for Wales between 10 April 2020 and 9 January 2021, 1,156 related to human health and social work activities. Among the 1,696 were 11 fatal notifications, of which seven related to human health and social work. The HSE has made clear in its [Technical summary of data on Coronavirus \(COVID-19\) disease reports](#) that there are a number of limitations that should be kept in mind when considering this data and its accuracy.



Procurement of PPE

02

- 2.1 This part of the report examines the work led by Shared Services to procure PPE. In March 2020, the Welsh Government chose to adopt the UK Cabinet Office's Procurement Policy Note 01/20¹⁰. The Policy Note permits, under regulation 32(2)(c) of the Public Contract Regulations 2015, procurement of goods, services and works without competition or advertising so long as there are genuine reasons for extreme urgency. This meant Welsh public services were able to procure PPE without going through the usual competitive processes. The Welsh Government also adopted Procurement Policy Note 02/20¹¹, allowing advance payments where a value for money case is made. Any payments up front exceeding 25% of the contract value require Welsh Government approval.
- 2.2 During March 2020 and through April, Shared Services undertook its own procurement of PPE as did local government bodies for social care. At this point, the procurement was 'at risk' with no guarantee of any UK Government funding cover. In mid-June 2020, the UK Government confirmed to the Welsh Government that it would get funding to procure PPE via the Barnett formula¹².

Public services worked together in an increasingly collaborative way to identify and respond to potential PPE suppliers

- 2.3 In the early days of the pandemic, many local organisations came forwards with offers to supply PPE. The Welsh Government appointed Life Sciences Hub Wales (LSHW) in a facilitation role to collate all offers of support to health and social care and identify appropriate businesses who could potentially supply items on NHS Wales' critical products list.
- 2.4 LSHW established an online portal for industry to upload offers of support. Using guidance provided by Shared Services' Surgical Materials Testing Laboratory (SMTL) and the National Procurement Service (NPS), LSHW reviewed submissions from suppliers wanting to sell PPE and other products and services. These reviews included ensuring conformity with quality requirements and some standard business checks. Qualified offers of products were forwarded to Shared Services to progress offers into the procurement process.
- 2.5 LSHW also received, and directed to NHS Wales organisations, enquiries relating to donations of other products and services. Enquiries relating to field hospitals, the production of wearable products, and volunteering by healthcare workers and the general public were referred by LSHW to the appropriate bodies.

10 UK Government Cabinet Office, [Procurement Policy Note - Responding to COVID-19, Information Note PPN 01/20](#), March 2020

11 UK Government Cabinet Office, [Procurement Policy Note - Supplier relief due to coronavirus \(COVID-19\), Action Note PPN 02/20](#), March 2020

12 The Barnett Formula determines how decisions to increase or reduce spending in England result in changes to the budgets of the devolved administrations.

2.6 As at 26 October 2020, LSHW had managed 2,285 enquiries, referring 556 to the NHS, Welsh Government and other relevant organisations (**Exhibit 9**). Three-quarters of enquiries triaged but not progressed by LSHW were for reasons such as incomplete documentation received, failure to pass initial due diligence, and products and processes falling out of scope and not on the critical products list.

Exhibit 9: offers of products and services in response to COVID-19 referred by Life Sciences Hub Wales

Product type	Organisation receiving referral	Number of referrals
Infection control (including PPE) and medical devices	Shared Services	226
Digital solutions	Welsh Government Digital Health Cell	165
Point of care and testing	Public Health Wales	22
Other	Industry Wales, Welsh Government and others	143
Total		556

Source: Life Sciences Hub Wales

2.7 The Critical Equipment Requirement Engineering Team (CERET), established by the Welsh Government in March 2020, works closely with Welsh manufacturers who indicated that they could potentially expand into manufacturing PPE with some support. CERET worked with Business Wales to invite expressions of interest, with Business Wales reporting the following results:

- over 30 companies have repurposed their production lines to provide hand sanitiser
- 25 companies have repurposed their production lines to make face visors
- there are now 9 companies who have invested in machinery to produce clinical grade face masks and face coverings, five of these companies can now mass produce although they are yet to win contracts to supply the NHS (**paragraph 2.48**)

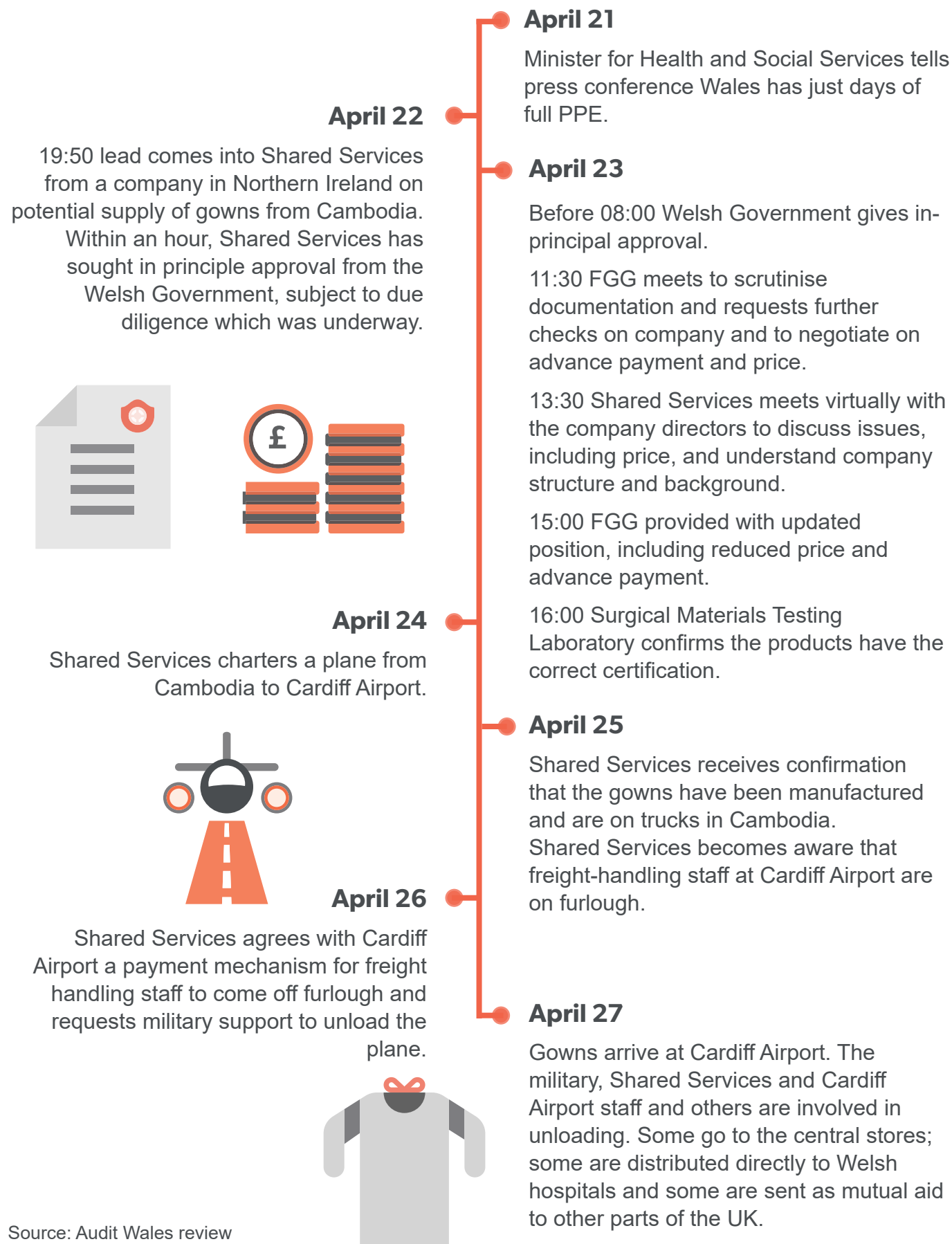
- 2.8 Shared Services faced the challenge of fragmented global supply chains, due to countries imposing export restrictions and huge demand as the pandemic took hold across the world. Many existing suppliers were unable to supply PPE in the volume and at the pace required. Shared Services therefore had to source PPE using their network of contacts, through suppliers getting in touch themselves and through other referrals. In some cases, Shared Services told us they had to work with agents who had the right contacts with the key manufacturers. In at least one case, this meant sourcing products directly from a factory that was supplying the global companies that Shared Services had been unable to source PPE from.
- 2.9 Shared Services and the Welsh Government report that they have never had an equivalent to the twin-track 'high priority lane' approach to identifying potential suppliers described by the NAO in its report on government procurement in England during the COVID-19 pandemic. In our review of procurement documentation, we found no evidence of such an approach or of suppliers getting preferential treatment because of the person referring them.
- 2.10 Shared Services and LSHW told us that referrals from politicians were subject to the same process, scrutiny and prioritisation as any other contacts. In our sample testing we did not see reference to any referrals being from politicians. We found one example where one of the directors of a supplier was known to a member of the group set up by Shared Services to scrutinise requests for orders to be raised. This was appropriately declared in the advice for decision makers.

Overall, the Welsh Government and Shared Services developed good arrangements to manage the risks involved in procuring PPE in a fragmented market but did not publish details of all contracts on time

Timeliness risks

- 2.11 The challenging situation with stocks, especially in the early weeks of the pandemic (**paragraphs 1.27 to 1.29**), meant that Shared Services was under significant pressure to procure PPE very quickly. While recognising the importance of timely decision making, the Welsh Government set out in a 30 March 2020 letter to NHS bodies that it still expected good governance around spending decisions. The letter recognised the need to adapt arrangements on an interim basis and included guidance on financial management and reporting, including expectations related to being clear on delegating authority for decision making and recording decisions and the supporting rationale.
- 2.12 To speed up decision making, the Board of Velindre University NHS Trust agreed changes to its own and Shared Services' schemes of delegation. On 18 March 2020, these were amended to allow the Chair and Managing Director of Shared Services to authorise expenditure up-to £2 million (up from £100,000), with the limit increased to £5 million on 30 March 2020. All approvals over these limits needed to go through the Board of Velindre University NHS Trust. In addition, the requirement for Welsh Government approval for expenditure over £1 million has stayed in place throughout.
- 2.13 Overall, the arrangements enabled Shared Services to make swift decisions and supply PPE quickly. We understand this was achieved within the pre-existing staff capacity. We recognise that this placed significant pressure on individuals involved, who have been working late at night and in the early hours of the morning to deal with suppliers overseas and to take calls from worried frontline staff. We saw evidence of the Board of Velindre University NHS Trust and the Welsh Government responding promptly to turn around approvals and avoid delays. **Exhibit 10** provides a case study showing the rapid timescales and collaboration involved in procuring PPE.

Exhibit 10: timeline of procurement and supply of surgical gowns from Cambodia, April 2020



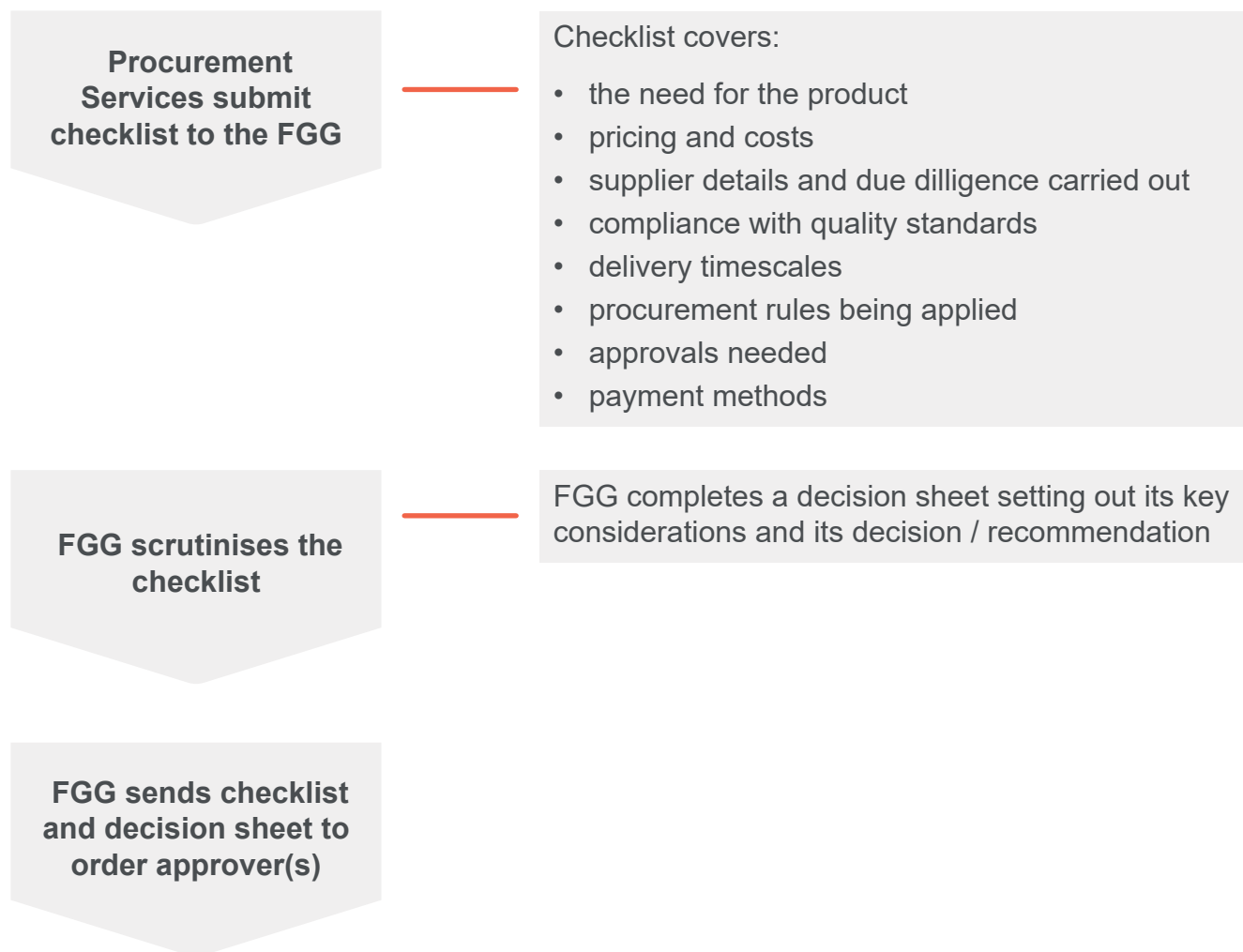
Source: Audit Wales review

Financial risks

- 2.14 Seeking to urgently procure scarce PPE in a fragmented and highly competitive global market posed significant financial risks. Many of the companies offering PPE were either new or had recently expanded into PPE and had limited track records. There were significant risks of fraudulent activity. And there were novel financial requirements, most notably a requirement from many companies for payment in advance.
- 2.15 Shared Services set up a new cross-profession Finance Governance Group (FGG) in early April 2020 to manage risks while enabling rapid decision making related to COVID-19 procurement. **Appendix 2** sets out the membership of the FGG which also included members of the Board of Velindre University NHS Trust. FGG meetings consider potential contracts for PPE that either or both:
- a need Welsh Government support for the advance payment because it is 25% or more of the value of the contract (**paragraph 2.1**).
 - b need formal approval from the Board of Velindre University NHS Trust.

The group's role is to ensure appropriate scrutiny and checks before requests for orders to be raised are sent for approval (**Exhibit 11**).

Exhibit 11: role of the Finance Governance Group in the contract approval process



Source: Audit Wales review

2.16 We reviewed the checks put in place on a sample of 16 contracts let by Shared Services. Our sample included the larger/more risky contracts reviewed by the FGG as well as some smaller contracts not covered (**Appendix 1**). We found that in all cases there was a documented evidence trail, picking out the key issues and risks and how they would be managed. All the decisions we reviewed had been made in line with the required processes, and the subsequent approvals of the orders were in line with Shared Services' scheme of delegation and Welsh Government requirements.

- 2.17 The pressure of securing PPE meant due diligence could not always be carried out to the level it would outside of a pandemic in a normal competitive tendering process. However, for each contract we reviewed, we found evidence of key due diligence checks being carried out. These included background checks on the companies involved. In some cases, the companies looked like they were entirely new to the PPE market. However, further exploration showed that they had a sister company or were part of a group with experience in the PPE market. In other cases, the companies were new, but the Directors involved had credible direct access to PPE manufacturers.
- 2.18 Our findings on approvals confirm those of an internal audit review of Shared Services' financial governance, including PPE and other COVID-19 related expenditure, reported in October 2020. It found that the procedures around background checks, approvals and recording of decisions that the Welsh Government and NHS had put in place were complied with in all cases. It also noted that there were improvements to the financial governance arrangements and quality of documentation over the period.
- 2.19 The FGG monitors orders that involve advance payments to ensure the products are received. Nine orders reviewed by the FGG had advance payments made through an 'escrow' account. Shared Services and Welsh Government told us that this approach was used for large volume contracts or with new higher risk suppliers. The arrangements meant that the suppliers could see that the funding was in place but could not draw down the money until the goods were received and checked.
- 2.20 Shared Services cancelled four orders involving advance payments that had been reviewed by the FGG. Two of these advance payments had been made through an 'escrow' account. Refunds were received in full for three orders and for one order the advance payment was transferred to another order with the same supplier.
- 2.21 Despite the urgency, there was not a blanket approach of buying PPE whatever the cost. Inevitably, in what was in effect a seller's market, prices were higher (**paragraph 2.44**). We saw an example where Shared Services recorded that it had prioritised a slightly more expensive provider over a cheaper one, because it could supply more quickly. Nonetheless, we saw examples where Shared Services negotiated down the price. For one order, a unit glove cost negotiated to two-thirds of a unit cost offered by a different supplier avoided expenditure of £6.5 million. Shared Services also avoided costs by negotiating transport of PPE freight by sea and not air for some orders.

- 2.22 Benchmarking data presented to the FGG, including historic data and data from other parts of the UK, set parameters for what Shared Services was willing to pay. Shared Services did not proceed with one contract where it had later been able to source the same PPE at a lower price.
- 2.23 As at the end of December 2020 the FGG had reviewed 43 proposed contracts, nearly all of which related to PPE. There were a further four contracts which were entered into in late March and very early April 2020 before the FGG was established. There were also a further four contracts that should have been, but were not, subject to review by the FGG. Shared Services Internal Audit reported that appropriate authorisation was in place for each contract order. Some of the contracts considered did not proceed or were subsequently cancelled.
- 2.24 As of January 2021, a total of 37 orders related to PPE that had either been through FGG or should have been¹³, had been delivered, or were expected to be delivered. Of those 37 orders, 16 were with existing suppliers and 21 with companies new to Shared Services. Around half of the orders with new suppliers came from companies new to the PPE market, six of which were with the same new supplier.

Quality risks

- 2.25 There were widespread concerns, particularly at the start of the pandemic, that there were unscrupulous traders offering bogus PPE. PPE must meet strict certification standards. Shared Services Procurement Services worked closely with the SMTL, based in Bridgend, to test the quality of PPE. For some orders, this meant verifying that the certification provided was authentic. We understand that SMTL identified 37 fraudulent certificates being offered by potential suppliers. In some cases, SMTL carried out tests on a sample of the product. SMTL also worked closely with domestic manufacturers to help them secure certification.
- 2.26 As noted in **paragraph 2.19**, Shared Services had protection from losing advance payment where the PPE was not certified as described. There were two examples where proposed orders presented to the FGG were not proceeded with because the PPE did not meet the quality requirements. Other than the isolated example of mislabelled gloves (**paragraph 1.50**), we saw no evidence of examples, like those described by the NAO in England, where PPE was purchased centrally that was not deemed fit for purpose.

13 These 37 include the four orders let before the FGG started to meet. We chose to analyse this sub-set of 37 orders rather than all orders as they comprise most of the expenditure on PPE and exclude many smaller, lower risk contracts.

2.27 Contemporaneous notes kept by the WLGA record that local government bodies had purchased some PPE with fraudulent certificates in the early stages of the pandemic and that some of this had probably been used by frontline staff. These purchases were outside of the quality checking process put in place by Shared Services. We have not sought to verify the volume and nature of these purchases nor how local government bodies managed the risks.

Transparency risks

2.28 In the absence of transparent competition, public bodies can maintain public confidence by openly reporting details of contracts let under emergency powers. The Cabinet Office's Procurement Policy Note (**paragraph 2.1**) sets out that a contract award notice should be published within 30 days of a direct contract being awarded. In Wales, contract awards above the relevant thresholds set out in the UK Public Contracts Regulations 2015 are published on the Welsh Government's Sell2Wales website. Before the end of the Brexit Transition Period, Sell2Wales automatically published award notices to the online version of the Official Journal of the European Union (Tenders Electronic Daily). Sell2Wales now publishes them on the Find a Tender Service, the new UK e-notification service.

2.29 All 16 of the contracts covered in our sample testing of expenditure were direct awards due to extreme urgency. Shared Services has published full contract award notices for nine. Of the remaining seven:

- five contracts involved the same intermediary. For four of these, Shared Services published contract award notices covering the fees of the agents for a range of services but not the separate contract for the PPE items. Shared Services told us the contracts were with non-EU manufacturers and therefore it did not need to publish a contract award notice. We could find no such exemption in the relevant regulations or guidance. For one of the contracts, Shared Services published a contract award notice, but it was drafted as though the intermediary had provided the PPE and did not refer to the separate contract Shared Services had agreed with the manufacturer.
- for one contract, Shared Services published a different type of notification - a Voluntary Ex-Ante Transparency Notice (VEAT)¹⁴ - but not a full contract award notification. Shared Services told us that because it published a VEAT, it did not need to publish a full contract award notice. We could find no such exemption in the relevant regulations or guidance.
- the final contract involved air travel sourced through the military and English NHS. Shared Services told us it did not need to publish a notification for this contract.

2.30 Of the nine full contract award notices published in our sample, none were published within 30 days of awarding the contract. On reviewing them, we found several had incorrect dates for the date the contract was awarded. Shared Services is rectifying these errors. For two contracts in our sample, Shared Services published VEATs within 30-days of letting the contract, although this is not a requirement for VEATs which are normally published in advance of letting a contract.

2.31 Shared Services told us that its staff have been stretched and needed to focus on the priority of securing PPE for frontline staff. Shared Services told us it was therefore not able to prioritise publishing contract award notices. Shared Services also told us that publication of contract award notices was delayed for some orders because of difficulties getting suppliers to register on Sell2Wales.

¹⁴ This was a Voluntary Ex-Ante Transparency Notice (VEAT), which is used to give advance notice of the intention to let a contract. However, the VEAT in this case was published after the contract was let.

2.32 There has been regular reporting and scrutiny of COVID-19 expenditure within Shared Services' governance framework. Shared Services published the Internal Audit report on its website as part of audit committee papers. However, in our view it could build public trust in the procurement process in Wales by making the details of its contracts for PPE easy to access. We think there is merit in maximum transparency and collating information that is not commercially confidential into a single place. It would be very difficult for the public or those interested to get an overview of PPE contracts from the Sell2Wales website without already having in-depth knowledge.

Ethical risks

2.33 All public bodies are expected to observe Welsh Government guidance on ethical supply chains in procurement. The guidance includes reference to ensuring that supply chains do not involve modern human slavery. No change was made to this guidance during the pandemic. The Welsh Government told us that the expectation remained, while recognising that the context of a pandemic may limit what was practically possible.

2.34 The WLGA's notes of the meetings with Welsh Government and Shared Services show that on multiple occasions, local government representatives raised concerns and queries about how to manage the risks of there being slavery and unethical employment practices in the manufacturing of PPE for Wales.

2.35 In our review of Shared Services documentation for PPE to the NHS, we saw no specific references to ethical employment practices in the consideration of risks. The Internal Audit review of Shared Services' financial governance arrangements (**paragraph 2.18**) considered ethical supply. It found that 'there were no issues/ concerns identified with the companies at the time of purchasing, but due to the urgency of the pandemic and the need to secure equipment; this was not a primary consideration when determining which supplier to use'.

The Welsh Government expects to spend over £300 million on PPE for health and social care in 2020-21

2.36 Normally, NHS Wales would expect to spend around £8 million a year on PPE. We do not have figures for social care as much of the spend would have been by private care homes. The arrangements for funding PPE expenditure, especially in social care, have changed during the pandemic (**Box 1**).

Box 1: arrangements for funding PPE

The Welsh Government currently funds the provision of COVID-related PPE required by national guidance for healthcare and social care settings. This commitment extends to all secondary care and primary care settings including GP surgeries, dentists, optometrists and pharmacies. NHS bodies continue to fund their 'business-as-usual' PPE requirements on the basis that these are broadly in line with previous expenditure.

Initially, Shared Services would only supply social care for staff working with suspected or confirmed cases of COVID-19. Local authorities could claim the additional costs of PPE back from the Welsh Government through the Hardship Fund, set up to support local government during the COVID-19 pandemic. Since mid-April 2020, Shared Services has increasingly been meeting the needs of social care (residential care and domiciliary care) in both the public and independent sectors. Shared Services agreed a service level agreement with the WLGA, which runs from September 2020 to August 2021.

- 2.37 Shared Services expects to spend an additional £286 million on PPE, primarily for health and social care, in 2020-21. Shared Services placed orders of PPE with 18 suppliers in 2019. During the period March 2020 to February 2021, Shared Services has bought PPE from 67 suppliers, of which 51 are new suppliers. The £286 million projected spend on PPE by Shared Services, which is funded by the Welsh Government, includes:
- £186 million for PPE distributed to health and social care bodies; and
 - £99 million for PPE which is held in stock or expected for delivery by the end of March 2021.
- 2.38 At the end of January 2021, Shared Services was expecting to spend an additional £7.8 million on COVID-related operational expenditure in the 2020-21 financial year, with £5.6 million (72%) of this related to PPE. **Exhibit 12** shows that almost £3.2 million of the additional PPE-related spend is on staff costs, and £1.6 million is on transportation costs.

Exhibit 12: forecast additional PPE-related operational costs being incurred by Shared Services in 2020-21

	£ million
Staff costs	3.2
Transportation costs	1.6
Storage and security costs	0.6
Other PPE related costs	0.2
Total	5.6

Source: Shared Services

- 2.39 The Welsh Government agreed initially to fund local government expenditure on PPE as part of the wider Hardship Fund, set up to support local government through the pandemic. It is difficult to identify exactly how much PPE the Welsh Government has funded through this mechanism. The Welsh Government has provided data for Hardship Fund claims submitted up to October 2020.
- 2.40 Councils have received around £10 million for PPE claims although that may include some non-PPE items such as cleaning product, and around £0.5 million for associated costs such as transporting and storing PPE. The Welsh Government has also provided around £39 million¹⁵ to cover the general increased costs of social care for providers, including the costs of PPE. The Welsh Government is unable to separate out the PPE elements of the general cost pressure expenditure.
- 2.41 Combining the Shared Services spending on PPE for health and care, operational costs and the funding for social care through the Hardship Fund takes the total funded by Welsh Government to over £300 million. We estimate that the Welsh Government has received around £880 million so far through the Barnett formula due to spending on PPE in England, although the Welsh Government is yet to confirm the final figure with HM Treasury.
- 2.42 In addition to the spend on PPE for Wales set out above, as of the end of January 2021 Shared Services had spent £37.5 million on PPE procured on behalf of other parts of the UK (**Exhibit 13**). Shared Services recoup the expenditure by invoicing the relevant administration.

¹⁵ This is in addition to other Hardship Fund support for social care, such as funding additional staff costs.

Exhibit 13: procurement of PPE on behalf of other UK nations for which expenditure is recouped, to the end of January 2021

	£ million
England	28.3
Scotland	4.8
Northern Ireland	4.4
Total	37.5

Note: this expenditure is separate from mutual aid that was provided on request to other UK nations to meet urgent requirements (paragraph 1.29).

Source: Shared Services

The cost of PPE items has been significantly higher than before the pandemic but has fallen since the first wave

- 2.43 Intense global competition for scarce PPE resources drove up prices significantly, to a peak in April 2020. As the market adjusted, the prices paid by Shared Services fell over time. Procurement Services have shared an analysis of prices they paid for Type IIR masks, FFP3 respirators and nitrile gloves at the start of the pandemic and how they fell over time.
- 2.44 **Exhibit 14** shows how the unit cost of Type IIR masks, FFP3 respirators, nitrile gloves and fluid-resistant gowns rose sharply at the beginning of the pandemic before falling back to more normal levels towards the end of 2020. The largest increase was for gloves, which cost 800% of the average pre-pandemic price at the peak. Generally, across the period of the pandemic, Shared Services has procured higher volumes of PPE items at the lower prices. In the case of Type IIR masks, Shared Services' most recent contracts are for a cheaper unit price than before the pandemic.

Exhibit 14: examples of unit costs paid by Shared Services for Type IIR masks, FFP3 respirators, nitrile gloves and fluid-resistant gowns in November 2019 and during the pandemic in 2020

Type of PPE	Date	Unit price, £ ¹	Volume purchased (for orders during the pandemic) ²
Type IIR masks	Nov 2019	Range: 0.14 – 0.24 Average: 0.24	-
	Apr 2020	0.73	1,200,000
	Apr 2020	0.60	750,000
	Apr 2020	0.47	40,000,000
	Apr 2020	0.40	44,000,000
	May 2020	0.35	65,000,000
	June 2020	0.20	65,000,000
	Oct 2020	0.05	76,000,000
FFP3 respirators	Nov 2019	Range: 2.42 – 5.38 Average: 4.80	-
	Apr 2020	6.49	500,000
	June 2020	4.76	1,800,000
	Oct 2020	5.50	2,000,000
Nitrile gloves	Nov 2019	Range: 0.02 – 0.19 Average: 0.03	-
	Apr 2020	0.25	100,000,000
	Apr 2020	0.15	10,000,000
	May 2020	0.135	144,000,000
	Oct 2020	0.095	100,000,000
	Nov 2020	0.08	182,000,000

Type of PPE	Date	Unit price, £ ¹	Volume purchased (for orders during the pandemic) ²
Fluid-resistant gowns	Nov 2019	Range: 0.42 – 2.23	-
		Average: 1.41	
	Apr 2020	4.50	400,000
	May 2020	2.50	3,000,000

Notes:

- 1 Pre-pandemic prices are a weighted average of multiple different types of products which fall under the category. For example, there were 17 different lines under ‘nitrile gloves’ in November 2019. It is likely that the mix of products purchased during the pandemic differs from the position pre-pandemic.
- 2 The volume of items procured may not reconcile to the data on stocks and issues because some items were due to be delivered in batches, with some batches yet to be received. Also, for some orders, Shared Services was procuring additional items for other UK governments.
- 3 The unit prices and volumes of nitrile gloves are per individual glove.

Source: Shared Services

2.45 There has been significant media attention on the fees associated with intermediaries and agents involved in the procurement of PPE in England. We understand that where Shared Services engaged with agents, the agent’s fee was absorbed into the unit price for the items, under an arrangement between the agent and the manufacturer. As such Shared Services does not know how much profit was made by the agent. In one case, the fees for the agents were capped at a specific percentage of the unit price. These fees covered overheads, administration, staffing costs, land transport, due diligence checks, in-country inspections, escrow account fees and profit.

There are some key decisions to make as part of the future procurement strategy for PPE, including on the involvement of domestic manufacturers

- 2.46 Shared Services' Winter Plan for PPE ran to the end of March 2021. There are some significant issues for the Welsh Government to consider for future procurement, including the size and nature of any future stockpile and the involvement of Welsh manufacturers. Shared Services is working with the Welsh Government to extend the key principles of the Winter PPE Plan (**paragraph 1.36**) into 2021-22. An interim position is being developed which is likely to reduce the 24-week target stock holding for most PPE items to reflect the reducing risk from the end of the EU transition period. A longer-term strategic plan will be developed during summer 2021.
- 2.47 Of the 67 suppliers that we referred to in **paragraph 2.37**, 13 were Welsh manufacturers and there were also several Welsh-based distributors involved in securing PPE. Other Welsh manufacturers have supplied local bodies with donations of PPE, for example of hand sanitiser and visors.
- 2.48 Welsh Government officials involved in the CERET worked closely with manufacturers to help them build capacity and get certification for some of the more complex PPE items. However, the time taken in preparations meant that the potential suppliers could not capitalise on relatively high prices in spring and summer 2020 when Shared Services was ramping up orders for its Winter Plan, and when the Welsh suppliers would have been reasonably price-competitive. In its report, the NAO highlighted the challenge of developing the domestic PPE market given the large amount of PPE stockpiled in England, which limits the potential size of the market for some items.
- 2.49 The Senedd Health, Social Care and Sport Committee's report encouraged the Welsh Government to consider the options for supporting local businesses that wish to continue making PPE. The Welsh Government is re-shaping its overall approach to procurement, with a view to having a greater focus on the local economic benefits and the foundational economy. In our view, the Welsh Government now needs to give a clear steer to public services and manufacturers as to its intentions for the domestic PPE market.

- 2.50 Under the normal approach to procurement, public services can compare the merits of different bidders using a range of criteria to demonstrate 'value' in the round. The more expensive option may offer additional benefits in terms of innovation or and wider policy goals, such as sustainable development in line with the Well-being of Future Generations (Wales) Act 2015. The issues highlighted in **paragraphs 2.33 to 2.35** around ethical supply chains are also relevant in this context.
- 2.51 There are also some decisions to make about the size and nature of the stockpile that will be held in case of a future pandemic. The current goal of a 24-week buffer is significantly larger than the stockpile previously held for a flu pandemic. Holding a stockpile involves costs in warehousing, staff to manage the stock and possible waste as some items may go past their useable date. If there is to be a significant stockpile, there will be questions to resolve about the timing of procurement and whether it can be built up when prices are back to normal rather than at a time of still high international demand.



Appendices

- 1 Audit approach and methods**
- 2 Organisations and groups involved in the procurement and supply of PPE**
- 3 Shared Services PPE stocks during the pandemic**

1 Audit approach and methods

Audit approach

The scope of our work took in the procurement and supply of PPE for all public services. However, in practice, our primary focus was on the NHS and social care and the national procurement led by the Welsh Government and NHS Wales Shared Services Partnership (Shared Services). While recognising that there has been local procurement and distribution of PPE, this was not a significant focus of our work.

To inform our work, we reviewed evidence submitted to the Senedd Health, Social Care and Sport Committee in spring/summer 2020. The Committee covered PPE in its July 2020 report, [Inquiry into the impact of the Covid-19 outbreak, and its management, on health and social care in Wales: Report 1](#).

We also reviewed two reports by the NAO that covered the procurement and supply of PPE in England.

- [Investigation into government procurement during the COVID-19 pandemic, November 2020](#),
- [The supply of personal protective equipment \(PPE\) during the COVID-19 pandemic, November 2020](#).

Building on these reports, the UK Parliament's Public Accounts Committee published its own report in February 2021, [COVID-19: Government procurement and supply of Personal Protective Equipment](#).

We have explored similar issues in our work. We have discussed PPE procurement and supply with the NAO and with counterparts at Audit Scotland and the Northern Ireland Audit Office.

Audit methods

We used a range of methods:

- **Document review:** we reviewed pre-pandemic planning documents, strategic plans, papers considered by NHS boards and committees, guidance documents including on PPE use in different settings and on procurement, and relevant Internal Audit reports including:
 - in October 2020, the NHS Wales Audit and Assurance Services (part of Shared Services) reported on Shared Services' financial governance arrangements during the COVID-19 pandemic. The review covered COVID-19 related expenditure, including but not limited to PPE, between March and July 2020. Part 2 of our report covers some similar issues for PPE specifically.
 - in December 2020, the Welsh Government's Internal Audit Services reported on Welsh Government strategy and governance arrangements for PPE. The auditors recorded a 'reasonable assurance' rating, noting their view that the arrangements were operating effectively for oversight of PPE. The report recommended that officials conduct a 'lessons learned' exercise, collate a timeline of key events and make some minor administrative changes.
- **Semi-structured interviews:** we interviewed officials involved in the planning and procurement of PPE across Shared Services, the Welsh Government, and the Welsh Local Government Association.
- **Data analysis:** we reviewed available data on the distribution of PPE items in Wales, NHS Wales expenditure, the price of items of PPE and the levels of stock held and distributed. The more centralised approach to monitoring and reporting for the NHS means data on healthcare has been more readily available than data on social care.
- **Staff surveys:** we analysed survey data provided by bodies representing medical, and nursing staff (Royal College of Nursing and British Medical Association). As the participants were self-selecting, rather than a random sample, we cannot know how representative these experiences are of the whole NHS and social care workforce.
- **Procurement testing:** we reviewed a sample of 16 PPE-related contracts, checking for compliance against expected procedures and looking for broader consideration of risks to value for money. We selected a mix of larger value and smaller value contracts that were not part of the normal supply chain (**Exhibit 15**). Our sample covered 71% of the value of these contracts let at the end of November 2020, which included purchases on behalf of other UK countries.

- **Site visit:** in November 2020, we visited the warehouse where a significant proportion of the PPE buffer stock is held. We carried out a health and safety risk assessment in advance. Audit Wales and NHS Wales staff wore face coverings and maintained social distancing.
- **Wider engagement:** we wrote to organisations that supplied evidence related to PPE as part of the Senedd Health, Social Care and Sport Committee inquiry in spring/summer 2020. We invited them to share any new evidence or issues of concern. We wrote to 21 organisations and received 6 responses. In some cases, we followed up those responses through further dialogue.

Exhibit 15: details of contracts covered in our procurement sample testing

Sample number	PPE item procured	Anticipated contract value at end of November 2020
1	Type IIR masks	£23,400,000
2	Type IIR masks	£21,150,000
3	Nitrile gloves	£19,440,000
4	Type IIR masks	£18,000,000
5	Nitrile gloves	£14,497,960
6	Type IIR masks	£14,483,220
7	Type IIR masks	£12,432,205
8	FFP3 respirators	£11,143,934
9	FFP3 respirators	£9,500,000
10	FFP3 respirators	£12,100,000
11	Fluid-resistant gowns	£6,019,355
12	Fluid-resistant gowns	£1,720,000
13	Fluid-resistant gowns	£1,008,000
14	Type IIR masks	£890,000
15	Air freight charges	£655,000
16	Air freight charges	£248,259

2 Organisations and groups involved in the procurement and supply of PPE

Beyond the Welsh Government as a whole, we refer in this report to various organisations or groups involved in the national procurement and supply of PPE. **Exhibit 16** provides an overview but is not exhaustive. Other organisations or groups have had input at different times for specific purposes.

Exhibit 16: organisations and other key groups involved in the national procurement and supply of PPE for health and social care

Organisation	Description
NHS Wales Shared Services Partnership (Shared Services)	<p>Shared Services provides professional, technical and administrative services on behalf of other NHS bodies, which include procurement services and the Surgical Materials Testing Laboratory.</p> <p>The Shared Services Partnership Committee sets the Shared Services policy for NHS Wales, monitors the performance and supports the strategic development of Shared Services and its services.</p>
Public Health Wales	<p>Public Health Wales NHS Trust aims to protect and improve health and well-being and reduce health inequalities. It has worked alongside the public health agencies of the other UK nations to develop and issue infection prevention and control guidance, which includes the use of PPE.</p>
Velindre University NHS Trust	<p>Shared Services is hosted by Velindre University NHS Trust via a formal agreement, signed by each statutory organisation in NHS Wales. As a hosted organisation, Shared Services operates under the legal framework of Velindre University NHS Trust.</p>
Finance Governance Group (FGG)	<p>Shared Services set up the FGG to scrutinise and manage risks related to COVID-19 procurement.</p> <p>The FGG involves different parts of Shared Services along with members of the Velindre University NHS Trust Board. Shared Services representatives are from procurement, audit and assurance, finance and corporate services, legal and risk services and counter fraud.</p>

Organisation	Description
Surgical Materials Testing Laboratory (SMTL)	The Surgical Materials Testing Laboratory is part of Shared Services and provides testing and technical services in support of NHS Wales procurement.
Life Sciences Hub Wales (LSHW)	An organisation formed in 2014 that brings together members in the Life Sciences sector to collaborate on solutions. A framework document between the Welsh Government and LSHW sets out the governance and accountability arrangements, and LSHW receive an annual remit from the Welsh Government.
National Procurement Service (NPS)	Part of the Welsh Government, promoting Welsh public sector procurement collaboration and managing a number of collaborative procurement frameworks for a range of goods and services.
Critical Equipment Requirement Engineering Team (CERET)	Established by the Welsh Government in March 2020, bringing together colleagues from across Welsh Government, the NHS, SMTL, LSHW and Industry Wales to support the procurement of PPE for healthcare settings.
Welsh Local Government Association (WLGA)	The WLGA coordinated social care responses and procurement between the 22 local authorities and liaised with Shared Services, the National Procurement Service and the wider Welsh Government.

3 Shared Services PPE stocks during the pandemic

Exhibit 17: volume and number of weeks of items held in stock at 7 February 2021, highest and lowest points

PPE item		Weeks of stock at 7 February 2021	Highest number of weeks	Lowest number of weeks
Aprons	Weeks	37.8	47.8	2.4
	Date		30 Nov 2020	5 May 2020
Body bags	Weeks	384.8	5,733.8	2.2
	Date		30 Jul 2020	14 Apr 2020
Eye protector	Weeks	601.9	205.557.3	0.1
	Date		9 Jul 2020	11 May 2020
Face visor	Weeks	19.3	55.6	0.1
	Date		7 Sept 2020	8 Apr 2020
FFP2 respirator	Weeks	97.0	1,496.6	12.3
	Date		12 May 2020	27 Jul 2020
FFP3 respirator	Weeks	9.3	32.9	1.4
	Date		9 Nov 2020	2 Apr 2020
Fit test kits & spares	Weeks	667.6	2,729.4	0.2
	Date		4 Jan 2021	6 Apr 2020
Gloves	Weeks	3.7	7.6	1.3
	Date		7 Sept 2020	7 Dec 2020
Gloves (cuffed)	Weeks	26.8	71.5	0.8
	Date		18 Jan 2021	7 Apr 2020
Gowns (fluid-resistant)	Weeks	116.3	145.9	0.2
	Date		17 Aug 2020	25 Apr 2020

PPE item		Weeks of stock at 7 February 2021	Highest number of weeks	Lowest number of weeks
Gowns (other)	Weeks	3.3	44.8	0.6
	Date		22 Jun 2020	26 Apr 2020
Hand sanitiser	Weeks	79.1	127.1	1.6
	Date		18 Jan 2021	15 Apr 2020
Hand wipes	Weeks	11.4	83.2	5.7
	Date		4 Jan 2021	31 Aug 2020
Type I & type II masks	Weeks	85.3	147.2	0.3
	Date		30 Nov 2020	7 Apr 2020
Type IIR masks	Weeks	50.5	116.0	0.2
	Date		18 Jan 2021	7 Apr 2020
Respirator hoods	Weeks	Analysis not possible due to limited issuing		
	Date			
Respirator filters	Weeks	Analysis not possible due to limited issuing		
	Date			

Note: one unit of gloves are reported as pack, which vary in size, and hand sanitiser as a bottle, varying in volume.

Source: Audit Wales analysis of Shared Services data

Exhibit 18: total units of PPE issued up to 7 February 2021

PPE Item	Units
Aprons	113,770,625
Body bags	11,316
Eye protector	1,627,000
Face visor	5,167,736
FFP2 respirator	126,036
FFP3 respirator	2,823,373
Fit test kits and spares	5,965
Gloves	337,469,340
Gloves (cuffed)	1,306,900
Gowns (fluid-resistant)	2,000,584
Gowns (other)	643,990
Hand sanitiser	391,514
Hand wipes	20,135,400
Type I & type II masks	1,174,150
Type IIR masks	143,238,551
Respirator hoods	102
Respirator filters	22,176
Total	629,914,758

Note: one unit of gloves are reported as pack, which vary in size, and hand sanitiser as a bottle, varying in volume.

Source: Welsh Government, [Weekly Personal Protective Equipment issues: up to 7 February 2021](#), released 11 February 2021



Audit Wales

24 Cathedral Road

Cardiff

CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

We welcome telephone calls in
Welsh and English.

E-mail: info@audit.wales

Website: www.audit.wales



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM: 5.2

20 May 2021

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 final draft 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 and the Audit Committee in April 2021. The Statement will be formally approved at the June 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 Aswiriant: 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 2021

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 2020-2021 is presented at **Appendix 1**. The Statement is shown as a Final Draft as we are still awaiting some final information including the Head of Internal Audit Annual Opinion. Any sections of the report that still require updating are shown in amber text. Much of the information contained in the Statement remains unchanged from year-to-year. For ease of review, the main changes to the Statement have been highlighted in yellow.

2. TIMELINE FOR APPROVAL

The timeline for approving the statement is as follows:

Version	Approved

1	SLT 25 March 2021 draft for endorsement
2	Velindre Integrated Governance Group 15 April 2021
3	Audit Committee 20 April 2021 for review
4	SSPC 20 May 2021 final for endorsement
5	SMT 27 May 2021 final for formal adoption
6	Audit Committee 29 June 2021 for final approval

3. 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.

RECOMMENDATION

The Committee is asked to:

- **ENDORSE** the report

Annual Governance Statement 2020/2021

Version	Approved
1	SLT 25 March 2021 draft for endorsement
2	Velindre Integrated Governance Group 15 April 2021
3	Audit Committee 20 April 2021 for review
4	SSPC 20 May 2021 final for endorsement
5	SLT 27 May 2021 final for endorsement
6	Audit Committee 29 June 2021 for final approval

CONTENTS

	Chapter	Page
1.	Scope of Responsibility	3
2.	Governance Framework	5
	2.1 Shared Services Partnership Committee (SSPC)	5
	2.2 Partnership Committee Performance and Self-Assessment	9
	2.3 Velindre NHS Trust Audit Committee for NWSSP	10
	2.4 Reviewing Effectiveness of Audit Committee	12
	2.5 Sub Groups and Advisory Groups	13
	2.6 The Senior Management Team (SMT)	14
3.	The System of Internal Control	15
	3.1 External Audit	15
	3.2 Internal Audit	16
	3.3 Counter Fraud Specialists	16
	3.4 Integrated Governance	17
	3.5 Quality	17
	3.6 Looking Ahead	18
4.	Capacity to Handle Risk	18
5.	The Risk and Control Framework	20
	5.1 Corporate Risk Register	21
	5.2 Policies and Procedures	22
	5.3 Information Governance	23
	5.4 Counter Fraud	25
	5.5 Internal Audit	25
	5.6 Integrated Medium-Term Plan (IMTP)	25
	5.7 Health and Care Standards	26
6.	Mandatory Disclosures	29
	6.1 Equality, Diversity and Human Rights	29
	6.2 Welsh Language	31
	6.3 Handling Complaints and Concerns	32
	6.4 Freedom of Information Requests	33
	6.5 Data Security	33
	6.6 ISO14001 –Sustainability and Carbon Reduction Delivery Plan	33
	6.7 Business Continuity Planning/Emergency Preparedness	34
	6.8 UK Corporate Governance Code	35
	6.9 NHS Pensions Scheme	35
7.	Managing Director's Overall Review of Effectiveness	36

1. SCOPE OF RESPONSIBILITY

Throughout the 2020/21 financial year, NWSSP and NHS Wales faced unprecedented and increasing pressure in planning and providing services to meet the needs of those affected by COVID-19, whilst also maintaining its core activities and functions. NWSSP staff responded fantastically to the challenge, such that not only were no services stood down, but that a number of new services, including some well outside our traditional finance and transactional base, have been established.

One example of this is the Temporary Medicines Unit (TMU). The NWSSP TMU was inspected by the MHRA regulator in December 2020. After minor adjustments to meet the regulator's recommendations, the service opened on 25 January 2021. Since that date it has supplied Medicines to all the Health Boards with Acute Hospitals in Wales, meeting pressures and allowing other resources to be redeployed locally to best effect. The service acts as a wholesaler, purchasing bulk medicines and consumables, preparing them into ready to administer form under Aseptic conditions, and selling them onto the Health Boards for use, principally in their Critical Care Units. The service also continues to contribute towards the COVID-19 vaccine programme by supervising the packing and distribution of consumables packs to vaccination centres.

A further example has been in meeting the response to Personal Protective Equipment (PPE). The approach undertaken by NWSSP and others was comprehensively reviewed by Audit Wales, and their report was published in April 2021. The press release that accompanied it stated:

"Working collaboratively, NHS Shared Services and other public services overcame early challenges to provide health and care bodies with the required PPE without running out of stock at a national level."

"The Welsh Government and NHS Wales Shared Services Partnership (Shared Services) procured and supplied Personal Protective Equipment (PPE) for frontline staff in very challenging circumstances. They put good arrangements in place to manage risks which helped to avoid some of the problems reported in England".

The pandemic has meant NWSSP has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to revise the way the governance and operational framework is discharged. In recognition of this, Dr Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive wrote to all NHS Chief Executives in Wales, with regard to "COVID -19- Decision Making and Financial Guidance". The letter recognised that organisations would be likely to make potentially difficult decisions at pace and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available. Nevertheless, the

organisation is still required to demonstrate that decision-making has been efficient and will stand the test of scrutiny with respect to compliance with Managing Welsh Public Money and demonstrating Value for Money after the COVID-19 crisis has abated and there is a return to more normal operating conditions.

To demonstrate this, NWSSP records how the effects of COVID-19 have impacted on any changes to normal decision-making processes. Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

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 University 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).

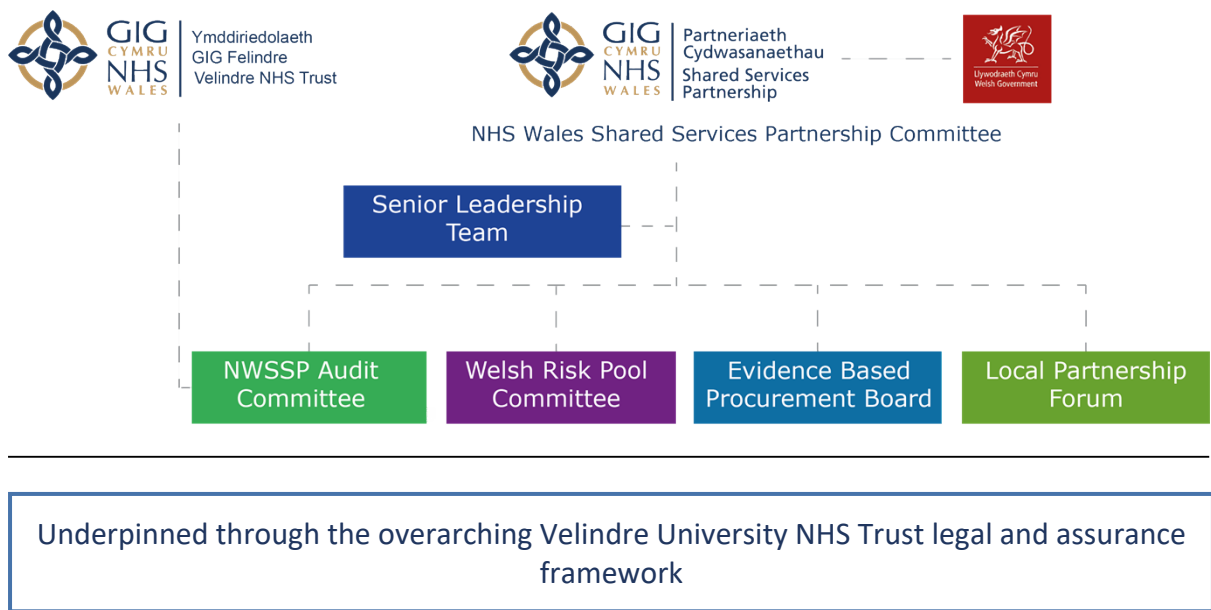
The NWSSP Managing Director is accountable to the Shared Services Partnership Committee (Partnership Committee) in relation to those functions delegated to it. The Managing Director is also accountable to the Chief Executive of Velindre University NHS Trust (the Trust) in respect of the hosting arrangements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

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

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

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

Figure 1 –NWSSP’s Governance Structure



During the year the Partnership Committee approved the establishment of a Quality & Safety Committee. The terms of reference for this Committee were approved by the Partnership Committee at its September 2020 meeting, and the new Committee will commence in 2020/21.

2. GOVERNANCE FRAMEWORK

NWSSP currently 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 and the functions of managing and providing shared services (professional, technical and administrative services) to the NHS in Wales is included within the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012.

The composition of the 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.

On 23 March 2020 the Welsh Government suspended all Ministerial Public Appointment campaigns with immediate effect. The tenure of the current Chair had been due to expire on 30 November 2020. Ordinarily, there is no

mechanism to extend the tenure of the Chair beyond eight years; however, to avoid operational and governance pressures Welsh Government progressed temporary amendments to the legislation to allow for an extended tenure. The term of office of the current Chair was therefore extended by 12 months to 30 November 2021, and this was approved at the May 2020 Partnership Committee.

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 Trust policies and NWSSP's corporate protocols, approved by the SMT, provide NWSSP's Governance Framework.

Health Boards, NHS Trusts and 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 NWSSP functions is a shared responsibility of all NHS bodies in Wales.

NWSSP's governance arrangements are summarised below.

Figure 2: Summary of Governance Arrangements



The 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 University 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 Trust 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 2021 is outlined in Figure 3 below. Membership was originally designed to be the Chief Executives of each Health Board and Trust but nominated deputies are allowed to attend and vote, provided they are an Executive Director of their own organisation.

Figure 3: Table of Members of the NHS Wales Shared Services Partnership Committee during 2020/2021

Name	Position	Organisation	Full/Part Year
Margaret Foster (Chair)	<i>Independent Member</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Huw Thomas (Vice Chair)	<i>Director of Finance</i>	<i>Hywel Dda UHB</i>	<i>Full Year</i>
Neil Frow	<i>Managing Director of NWSSP</i>	<i>NHS Wales Shared Services Partnership</i>	<i>Full Year</i>
Kathryn Jones*	<i>Director of Workforce and OD</i>	<i>Swansea Bay UHB</i>	<i>Part Year</i>
Geraint Evans	<i>Director of Workforce and OD</i>	<i>Aneurin Bevan UHB</i>	<i>Full Year</i>
Sue Hill	<i>Director of Finance</i>	<i>Betsi Cadwaladr UHB</i>	<i>Full Year</i>
Catherine Phillips**	<i>Director of Finance</i>	<i>Cardiff and Vale UHB</i>	<i>Part Year</i>
Hywel Daniel	<i>Director of Workforce & OD</i>	<i>Cwm Taf Morgannwg UHB</i>	<i>Full Year</i>
Pete Hopgood	<i>Director of Finance</i>	<i>Powys THB</i>	<i>Part Year</i>
Helen Bushell ***	<i>Director of People</i>	<i>Public Health Wales NHS Trust</i>	<i>Part Year</i>
Steve Ham	<i>Chief Executive</i>	<i>Velindre University NHS Trust</i>	<i>Full Year</i>
Chris Turley	<i>Director of Finance</i>	<i>Welsh Ambulance Services NHS Trust</i>	<i>Full Year</i>
Non-Voting Members			
Eifion Williams	<i>Director of Finance</i>	<i>HEIW</i>	<i>Full Year</i>

*Replaced Hazel Robinson, Director of Workforce & OD wef September 2020

**Replaced Chris Lewis, Interim Director of Finance wef March 2021 who had replaced Bob Chadwick, Director of Finance wef September 2020

*** Replaced Phil Bushby, Director of People. Neither Phil Bushby or Helen Bushell are an Executive Director of PHW so they are unable to vote and don't count towards meeting quorum.

The composition of the Committee also requires the attendance of the following: Deputy Director of Finance, Welsh Government, Director of Finance & Corporate Services, NWSSP, Director of Workforce & Organisational Development, and Board Secretary NWSSP as governance support. Trade Unions are also invited to the meetings.

Figure 4 – Attendance at the Meetings of the NHS Wales Shared Services Partnership Committee during 2020/2021

Organisation	21/05/2020	23/07/2020	17/09/2020	19/11/2020	21/01/2021	18/03/2021
Aneurin Bevan UHB	✓	✓	x	x	✓	✓

Betsi Cadwaladr UHB	✓	✓**	✓*	✓	✓**	X
Cardiff and Vale UHB	✓	X	✓	✓	✓*	✓
Cwm Taf UHB	✓	X	✓	X	✓**	X
HEIW	X	X	✓**	✓**	✓**	✓**
Hywel Dda LHB	✓	✓	✓	✓	✓	✓
Powys Teaching Health Board	✓	✓	✓	✓	✓	✓
Public Health Wales Trust	✓***	X	✓***	X	X	✓***
Swansea Bay UHB	✓	✓	✓**	✓	✓*	✓**
Velindre NHS Trust	✓	X	✓	✓*	X	✓**
Welsh Ambulance Service Trust	✓	✓	✓	X	✓	✓
Welsh Government	✓	✓	✓	✓	X	✓
Trade Union	X	✓	X	✓	✓	✓
Chair	✓	✓	✓	✓	✓	✓
Accountable Officer	✓	✓	✓	✓	✓	✓

✓ Denotes the nominated member was present

✓*Denotes the nominated member was not present and that an alternative Executive Director attended on their behalf

✓** Denotes that the nominated member was not present and that while a deputy did attend, they were not an Executive Member of their Board.

✓*** The nominated member for PHW is not an Executive Member of their Board.

X Denotes Health Body not represented

No meetings of the Partnership Committee were cancelled during 2020/21 due to the pandemic but all meetings were held virtually. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and has not therefore been possible to allow the public to attend meetings of our board and committees during the year. We did not receive any requests from the public to attend the Partnership Committee but to ensure business was

conducted in as open and transparent manner as possible during this time the following actions were taken:

- The dates of all Committee meetings are published on the NWSSP website prior to the start of the financial year;
- The agenda is published in English and Welsh at least seven days prior to the Committee meeting;
- All Committee papers are published in English on the website, and minutes are also provided in Welsh, shortly after the meeting has taken place.

The purpose of the Partnership Committee is set out below:

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

The 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 2020/2021, 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;
- Audit Wales Management Letter;
- Annual Review;
- Standing Orders and Standing Financial Instructions;
- Health & Care Standards; and
- Service Level Agreements.
- Deep Dives into:
 - COVID-19 response;
 - PPE Winter Plan;
 - BREXIT;
 - Scrutiny of Welsh Risk Pool Claims;
 - Medical Examiner Service;
 - Welsh Language; and
 - Health Courier Services.

2.3 Velindre Audit Committee for NWSSP

The primary role of the Velindre University NHS Trust Audit Committee for Shared Services (Audit Committee) has been to review and report upon the adequacy and effective operation of NWSSP's overall governance and internal control system. This includes risk management, operational and compliance controls, together with the related assurances that underpin the delivery of NWSSP's objectives. This role is set out clearly in the Audit Committee's terms of reference, which were revised in October 2020 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 2020/2021 comprised of three Independent Members of Velindre University NHS Trust supported by representatives of both Internal and External Audit and Senior Officers of NWSSP and Velindre University NHS Trust.

Figure 5 - Composition of the Velindre University NHS Trust Audit Committee for NWSSP during 2020/21

In Attendance	April 2020	June 2020	October 2020	January 2021	Total
Committee Members					
Martin Veale, Chair & Independent Member	✓	✓	✓	✓	4/4
Gareth Jones, Independent Member	✓	✓	✓	✓	4/4

In Attendance	April 2020	June 2020	October 2020	January 2021	Total
Janet Pickles, Independent Member	✓	✓	✓	x	3/4
Audit Wales					
Audit Team Representative	✓	✓	✓	✓	4/4
NWSSP Audit Service					
Director of Audit & Assurance	✓	✓	✓	✓	4/4
Head of Internal Audit	✓	✓	✓	✓	4/4
Counter Fraud Services					
Local Counter Fraud Specialist	x	✓	✓	✓	3/4
NWSSP					
Margaret Foster, Chair NWSSP	✓	✓	✓	✓	4/4
Neil Frow, Managing Director	✓	✓	✓	✓	4/4
Andy Butler, Director of Finance & Corporate Services	✓	✓	✓	✓	4/4
Peter Stephenson, Head of Finance & Business Development	✓	✓	✓	✓	4/4
Roxann Davies, Corporate Services Manager	✓	✓	✓		3/3
Carly Wilce Interim Corporate Services Manager				✓	1/1
NWSSP Secretariat	✓	✓	✓	✓	4/4
Velindre University NHS Trust					
Mark Osland, Director of Finance	✓	✓	✓	✓	4/4
Lauren Fear Director of Corporate Governance	✓	✓	✓	✓	4/4

The Audit Committee met formally on four occasions during the year with the majority of members attending regularly and all meetings were quorate. An Audit Committee Highlight Report is reported to the Partnership Committee, after each Audit Committee meeting.

2.4 Reviewing Effectiveness of Audit Committee

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

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

The survey questionnaire comprises self-assessment questions intended to assist the Committee in assessing their effectiveness with a view to identifying potential areas for development going forward. A survey

undertaken during July 2020, had an 86% response rate (13 responses received) and identified the following:

- Very positive responses received from participants in regard to the Chairing of the Committee;
- The atmosphere at meetings is conducive to open and productive debate;
- All members and attendees' behaviour is courteous and professional;
- The majority of participants have found having virtual meetings a positive experience;
- Members agree the Committee meets sufficiently frequently to deal with planned matters and enough time is allowed for questions and discussions;
- All respondents were in agreement that the Committee is provided with sufficient authority and resources in order to perform its role effectively; and
- The vast majority of responses indicated that the reports received by the Audit Committee are timely and have the right format and content, which enables the Committee to enhance its internal control and risk management responsibilities.

2.5 Sub-Groups and Advisory Groups

The Partnership Committee is supported by three advisory groups:

- **Welsh Risk Pool Committee**
 - Reimburse losses over £25,000 incurred by Welsh NHS bodies arising out of negligence;
 - Provide oversight of the GP Indemnity Scheme;
 - Funded through the 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 (this did not meet regularly during the year as the focus was on PPE)**
 - 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 Leadership Team (SLT)

The Managing Director leads the SLT 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 Leadership 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 SLT to deliver the IMTP and Service Improvement Plans;
- Establishing an appropriate Scheme of Delegation for the SLT; and
- Ensuring that adequate internal controls and procedures are in place to ensure that delegated functions are exercised properly and prudently.

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

The SLT comprises:

Figure 7 – Composition of the SLT at NWSSP during 2020/2021

Name	Designation
Neil Frow	Managing Director
Andy Butler	Director of Finance and Corporate Services
Gareth Hardacre	Director of Workforce, Organisational Development and Employment Services
Jonathan Irvine	Director of Procurement Services
<i>Paul Thomas**</i>	<i>Director of Employment Services</i>
Simon Cookson	Director of Audit and Assurance
Mark Harris*	Director of Legal and Risk Services
Andrew Evans*	Director of Primary Care Services
Neil Davies	Director of Specialist Estates
Professor Malcolm Lewis OBE	Medical Director
Alison Ramsey***	Director of Planning, Performance & Informatics
Alwyn Hockin	Trade Union Representative

- *Mark Harris, Director of Legal & Risk Services, and Andrew Evans, Director of Primary Care Services, both commenced in post on 1 April 2020.*
- *Paul Thomas, Director of Employment Services, formally retired at the end of October 2020. Gareth Hardacre, Director of Workforce and Organisational*

Development, took on the additional responsibility for Employment Services at this point.

- *Alison Ramsey was formally appointed as NWSSP's first Director of Planning, Performance and Informatics in November 2020.*

Since the start of March 2020, the SLT has been supported by a Planning and Response Group to meet the challenges arising from the COVID-19 outbreak. In addition to the core members of the SLT, the Planning and Response Group includes representation from Trade Unions, Communications, the Surgical Materials Testing Laboratory, and a number of Deputy Directors to provide an operational perspective. All decisions taken by the Group are recorded on an Issues and Decisions Log, and the Group meets regularly over TEAMS. The Group was temporarily stood down in June 2020, as the initial impact of COVID-19 declined, but was stood back up in November as the effects of the 2nd wave of the disease became more evident.

3. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to the achievement of the policies, aims and objectives of NWSSP. Therefore, it can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them efficiently, effectively and economically. The system of internal control has been in place in NWSSP for the year ending 31 March 2021 and up to the date of approval of the Trust Annual Report and Accounts.

3.1 External Audit

NWSSP's external auditors are Audit Wales. The Audit Committee has worked constructively with Audit Wales and the areas examined in the 2020/21 financial year included:

- Position Statements (to every meeting);
- NWSSP Nationally Hosted NHS IT Systems Assurance Report 2019-20;
- Management Letter 2019/20;
- Review of PPE procurement; and
- Assurance Arrangements 2020/21.

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 appraised by our external auditors of developments across NHS Wales and elsewhere in the public sector. These discussions have been helpful in

extending the Audit Committee's awareness of the wider context of our work.

3.2 Internal Audit

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

Quarterly returns providing assurance on any audit areas assessed as having "no assurance" or "limited assurance" were issued to Welsh Government in accordance with the instruction received from Dr Andrew Goodall, Chief Executive NHS Wales/Director General in July 2016. During 2020/21 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. A separate report on the position with implementation of audit recommendations is monitored at each Audit Committee and is also taken for action at each monthly meeting of the SLT.

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

3.3 Counter Fraud

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

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

- Progress Update at each meeting
- Annual Report 2019-20
- Counter Fraud Work Plan 2020-21
- Counter Fraud Self Review Tool Submission 2019-20

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

As part of that planned area of work, regular fraud awareness sessions are arranged and then held with various staff groups at which details on how

and to who fraud can be reported are outlined. During 2020/21, these sessions have been provided virtually.

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

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 2019-20 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 2020/21, 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 2020/21, 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. As mentioned earlier in this report, the Partnership Committee approved the establishment of a NWSSP Quality and Safety Committee at its September 2020 meeting, and this is due to meet for the first time in 2021/22.

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

Procurement Services maintains certification to a number of international and national standards including ISO 9001 Quality Management, BS ISO 45001 Occupational Health & Safety and Customer Service Excellence. The Regional Stores are also accredited to the food hygiene STS Code of Practice & Technical Standard for the Public Sector. In January 2021 our certifications were extended to include our new IP5 Newport Store with a successful audit against the ISO 9001 Quality Management Standard and BS ISO 45001 Occupational Health & Safety Standard. Also achieving transition from OHSAS 18001 to the international standard ISO 45001.

In January 2021 our independent audit against the Customer Service Excellence standard confirmed ongoing compliance and identified 5 areas of exceptional 'Compliance Plus'. Our Quality Plan includes objectives that will see us utilise these recognised Standards to standardise practice across our logistics and materials management functions, building on the foundations already created and supporting our plans for service development and modernisation.'

3.6 Looking Ahead

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

Looking forward to 2021-22 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

As previously highlighted the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer-term delivery of services by the organisation, although there is confidence that all appropriate action is being taken, and all services have been sustained thus far.

The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of the organisation to achieve their strategic objectives.

The identified risks are recorded in a separate COVID-19 Risk Register which has been reported primarily to the Planning and Response Group, but also each and every meeting of the Senior Leadership Team, the Shared Services Partnership Committee, and the Audit Committee. There are currently no red-rated COVID risks.

In addition to the risks arising as a result of the COVID-19 pandemic there are other risks facing the organisation. The organisations risk profile relating to non-COVID-19 risks has included three red-rated risks in the 2020/21 financial year as follows:

- Plans for the replacement of the NHAIS system to allow payments to be made to GPs;
- The need to develop an in-house system for the payment of Opticians; and
- The risks arising from a no-deal BREXIT which has been replaced by the implications, particularly on the supply chain, of the deal agreed between the UK and the EU in December 2020.

As at March 2021, only the first of the above risks is still classified as a red-rated risk and this should disappear from the Corporate Risk Register when the replacement system goes live in July 2021.

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.

The Trust has an approved strategy for risk management and NWSSP has a risk management protocol in line with its host's strategy providing a clear systematic approach to the management of risk within NWSSP. The Risk Protocol was re-approved by the SLT in January 2020, and the Audit Committee in April 2020.

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 SLT who ensure that key risks are aligned to delivery and are considered and scrutinised by the SLT 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 SLT, and if deemed appropriate the risk is added to the NWSSP Corporate Risk Register.

Assurance maps are updated at least annually for each of the directorates to provide a view on how the key operational, or business-as-usual risks are being mitigated. The Audit Committee review all assurance maps annually.

A Risk Appetite statement has also been documented and approved by the Audit Committee. This covers nine specific aspects of NWSSP activity with a separate appetite score for each. The operationalisation of the risk appetite is through the target scores in the corporate and directorate risk registers. The Risk Appetite was reviewed again by the SLT in January 2020 to ensure that it remains appropriate and was also presented to the Audit Committee in April 2020.

NWSSP's approach to risk management therefore ensures that:

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

5. THE RISK AND CONTROL FRAMEWORK

NWSSP's commitment to the principle that risk is managed effectively means a continued focus to ensure that:

- There is compliance with legislative requirements where non-compliance would pose a serious risk;
- All sources and consequences of risk are identified, and risks are assessed and either eliminated or minimised; information concerning risk is shared with staff across NWSSP and with Partner organisations through the 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. 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 provides a clear picture of NWSSP's approach to health, safety and risk management; and
- The responsibilities of Directors are reviewed at annual Performance and Development Reviews (PADRs).

5.2 Policies and Procedures

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

All staff are aware of and have access to the internal Intranet where the policies and procedures are available. In a number of instances supplementary guidance has been provided. The Trust ensures that NWSSP have access to all 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 Trust Scheme of Delegation.

During the year, the need to respond urgently to meet the unprecedented demand for Personal Protective Equipment (PPE) and other medical devices and consumables, required significant amendment to the existing Scheme of Delegation that forms part of the Standing Orders for NWSSP. It was initially agreed on 18 March 2020 to increase the delegated authorisation limits for the Chair and Managing Director for COVID 19 expenditure to £2M. This was subsequently increased to £5M from 30 March 2020. However, contracts and orders for COVID expenditure more than £5M still require approval of the Velindre Trust Board, which for expedience may need to be through the existing mechanism of Chair's action. Welsh Government approval is still required on all orders over £1m or advanced payments worth 25% or more of the contract value. The Trust Board agreed to extend these limits to 31 March 2021, and this has since been further extended until 30 June 2021.

Most contracts awarded for PPE during the year were covered by the current Public Contracts Regulations 2015, which provides an option to direct award contracts to companies due to extreme urgency under regulation 32(2)(c). COVID-19 falls under this clause exception, and use was therefore made of this to procure PPE and related equipment.

Audit Wales has recently undertaken a review of the procurement and supply of PPE during the pandemic. The report is generally very positive but includes the finding that "Shared Services did not meet legal requirements under emergency procurement rules to publish details of all contracts within 30 days. The High Court found the UK Government had acted unlawfully by similarly not publishing details of its contracts for PPE." This matter is currently being investigated.

5.3 Information Governance

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

The Director of Finance and Corporate Services is the designated Senior Information Risk Owner (SIRO) in relation to Information Governance for NWSSP. NWSSP has an Information Governance Manager who has the objective of facilitating the effective use of controls and mechanisms to ensure that staff comply with Information Governance fundamental principles and procedures. This work includes awareness by delivery of an online core skills training framework eLearning module on Information Governance, classroom based training (when possible) for identified high risk staff groups, developing and reviewing policies and protocols to safeguard information, and advising on and investigating Information Governance breaches reported on the Datix incident reporting system.

The Information Governance Manager is responsible for the continuing delivery of an enhanced culture of confidentiality. This includes the presence of a relevant section on the intranet and a dedicated contact point (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 Trust IG and IM&T Committee and the NHS Wales Information Governance Management Advisory Group (IGMAG) hosted by NHS Wales Informatics, attended by all NHS Wales Health Bodies.

An annual report is produced on Information Governance within NWSSP. This was submitted to the SLT in June 2020.

5.4 Counter Fraud

Counter Fraud support is incorporated within the hosting agreement with the Trust. Under this agreement, local Counter Fraud Services are provided to NWSSP by Cardiff and Vale UHB. The impact of the pandemic and the specific redeployment and later sickness absence of the Local Counter Fraud Specialist for NWSSP has resulted in a reduction in service provision during the year such that only 58 of the contracted 75 days were delivered.

In addition, NWSSP lead the NHS Wales Counter Fraud Steering Group (CFSG), facilitated by Welsh Government, which works in collaboration with the NHS Counter Fraud Authority in NHS England to develop and strengthen counter fraud services across NHS Wales. The Director of Finance and Corporate Services chairs the group.

The Group has a documented NHS Fighting Fraud Strategy for Wales with an accompanying action plan which is reviewed at the quarterly meetings of the CFSG. Work has also been undertaken to improve and enhance the quarterly reporting of both the Local Counter Fraud Specialists, and the Counter Fraud Services Wales Team. Reports are submitted to the meetings of the CFSG and are then shared with both Welsh Government and the Directors of Finance Group for NHS Wales.

During 2020/21 the Group received and considered a report "Raising our Game" which was produced by Audit Wales and which assessed the counter-fraud arrangements in place across NHS Wales and both local and central government. While the findings of the review were largely positive, there were some recommendations for all sectors, and actions to respond to these recommendations have been incorporated into a combined action plan which also includes the required actions from the Fighting Fraud Strategy.

5.5 Internal Audit

The NWSSP hosting agreement provides that the 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 the Trust as host organisation, on the framework of internal control operating within NWSSP.

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

5.6 Integrated Medium-Term Plan (IMTP)

The pandemic has resulted in revised guidance from Welsh Government which has required NHS organisations to focus on an annual plan rather than an Integrated Medium-Term Plan covering three years. NWSSP has complied with this requirement but has also maintained a longer-term approach with a plan for 2021/22 that includes a forward look to 2022/24.

The Plan is approved by the Partnership Committee and performance against the plan is monitored throughout the year. Significant work has been undertaken to revise the performance framework to ensure that it is fully integrated with the key priorities in the plan. The creation of a new post of Director of Planning, Performance and Informatics in November 2020 provides added and strategic impetus to this agenda and also ensures that the planning and performance work streams are effectively co-ordinated. The vast majority of performance targets for 2020/21 were achieved and progress against each of these is reported to the Senior Leadership Team and the Partnership Committee. It is anticipated there will be a regular reporting to Welsh Government requirement on progress against the plan as there was during 2019/20.

The planning process includes substantial engagement with key stakeholders, both internally and across NHS Wales and the wider public sector, in both virtual team events and on a one-to-one basis. The plan has been discussed with Welsh Government colleagues in early March 2021 and they were extremely complimentary on both the content and presentation, and particularly the plan on a page section.

5.7 Health and Care Standards for NHS Wales

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

The Health and Care Standards Framework comprises seven main themes and sub criteria against which NHS bodies need to demonstrate compliance.



The process for undertaking the annual self-assessments is:

- The Corporate Services Manager undertakes an initial evaluation;
- A draft self-assessment is then presented to the SLT 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 SLT for final approval
- Once approved, it is presented to the Partnership Committee, Audit Committee and the Trust Quality and Safety Committee.

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

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

Figure 9 – Self- Assessments Rating Against the Health and Care Standards 2020/2021

Theme	Executive Lead	2020/21 Self-Assessment Rating	2019/20 Self-Assessment Rating
Governance, Leadership and Accountability	Senior Management Team	4	4
Staying Healthy	Director of Workforce and Organisational Development	4	4
Safe Care	Director of Finance and Corporate Services	4	4

Theme	Executive Lead	2020/21 Self-Assessment Rating	2019/20 Self-Assessment Rating
	Director of Specialist Estates		
Effective Care	Senior Management Team	4	4
Dignified Care	Not applicable	Not applicable	Not applicable
Timely Care	Not applicable	Not applicable	Not applicable
Individual Care	Senior Management Team	4	4
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 2020/2021

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

6. MANDATORY DISCLOSURES

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

6.1 Equality, Diversity and Human Rights

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

NWSSP's Corporate Services Manager chaired the NHS Wales Equality Leadership Group (ELG), who work in partnership with colleagues across NHS Wales and the wider public sector, to collaborate on events, facilitate workshops, deliver and undertake training sessions, issue communications and articles relating to equality, diversity and inclusion, together with the promotion of dignity and respect for all. NWSSP is proactive in supporting NHS Wales organisations with completion of their submission for all-Wales services, such as Procurement and Recruitment.

The process for undertaking Equality Integrated Impact Assessments (EQIIA) has matured, and considers the needs of the protected characteristics identified under the Equality Act 2010, the Public Sector Equality Duty in Wales and the Human Rights Act 1998, whilst recognising the potential impacts from key enablers such as Well-being of Future Generations (Wales) Act 2015, incorporating Environmental Sustainability, Modern Slavery Act 2015 incorporating Ethical Employment in Supply Chains Code of Practice 2017, Welsh Language, Information Governance and Health and Safety.

With effect from March 31st, 2021, the Socio-Economic Duty places a legal responsibility on NHS bodies when they are taking strategic decisions to have due regard to the need to reduce the inequalities of outcome resulting from socio-economic disadvantage. A presentation on this topic was given by two lawyers from our Legal & Risk Directorate to the April 2021 Informal Senior Leadership Team.

Personal data in relation to equality and diversity is captured on the Electronic Staff Record (ESR) system and staff are responsible for updating their own personal records using the Electronic Staff Record Self-Service. This includes ethnicity; nationality, country of birth, religious belief, sexual orientation and Welsh language competencies. The NHS Jobs All-Wales recruitment service, run by NWSSP adheres to all of the practices and principles in accordance with the Equality Act and quality checks the adverts and supporting information to ensure no discriminatory elements are present.

NWSSP has a statutory and mandatory induction programme for its workforce, including the NHS Wales "Treat Me Fairly" e-learning module, which forms part of a national training package and the statistical data

captured for NWSSP completion contributes to the overall figure for NHS Wales. A Core Skills for Managers Training Programme is provided, and the Managing Conflict module includes an awareness session on Dignity at Work.

6.2 Welsh Language

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

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

These posts enable compliance with the current obligations under the Welsh Language Scheme and in meeting the requirements of the Welsh Language Standards. This has significantly increased the demand for translation services in the following areas:

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

NWSSP has made significant progress in developing and growing its Welsh language services by successfully offering all staff the opportunity to learn Welsh at work. The NWSSP website is bilingual and there has been investment in the development of a candidate interface on the TRAC recruitment system. NWSSP also offer language services to other organisations and have delivered translation and other language services to Public Health Wales, HEIW, and NWIS over recent years.

An annual report on performance with Welsh Language services is also produced and was submitted to the SMT in October 2020 and to the SSPC in January 2021.

6.3 Handling Complaints and Concerns

NWSSP is committed to the delivery of high-quality services to its customers. The NWSSP Issues and Complaints Management Protocol is reviewed annually. The Protocol aligns with the Velindre University NHS Trust Handling Concerns Policy, the Concerns, Complaints and Redress Arrangements (Wales) Regulations 2011 and Putting Things Right Guidance.

During 2020-21, 26 complaints were received, of which:

- 18 complaints responded to within 30 working days (69%); and
- 8 complaints responded to outside of 30 working days (31%).

As detailed above, only 69% of the complaints received were responded to within the 30-working day target. However, this is an increase in performance compared to 40% compliance during 2019-20, based on 30 complaints received. In addition, the performance in the timeliness of response increased significantly in the latter half of the year following a management restructure in the Employment Services Directorate.

Where responses were issued outside of the target, cases were particularly complex in nature and delays arose related to staff absence, specifically within Employment Services. 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 UK public the right of access to a variety of information held by public bodies and provides commitment to greater openness and transparency in the public sector, especially for those who are accountable for decisions made on behalf of patients and service users.

Figure 12 – Freedom of Information Requests 2020-21

There were 113 requests received within NWSSP during 2020/21, some of these were redirected to other bodies for response but those received were mostly handled within the prescribed 20-day time limit for requests. 18 requests were answered slightly over the deadline for compliance, but this was due to the complexity of the information requested within those requests and the far-ranging input required by other parties to agree the information to be supplied.

FOI Breakdown
72 answered within the 20-day target
23 transferred out to another NHS body
18 responded to outside of the deadline

6.5 Data Security and Governance

In 2020/21, there were 34 information governance breaches reported within NWSSP; these included issues with mis-sending of email and records management. The majority of these were down to human error and despite education effectively provided to ensure awareness of confidentiality and effective breach reporting, unfortunately errors can happen.

Staff are encouraged to report all manner of confidentiality breaches regardless of whether they originate within the organisation or not as a concern. In 2020/21, 65 breaches were reported, of those 31 were incidents occurring outside NWSSP's control.

All breaches are recorded in the Datix risk management software, which was upgraded and relaunched as RLDatix in January 2020, and investigated in accordance with the Information Governance and Confidentiality Breach Reporting protocols, which comply with the General Data Protection Regulation (GDPR). The protocols encourage staff to report those breaches that originate outside the organisation for recording purposes.

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

There were no Information Governance breaches reported in 2020/21 that were assessed as being of a category serious enough to report to the Information Commissioner's Office (ICO) for further investigation.

6.6 ISO14001 – Environmental Management and Carbon Reduction

NWSSP is committed to managing its environmental impact, reducing its carbon footprint and integrating the sustainable development principle into day-to-day business. NWSSP successfully implemented ISO14001 as its Environmental Management System (EMS), in accordance with Welsh Government requirements and have successfully maintained certification since August 2014, through the operation of the Plan, Do, Check, Act model of continuous improvement.

Annual surveillance audits are undertaken to assess continued compliance with the Standard. The last external assessment was undertaken in August 2019 and further audits were delayed by the pandemic. The next audit is scheduled for the summer of 2021. The ISO14001:2015 Standard, places greater emphasis on protection of the environment, continuous improvement through a risk process based approach and commitment to top-down leadership, whilst managing the needs and expectations of interested parties and demonstrating sound environmental performance, through controlling the impact of activities, products or services on the environment. NWSSP is committed to environmental improvement and operates a comprehensive EMS in order to facilitate and achieve the Environmental Policy.

Carbon Footprint

We committed to reducing our carbon footprint by implementing various environmental initiatives and efficiencies at our sites within the scope of our ISO14001:2015 certification. As part of our commitment to reduce our contribution to climate change, a target of 3% reduction in our carbon

emissions (year on year, from a baseline of carbon footprint established in 2016-17), was agreed and this was reflected within our Environmental Sustainability Objectives.

During 2020-21, we achieved our target and obtained a **% reduction overall in CO2 emissions and where we did not meet our gas consumption targets, this was due to baseline reporting for additional sites, which is detailed in the narrative in our Sustainable Development Statement and Annual Review, which explore performance, achievements and highlights in further detail.

During 2020/21 NWSSP will develop its decarbonisation delivery plan in line with the national programme of work, which our Specialist Estates team is leading on.

Area	2016/17	2017/18	2018/19	2019/20	Target	Target Achieved
Electricity CO2e	11% reduction	18% reduction	11.5% reduction	6% reduction	3% reduction	✓
Gas CO2e	13% increase	7% reduction	38% reduction	31.% increase	3% reduction	X
Water M3	51% increase	9% reduction	6% increase	50% reduction	3% reduction	✓
Waste CO2e	62% recycled/recovered	95% recycled/recovered	89% recycled/recovered	94.68% recycled/recovered	70% recycled/recovered	✓
Business Mileage Expenditure	6% reduction	15% reduction	11% increase	14% reduction	15% reduction by 2021	✓
Business Mileage	7% reduction	11% reduction	10% increase	19% reduction	15% reduction by 2021	✓
Overall Carbon Footprint	5.37% Increase	3.78% Reduction	11.32% Reduction	4.39% Reduction		

6.7 Business Continuity Planning/Emergency Preparedness

When the likely impact of COVID-19 became apparent, NWSSP Business Continuity processes were immediately implemented. This included the establishment of a Planning and Response Group, comprising the Senior Leadership Team plus representatives from the Trade Unions, Surgical and Materials Testing Laboratory, Deputy Directors, and Communications. The Group met several times a week at the outset of the pandemic and decisions taken by the Group to strengthen business resilience included:

- Requiring all directorates to update their own business continuity plans and/or BCP action cards;
- Establishing sub-groups to focus on IT and on the safety and accessibility of our buildings;
- Ensuring that as many staff as possible were provided with laptops and VPNs to enable them to work remotely – over 450 of each were issued to staff in the first few weeks of the pandemic;
- Increasing the number of softphones available so that staff were able to make and receive external calls from their laptops;

- Instructing NWIS to migrate all staff to Office365 which again increased the capacity of NWSSP staff to work remotely – over 1500 staff were migrated in a three-week period;
- Ensuring that social distancing measures were put into place including appropriate floor and wall signage, Perspex screens for reception areas, and a review of work settings using expert input from Specialist Estates;
- Increasing approval limits for senior staff to provide more flexibility in procuring critical equipment in very competitive and time-pressured markets;
- Extending the opening hours of all NWSSP sites so that staff could work more flexibly and maintain social distancing;
- Discouraging staff from travelling to face-to-face meetings by moving all meetings on to Skype (and later Teams);
- Establishing the Finance Governance Committee to provide a speedy and comprehensive approval process for urgent procurement requests (and particularly PPE);
- Employing significant numbers of additional staff in Supply Chain and HCS to cope with the increased demand for PPE and the need to provide equipment to Primary Care Contractors and in Social Care settings;
- Overseeing the transfer of agency-contracted staff to bank contracts to maintain flexible capacity but with better value-for-money; and
- Introducing personal health risk assessments for all staff.

Documentation has been introduced and enhanced to ensure that staff are able to work safely and productively, whether working remotely from home or continuing to work in NWSSP and other NHS Wales locations.

In order to further safeguard and sustain staff welfare, a number of measures have been implemented. This has included the training of 23 Mental Health First Aiders across NWSSP who provide a point of contact for employees who are experiencing a mental health issue or emotional distress. In addition, the NWSSP Mental Health Support Group is a virtual online group open to all colleagues with a friendly, no pressure environment and provides a supporting community where other individuals facing similar struggles can come together to find support, resources, and self-help tools. During the year NWSSP signed an employer pledge with Time to Change Wales; the first national campaign to end stigma and discrimination faced by people with mental health problems, which is delivered by two of Wales' leading mental health charities, Hafal and Mind Cymru.

The business continuity arrangements instigated to respond to COVID were reviewed by Internal Audit in the third quarter of 2020/21. This was an advisory review which therefore included no formal audit opinion. The review focused on how directorates had engaged and complied with the corporate approach to business continuity and found that:

"NWSSP was able to adapt and build upon existing corporate and divisional business continuity arrangements to develop its COVID-19 pandemic

response. This produced a number of positive outcomes. Good progress had been made across the board in terms of future preparedness and resilience. Management recognises that some key challenges remain and is taking action to address these."

Notwithstanding COVID-19, NWSSP is proactive in reviewing the capability of the organisation to continue to deliver products or services at acceptable predefined levels following a disruptive incident. NWSSP recognise its contribution in supporting NHS Wales to be able to plan for and respond to a wide range of incidents and emergencies that could affect health or patient care, in accordance with requirement for NHS bodies to be classed as a Category 1 responders deemed as being at the core of the response to most emergencies under the Civil Contingencies Act (2004).

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

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

NWSSP is committed to ensuring that it meets all legal and regulatory requirements and has processes in place to identify, assess, and implement applicable legislation and regulation requirements related to the continuity of operations and the interests of key stakeholders.

NWSSP continues to work towards implementing the Cyber Security Framework in order to address the specific needs of the service. This is an ongoing plan covering the areas of Identify, Protect, Detect, Respond and Recover. NWSSP have already started a number of work streams including Information Workflows and Governance, Awareness and Training, Procurement of Professional Incident Response Capability, Protective Technology through the SIEM Procurement Project and Business Continuity Planning workshops across the whole of the whole of 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 Trust governance arrangements. The Trust undertook an assessment against the main principles of the UK Corporate Governance Code as they relate to an NHS public sector organisation in Wales. This assessment was informed by the Trust's assessment against the "Governance, Leadership and Accountability" theme of the Health and Care Standards undertaken by the Board. The Trust is clear that it is complying with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business

openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report. NWSSP have also completed the self-assessment on the "Governance, Leadership and Accountability" theme of the Health and Care Standards with a positive maturity rating of 4.

6.9 NHS Pension Scheme

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

7. MANAGING DIRECTOR'S OVERALL REVIEW OF EFFECTIVENESS

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

As Accountable Officer I have overall responsibility for risk management and report to the 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 Trust and Health Boards.

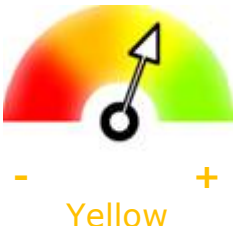
Internal Audit Opinion

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 programme has been impacted by the need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion, the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The Head of Internal Audit opinion for 2020/2021 was that the Partnership Committee can take **Reasonable Assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, were suitably designed and applied effectively:

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

In reaching this overarching opinion the Head of Internal Audit has identified that the assurance domains relevant to NWSSP have all been assessed as providing reasonable assurance. During the year, no internal audit reports were issued with a rating of limited or no assurance.

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 the Trust. These

procedures include the Standing Orders for the regulation of proceedings and business. The statutory requirements have been translated into day-to-day operating practice, and, together with the Scheme of Reservation and Delegation of Powers and Standing Financial Instructions (SFIs), provide the regulatory framework for the business conduct of the Trust. These arrangements are supported by detailed financial operating procedures covering the whole of the Trust and also local procedures specific to NWSSP. During the current COVID-19 crisis the governance arrangements have been enhanced through the establishment of a Finance Governance Committee. This meets as and when required to consider and approve large scale and urgent requisitions. Membership of the Committee includes senior finance staff from NWSSP, the Velindre Director of Finance and an independent member of the Board, representatives from Counter Fraud, Accounts Payable and Legal and Risk Services. The Committee is chaired by the Director of Audit and Assurance Services, and Procurement colleagues attend the Committee to give background and context to specific requisitions.

- **Budgets and Plan Objectives** – Clarity is provided to operational functions through approved objectives and annual budgets. Performance is measured against these during the year.
- **Service Level Agreements (SLAs)** – NWSSP has SLAs in place with all customer organisations and with certain key suppliers. This ensures clarity of expectations in terms of service delivery, mutual obligations and an understanding of the key performance indicators. Annual review of the SLAs ensures that they remain current and take account of service developments.
- **Reporting** – NWSSP has a broad range of financial and performance reports in place to ensure that the effectiveness of service provision and associated controls can be monitored, and remedial action taken as and when required.

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

CONCLUSION

This Governance Statement indicates that NWSSP has continued to make progress and mature as an organisation during 2020/21 and that it is further developing and embedding good governance and appropriate controls throughout the organisation. NWSSP has received positive feedback from Internal Audit on the assurance framework and this, in conjunction with other sources of assurance, leads me to conclude that it has a robust system of control. However, there were three specific instances where controls have not operated as intended. These were:

- An overpayment of £900k to a former employee of a Health Board as part of an agreed settlement. Whilst the overpayment has been recovered in full, we immediately requested Internal Audit to undertake a review of the circumstances behind this error. They found that input accuracy checks were not currently being completed due to remote working and the absence of physical invoice batches for checking. This has been immediately rectified and additional checks implemented for all payments > £100k. The matter was fully reported to the Audit Committee.
- Audit Wales has recently undertaken a review of the procurement and supply of PPE during the pandemic. The report is generally very positive but includes the finding that "Shared Services did not meet legal requirements under emergency procurement rules to publish details of all contracts within 30 days. The High Court found the UK Government had acted unlawfully by similarly not publishing details of its contracts for PPE." This matter is currently being investigated.
- During March 2021, a spate of actual and attempted frauds relating to change of bank account details were noted. These were sophisticated frauds which involved genuine supplier e-mail accounts being hacked which were then used to request changes to bank account details. Approximately £100k was paid out in total as a result of four separate frauds although £60k of these monies was instantly recovered. Controls have been further strengthened with bank mandate forms now being sent by post, and this appears to have thwarted any further attempts to defraud NWSSP through these means. Access to software has also been purchased that enables new account details to be matched to the supplier name.

As indicated throughout this statement, the need to plan and respond to the COVID-19 has had a significant impact on the organisation, wider NHS, and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society as we enter 2021/22, and it is unlikely, and indeed undesirable, to go back to fully replicating the pre-pandemic ways of working. To this end, an Adapt and Future Change Group, chaired by the Director of Planning, Performance and Informatics, is tasked with setting out a roadmap to exit the pandemic which incorporates the lessons learned from it. The Adapt and Future Change Group is supported by the Building Managers' Group whose task has been to ensure the safety of all premises where NWSSP staff are employed, both during the pandemic and as we hopefully exit from it. As this work progresses, I will ensure our Governance Framework considers and responds to this need.

Looking forward – for the period 2021/22:

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 2021/22.

Signed by:

Managing Director – NHS Wales Shared Services Partnership

Date:



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:4.3

20 May 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Service Level Agreements Update

**ARWEINYDD:
LEAD:**

Andy Butler, Director of Finance & Corporate Services

**AWDUR:
AUTHOR:**

Peter Stephenson, Head of Finance and Business Development

**SWYDDOG ADRODD:
REPORTING OFFICER:**

Peter Stephenson, Head of Finance and Business Development

**MANYLION CYSWLLT:
CONTACT DETAILS:**

peter.stephenson2@wales.nhs.uk

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

To approve the updated Service Level Agreements for 2021/22

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:

NWSSP SMT

Adduned y Pwyllgor/Committee Resolution (insert ✓):

**DERBYN/
APPROVE**

✓

**ARNODI/
ENDORSE**

**TRAFOD/
DISCUSS**

**NODI/
NOTE**

**Argymhelliad/
Recommendation**

The Committee is asked to **APPROVE** the Service Level Agreements.

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	Considered where appropriate
Cyfreithiol: Legal:	Considered where appropriate
Iechyd Poblogaeth: Population Health:	Considered where appropriate
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	Considered where appropriate
Ariannol: Financial:	Considered where appropriate
Risg a Aswiriant: Risk and Assurance:	Considered where appropriate
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:	Considered where appropriate
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open.

Service Level Agreements – Updates for 2021/22

The over-arching NWSSP Service Level Agreement is included in the papers. This document has been updated to reflect the establishment of Digital Health & Care Wales. Other changes to the document are as follows:

- The update in the definitions section of the requirements and the roles under revised Data Protection legislation;
- Updates to paragraphs 5.1 to 5.4 to ensure compliance and consistency with current Standing Orders;
- Updates to Section 17 to ensure compliance with revised Data Protection legislation;

The supporting schedules have been separately provided for Committee approval. Other than revising the dates of the documents the changes made are as follows:

- Schedule A Audit & Assurance - Minor wording changes from the November 2019 version e.g. Audit Wales now shown rather than WAO or external auditor and a few changes to responsibilities and monitoring arrangements. The SLA has been approved by the Board Secretaries Group;
- Schedule B Employment Services – updates have been provided in respect of the implementation of e-expenses and the impact of BREXIT on recruitment practices;
- Schedule C Specialist Estate Services – an annex has been included to provide context in terms of activity.
- Schedule D Legal & Risk – reference to separate Memorandum of Understanding for Once for Wales Concerns Management System;
- Schedule E Primary Care Services – there were no significant changes;
- Schedule F Procurement – revision of targets to ensure compliance with Annual Plan;
- Schedule G Health Courier Services – amendments to arrangements with specific Health Boards which have already been agreed with all parties;
- Schedule H Accounts Payable and e-Enablement – removed reference to Recovery Audit work as this is now done in-house and inclusion of Clients BACs Bureau against Payment Runs.

The Committee are asked to **APPROVE** the updated Service Level Agreements for 2021/22.

NWSSP
May 2021



**Service Level Agreement
for the provision of services from NHS Wales Shared Services
Partnership**

NHS WALES SHARED SERVICES PARTNERSHIP(NWSSP)

and

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

and

BETSI CADWALADR UNIVERSITY HEALTH BOARD

and

POWYS TEACHING HEALTH BOARD

and

SWANSEA BAY UNIVERSITY HEALTH BOARD

and

ANEURIN BEVAN UNIVERSITY HEALTH BOARD

and

CARDIFF AND VALE UNIVERSITY HEALTH BOARD

And

HEALTH EDUCATION AND IMPROVEMENT WALES

And

HYWEL DDA UNIVERSITY HEALTH BOARD

and

VELINDRE UNIVERSITY NHS TRUST

and

PUBLIC HEALTH WALES NHS TRUST

and

WELSH AMBULANCE SERVICES NHS TRUST

and

DIGITAL HEALTH AND CARE WALES

For the Provision of the Following Services (“the services”):

- A) Audit and Assurance Services
- B) Employment Services
- C) Specialist Estates Services
- D) Legal and Risk Services (including Welsh Risk Pool)
- E) Primary Care Services
- F) Procurement Services
- G) Health Courier Services
- H) Accounts Payable and e-Enablement

Approval Tracking Sheet

Document Status: DRAFT		
Version	Date	Comments
1	10 Sep 2014	V1 draft for SMT
2	18 Sep 2014	V2 draft for SSPC
3	19 Sep 2014	V3 draft WEDS
4	16 October 2015	V4 draft SMT
5	10 November 2015	V5 SSPC
6	27 October 2016	V6 draft SMT
7	26 October 2017	V7 draft SMT
8	2 January 2019	V8 draft for SSPC
9	11 November 2019	V9 draft for SSPC
10	15 March 2021	V10 draft

INDEX

		Page Number
1	Definitions	5
2	Introduction	6
3	Responsibilities	9
4	Services	10
5	Partnership Management & Monitoring Arrangements	10
6	Financial Arrangements	11
7	Duration	12
8	Audit Arrangements	12
9	Service Variations	13
10	Performance Indicators	14
11	Service Disruption	14
12	Force Majeure	14
13	Dispute Resolution	15
14	Risk Management	15
15	Client Confidentiality	16
16	Waiver	16
17	Data Protection	16
18	Freedom of Information	19
19	Discrepancy, errors and omissions	19
20	Governing Law and Jurisdiction	20

	Service Schedules <ul style="list-style-type: none"> A. Audit and Assurance Services B. Employment Services C. Specialist Estates D. Legal and Risk Services (incl Welsh Risk Pool) E. Primary Care Services F. Procurement Services G. Health Courier Service (HCS) H. Accounts Payable and e-Enablement 	
--	--	--

1. Definitions

The Agreement: The Service Level Agreement (SLA) governs the relationship between the NWSSP and the Partner Organisation.

Integrated Medium-Term Plan (ITMP): The Annual Business Plan sets out the strategy and action plan for the NWSSP. It will include a clear financial picture of where the NWSSP stands and expects to stand in the coming years.

Controller, Processor, Data Subject, Personal Data, Personal Data Breach, processing and appropriate technical and organisational measures: as defined in the Data Protection Legislation.

Customer: An organisation which enters into agreement with the NWSSP for provision of services at a defined cost. For the avoidance of doubt a Customer is different to a Partner Organisation as they are not members of the NHS Wales Shared Services Partnership Committee.

Data Protection Legislation: all applicable data protection and privacy legislation in force from time to time in the UK including the retained EU law version of the General Data Protection Regulation ((EU) 2016/679) (UK GDPR); the Data Protection Act 2018 (DPA 2018) (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended.

Domestic Law means the law of the United Kingdom or a part of the United Kingdom.

Employment Services: These may include Payroll, Recruitment, Expenses and Pensions. The appendices will detail precisely which services are provided to each Partner Organisation/Customer.

Host Trust: The Host Trust for NWSSP is Velindre University NHS Trust. The Host Trust is the legal entity within which NWSSP is contained.

Memorandum of Co-Operation – Shared Services Partnership Committee: Memorandum of Co-Operation of June 2012

NHS Wales Shared Services Partnership (NWSSP): The organisation hosted within Velindre University NHS Trust which provides services to Partner Organisations

Hosting Agreement: The Agreement between Velindre University NHS Trust and Partner Organisations confirming, inter alia, Velindre University NHS Trust's role as host, the role of the NWSSP as hosted organisation within Velindre University NHS Trust and the risk/reward sharing principle between Partner Organisations.

Partner Organisations: The Organisations are those to whom NWSSP provides services and are a member of the NHS Wales Shared Services Partnership Committee (SSPC).

Service Variation Request: A request by either a Partner Organisation, a Customer or the NWSSP to alter the scope of services provided by the NWSSP.

Shared Services Partnership Committee (SSPC): The body responsible for overseeing Shared Service Operations.

WG: Welsh Government

2. Introduction

2.1 The NHS in Wales and the Welsh Government has developed and implemented a model for the management of shared services that is used by all NHS Bodies in Wales. Shared Services are professional, administrative and technical services provided to the health service in Wales. A number of these shared services were originally hosted by individual Local Health Boards and NHS Trusts, with the intention that all NHS Wales organisations can work together collaboratively and make use of their expertise. The services to be provided include:

- Audit and Assurance Services
- Employment Services
- Specialist Estates
- Legal and Risk Services (incl Welsh Risk Pool)
- Primary Care Services
- Procurement Services
- Health Courier Services
- Accounts Payable and e-Enablement

2.2 The purpose of this Service Level Agreement (SLA) is to provide clarity on the key services to be delivered by NWSSP and the respective responsibilities of the parties to the Agreement to ensure highly efficient and cost-effective service delivery. The original Agreement was dated 1 June 2012 and is a contract for indefinite duration between the NHS Wales Shared Services Partnership hosted by Velindre University NHS Trust and:

- **ANEURIN BEVAN UNIVERSITY HEALTH BOARD** of St Cadoc's Hospital, Lodge Road, Caerleon, Newport, NP18 3XQ
- **BETSI CADWALADR UNIVERSITY LOCAL HEALTH BOARD** of Ysbyty Gwynedd, Penrhosgarnedd, Bangor, Gwynedd, LL57 2PW;
- **CARDIFF AND VALE UNIVERSITY HEALTH BOARD** of University Hospital of Wales (UHW), Heath Park, Cardiff, CF14 4XW
- **CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD** of Ynysmeurig House, Navigation Park, Abercynon, Mid Glamorgan, CF45 4SN;
- **HEALTH EDUCATION AND IMPROVEMENT WALES** of Ty Dysgu, Cefn Coed, Nantgarw, CF15 7QQ,
- **HYWEL DDA UNIVERSITY HEALTH BOARD** of Corporate Offices, Ystwyth Building, Hafan Derwen, St David's Park, Jobswell Road, Carmarthen, SA31 3BB;
- **POWYS TEACHING HEALTH BOARD** of Glasbury House, Bronllys Hospital, Bronllys, Powys, LD3 0LS;
- **PUBLIC HEALTH WALES NHS TRUST** of 2 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ;
- **SWANSEA BAY UNIVERSITY HEALTH BOARD** of One Talbot Gateway, Baglan Energy Park, Baglan, Port Talbot, SA12 7BR;
- **VELINDRE UNIVERSITY NHS TRUST** of Unit 2 Charnwood Court, Parc Nantgarw, Nantgarw, Cardiff, CF15 7QZ;
- **WELSH AMBULANCE SERVICES NHS TRUST** Vantage Point House, Ty Coch Industrial Estate, Ty Coch Way, Cwmbran, NP44 7HF

2.3 On 3rd March 2021, the Digital Health and Care Wales (Transfer of Staff, Property, Rights and Liabilities) Order 2021 (2021 No. 233 (W.59)) was made and came into force on 1st April, 2021. The Order makes provision for the transfer of particular staff, property, rights and liabilities from Velindre University NHS Trust to a new Special Health Authority called Digital Health and Care Wales (DHCW). DHCW's functions will relate to the provision of digital platforms, systems and services and supporting the improvement of such systems. To date, a number of these functions have been exercised by the National Health Service Wales Informatics Service. DHCW is added as a party to this Agreement.

2.4 This Agreement is a Service Level Agreement (Agreement) between National Health Service bodies and pursuant to section 7(5) of the National Health Service (Wales) Act 2006, must not be regarded for any purpose as giving rise to contractual rights or liabilities or be regarded as enforceable in the courts of England and Wales.

2.5 The Service Schedules to the Agreement describe the services to be provided and respective responsibilities of the parties. The services will be supported by detailed financial, operational and management procedures that will provide a sound basis for the continuous improvement of the services being provided.

2.6 Key performance indicators will provide each party with means of ensuring the service is being provided to the agreed level of performance. The main mechanisms measuring performance are indicated in the relevant schedules. Several performance indicators involve the achievements of deadlines which require that parties collaborate to ensure the deadlines are met.

2.7 It is intended that the service provision, progress and development of NWSSP services will be reviewed and monitored via the Shared Services Partnership Committee at a national level.

2.8 Any dispute as to the fulfilment of the terms of this Agreement must be dealt with within the framework of the National Health Service as set out more particularly in this Agreement.

2.9 NWSSP shall seek to meet the changing business needs of the stakeholders and will discuss with the Partner Organisations changes in the way existing services are delivered.

2.10 In providing its services, NWSSP will comply with the Standing Orders for the operation of Shared Services contained within the Velindre University NHS Trust Standing Orders. NWSSP will also comply with the Standing Financial Instructions (SFIs), and Employment Policies. In relation to stakeholder organisations NWSSP will comply with individual SOs and SFIs as appropriate.

2.11 The parties acknowledge that the activities of both NWSSP and Partner Organisations take place within the national policy framework of NHS Wales and that policy changes may affect the delivery of services by either party, necessitating changes to this Agreement.

2.12 NWSSP will operate in compliance with the following:

- Welsh Risk Management Standards
- NHS Standards of Business Conduct
- Requirements under the Freedom of Information Act.
- The approved Standing Orders and Standing Financial Instructions.

For these areas NWSSP will operate under the legal framework of Velindre University NHS Trust.

2.13 Internal management within NWSSP will be in accordance with the Welsh language scheme of Velindre University NHS Trust. Services provided on behalf of the individual Partner Organisation will be in

accordance with the Welsh Language Scheme of the individual organisation. NWSSP will endeavour to respond (with no additional delay) to all correspondence (written or verbal) in the language of the respondent, and will look at how in future developments can be made to improve the bilingual provision of services in accordance with the legislative framework for Welsh Language and the Welsh Language Standards, best practice from the Welsh Language Commissioner and WG circulars.

2.14 NWSSP shall seek to ensure that the services provided by it are delivered by appropriately qualified and trained staff, in a timely fashion with due skill, care and diligence.

2.15 This Agreement commenced on 1 June 2012 and is a contract of indefinite duration. Performance targets are reviewed annually.

3. Responsibilities of the Parties

3.1 NWSSP will provide services to the specification set and achieve the performance targets as set out in Schedules A-G.

3.2 All organisations will meet their obligation as outlined in the Memorandum of Co-operation – Shared Services Partnership Committee.

3.3 It is the Partner Organisations' responsibility to monitor the Agreement.

3.4 NWSSP is organisationally a separate unit but has no legal identity. It is recognised that NWSSP needs to operate within a legal framework and consequently will be attached to a Trust body.

3.5 Velindre University NHS Trust acts as an employing authority only and the following conditions apply:

- Velindre University NHS Trust will not bear any of the risk or rewards of ownership of NWSSP other than through the Host Organisation's participation as a partner organisation as the risk and rewards are to be shared equally and proportionately between the Partner Organisations;
- HR policies and employment terms and conditions applicable to the Host Organisation will apply to all NWSSP staff, subject to any remaining provisions of the original TUPE transfer.
- The NWSSP Managing Director will have delegated authority in respect of NWSSP as agreed with Velindre University NHS Trust.

3.6 A service level agreement will be in place between NWSSP and Velindre University NHS Trust.

3.7 A hosting agreement is in place between Velindre University NHS Trust and partner organisations.

3.8 Save as agreed with the NWSSP Senior Leadership Team, each party will make available such facilities as are currently used by the Shared Services immediately prior to the original Commencement Date, on such terms as may be agreed.

3.9 Each Partner Organisation agrees that if the Shared Service is unable at any time to meet a demand for the provision of a service due to lack of capacity or expertise it shall take the appropriate step through the Managing Director of Shared Services in order to secure provision of such services from other persons.

4. Services

4.1 NWSSP shall provide core services in the areas of Audit and Assurance, Employment Services, Specialist Estates Services, Legal and Risk Services, Primary Care Services, Procurement Services and Health Courier Services (HCS) as set out in schedules A-G.

4.2 In addition to the detailed service schedules, the NWSSP Internal Audit plans will be taken to the Velindre University NHS Trust Audit Committee for Shared Services prior to the start of the financial year.

5. Partnership Management and Monitoring Arrangements

5.1 A Shared Services Partnership Committee (SSPC) has been established under Velindre University NHS Trust which will be responsible for exercising Velindre's shared services functions including the setting of policy and strategy and the management and provision of shared services to Local Health Boards and NHS Trusts in Wales. The Velindre University NHS Trust Shared Services committee is to be known as the Shared Services Partnership Committee.

5.2 The Velindre (University) National Health Service Trust Shared Services Committee (Wales) Regulations 2012 provide that the Committee be comprised of a Chair, the Managing Director of Shared Services and the Chief Officers of each Local Health Board and NHS Trusts in Wales (or their nominated representative who must be a member of that organisation's Executive team in order to vote and such nomination must be in writing and addressed to the Chair and must specify whether the nomination is for a specific length of time). This is to ensure that the views of all NHS organisations are taken into account when making decisions in respect of Shared Services activities.

5.3 The Committee must appoint a vice chair of the Committee from amongst the chief officers or their nominated representatives. The Chair and Vice Chair appointments must be subject to the Shared Services Partnership Committee Standing Orders and the Committee must satisfy

itself that the person appointed as the chair has the necessary skills and experience to perform the duties of the chair. Chief officers, a nominated representative of a chief officer and a vice chair may only hold office on the Committee provided he or she holds their respective office of a National Health Service Trust or Local Health Board. A chair or vice chair may be appointed for a period of no longer than four years, but may, on the expiration of his or her term of office, be re-appointed, provided that person may not hold office as a chair or vice chair for a total period of more than eight years. The Committee may remove a chair or vice chair from office if it determines that it is not in the interests of the Committee or it is not conducive to the good management of the Committee.

5.4 Velindre University NHS Trust has agreed Standing Orders for the regulation of the meetings and proceedings of the Committee and the meetings and proceedings of the Committee must be conducted in accordance with those Standing Orders.

5.5 The NHS Wales Shared Services Partnership Senior Leadership Team are responsible for the delivery of Shared Services. The Senior Leadership Team are led by the Managing Director of Shared Services, who is an officer of Velindre University NHS Trust. The Managing Director of Shared Services holds accountable officer status and shall assume overall accountability in relation to the management of Shared Services.

5.5 Each of the services set down in Section 4 shall have a Management Group to oversee the delivery of the services and the effective co-ordination of the service relationship between NWSSP and the Partner Organisation.

6. Financial Arrangements

6.1 NWSSP is hosted by Velindre University NHS Trust on behalf of all Partner Organisations within Wales. These organisations are:

- Aneurin Bevan University Health Board
- Betsi Cadwaladr University Health Board
- Cardiff and Vale University Health Board
- Cwm Taf University Health Board
- Health Education and Improvement Wales
- Hywel Dda University Health Board
- Powys Teaching Health Board
- Public Health Wales NHS Trust
- Swansea Bay University Health Board
- Velindre University NHS Trust
- Welsh Ambulance Services NHS Trust
- Digital Health and Care Wales

6.2 The charging and financial arrangements will operate within the context of this Agreement and host arrangements as detailed within this Agreement and schedules.

6.3 As a hosted organisation NWSSP will operate as a separate management and reporting entity within Velindre University NHS Trust.

6.4 This Agreement requires that NWSSP and Velindre University NHS Trust are obliged to act in accordance with the Memorandum of Co-operation and in particular clause 13 of the Memorandum of Co-operation.

6.5 Additional services are priced on an individual added cost basis. All pricing to be agreed in writing before a new service is provided.

6.6 The funding for core services will be set out in the annual allocation letter issued by Welsh Government. Pricing for additional services to be agreed in writing with the individual party concerned.

6.7 The Parties agree that the financial and charging arrangements with regard to Legal and Risk services contained within Schedule D will apply.

7. Duration

7.1 In entering into this Agreement, each stakeholder understands that it is committing to the operation of NWSSP as determined by the Minister for Health & Social Services. The Agreement will continue between NWSSP and Partner Organisations, as until determined by the Minister, in accordance with the Velindre University NHS Trust Shared Services Committee (Wales) Regulations 2012.

7.2 The services support schedules shall be reviewed on a regular basis with Partner Organisations to ensure they continue to meet requirements.

8. Audit Arrangements

8.1 The NWSSP will operate under the internal controls and governance of Velindre University NHS Trust. All internal audit reports are prepared for the Managing Director of Shared Services and the Velindre University NHS Trust who, in turn, will consider all reports at their Audit Committee for Shared Services. Where the internal audit report relates to a review of systems provided for the Partner Organisations and the operation of controls relating to those systems, the relevant details (including the level of assurance) will be made available to the Partner Organisations either by copies of the full report or extracts thereof as advised by the NWSSP Director of Finance.

8.2 Velindre University NHS Trust Audit Committee for Shared Services will provide an annual report which will be provided to each Partner Organisation.

8.3 NWSSP will liaise with Partner Organisation External Auditors to ensure appropriate planning to enable assurances to be provided to avoid unnecessary duplication of work by either internal or external auditors.

8.4 NWSSP will operate within Velindre University NHS Trust arrangements regarding Local Counter Fraud Services (LCFS).

8.5 If a Partner Organisation discovers an alleged fraud committed by Partner Organisation staff or a supplier and requires records held within NWSSP, the Partner Organisation LCFS should contact the NWSSP LCFS contact who will assist to arrange that the records are made available for inspection. The investigation would be led by the Partner Organisation LCFS with assistance being given as required by the NWSSP LCFS.

8.6 The NWSSP LCFS in the event of an alleged supplier fraud will share information with Partner Organisations' LCFS for the purposes of fraud detection.

8.7 If a fraud is discovered at the Partner Organisation which is alleged to have been committed by NWSSP staff, the NWSSP relevant LCFS will notify the Partner Organisation LCFS. The resultant joint investigation will be led by the NWSSP LCFS (in their capacity as the Host LCFS) to ensure that the CFSMS policy of joint Criminal/ Disciplinary sanctions can be applied.

9. Service Variations

9.1 Service variations may be agreed between the parties during their regular meetings. However, such variations must be recorded in writing confirming the variation required in service provision. A timetable for implementation will be agreed.

9.2 If agreement cannot be reached either as to the nature or implementation of the requested variation, or if wider issues emerge from the proposal, the matter will be brought to the Shared Services Partnership Committee and be subject to the provision of clause 13 (Dispute Resolution).

9.3 Where it is not possible to deliver the service variation requested within the budget for the provision of core services, NWSSP and the Partner Organisation will agree the payment to be made for such a variation. Conversely, should a variation in service specific to a Partner Organisation lead to a cost saving then the principle applies that the specific saving should apply to that Partner Organisation.

9.4 All variations to this Agreement must be confirmed by both parties in writing.

9.5 When a variation to service provision results in a cost saving to NWSSP, this will be reported through the financial reporting mechanisms as described in this Agreement.

9.6 Where no agreement can be reached about a proposed variation to the Agreement then the parties should use their reasonable endeavours to resolve the dispute using the Dispute Resolution mechanism within the Memorandum of Cooperation.

10. Performance Indicators

10.1 The development of appropriate performance indicators is a key element in providing each party with a method of ensuring the service is being provided to the agreed level of performance. These performance indicators will be developed as the services evolve. The main mechanisms by which the performance will be assessed will vary between the services provided but are appropriately indicated in Schedules A-G.

10.2 Several performance indicators involve the achievements of deadlines and it is essential that all parties collaborate to ensure the deadlines are met.

10.3 Service performance will be a regular item in joint meetings at various levels.

11. Service Disruption

11.1 NWSSP will notify Partner Organisations of any disruption to the service as soon as practicably possible and advise on alternative methods of service provision (where possible), together with an estimated time and date of the resumption of normal service.

11.2 A Disaster Recovery Plan will be in place and will link, where appropriate to the arrangements in place through Velindre University NHS Trust.

12. Force Majeure

12.1 "force majeure" shall mean any cause preventing either party from performing any or all of its obligations which arises from or is attributable to acts, events, omissions, or accidents beyond the reasonable control of the party so prevented including without limitation; Act of God, war, riot, civil commotion, malicious damage, complaints with any law of governmental order rule regulation, or direction accident breakdown of plant or machinery, fire, flood, storm, or default of suppliers or sub-contractors.

12.2 If either party is prevented or delayed in the performance of any of its obligations under this Agreement for force majeure, that party shall forthwith serve notice in writing on the other party specifying the nature and extent of the circumstances giving rise to force majeure and shall, subject to service of such notice and to paragraph 12.4, have no liability in respect of the performance of such of its obligations as are prevented by the force majeure events during the continuation of such events.

12.3 The party affected by force majeure shall use all reasonable endeavours to bring the force majeure event to a close or to find a solution by which the Agreement may be performed, despite the continuance of the force majeure event.

12.4 If either party is prevented from performance of its obligations for a continuous period in excess of three months, the other party may terminate this Agreement forthwith by written notice, in which case neither party shall have any liability to the other except that rights and liabilities which accrued prior to such termination shall continue to subsist.

13. Dispute Resolution

13.1 The Memorandum of Cooperation sets out the dispute resolution process. For the avoidance of doubt, this Service Level Agreement is an NHS Contract as defined in Section 7 of the National Health Service (Wales) Act 2006. Where a Partner agrees to resolve any dispute which arises out of the Memorandum of Cooperation ("Dispute") by negotiation, then each Partner is to be represented by a person who:

- Is an Executive Director or person of equivalent status with a Partner; and
- has had no direct day to day involvement in the relevant matter to settle the Dispute

13.2 If the Parties in dispute have not resolved the matter within 14 days then the dispute resolution process as agreed by the Committee will be enacted.

14. Risk Management

14.1 The procedures in the schedules attached to this SLA have been established and set out in such a manner so as to minimise risk to both parties.

14.2 Any risks specific to the NWSSP and Partner Organisation will be discussed directly with Legal and Risk Services to ensure that they are covered in addition to risk sharing arrangements through this document.

15. Client Confidentiality

15.1 The parties to this Agreement will keep confidential all matters relating to other parties' business, staff, patients and any other matters which may be disclosed to them during the course of this Agreement. Parties to the Agreement will not permit information to be disclosed to any third party or to use or copy any such information except with the relevant party's written consent or as may be reasonably necessary for the proper management or provision of the services.

15.2 The provisions of this clause shall apply during the continuance of the agreement and indefinitely after its expiry or termination.

16. Waiver

16.1 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

17. Data Protection¹ and Information Security

Data Protection

17.1 The Parties will comply with all applicable requirements of the Data Protection Legislation. This Clause 17 is in addition to, and does not relieve, remove or replace, a Party's obligations under the Data Protection Legislation.

17.2 The Parties acknowledge that where NWSSP is processing personal data under or in connection with this Agreement that for the purposes of the Data Protection Legislation, the relevant Partner Organisation where applicable is the data controller and NWSSP is the data processor. Where NWSSP is processing personal data each of the Services Schedule sets out the scope, nature and purpose of processing by NWSSP, the duration of the processing and the types of Personal Data and categories of Data Subject.

17.3 Without prejudice to the generality of Clause 17.1, each of the Partner Organisations will ensure that it has all necessary appropriate consents and notices in place to enable lawful transfer of the Personal Data to NWSSP for the duration and purposes of this Agreement.

17.4 Without prejudice to the generality of Clause 17.1, NWSSP shall, in relation to any Personal Data processed in connection with the performance by NWSSP of its obligations under this Agreement:

(a) process that Personal Data only on the written instructions of each of the Partner Organisations where applicable unless NWSSP is required by Domestic Law to otherwise process that Personal Data. Where NWSSP is relying on Domestic Law as the basis for processing Personal Data, NWSSP shall promptly notify the relevant Partner Organisation where applicable of this before performing the processing required by the Domestic Law unless the Domestic Law prohibits NWSSP from so notifying the relevant Partner Organisation where applicable;

(b) ensure that it has in place appropriate technical and organisational measures, reviewed and approved by the relevant Partner Organisation where applicable, to protect against unauthorised or unlawful processing of Personal Data and against accidental loss or destruction of, or damage to,

¹ These data protection clauses cover situations where NWSSP is the data processor and the Partner Organisations are the data controllers (clauses 17.1 to 17.6) and where NWSSP is the data controller and the Partner Organisations are also data controller(s), but where no party is processing Personal Data (clauses 17.7 to 17.10) i.e. NWSSP and the Partner Organisations are data controllers in their own right. Clause 17.9 provides for a data sharing agreement. For any other situation, these data protection clauses will require amendment.

Personal Data, appropriate to the harm that might result from the unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the data to be protected, having regard to the state of technological development and the cost of implementing any measures (those measures may include, where appropriate, pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of its systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the technical and organisational measures adopted by it);

(c) ensure that all personnel who have access to and/or process Personal Data are obliged to keep the Personal Data confidential; and

(d) not transfer any Personal Data outside of the UK unless the prior written consent of the relevant Partner Organisation where applicable has been obtained and the following conditions are fulfilled:

(i) NWSSP or the relevant Partner Organisation has provided appropriate safeguards in relation to the transfer;

(ii) the Data Subject has enforceable rights and effective legal remedies;

(iii) NWSSP complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred; and

(iv) NWSSP complies with reasonable instructions notified to it in advance by the relevant Partner Organisation where applicable with respect to the processing of the Personal Data;

(e) assist the relevant Partner Organisations, in responding to any request from a Data Subject and in ensuring compliance with its obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;

(f) notify the relevant Partner Organisations without undue delay on becoming aware of a Personal Data breach;

(g) at the written direction of the relevant Partner Organisation, delete or return Personal Data and copies thereof to the relevant Partner Organisation on termination of the Agreement unless required by Domestic Law to store the Personal Data; and

(h) maintain complete and accurate records and information to demonstrate its compliance with this Clause 17 and allow for audits by the Partner Organisations or a Partner Organisation's designated auditor.

17.5 Each Partner Organisation does not consent to NWSSP appointing any third-party processor of Personal Data under this Agreement.

17.6 The Parties may, at any time on not less than 30 days' notice, and through agreement revise this Clause 17 by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when replaced by attachment to this Agreement).

17.7 Where NWSSP and the relevant Partner Organisation are each a data controller under or in connection with this Agreement, NWSSP and the relevant Partner Organisation shall duly observe all their obligations under the Data Protection Legislation, which arise in connection with the performance of this Agreement and the provisions of clauses 17.8 to 17.10 inclusive shall apply.

17.8 The relevant Partner Organisation shall perform its obligations under this Agreement in such a way as to ensure that it does not cause NWSSP to breach any of its applicable obligations under the Data Protection Legislation and vice versa.

17.9 If required to do so, NWSSP and the relevant Partner Organisation agree that they shall enter into a data sharing agreement (in a form to be agreed) with each other so as to set out the parties obligations in relation to any Personal Data which may be shared between them.²

17.10 The provisions of this clause 17 (Data Protection) shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

Information Security

17.11 Without limitation to any other information governance requirements set out in this Agreement, NWSSP shall:

- (a) notify the relevant Partner Organisation where applicable forthwith of any information security breaches or near misses (including without limitation any potential or actual breaches of confidentiality or actual information security breaches); and
- (b) fully cooperate with any audits or investigations relating to information security and any privacy impact assessments undertaken by the Partner Organisations and shall provide full information as may be reasonably requested by each of the Partner Organisations in relation to such audits, investigations and assessments.

17.12 NWSSP shall ensure that it puts in place and maintains an information security management plan appropriate to this Agreement, the type of services being provided and the obligations placed on NWSSP.

² A data sharing agreement will be required where the parties are sharing personal data under the SLA and where each party is using the personal data as a data controller in its own right. The data sharing agreement should set out the protocols that the parties will follow to determine exactly what data will be shared, the means of transmission and how the parties will cooperate with one another to ensure compliance with data protection requirements.

NWSSP shall ensure that such a plan is consistent with any relevant policies, guidance, and good industry practice.

17.13 Where required, NWSSP shall obtain and maintain certification under the HM Government Cyber Essentials Scheme at the level set out in the Specification and Tender Response Document.

18. Freedom of Information

18.1 All parties acknowledge that they are subject to the requirements of the Freedom of Information Act and the Environmental Information Regulations and shall assist and co-operate with each other at their own expense in order to enable either party to comply with these information disclosure requirements.

18.2 The provisions of this clause shall apply during the continuance of the Agreement and indefinitely after its expiry or termination.

19. Discrepancies, errors and omissions

19.1 If any party identifies any discrepancy, error or omission between the provisions of this Agreement it shall notify the other party in writing of such discrepancy, error or omission.

19.2 All parties shall seek to agree such amendments to resolve such discrepancy, error or omission as soon as reasonably practicable.

19.3 Where the parties fail to reach agreement within 21 business days of the notice under clause 19.1 above and any party considers that the discrepancy, error or omission to be material to its rights or obligations under this Agreement, the matter will be referred to the dispute resolution procedure in accordance with clause 14 (Disputes).

20. Governing Law and Jurisdiction

20.1 This Agreement is a contract made in England and Wales and shall be subject to the laws of England and Wales.

20.2 The signatory document can be viewed in the original version of the document and can be accessed on request to the Head of Finance & Business Development, NWSSP.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:3.2

20 May 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Managing Director's Report

**ARWEINYDD:
LEAD:**

Neil Frow – Managing Director

**AWDUR:
AUTHOR:**

**Peter Stephenson, Head of Finance &
Business Development**

**SWYDDOG ADRODD:
REPORTING
OFFICER:**

Neil Frow – Managing Director

**MANYLION
CYSWLLT:
CONTACT DETAILS:**

Neil.frow@wales.nhs.uk

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

To provide the Committee with an update on NWSSP activities and issues since the last meeting in March.

Llywodraethu/Governance

**Amcanion:
Objectives:**

To ensure that NWSSP openly and transparently reports all issues and risks to the Committee.

**Tystiolaeth:
Supporting
evidence:**

N/a

Ymgynghoriad/Consultation :

Shared Services Partnership Committee

Adduned y Pwyllgor/Committee Resolution (insert ✓):

**DERBYN/
APPROVE**

**ARNODI/
ENDORSE**

**TRAFOD/
DISCUSS**

✓

**NODI/
NOTE**

✓

**Argymhelliad/
Recommendation**

The Partnership Committee is to **NOTE** and **DISCUSS** the report.

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

Introduction

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

Ministerial Visit to IP5

On 10th May, NWSSP hosted Vaughan Gething, Minister for Health and Social Services, to our facilities at Imperial Park in Newport. NWSSP staff were able to show the Minister how supplies were being collated to send to India to help assist with their COVID crisis. He was also able to assess the role that NWSSP has played through the use of IP5 in the UK COVID response effort through supplying PPE to the NHS, Primary Care Contractors and Social Services in Wales (and to other parts of the UK); hosting the Temporary Medicines Unit; and in supporting the vaccine programme.

Financial Position

The final position for 2020/21 was that all financial targets had been met and NWSSP achieved a small and planned surplus of £21K (after a £2m distribution to Health Boards and Trusts), subject to external audit. 2020/21 has been a very challenging year for NWSSP not least for the Finance Department who have dealt with accounting for significant increases in expenditure and very high levels of COVID related stock but were nevertheless able to close the position within four working days. The Month 1 figures for 2021/22 are reporting a break-even position.

The total expenditure for Welsh Risk Pool for 2020/21 was £123.8m and the Risk Share agreement was invoked at the IMTP value of £13.8m. Total provisions have increased by £3m to £1.137bn, but there could also be an ongoing challenge with the unknown potential for claims arising from COVID. It is impossible to quantify at this stage how much these may amount to, but we are working with Health Boards as appropriate to progress these issues.

Engagement with the Foundational Economy

One of the key priorities in this year is to build opportunities for strengthening our engagement with the foundational economy in supply chain and procurement. Our Procurement Strategy embraces the Wales First principles nurturing local supply chains and provides opportunities via competitive tendering to promote economic regeneration, by ensuring equal opportunities via local, regional, and national strategies on all contracts for goods and services. By adopting these principles this improves the Welsh economic operators' abilities to access and realise opportunities, which in turn also provides significant environmental benefits by sourcing locally. We are continuing to engage with stakeholders and the market to enable

foundational economy outcomes from our procurement processes. As an example, we have already begun the process of redesigning our Food category strategy with the aim of increasing the level of NHS spend within the foundational economy by the use of far more local suppliers.

Audit Wales Review of PPE

Audit Wales recently published their formal report into the procurement and supply of PPE during the COVID-19 pandemic. The accompanying press release for the report included the following:

"Working collaboratively, NHS Shared Services and other public services overcame early challenges to provide health and care bodies with the required PPE without running out of stock at a national level. The Welsh Government and NHS Wales Shared Services Partnership procured and supplied PPE for frontline staff in very challenging circumstances. They put good arrangements in place to manage risks which helped to avoid some of the problems reported in England".

HCS – Electrification of Fleet

Our Health Courier Services Team recently took delivery of six fully electric vans that are the first in a number that have been ordered and which will be a key component in the implementation of our Decarbonisation Strategy.

Bank Mandate Fraud

During March 2021, a spate of actual and attempted frauds relating to change of bank account details were noted. These were sophisticated frauds which involved genuine supplier e-mail accounts being hacked which were then used to request changes to bank account details. Approximately £100k was paid out in total as a result of four separate frauds although £60k of these monies was instantly recovered. Controls have been further strengthened with bank mandate forms now being sent by post, and this appears to have thwarted any further attempts to defraud NWSSP through these means. Access to software has also been purchased that enables new account details to be matched to the supplier name.

Annual Plan

Positive feedback has been received following the submission of the Annual Plan to Welsh Government and we are currently awaiting official confirmation of its acceptance.

Quality and Safety Committee

Arrangements have now been finalised with Velindre regarding the establishment of the Quality and Safety Committee which enables us to

discharge the (Partnership) Committee's resolution on this matter from last September.

Laundry Services

Three of the current five NHS laundries in Wales transferred over to NWSSP on 1 April 2021 as planned. Work is now on-going to improve the facilities and arrangements for each of these laundries, and to implement the operational SLAs that have previously been agreed at Committee. Further work is being undertaken with Cwm Taf Morgannwg UHB and Hywel Dda UHB to enable the two remaining laundries to be transferred later in the year.

TRAMS

We are in the process of appointing a Director of Pharmacy Technical Services to help manage the Transforming Access to Medicine Service. The appointment should be completed within the next few weeks and will enable the next phase of the business case to be developed. A revised Programme Board will also be established to drive forward both the OBC and FBC. We will be writing to key individuals and Peer Groups over the coming weeks to identify potential members. The role of the SRO is likely to be held jointly with Andrew Evans, Chief Pharmacist, Welsh Government. Further updates will be provided over the next few months.

Medical Examiner Service

The recently agreed *A Single Process for Mortality Review in General Practice Wales* includes the Medical Examiner Service scrutiny of the cause of, and circumstances surrounding, death as the trigger for a "stage 2" mortality review by a GP Practice where appropriate. It also includes an explicit feedback loop to the Medical Examiner Service, effectively allowing the system to monitor the outcomes and impact of improvement efforts over time.

The Medical Examiner Service is also a trigger for mortality reviews in secondary care, with its scrutiny effectively replacing existing Stage 1 mortality review processes, however there is no similar single mortality review process agreed for secondary care and hence no universal and formalised feedback loop from health boards to the Medical Examiner Service. This means that, in acute care settings, it is difficult to clarify a) whether a Mortality Review was in fact carried out as a result of the Medical Examiner Service referral, or b) the outcome of any Mortality Reviews undertaken.

An exemplar *Learning from Mortality Review Framework* is currently being developed for acute care providers by the All Wales Mortality Review Group, however there is no clear commitment from health boards at this stage to use this process universally when agreed. Consequently, a paper is being

taken to the all Wales Medical Director Group to seek guidance and clarification on the desire to see this as a universal process and, if so, the steps needed to operationalise.


Employment Services

There are a number of initiatives on-going within the Employment Services Directorate:

- ***Responsiveness Programme*** – as part of the journey out of the pandemic, the Employment Services team are looking at how we can be more agile in our use of resources and at the same time enhance the well-being of our staff.
- ***Pre-Employment Checks*** – the dispensation which allowed pre-employment checks to be undertaken remotely during the pandemic has been lifted by the Home Office meaning that these checks will now need to be undertaken face-to-face with effect from the 21st of June. Arrangements have been implemented to ensure that these checks can be undertaken in both a safe and efficient manner.
- ***Transfer to 043 VPD*** – Work is currently on-going to transfer all NWSSP employees from ESR database 120VPD (Velindre) to 043VPD. The transfer will take place in early June and is progressing well with support from IBM. Once complete, this will improve NWSSP's ability to independently report on staff-related information (e.g. Statutory and Mandatory Training, Sickness Absence etc.) without significant manual input. This will also provide a benefit to Velindre as it will also be easier for them to report on the performance of their own staff.

Finally I would like to take this opportunity to put on record my personal thanks to all NWSSP staff for their continued efforts in supporting NHS Wales and the wider public sector in responding to the challenges and threats posed by the pandemic over the last 15 months.

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

 GIG CYMRU NHS WALES	Partneriaeth Cydwasaethau Shared Services Partnership	AGENDA ITEM: All Wales Laundry Service (Operational)
--	--	---

The report is not Exempt

Teitl yr Adroddiad/Title of Report

All Wales Laundry Service (Operational)

ARWEINYDD: LEAD:	Anthony Hayward Assistant Director of Laundry and Operational FM Services
AWDUR: AUTHOR:	Anthony Hayward Assistant Director of Laundry and Operational FM Services
SWYDDOG ADRODD: REPORTING OFFICER:	Neil Frow, Managing Director NWSSP
MANYLION CYSWLLT: CONTACT DETAILS:	Neil Frow, Managing Director NWSSP

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

To provide an update on current progress of the All Wales Laundry Service post TUPE.

Llywodraethu/Governance

Amcanion: Objectives:	To develop a service model that is fit for purpose, complies with modern standards, provides a sustainable and resilient laundry service and represents an operational model delivering best value for money for NHS Wales.
Tystiolaeth: Supporting evidence:	New Standard BS EN 14065

Ymgynghoriad/Consultation:

Completed between Feb – Jul 2020

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
Argymhelliad/ Recommendation		Outline the recommendation of the report <ul style="list-style-type: none"> The Committee is asked to NOTE 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/150402/standardsen.pdf
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

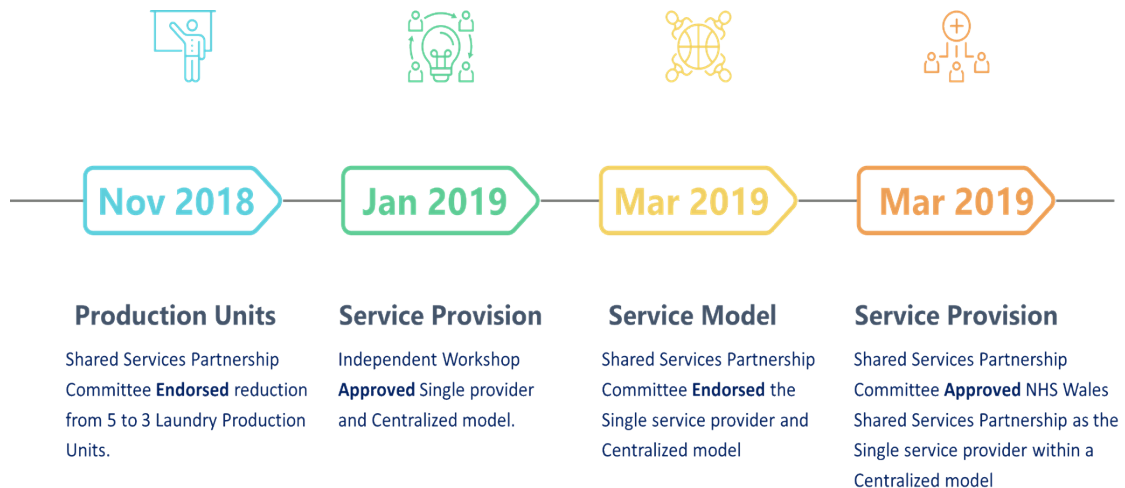
All Wales Laundry

1. CEFNDIR/BACKGROUND

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

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

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



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

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

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

2. Current Update

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

This transfer is taking place in two phases:

Phase 1 – April 2021

The laundry service provided by:

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

These three laundry units transferred into NWSSP on the 1st April 2021 and **customers** who receive their laundry service from one of these laundries has continued to receive the **same service “as is”** with **no** change in delivery arrangements or cost attributed to that service.

Phase 2

In relation to the remaining laundries located in:

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

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

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

Service Developments

As NWSSP commitment to quality and operational efficiency it's worth noting there have been a number of service developments introduced in the period since the transfer to NWSSP these include:

- **Laundry Service Balanced Scorecard** (in development) based on the following 4 quadrants (Appendix A presents the 4 quadrants and their associated KPI's)
 - Staff
 - Production
 - Finance
 - Quality
- **Service management communication plan:**
 - Business Partner meetings
 - 1-2-1's
 - Team briefings
 - Health and Safety meetings
 - Customer catch ups
- **Series of action plans**
 - Health and Safety
 - Building and service infrastructure
 - Manager service improvement plans
- **Branding**
 - Signage (Ordered)
 - New staff uniforms (Ordered)
- **Support network for**
 - Engineering staff
 - Transport staff
 - Managers and supervisors
- **Microbiological testing**
 - Introduction of testing
 - Standardised testing equipment
 - Standardised testing procedure
 - Centralised reporting portal

Future Developments

To support the future development of the service the following provides a list of the work planned:

- Refining the scorecard targets and data collection methods
- Service Level Agreements based on existing schedules of service volumes, quality, delivery
- Unification of unit organisational structure
- Unification of job descriptions and associated bandings
- Creation of a centralised management function including Technical Services role to fulfil the engineering professional lead

- Synchronisation of maintenance contracts
- Standardisation of Planned Preventative Maintenance system
- Standardisation Production management information system
- Scoping paper on the development of Engineering Apprentices within the service.

3. ARGYMHELLIAD/RECOMMENDATION

The Committee are asked to:

- **NOTE** the progress of the transfer and service developments.

Appendix A

Laundry Service Balanced Scorecard

NWSSP Laundry Service Balanced Scorecard							
Component	Ref	Element	Measure Unit	Source	Est Date	Run Rate	Target
Staff	LS1	PDAR compliance	%	ESR	5th of the month		TBC
	LS2	Compliance Training	%	ESR			
	LS3	Sickness Rate	%	ESR			
	LS4	Additional Hours Used	Hrs	Workbook			
	LS5	Long Term	%	ESR			
	LS6	Short Term	%	ESR			
	LS7	Vacancy Rate	WTE	Manual template			
Production	LS8	Pieces per operator hour processed	Nº	Calculation	4th of the month (Reported weekly)		TBC
	LS9	Pieces Month processed	Nº	Manual template			
	LS10	Machine Downtime	Hrs	Manual template			
	LS11	Infectious linen volumes processed	Kg	Manual template			
	LS12	Production hours operated	Nº	Workbook			
	LS13	Stock levels held within the unit	Days	Manual template			
	LS14	Plant Utilisation	%	TBC			
	LS15	Average wash cycle time	Min	Manual template			
	LS16	Loads per hour	Nº	Manual template			
	LS17	Percentage Planned Maintenance completed	%	Manual template			
Finance	LS18	Average cost per item	£	Manual template	10th of the month		
	LS19	Expenditure within budget	£	FSG			

NWSSP Laundry Service Balanced Scorecard							
Component	Ref	Element	Measure Unit	Source	Est Date	Run Rate	Target
	LS20	Linen Replacement	£	FSG			TBC
	LS21	Invoices paid on target (90% within 30 days)	Nº	Accounts payable			
	LS22	All Wales contract compliance	%	Procurement			
	LS23	Income meeting target	%	FSG			
Quality	LS24	Rewash and rejects rate	Nº	Manual template	4th of the month (Reported weekly)		TBC
	LS25	Customer Complaints	Nº	Manual template			
	LS26	Product Scrap Rate	Nº	Manual template			
	LS27	Customer satisfaction	%	System to be built			
	LS28	Linen Replacement	Nº	Manual template			
	LS29	Near mis-reported	Nº	Datix			
	LS30	Accidents reported	Nº	Datix			
	LS31	On-Time Delivery	%	Manual template			
	LS32	Microbiological testing failures	%	Manual template			



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

GIG Cymru Partneriaeth Cydwasaethau

NHS Wales Shared Services Partnership

PMO Report April 2021

NWSSP Finance & Corporate PMO Monthly Update – April 2021

Prepared by: Ian Rose

Date: 20/04/2021

Monthly Summary	3
SLT Recommendation.....	3
High Level Update	4
Student Awards	5
L&R Case Management System	6
Medical Examiner	76
TRAM's Stage 1.....	7
TRAMs Programme.....	87
All Wales Laundry Transfer	8
Brexit / NSDR.....	9
NHAIS GP Payments.....	9
Primary Care Sustainability – Development of OOH /111 Functionality.....	1110
Single Lead Employer – Phase 2.....	1110
HCS Depot Relocation Swansea	1211
MOCP move from 120VPD to 043VPD.....	1312
Community Dressings Phase 2 CTMuHB	1312
Customer Contact Centre Scoping.....	1413
Appendix A.....	14

Monthly Summary

The PMO is currently supporting **30** different schemes up one on last month, of varying size, complexity and providing a range of support from different points within the project lifecycle.

Within the PMO, we have **6** project managers supporting schemes all of which are at different points within the project or programme lifecycle.

The **30** schemes have **18** different SRO/Project Executive Leads across 8 different NWSSP directorates.

Also within the **30** schemes the breakdown of scheme size ranges from:

- **54% All Wales** – Typically where the scheme covers multiple Healthboards, and the schemes seek to implement products utilised on a multi healthboard or all wales basis.
- **8% Healthboard** – Typically supporting schemes for Healthboards but where NWSSP play a role in the service provision
- **38% NWSSP** – Typically serving internal purpose for one or more NWSSP directorates

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

Within the next reporting month it is anticipated a number of schemes will be closed and new schemes initiated in line with PMO support requests within the IMTP.

Reporting of projects not managed by the PMO

Following discussions at SLT in February, we are working to identify a template that Divisions can use to capture progress with projects that they directly manage. We are aiming to follow the same format as used within the PMO SLT report and [it](#) is currently being trialled within PCS.

This will then be expanded to other directorates on successful completion of the following timescales:

- PCS trial - Apr/May
- PCS inclusion into Formal PMO Report - May
Subject to SLT approval of May Report
- Other Directorates Included - June

Further discussion with SLT may be required about what schemes and level of detail need to be included based on scope and complexity, but this will be outlined with the PCS inclusion of information in May Report.

SLT Recommendation

SLT are asked to:

- Note the update on progress with key projects
- Discuss the PMO Reporting Additions
- Consider the consequences and agree the current assessment of risk

- Provide feedback on this revised format of reporting to Ian Rose, Head of PMO.

High Level Update

All Wales Project & Programmes

Scope	Project Name	SRO	RAG	SIZE	Revised Completion	Original Completion	Support Type
All Wales	Medical Examiner	Andrew Evans	Green	Large	31/08/2021	31/03/2021	Project Management
	GMPI - existing liabilities scheme	Mark Harris	Green	Large	31/03/2021	31/03/2021	Project Management
	NHS Wales Staff Benefit Portal	Alison Ramsey	Green	Medium	01/12/2021	31/12/2020	Project Management
	Student Awards System Existing Stabilisation and New System Spec	Darren Rees	Red - Time	Medium	31/03/2022	31/03/2021	Project Management
	Brexit/NSDR	Mark Roscrow	Green	Medium	30/04/2021	31/01/2020	Project Management
	IP5 Programme SOC	Mark Roscrow	Green	Large	31/08/2021	01/03/2020	Project Management
	Primary Care NHAIS GP Payments (MVP)	Neil Jenkins	Green	Large	30/10/2021	01/05/2020	Project Management
	PPE Support Scheme	Andy Butler	Green	Medium	27/02/2021	31/01/2021	Project Management
	ZYLAB	Lisa Williams	Amber - Time	Small	Not PMO Measured	Not PMO Measured	Project Consultancy
	OFWCMS	Steve Ham	Green	Small	AWI Initial Scoping	AWI Initial Scoping	Project Consultancy
	PPE Winter plan	Andy Butler	Green	Medium	31/08/2021	31/03/2021	Project Management
	Single Lead Employer Phase 2 (Psychiatry/GP/Paediatrics & Higher Surgery)	Malcolm Lewis	Green	LargeXorg	01/09/2021	30/09/2021	Project Management
	Performers List	Neil Jenkins	Green	Medium	31/03/2022	31/03/2022	Project Management
	TRAMS Phase 2 OBC Developments	Andrew Evans	Green	LargeXorg	31/03/2022	31/03/2022	Project Management
Scope	Project Name	SRO	RAG	SIZE	Revised Completion	Original Completion	Support Type
Healthboard	Hywel Dda - Transfer of Transport Services	Tony Chatfield	Not Started	Small	30/06/2020	30/06/2020	Project Management
	Ward Stock Storage Assessment	Greg Dix	Amber - Time	Small	01/10/2021	01/03/2021	Project Management
	Cwm Taf Phase 2 Community Dressings	Suzanne Scott-Thomas	Green	Medium	31/03/2022	31/10/2021	Project Management
Scope	Project Name	SRO	RAG	SIZE	Revised Completion	Original Completion	Support Type
NWSSP	Corporate Health Standards	Gareth Hardacre	Green	Medium	31/10/2021	31/10/2021	Project Management
	Cleric Procurement of New System / contract	Tony Chatfield	Amber - Time	Small	01/04/2021	31/12/2020	Project Management
	Automatic Data Capture [ADC] devices	Graham Davies	Not Started	Medium	Not PMO Measured	Not PMO Measured	Project Management
	New PMO software Requirements - Identifying a system (BC Development)	Andy Butler	Green	Medium	31/08/2021	31/05/2020	Project Management
	NSV Codes/Review	Tony Chatfield	Not Started	Small	AWI Initial Scoping	AWI Initial Scoping	Project Management
	VPD Codes	Gareth Hardacre	Green	Medium	01/09/2021	01/07/2021	Project Management
	L&R Case Management System FBC	Mark Harris	Green	Medium	AWI Initial Scoping	AWI Initial Scoping	Project Management
	Change Champion	Gareth Hardacre	Not PMO Measured	Small	Not PMO Measured	Not PMO Measured	Project Consultancy
	HCS Swansea	Tony Chatfield	Green	Medium	01/06/2021	31/03/2021	Project Management
	SMTL POW Building Expansion - Feasibility Study	Pete Phillips	Green	Small	30/06/2021	01/04/2021	Project Management
	Agile Programme PPM Support	Alison Ramsey	Not PMO Measured	Small	31/12/2021	31/12/2021	Project Consultancy
	Contact Centre	Simon Cookson	Green	Medium	31/03/2022	31/03/2022	Project Consultancy
	WNWRS	Darren Rees	Green	Small	31/03/2021	31/05/2021	Project Management

Key Individual Project/Programme Updates

Project Name	Project Manager	Project Exec/SRO
Student Awards	Bethan Rees	Lisa Williams / Darren Rees

Monthly Update (key/issues (blockages)/risks)

Status –Time (Amber) Cost (Red) Quality (Amber)

Update

It has been agreed to continue with the BOSS software for a further year up to March 2022.

The only viable hosting option for the next 12 months is now a refresh of the existing hosting arrangement:

- There will be a cost attached to this, as existing equipment is life expired.

It has not yet been possible to define this cost, and a Business Case cannot be presented until the cost is known.

The project has suffered from staff sickness amongst 2 key IT resources. Support is currently being received from Mark Gregory of PCS and Mike Bryan of ICT. There is a meeting on 23/4/21 to attempt to define the costs.

Once the hosting for the next year has been resolved, the selection of a long-term software provider will need to be done, allowing time for implementation, testing, and deployment, in advance of April 2022.

Project is rated as Red for both time and cost at this point.

Main Blockers/Observations

Five risks has been classed as > 16

- Limited capacity of NWSSP IT resource could impact project.
- Limited funding could restrict new commercial agreement.
- Data security & end of support software could be a risk to the SAS system.
- GDPR risk from hosting on end of life systems (availability). Higher risk of a full Records Management breach, risks around the fragility of an unsupported system and the potential of data loss or corruption of thousands of student data records. Potential monetary penalties of several million pounds for a loss.

Consequences

The system is now suffering regular interruptions and downtime as the existing server capacity is exceeded. These are being managed on an ad hoc basis. Total system failure remains a strong possibility.

If a new provider is not selected, procured, and implemented by the end of March 2022, we will continue to operate at risk with little or no support from April 22 and be completely reliant on internal IT resources, which are already overstretched.

Project Name	Project Manager	Project Exec/SRO
L&R Case Management System	Peter Elliott	Mark Harris
Monthly Update (key/issues (blockages)/risk assessments)		
<p>Status- Green</p> <p>Update</p> <p>Funding approval was given prior to year end by Welsh Government and a funding letter has been received.</p> <p>We are now preparing contract documentation for signature. Care is being taken to ensure that the contract does not depart from the specification, and that the contractor is fully committed to all the deliverables we need.</p> <p>We are also liaising closely with DHCW to ensure they remain fully aligned and that the right resources are available at the right time</p> <p>It is intended to sign the contact within 4 to 6 weeks, to enable implementation activity to proceed during the remainder of the financial year.</p> <p>Main Blockers/Observations</p> <p>Key concern is the access to NWSSP IT Security Resource, which is a single point of resilience. We are investigating with DHCW whether they can provide alternative resource from within their organisation, to mitigate our single point of resilience.</p> <p>Consequences</p> <p>If timely IT Security advice is not available at key stages in the implementation, then live deployment of the system could be delayed, or vulnerabilities accidentally introduced to this sensitive data set.</p>		

Project Name	Project Manager	Project Exec/SRO
Medical Examiner	Bethan Rees	Andrew Evans
Monthly Update (key/issues (blockages)/risks)		
Status – Green (Time) Red (Cost) Green (Quality) Update 1. Finance – Letter of official assurance is still pending from Welsh Government. 2. New Arrangement – Awaiting confirmation of new arrangements to the end of July and meetings with the two chairs & programme director to evaluate proposed approach. Main Blockers/Observations One risk currently exist over the 15 threshold which are RED a. A lack of confirmation confirming full funding of Welsh model could mean insufficient fund to cover costs – at present the Letter of Assurance has not been received. Consequences Failure to provide suitable response to the existing risks can lead to funding problems, potential of accommodation being unavailable or unsuitable. And IT risks can prevent the service operation all of which would be damaging for NWSSP.		

Project Name	Project Manager	Project Exec/SRO
TRAM's Stage 1	Peter Elliott	Andrew Evans (Welsh Gov)
Monthly Update (key/issues (blockages)/risk assessments)		
Status – Green (In Closure) Update The Scoping Project is now functionally closed and we are actively transitioning to the implementation Programme. Approval of the Project Closure document is the remaining step, and this is now expected at the June meeting of the Board. Main Blockers/Observations None observed and scheme is now mobilising for Programme Delivery. Consequences None		

Project Name	Project Manager	Project Exec/SRO
TRAMs Programme	Peter Elliott	Andrew Evans (Welsh Gov)
Monthly Update (key/issues (blockages)/risk assessments)		
<p>Status- Green</p> <p>Update</p> <p>Interim approval has been given by the Accountable Officer, for the following immediate actions:</p> <ul style="list-style-type: none"> • Mobilisation of the SE Wales Hub OBC project • Recruitment of the Service Director • Ongoing staff communications and liaison • Other preparatory work <p>We are liaising closely with Stuart Douglas and Ian Gunney on the draw down of capital in the current financial year, and an initial funding letter has been received to cover the SE Wales OBC work.</p> <p>The Terms of Reference for the Programme Board have been prepared and will be presented to SSPC for Approval in May. The Board is expected to meet for the first time June.</p> <p>The Accountable Officer is writing to the executives of the Health Boards, Trusts, and SHAs to advise them of the mobilisation of the Programme, and to various clinical interface groups to seek nominations to the Programme Board.</p> <p>Main Blockers/Observations</p> <p>None observed, progress being maintained.</p> <p>Consequences</p> <p>None</p>		

Project Name	Project Manager	Project Exec/SRO
All Wales Laundry Transfer	Ian Rose	Neil Frow
Monthly Update (key/issues (blockages)/risk assessments)		
<p>Status- Green</p> <p>Update</p> <p>Three Laundries have seen the workforce, transport and finance elements transferred to NWSSP on April 1st. Three SBARs presented to the respective boards of SBUHB, ABUHB and BCUHB outline the request for approval and endorsement on a number of elements.</p> <p>Remaining tasks currently progressing include</p> <ul style="list-style-type: none"> • Estates Workstream – Transfer and Moto agreement developments. • IT Workstream – Migration activity. • Procurement Workstream – Continuation of remaining procurement novation and contractual elements. 		

The service is now in life and operational in NWSSP with remaining tasks, risks and issues being evaluated to transfer to Service Operations which will allow closure of the transition workstreams by the end of May.

Finance processes have commenced with invoicing to healthboards underway.

Service feedback confirms operations continue as expected with little or no issues to report.

Main Blockers/Observations

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

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

Consequences

Delays to the proposed transfer of services.

Project Name	Project Manager	Project Exec/SRO
Brexit / NSDR	Alison Lewis	Mark Roscrow
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Status</u> - Green		
<u>Update</u> Formal Closure meeting is now planned for 28 April.		
<u>Main Blockers/Observations</u> All main blockers have been removed or mitigated		
<u>Consequences</u> None		

Project Name	Project Manager	Project Exec/SRO
NHAIS GP Payments	Gill Bailey	Neil Jenkins
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Status</u> - Amber Updated to reflect ongoing issue with implementation of ADFS		
<u>Update</u> <u>GMS (GPs) Payment system:</u> Following upgrade to DHCW firewall, a routing issue has been identified that requires resolution. Due to the delay with identifying this further issue, the Project Board assessed the impact and have had to cease the plan to initially roll-out the new system to Swansea Bay UHB. The intention is that all Health Boards will go live in July but this is still dependent upon the current issue being resolved by the 28 th April 2021.		

DHCW have advised that the planned change was executed on Thursday 15th April but did not provide the fix required. Further communication is required with Checkpoint and Microsoft to provide a solution.

The Director of Primary Care escalated concerns to the Director of Planning, Performance and Informatics. The outcome of that is a meeting to be held with Director of Primary Care and Carwyn Jones, Director at DHCW with key IT leads on the programme.

Other issues exist in relation to access to archived data which will need to be discussed as part of the wider programme discussion.

Contractor Payments processed through Accounts Payable:

The processing of Emergency Dental Service payments for CVUHB and CTMUHB via the new process were pushed back one month at the request of CVUHB for Year End financial reasons.

Two other schemes within the NHAIS Programme but are **not** managed in depth or detail by the PM or PMO:

Replacement Primary Care Ophthalmic Solution:

Rollout completed. Project closed with residual actions passed to business as usual.

Patient Registration

Continued data reconciliation process to be managed by business as usual therefore project closed.

Main Blockers/Observations

Unable to implement ADFS as reported above.

Consequences

Removed an element of contingency although extensive testing should provide the assurance required.

There is a clear risk that the new FPPS system will not be live in July as planned. The Project Board is considering its option moving forward but to note the existing system will continue to be available at least until the end of September if not beyond this.

Project Name	Project Manager	Project Exec/SRO
Primary Care Sustainability – Development of OOH /111 Functionality	Gill Bailey	Lisa Williams
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Update</u> Please note that no formal Project/Programme structure exists for this piece of work and support is provided Ad Hoc. Whilst this is not a risk to the delivery of this OOH/111 functionality it is an ongoing concern relating to the programme which was highlighted at the recent quarterly review and assurance provided this will be addressed promptly. Development of OOH/111 functionality signed off with the launch scheduled for 4th May . Support for this project has ceased but future discussion is required around the wider emerging Primary Care Sustainability Programme . Welsh Government funds the Primary Care Sustainability agenda in its entirety. <u>Main Blockers/Observations</u> <u>Consequences</u>		

Project Name	Project Manager	Project Exec/SRO
Single Lead Employer – Phase 2	Rhys Owen	Malcolm Lewis
Monthly Update (key/issues (blockages)/risk assessments)		
<u>Update</u> Phase 2 Geriatric Medicine (52) and Ophthalmology (40) on boarded beginning of April. Pathologies (41) and Higher Psychiatry (63) on boarding in progress for May intake. Resource Following confirmation of Welsh Government funding for 21/22, the expansion of the SLE team is ongoing to align with the growth of the Programme. Evaluation Audit and Assurance presented at the April Programme Board the terms of reference for the Phase 1 review. Finance – SLA payments 2021/2022 Health Boards have agreed to the SLA Payments schedule for 2021/2022 with information shared with Health Board Programme Finance work stream members. <u>Main Blockers/Observations</u> Resource		

Risk still exists where BAU resources in payroll and expenses teams are significantly stretched to complete all the required checks and/or tasks on time; however, additional resource is being provided to these teams on a temporary basis.

Future consideration will need to be given to the impact on BAU resources with the on boarding of the additional staff.

IT

Checks against current and future MSO365 licensing requirements to be completed to ensure mitigations of any new order requirements or potential expiries.

Comms

Ongoing issue specifically at Health Board level that is monitored and managed at Programme Board. The evaluation of Phase 1 will assist with developing an Action plan to address and improve the current position.

Consequences

Resource

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

Comms

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

HCS Depot Relocation Swansea

Rhys Owen

Tony Chatfield

Monthly Update (key/issues (blockages)/risk assessments)

Update

HCS have occupancy of the site. Temporary network solution has been installed by I.T to ensure staff on site can access the network. Snagging issues post occupancy to be resolved over next few weeks.

Openreach advised on the 19th March that PSBA estimated date of completion of external works (1ft of duct and 90 metres cable) would be 30th July with internal wiring to be completed at a future date. Date of works challenged by raising a DSO (Direct Service Order) escalation with Openreach under the COVID-19 procedure and approved. As a result, new date for completion of external works brought forward to Monday 19th April.

Main Blockers/Observations

None at this time.

Consequences

Data usage on site will have to be managed and monitored until the Openreach works completed.

Project Name	Project Manager	Project Exec/SRO
MOCP move from 120VPD to 043VPD	Rhys Owen	Gareth Hardacre
Monthly Update (key/issues (blockages)/risk assessments)		
<p>Status- Changed to green to reflect that we now have a confirmed date of 6th June 2021 from IBM for the MOCP.</p> <p>Update Comms issued along with FAQs to staff making them aware of VPD move and 2021/2022 annual leave ESR process. Completion of tasks through project plan are on time with next Project Board scheduled for 20th April.</p> <p>SLT decision on annual leave process required (separate paper detailing this). SLT to note recruitment down time where advertising will need to pause from close of business on the 2nd June until 8th June, when posts can be advertised again (3 working days) (separate paper detailing this).</p> <p>Main Blockers/Observations Nothing major to note at this stage</p> <p>Consequences None</p>		


Project Name	Project Manager	Project Exec/SRO
Community Dressings Phase 2 CTMuHB	Bethan Clift	Suzanne Scott-Thomas
Monthly Update (key/issues (blockages)/risk assessments)		
<p>Update Following completion of Phase 1, preparation and approval of Business Justification Case the project was put on hold due the pandemic. Recent communications with the Health Boards Project Executive and Community teams Senior Managers have identified that they are able to support Phase 2 of the project, implementation of the new end-to-end community dressing's service. Discussions have also taken place with Senior Managers from Supply Chain, Logistics and Transport who have all agreed they can support implementation over the coming months.</p> <p>Due to the time lapse between the two phases, Project Manager is seeking to arrange a meeting with the existing Project team to refresh the information already gathered and agree the implementation plan and key Health Board contents to move this forward.</p> <p>Main Blockers/Observations Supply Chain have identified that they are still supporting the Pandemic response and that their senior staff are working on delivering a range of projects at the same time. This may become a blocker when trying to ensure resource for the project.</p>		

Consequences

Delay to the overall delivery of the project.

Project Name	Project Manager	Project Exec/SRO
Customer Contact Centre Scoping	Bethan Clift	Simon Cookson
Monthly Update (key/issues (blockages)/risk assessments)		
<p><u>Update</u></p> <p>Following approval by SLT to establish a Working Group to take forward key recommendations from the Audit report, each department that provides a customer contact/call handling service nominated key individuals to participate. The first working group was held with full participation.</p> <p>A presentation was shared with the group that highlighted areas of the audit paper, the current position and the work that employment services have undertaken. It was agreed that a small project team would work with each of the departments to create a service delivery model which seeks to capture the way in which our services are provided to our customers. Working with each department over the next couple of weeks, will help to clarify and understand the issue/s we are trying to overcome and enable the identification of the project deliverables/outputs and subsequent benefits. The initial scoping stages will follow an Agile project delivery model.</p> <p>Recognising that the pandemic has changed how we work and communicate as well as acknowledging the work already undertaken, the team have engaged with Digital Public Wales (DPW) seeking support to move this agenda forward. DPW have submitted a proposal to their programme team to provide dedicate support for this project. Initially they have agreed to assist with developing and analysing a service user questionnaire and sharing best practice from several external organisations.</p> <p><u>Main Blockers/Observations</u></p> <p><u>Resource</u></p> <p>The main observation is the lack of dedicated resource from each department as pressures on BAU continue, however, it has been agreed that staff from the Service Improvement team, Employment Services can support the initial discovery stage.</p> <p><u>Communication</u></p> <p>Due to most Health Board communication teams only publishing Covid-19 related communications, it may prove a challenge to issue the questionnaire to our customers.</p> <p><u>Consequences</u></p> <p>Unable to understand what our customers/users require. Delay to the overall delivery of the project.</p>		

Appendix A

Performance and Information	 graphs.docx
-----------------------------	--



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Swyddfa Rheoli Prosiectau

Shared Services
Partnership
Project Management Office



The report is not Exempt

Teitl yr Adroddiad/Title of Report

Finance and Performance Update Report

**ARWEINYDD:
LEAD:**

**Andy Butler, Director of Finance &
Corporate Services**

**AWDUR:
AUTHOR:**

Finance Team

**SWYDDOG ADRODD:
REPORTING
OFFICER:**

**Andy Butler, Director of Finance &
Corporate Services**

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

The purpose of this report is to provide the SSPC with an update on finance and performance matters within NWSSP as at 31st March 2021.

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 2021. 2. Note the significant level of professional influence benefits generated by NWSSP to 31st March 2021. 3. Note the performance against the high-level key performance indicators to 31st March 2021. 4. Note the content of this update and seek further information if required. 						

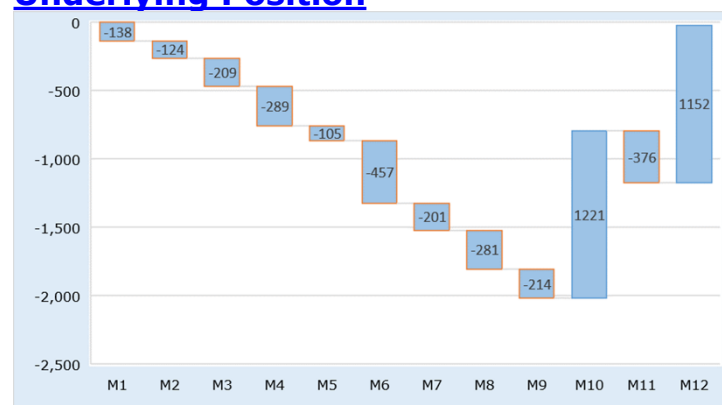
Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	No direct Impact
Iechyd Poblogaeth: Population Health:	No direct Impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct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

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

Summary Position

	Budget £'000	Expenditure £'000	Under/ overspend £'000
Income	-532,301	-532,917	-616
Pay	136,146	134,836	-1,310
Non Pay	332,361	333,015	655
WRP – DEL	123,835	123,835	0
Distribution	750	2,000	1,250
	60,791	60,769	-21

Underlying Position



Covid Expenditure

	TOTAL
Non stock PPE	67.496
Covid Equipment (non capital) & Services	20.735
Social Care & Primary Care PPE issues	59.39
Pandemic stock transfer	3.865
Mass Vaccination	2.001
Consultant Connect	0.454
TTP	1.222
Cyber security	0.018
NHS Bonus	1.928
NWSSP Operational Costs excl PPE	7.595
NWSSP Operational Costs - PPE	0.033
TOTAL COVID EXPENDITURE	164.737

Key Metrics	2020/21	2019/20
Total Income (including WG allocation)	£593.121m	£285.469m
Total Expenditure	£593.100m	£285.459m
Surplus	£0.021m	£0.011m
Risk Pool expenditure - DEL	£123.835m	£120.198m
Cash Distribution to Health Boards & Trusts	£2m	£2m
NWSSP COVID expenditure (revenue only)	£164.737m	£0.206m
Capital		
Allocation	£4.526m	£3.068m
Incurred	£4.526m	£3.068m
Total Stock	£90.938m	£8.603m
Provision for Clinical negligence claims	£1.137 billion	£1.134 billion

2020/21 has been a very challenging year for NWSSP not least for the Finance Department who have dealt with accounting for significant increases in expenditure and very high levels of COVID related stock.

Notwithstanding this the Department were able to report the outturn position within 4 working days of the financial year.

The NWSSP financial results will now be incorporated within the Velindre annual accounts.

The NWSSP Finance Team are liaising closely with Finance colleagues within Velindre to support the accounts preparation and the year-end audit.

Final Position 2020/21
The financial position for NWSSP as at the 31st March 2021 reported a planned surplus of £21k.

Service	Annual Budget £0k	YTD Expend £0k	YTD under/ overspend £0k
Audit & Assurance Services	2,672	2,483	-189
Corporate Services including AP	4,877	4,337	-540
Counter Fraud Services	451	447	-4
CTES	649	638	-12
Employment Services	10,621	10,566	-55
Health Courier Services	3,252	2,940	-312
Legal & Risk Services	3,263	3,261	-2
Medical Examiner Service	68	67	0
Primary Care Services	12,020	11,131	-889
Procurement Services	17,566	17,226	-341
Single Lead Employer (Inc GP's)	514	514	-1
SMTL	772	640	-132
Specialist Estates Services	3,065	2,987	-78
WIBSS	0	0	0
Workforce and OD	2,189	2,120	-69
Corporate Reserves	-62,729	-61,377	1,351
Distribution	750	2,000	1,250
	0	-21	-21

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

Welsh Risk Pool Position

Expenditure type	Position as at M12 2019/20 £m	Position as at M12 2020/21 £m
Claims reimbursed & WRP Managed Expenditure	68.036	72.255
Periodical Payments made to date	13.972	14.873
Redress Reimbursements	1.432	1.479
EIDO – Patient consent	0.062	0.062
Clinical Negligence Salary Subsidy	0.072	0.205
WRP Transfers, Consent, Prompt, CTG	0.104	0.158
Movement on Claims Creditor	36.520	34.803
Year to date expenditure	120.198	123.835

DEL Position

Funding Streams	£m
Welsh Government Core	107.000
NHS Wales Risk Sharing Agreement	13.779
Welsh Government Additional Funding	0.568
Subtotal before Redress	121.347
Welsh Government Redress	2.488
Total Funding	123.835

AME Position

	Closing Provision 2019/20 £m	Closing Provision 2020/21 £m	Movement £m
Probable or certain	692.759	665.368	-27.391
Structured Settlements/PPOs	441.063	471.432	30.369
	1,133.822	1,136.799	2.977

Welsh Risk Pool

The 2020/21 DEL expenditure for the year was £123.835m including £2.488m Redress.

This compares to £120.198m charge for 2019/20 including Redress of £2.056m.

The Risk Share agreement was invoked at the IMTP value of £13.779m and additional WG funding received of £0.568m above the core allocation and risk share values to balance the position.

Total provisions have increased by £3m to £1.137bn

Capital

As detailed in the table below, the 2020/21 Capital Expenditure Limit of £4.526m has been achieved.

Capital Allocation

Scheme	Allocation	YTD Spend	Balance Outstanding
	£000	£000	£000
Hardware/Software	430	430	0
IP5	11	11	0
Premises/Accommodation	142	142	0
SES Decontamination Testing Kit	6	6	0
SMTL	113	113	0
Temporary Medicines Unit	53	53	0
Covid 19	17	17	0
HCS Vehicle Replacement Plan	23	23	0
Receipts	-195	-195	0
Discretionary Capital Total	600	600	0
Covid 19	620	618	-2
Covid 19 National Assets	598	597	-1
Hardware/Software	435	433	-2
National Workforce Reporting System	163	163	0
NHAIS Replacement Service	253	253	0
Temporary Medicines Unit	537	536	-1
Warehouse Management Scanners	250	253	3
HCS Vehicle Replacement	886	887	1
IP5	184	186	2
Additional Capital Total	3,926	3,926	0
TOTAL CAPITAL ALLOCATION	4,526	4,526	0

Finance, Workforce and Performance Update Report

INTRODUCTION

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

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

NWSSP Financial position

NWSSP had an underspend of £21k as at the end of the Financial Year as per below.

Service	Annual Budget £0k	YTD Expend £0k	YTD under/ overspend £0k
Audit & Assurance Services	2,672	2,483	-189
Corporate Services including AP	4,877	4,337	-540
Counter Fraud Services	451	447	-4
CTES	649	638	-12
Employment Services	10,621	10,566	-55
Health Courier Services	3,252	2,940	-312
Legal & Risk Services	3,263	3,261	-2
Medical Examiner Service	68	67	0
Primary Care Services	12,020	11,131	-889
Procurement Services	17,566	17,226	-341
Single Lead Employer (Inc GP's)	514	514	-1
SMTL	772	640	-132
Specialist Estates Services	3,065	2,987	-78
WIBSS	0	0	0
Workforce and OD	2,189	2,120	-69
Corporate Reserves	-62,729	-61,377	1,351
Distribution	750	2,000	1,250
	0	-21	-21

NWSSP Professional Influence benefits

The main financial benefits accruing from NWSSP relate to professional influence benefits derived from NWSSP working in partnership with Health Boards and Trusts. These benefits relate to savings and cost avoidance within the health organisations.

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

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

Service	YTD Benefit £m
Specialist Estates Services *	25.26
Procurement Services	18.94
Legal & Risk Services	119.53
Total	167.73

*Does not include Building for Wales Quarter 4

PERFORMANCE

Performance Reporting – to Health Boards and Trusts

NWSSP performance reports continue to be produced and distributed on a quarterly basis. The Quarter 4 reports were issued to the health organisations at the beginning of April. These reports reflect the ongoing developments in NWSSP performance reporting and incorporate feedback received to date.

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

KEY FINANCIAL TARGETS

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

Financial Position and Key Targets	Target		Position at 31-Dec	Position at 31-Jan	Position at 28-Feb	Position at 31-Mar
Financial Position – Forecast Outturn	Break even	Monthly	Breakeven	Breakeven	Breakeven	£21k surplus
Capital financial position	Within CEL	Monthly	On Target	On Target	On Target	CEL achieved
Planned Distribution	£0.75m	Annual	£2.00m	£2.00m	£2.00m	£2.00m
NWSSP PSPP NON-NHS % (In Month)	95%	Monthly	96.56%	95.28%	97.51%	96.29%
NWSSP PSPP NON-NHS % (Cumulative)	95%	Monthly	97.13%	96.98%	97.03%	96.94%
NWSSP PSPP NHS % (In Month)	95%	Monthly	79.82%	96.30%	89.06%	88.51%
NWSSP PSPP NHS % (Cumulative)	95%	Monthly	84.89%	86.34%	86.59%	86.81%

KEY PERFORMANCE MEASURES

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

High Level - KPIs March 2021 (unless stated otherwise)	Target		Position at 31 Dec	Position at 31 Jan	Position at 28 Feb	Position at 31 Mar
Internal Indicators						
Corporate						
NHS Debts in excess of 11 weeks – Value	<£100k	Monthly	£76k	£16k	£103k	£0k
NHS Debts in excess of 17 weeks – Value	£0	Monthly	£170k	£74k	£16k	£0k
Variable Pay – Overtime	<£43k	Monthly	£83k	£81k	£74k	£63k
Agency % to date	<0.8%	Cumulative	1.10%	1.05%	1.02%	0.96%
<u>NWSSP Org KPIs Recruitment</u>						
NWSSP - % of vacancies approved within 10 working days	70.00%	Monthly	79.20%	66.777770 %	100.00%	65.40%
NWSSP - % of vacancies shortlisted within 3 working days	70.00%	Monthly	63.30%	30.80%	52.00%	48.00%
NWSSP - % of interview outcomes notified within 3 working days	90.00%	Monthly	65.50%	44.20%	75.00%	89.70%
<u>Website & Social Media Reach</u>						
Internet hits per month	>100k	Monthly	69k	114k	91k	100k
Intranet hits per month	>75k	Monthly	72k	92k	86k	96k
Twitter Followers		Cumulative	3,670	3,716	3,794	3,823
Twitter New Followers	35	Monthly	25	30	83	36
Tweet Impressions	20k	Monthly	12k	9k	14k	17k
Tweets	20	Monthly	8	4	9	24
LinkedIn Followers		Cumulative	3,919	4,026	4,117	4,198
Professional Influence						
Professional Influence Savings	£110m annual target	Cumulative	£126m	£133m	£150m	£168m
Procurement Services						
Procurement savings *Current Year	£15.16m	Cumulative	£10.90m	£13.22m	£14.84m	£18.94m
All Wales PSPP – Non-NHS YTD	95%	Quarterly	95.30%	Reported Quarterly	Reported Quarterly	95.50%
All Wales PSPP –NHS YTD	95%	Quarterly	84.80%	Reported Quarterly	Reported Quarterly	83.20%
Accounts Payable % Calls Handled (South)	95%	Monthly	99.40%	99.40%	98.90%	99.20%
Employment Services						
Payroll accuracy rate (Added Value)	99.6%	Monthly	99.70%	99.77%	99.74%	99.61%
<u>All Wales Org KPIs Recruitment</u>						
All Wales - % of vacancies approved within 10 working days	70.00%	Monthly	71.20%	68.90%	76.70%	75.30%
All Wales - % of vacancies shortlisted within 3 working days	70.00%	Monthly	53.90%	47.40%	56.90%	57.60%
All Wales - % of interview outcomes notified within 3 working days	90.00%	Monthly	70.50%	77.70%	68.10%	70.30%
<u>All Wales Org - NWSSP KPIs recruitment element</u>						
Recruitment - % of Vacancies advertised within 2 working days of receipt	98.00%	Monthly	98.90%	99.80%	99.90%	99.90%
Recruitment - % of applications moved to shortlisting within 2 working days of vacancy closing	99.00%	Monthly	99.60%	99.80%	99.60%	99.40%

High Level - KPIs March 2021 (unless stated otherwise)	Target		Position at 31 Dec	Position at 31 Jan	Position at 28 Feb	Position at 31 Mar
Recruitment - % of conditional offer letters sent within 4 working days	98.00%	Monthly	99.60%	97.80%	99.90%	99.20%
Recruitment % Calls Handled		Monthly	88.90%	84.90%	95.10%	97.30%
Primary Care Services						
Payments made accurately and to timescale	100%	Monthly	100%	100%	100%	100%
Prescription - keying Accuracy rates (Payment Month)	99%	Monthly	99.60%	99.54%	99.52%	99.64%
Internal audit						
Audits reported % of planned audits	81%	Cumulative	41%	46%	56%	72%
% of audit outputs in progress		Cumulative	32%	34%	34%	26%
Report turnaround management response to draft report [15 days]	80%	Cumulative	83%	76%	73%	77%
Report turnaround draft response to final reporting [10 days]	80%	Cumulative	100%	100%	100%	100%
Legal and risk						
Timeliness of advice acknowledgement - within 24 hours	90%	Monthly	100%	95%	100%	100%
Timeliness of advice response – within 3 days or agreed timescale	90%	Monthly	100%	98%	100%	100%

COVID-19

The final NWSSP operational Covid-19 spend incurred to 31st March 2021 is £7.595m. The expenditure incurred is summarised in the table below:

Additional COVID Expenditure	£m
Staff costs - bank and overtime	2.498
Staff costs - agency	0.843
Interim F1s	0.514
Transportation costs	1.464
Additional cleaning/equipment/security/accommodation	0.705
Distribution of shielding letters	0.082
External lab testing/proj mgt	0.095
Temporary Medicines Unit	0.612
Oracle Licences/Bomgar Licences	0.083
Pulse oximeters - primary care	0.247
Annual leave accrual	0.327
Other non pay costs	0.125
TOTAL	7.595

2020/21 Capital Covid orders totalling £10.538m were paid in 2020/21, the majority of which were recharged to UHBs/Trusts during the financial year.

In addition to the NWSSP operational Covid support costs and capital expenditure, we have also incurred All Wales non-stock revenue Covid costs for PPE, Equipment and Services as well as costs for TTP and mass vaccination. After accounting for the write on of covid stock at 31st March 2021, the final Covid expenditure incurred and funded by Welsh Government totals £164.737m as detailed below:

	TOTAL
Non stock PPE	67.496
Covid Equipment (non capital) & Services	20.735
Social Care & Primary Care PPE issues	59.39
Pandemic stock transfer	3.865
Mass Vaccination	2.001
Consultant Connect	0.454
TTP	1.222
Cyber security	0.018
NHS Bonus	1.928
NWSSP Operational Costs excl PPE	7.595
NWSSP Operational Costs - PPE	0.033
TOTAL COVID EXPENDITURE	164.737

Capital

The table below identifies the expenditure against each capital allocation as at 31st March 2021.

Scheme	Allocation	YTD Spend	Balance Outstanding
	£000	£000	£000
Hardware/Software	430	430	0
IP5	11	11	0
Premises/Accommodation	142	142	0
SES Decontamination Testing Kit	6	6	0
SMTL	113	113	0
Temporary Medicines Unit	53	53	0
Covid 19	17	17	0
HCS Vehicle Replacement Plan	23	23	0
Receipts	- 195	- 195	0
Discretionary Capital Total	600	600	0
Covid 19	620	618	- 2
Covid 19 National Assets	598	597	- 1
Hardware/Software	435	433	- 2
National Workforce Reporting System	163	163	0
NHAIS Replacement Service	253	253	0
Temporary Medicines Unit	537	536	- 1
Warehouse Management Scanners	250	253	3
HCS Vehicle Replacement	886	887	1
IP5	184	186	2
Additional Capital Total	3,926	3,926	0
TOTAL CAPITAL ALLOCATION	4,526	4,526	0

As the table identifies, the total NWSSP capital allocation of £4.526m was spent in full.

At 31st March 2021 NWSSP has been funded for capital stock of 27 ventilators and 32 laryngoscopes that were purchased as part of the capital response and which

haven't yet been issued to UHBs. These are being held in IP5 with the intention that these will be transferred to UHBs early in the new financial year.

Welsh Risk Pool – March 2021

Resource utilised as at Month 12

The Welsh Government (WG) allocation for the year is £107m for clinical negligence and personal injury claims. Prior to 2020/21, additional funds required for the change to the Personal Injury Discount Rate were provided via HM Treasury to the Welsh Government. From 2020/21 this forms part of the core allocation funded via Welsh Government. Expenditure above the core allocation is recouped via the Risk Share Agreement for core claims growth.

The Welsh Government allocation for Redress is a £1.259m allocation, but this is the final year of an agreement in which Welsh Government will reimburse the final outturn even if in excess of this allocation. In future years any excess will be met from the Risk Sharing Agreement.

At the yearend date, a total of £123.835m had been utilised by the WRP and a detailed breakdown is provided below with the 2019/20 comparator.

DEL

Expenditure type	Position as at M12 2019/20 £m	Position as at M12 2020/21 £m
Claims reimbursed & WRP Managed Expenditure	68.036	72.255
Periodical Payments made to date	13.972	14.873
Redress Reimbursements	1.432	1.479
EIDO – Patient consent	0.062	0.062
Clinical Negligence Salary Subsidy	0.072	0.205
WRP Transfers, Consent, Prompt, CTG	0.104	0.158
Movement on Claims Creditor	36.520	34.803
Year to date expenditure	120.198	123.835

Total expenditure was £568k above the IMTP DEL forecast and agreed allocation for the year. This was funded via additional resource from Welsh Government.

Management of the 2020/21 forecast outturn proved challenging compared to previous years due to significant volatility caused by the Covid pandemic and delays caused by the national lockdowns.

The 2020/21 DEL charge was partially funded via a Risk Share contribution of £13.779m from Health Boards and Trusts for the excess over available Welsh Government funding.

By 31 March 2021, the total funding for 2020/21 was as follows:-

Funding Streams	£m
Welsh Government Core	107.000
NHS Wales Risk Sharing Agreement	13.779
Welsh Government Additional Funding	0.568
Subtotal before Redress	121.347
Welsh Government Redress	2.488
Total Funding	123.835

AME

Closing provisions at the end of 2021 have risen to £1.137bn in 2020/21, an increase of £2.977m compared to a £52.524m increase in provisions in 2019/20:

	Closing Provision 2019/20 £bn	Closing Provision 2020/21 £bn	Movement £bn
Probable or certain	0.693	0.665	-0.027
Structured Settlements/PPOs	0.441	0.472	0.030
	1.134	1.137	0.003

The provision for Probable & Certain cases on the Legal & Risk Services database has reduced by £27m and PPO provisions have increased by £30m with nine new cases in year and five removed.

SUMMARY

The Partnership Committee are requested to note:

1. The 2020/21 outturn revenue position of a £0.021m planned surplus
2. The WRP 2020/21 outturn position – DEL £123.835m and AME £1.137bn
3. Achievement of the 2020/21 Capital Expenditure Limit of £4.526m



The report is not Exempt

Teitl yr Adroddiad/Title of Report

People and Organisational Development Update Report

ARWEINYDD: LEAD:	Gareth Hardacre, Director of People and Organisational Development
AWDUR: AUTHORS:	Deputy Director of People and Organisational Development & Head of People Strategy, Planning and Insights
SWYDDOG ADRODD: REPORTING OFFICER:	Gareth Hardacre, Director of People and Organisational Development

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

The purpose of this report is to provide the SSPC with an update on People and Organisational Development matters within NWSSP as at 31st March 2021.

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:	-

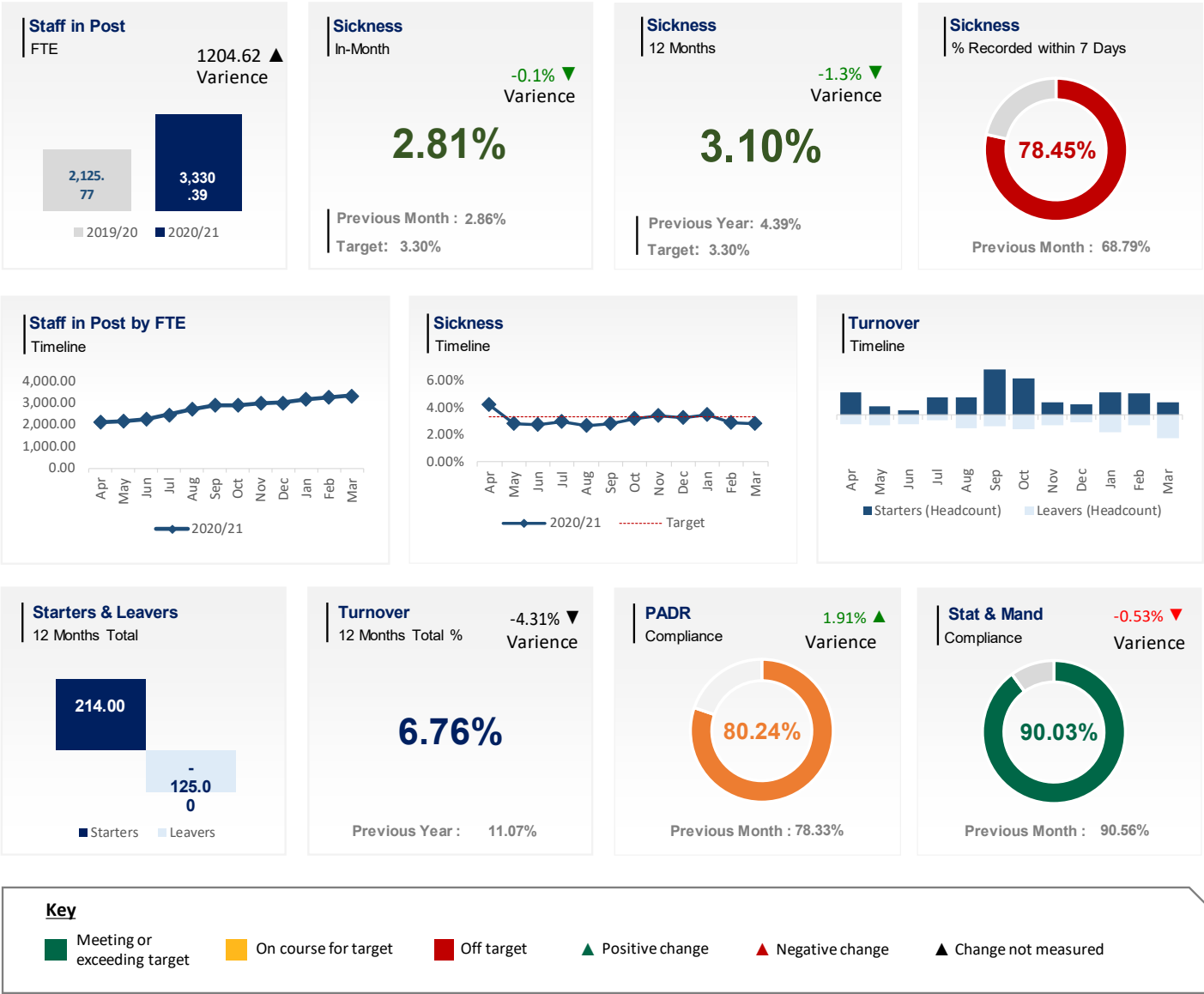
Ymgynghoriad/Consultation :

Adduned y Pwyllgor/Committee Resolution (insert ✓):						
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE
						✓
Argymhelliad/ Recommendation		The Committee is asked to: <ol style="list-style-type: none"> 1. Note the workforce data for the period. 2. Note the content of this update and seek further information if required. 				

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

WORKFORCE INFORMATION

Summary

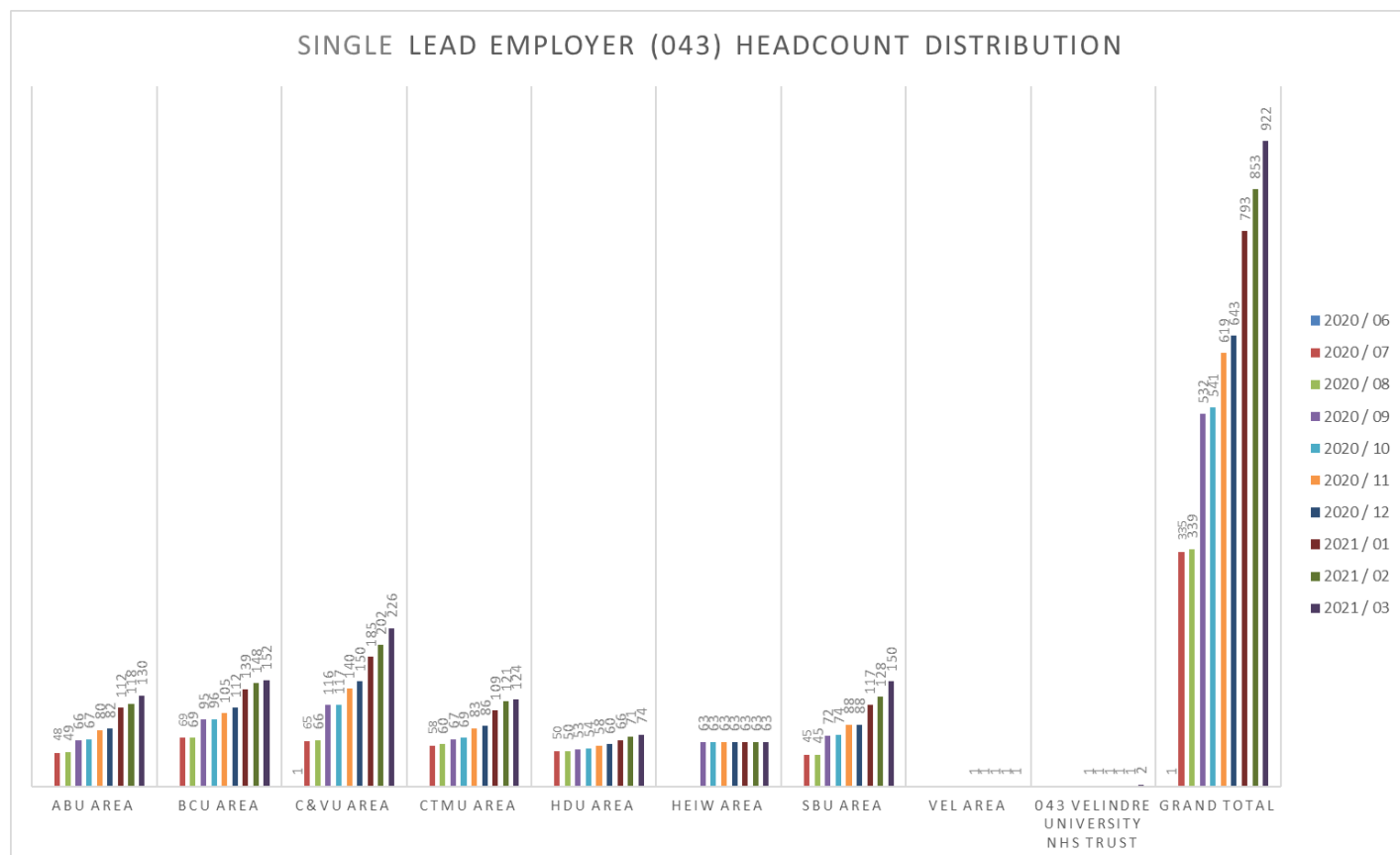


NWSSP STAFF IN POST

The table below outlines the directly employed contracted full time equivalent (FTE) and headcount figures for NWSSP as at 31st March 2021:

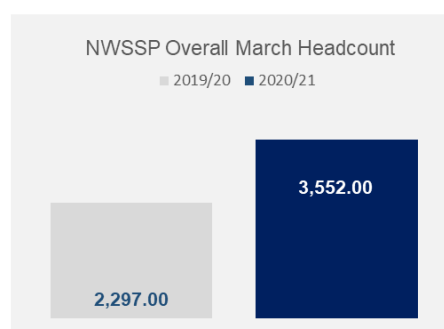
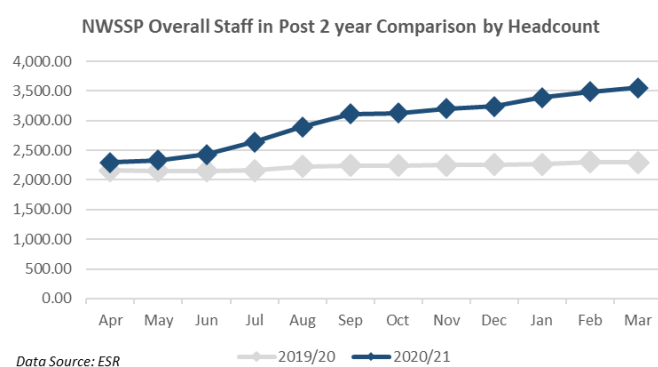
Section	Headcount		FTE		Headcount Change	
	Feb 21	Mar 21	Feb 21	Mar 21	Headcount Change +/-	Headcount Change +/- %
Accounts Payable Section	135	133	129.35	127.55	-2.00 ▼	-1.50%
Audit & Assurance Section	53	53	50.96	50.96	0.00	0.00%
Corporate Section	38	37	33.17	32.36	-1.00 ▼	-2.70%
Counter Fraud Section	7	7	7	7	0.00	0.00%
Digital Workforce Section	18	18	17	17	0.00	0.00%
E-Business Central Team Section	14	14	13.13	13.13	0.00	0.00%
Employment Section	367	366	335.92	334.52	-1.00 ▼	-0.27%
Finance Section	19	19	18.49	18.48667	0.00	0.00%
Single Lead Employer Section	1580	1641	1504.15	1567.05	61.00 ▲	3.72%
Hosted Services Section	8	8	7.60	7.60	0.00	0.00%
Legal & Risk Section	130	133	120.29	123.28667	2.00 ▲	1.50%
Medical Examiner Section	32	33	11.40	12.00	1.00 ▲	3.03%
Planning, Performance and Informatics Section	24	24	22.87	22.87	0.00	0.00%
Primary Care Section	301	300	276.24	276.01	-1.00 ▼	-0.33%
Procurement Section	637	642	595.85	600.9496	5.00 ▲	0.78%
Specialist Estates Section	49	49	48.11	48.10667	0.00	0.00%
Surgical Materials Testing (SMTL) Section	21	21	19.32	19.32	0.00	0.00%
Temporary Medicines Unit Section	13	13	13.00	13.00	0.00	0.00%
Welsh Employers Unit Section	4	4	3.80	3.80	0.00	0.00%
Workforce & OD Section	34	37	32.67	35.39	3.00 ▲	8.11%
NWSSP Overall	3484	3552	3260.31	3330.39	68.00 ▲	1.91%

The graph below shows the distribution of the SLE headcount by Health Board area:

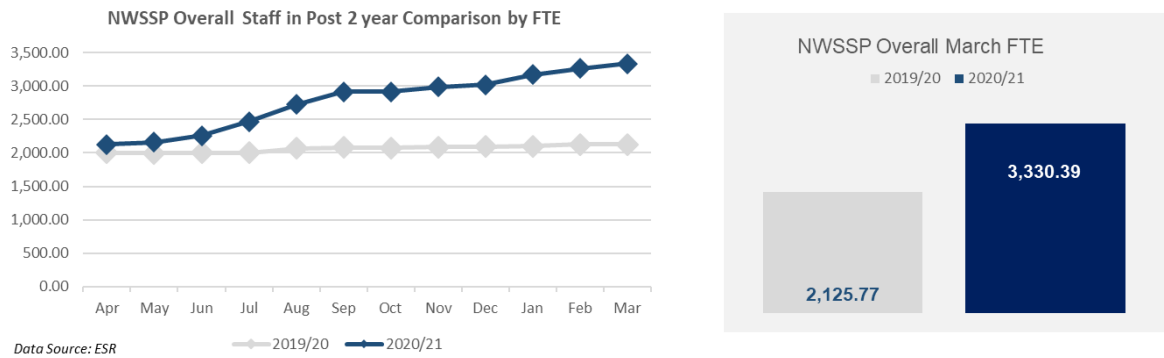


Nwssp Overall Headcount Trajectory

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

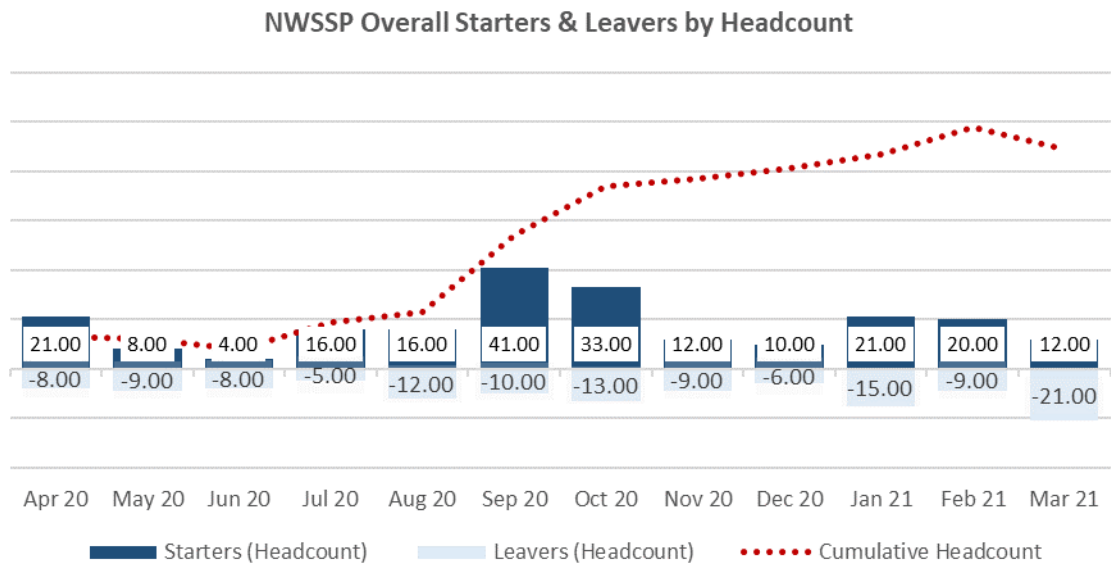


And the rolling 12-month FTE trajectory:



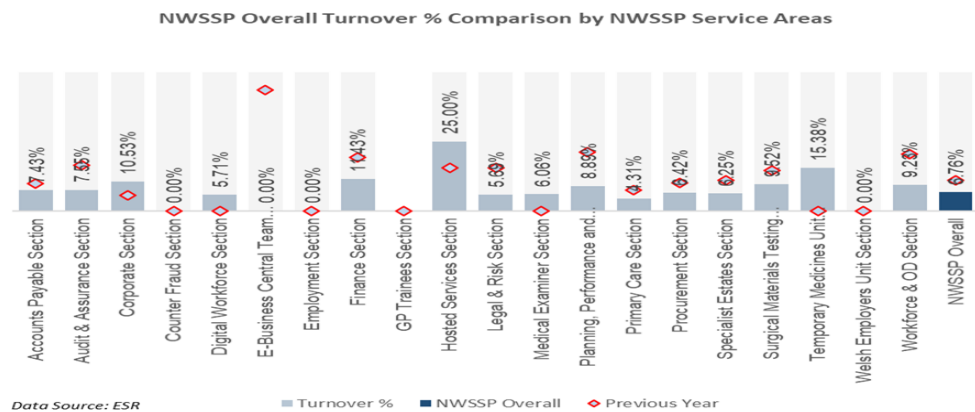
Staff Turnover

The turnover rate for NWSSP from 1st April 2020 to 31st March 2021 is **6.76%** compared to **11.07%** for the same period last year.



This graph shows the starters and leavers in NWSSP from April 2020 to the end of March 2021. GP Trainees and Bank workers are excluded from this information

Further detail of turnover by service area is shown in the chart below:



Please note: those functions with a low headcount may demonstrate disproportionately high turnover percentages. Whilst it is acknowledged that the impact of staff turnover within smaller teams can have a significant impact, the turnover percentage needs be understood within the context of the overall headcount.

The top three reasons for staff leaving NWSSP over the last 12 months are:

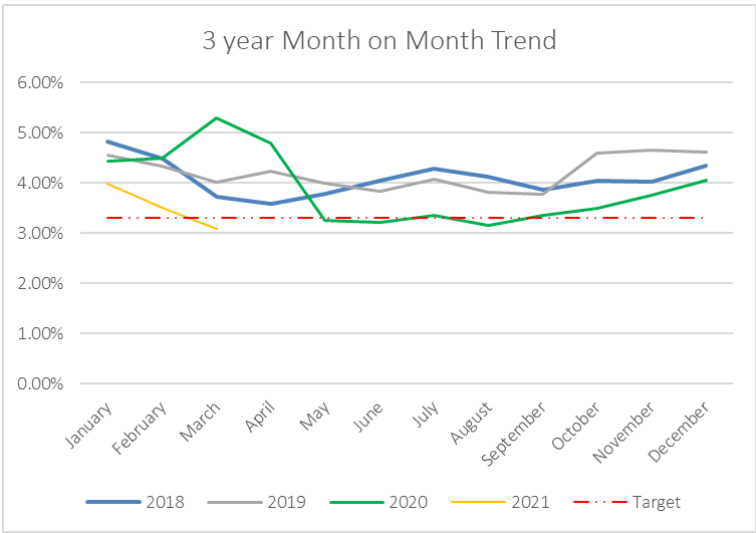
Top 3 Leaving Reasons		
Rank	Reason	Headcount
1	Voluntary Resignation - Promotion	29
2	Voluntary Resignation - Other/Not Known	21
3	Retirement Age	19

Other reasons for absence during this period include relocation (10); flexi retirement (6); and end of fixed term contract (6)

Of **125** staff that left the organisation between April 2020 and March 2021, **71** staff left through voluntary resignation, equivalent to **56.8%** of all terminations. **0** dismissals occurred in March 2021.

SICKNESS ABSENCE

The chart below shows the average sickness absence rate for NWSSP for the three years, 2018, 2019, 2020 and 2021:



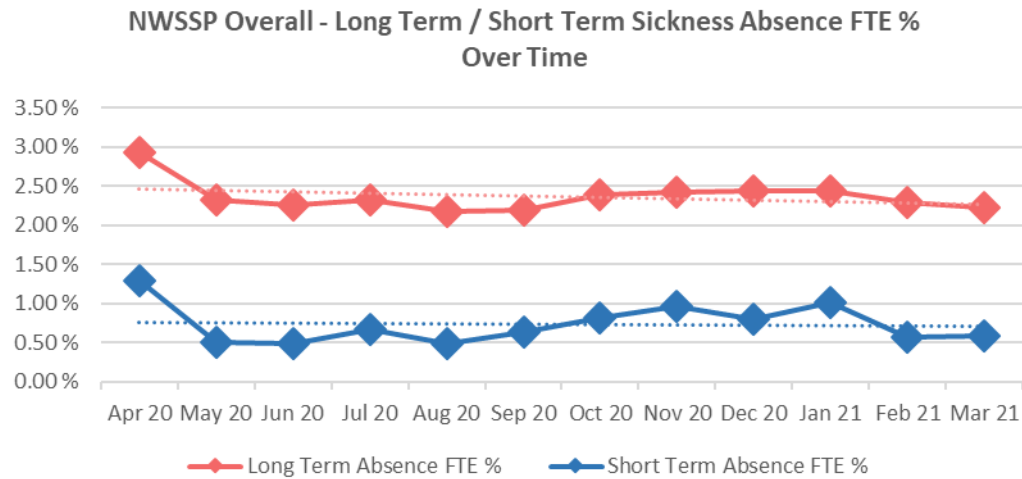
	2018	2019	2020	2021	Target
January	4.84%	4.56%	4.44%	3.98%	3.30%
February	4.48%	4.33%	4.50%	3.50%	3.30%
March	3.72%	4.02%	5.30%	3.08%	3.30%
April	3.59%	4.23%	4.79%		3.30%
May	3.78%	4.00%	3.26%		3.30%
June	4.04%	3.83%	3.22%		3.30%
July	4.28%	4.07%	3.35%		3.30%
August	4.12%	3.82%	3.15%		3.30%
September	3.86%	3.78%	3.36%		3.30%
October	4.04%	4.60%	3.50%		3.30%
November	4.02%	4.66%	3.75%		3.30%
December	4.34%	4.61%	4.06%		3.30%

In line with the typical trend for absence we have seen a decline in absence numbers over the last few months, with those for March 2021 falling below the levels reported at the same period in previous years as well as the target of 3.3% set – 3.72% in 2018 to 4.02% in 2019, 5.30% in 2020 and **3.08%** in March 2021.

NWSSP’s target is 3.30% in line with the Welsh Government target of reducing sickness absence by 1%.

The in-month sickness absence rate for March 2021 was **2.81%**, which is a **0.1% point decrease** from the February 2021 position. The 12-month absence to 31st March 2021 is 1.3% lower at **3.10%** (4.39% in March 2020).

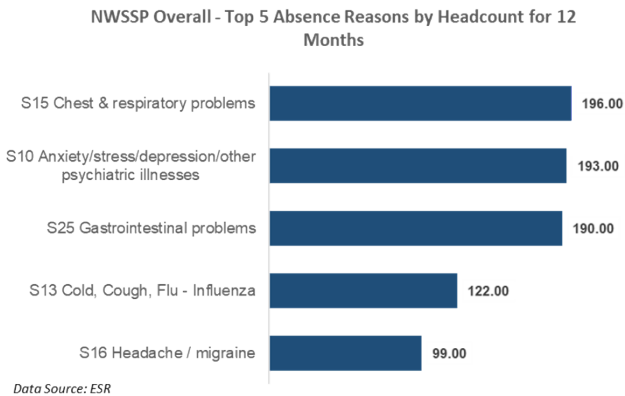
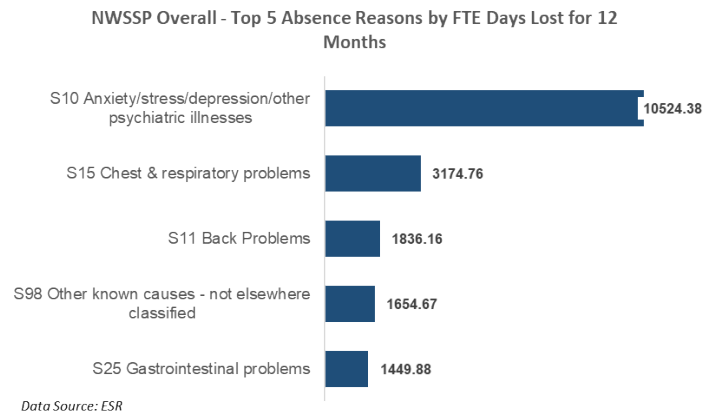
The 12-month trend in Long Term versus Short Term Sickness absence for the period 1st April 2020 to 31st March 2021:



Data Source: ESR

Reasons for Sickness Absence

The charts below show the top five reasons for sickness absence (by headcount and FTE respectively) within NWSSP for the period 1st April 2020 to 31st March 2021:



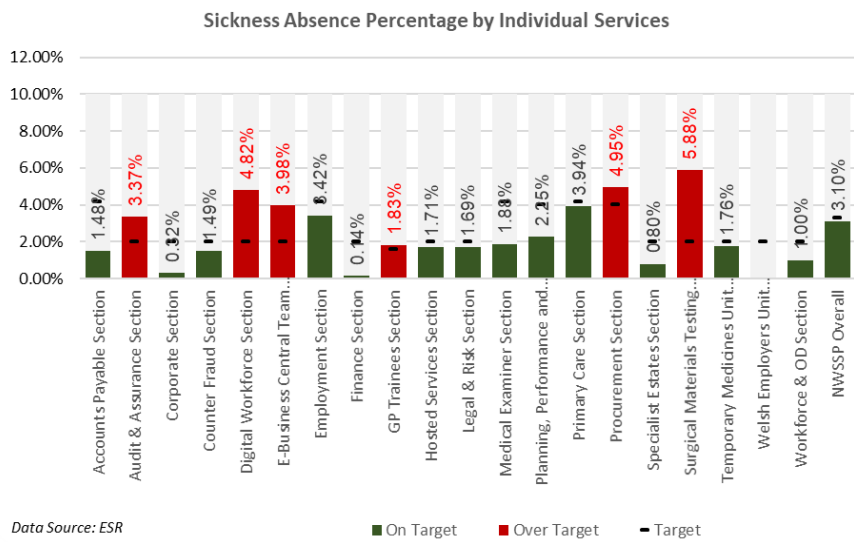
Anxiety, stress and depression continue to account for the greatest number of days lost due for sickness absence within NWSSP with just over 10,524 hours lost per annum, this accounts for a 0.09% decrease on the previous 12-month figure of 10,534 hours. These hours lost could be reflective of the long term nature of such absences. It should be noted that there is a notable increase in this from the figures reported the previous month.

NWSSP has numerous avenues of support for those suffering with their mental health, including the introduction of the Mental Health First Aiders Programme; the Peer Support Programme for COVID-19; and our Employee Assistance Programme.

Interestingly, when you compare the hours lost to the number of absences by headcount, chest and respiratory; and gastrointestinal problems account for the greater number of absences. This is further highlighted in the data that looks at occurrences over the last 12 months. These occurrences again may reflect the short-term nature of absences.

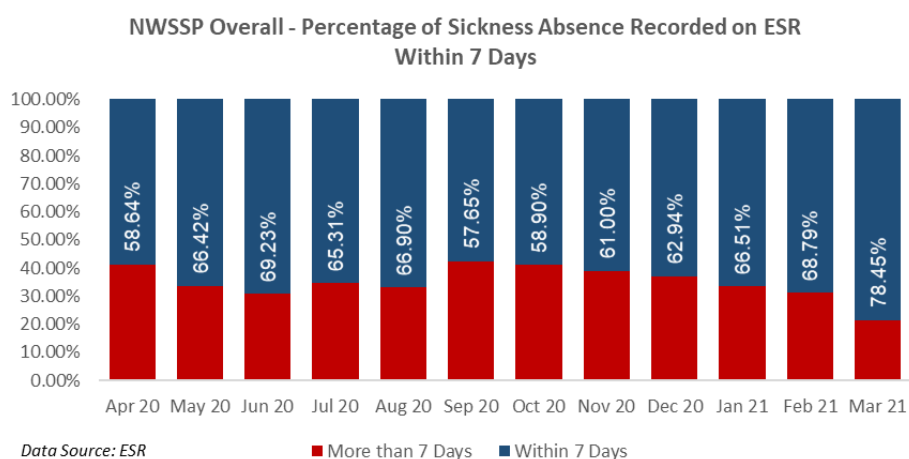
Sickness Absence by Service

The chart below shows the average sickness absence rate for each service from 1st April 2020 to 31st March 2021:



Percentage of Absence Entered Within 7 days

The graph below shows the percentage of absences entered into ESR within 7 days of the first day of absence, in the period 1st April 2020 to 31st March 2021. March 2021 saw a minor increase in those recording absences within 7 days. At 78.45%, this represents the greatest percentage in the rolling 12-year period.



Accurate and timely entry of sickness absence information into ESR is fundamental to ensuring accurate payment of staff and informed reporting. It should also be noted that this is a requirement of all managers as part of the NWSSP Core Organisational Objectives developed to support the application of the Pay Progression Policy.

Covid-19 Absence

Covid-19 related absence continues to fall, with a reduction in related absences from 22 in February 2021 to 12 in March. Those under medical suspension, have also halved from 2 to 1 in the same monthly period. Related absences are still occurring, so we will continue to report on this over the coming months.

Vaccinations

As the National vaccination programme continues to progress at speed, we are experiencing more and more difficulty in assessing the proportion of our workforce who have been vaccinated. Whilst we are able to report on those who have received these as a result of work through the national WIS database, we are unable, unless through self-declaration, to record those that have received this through their local practices or Health Boards.

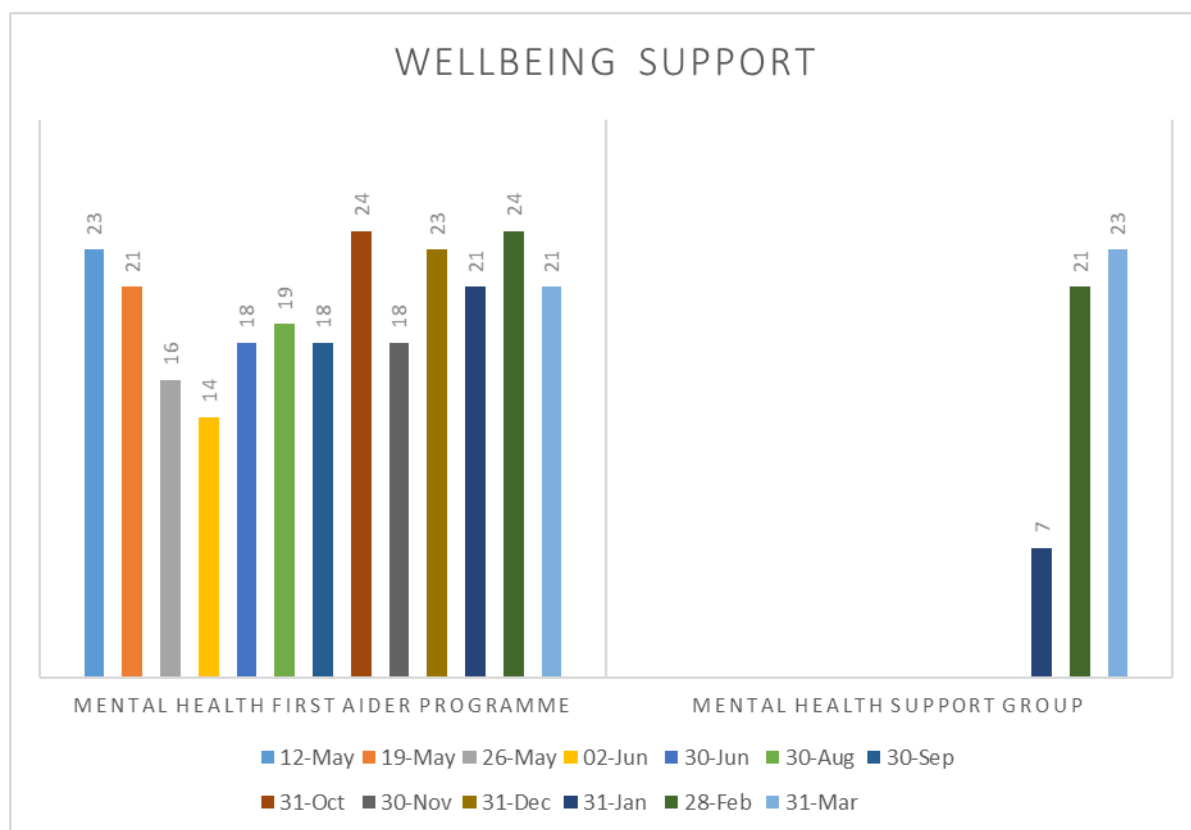
We continue to request that staff notify us when they have received their vaccination and also continue to record this on our central database, however we are reliant on staff getting in contact to advise.

As a possible result of this, you will see that the vaccination percentage since our last report has remained at about 47%. We do however believe the actual figure is vastly higher than this.

Vaccinations to 7th April 2021:

Service	Employee Numbers	Vaccinations	% Complete
043 Health Courier Service Area	2		0.0%
043 Laundry Area	22		0.0%
043 Single Lead Employer ABU Area	35		0.0%
043 Single Lead Employer BCU Area	29	3	10.3%
043 Single Lead Employer C&VU Area	61	3	4.9%
043 Single Lead Employer CTMU Area	31	2	6.5%
043 Single Lead Employer HDU Area	12	1	8.3%
043 Single Lead Employer SBU Area	42	1	2.4%
043 Single Lead Employer Service	795	352	44.3%
043 Velindre University NHS Trust	4		0.0%
120 NWSSP Accounts Payable Section	136	91	66.9%
120 NWSSP Audit & Assurance Section	53	20	37.7%
120 NWSSP Corporate Section	76	15	19.7%
120 NWSSP Counter Fraud Section	7	1	14.3%
120 NWSSP Digital Workforce Solutions Section	17	2	11.8%
120 NWSSP E-Business Central Team Section	14	2	14.3%
120 NWSSP Employment Section	371	189	50.9%
120 NWSSP Finance Section	28	8	28.6%
120 NWSSP GP Trainees Section	752	337	44.8%
120 NWSSP Legal & Risk Section	133	62	46.6%
120 NWSSP Medical Examiner Section	33	5	15.2%
120 NWSSP Primary Care Section	305	100	32.8%
120 NWSSP Procurement Section	653	509	77.9%
120 NWSSP Specialist Estates Section	49	21	42.9%
120 NWSSP Surgical Materials Testing (SMTL) Section	21	20	95.2%
120 NWSSP Welsh Employers Unit Section	4	3	75.0%
120 NWSSP Workforce & OD Section	35	10	28.6%
20 NWSSP Corporate & Finance			0.0%
(blank)	1	1	100.0%
Grand Total	3721	1758	47.2%

Wellbeing Support



83.6% of our wellbeing support to date has been provided by the Mental Health First Aiders. The Mental Health Support Group continues to demonstrate early success with 51 individuals participating in the groups since its inception in January 2021.

BANK AND AGENCY

Bank Usage

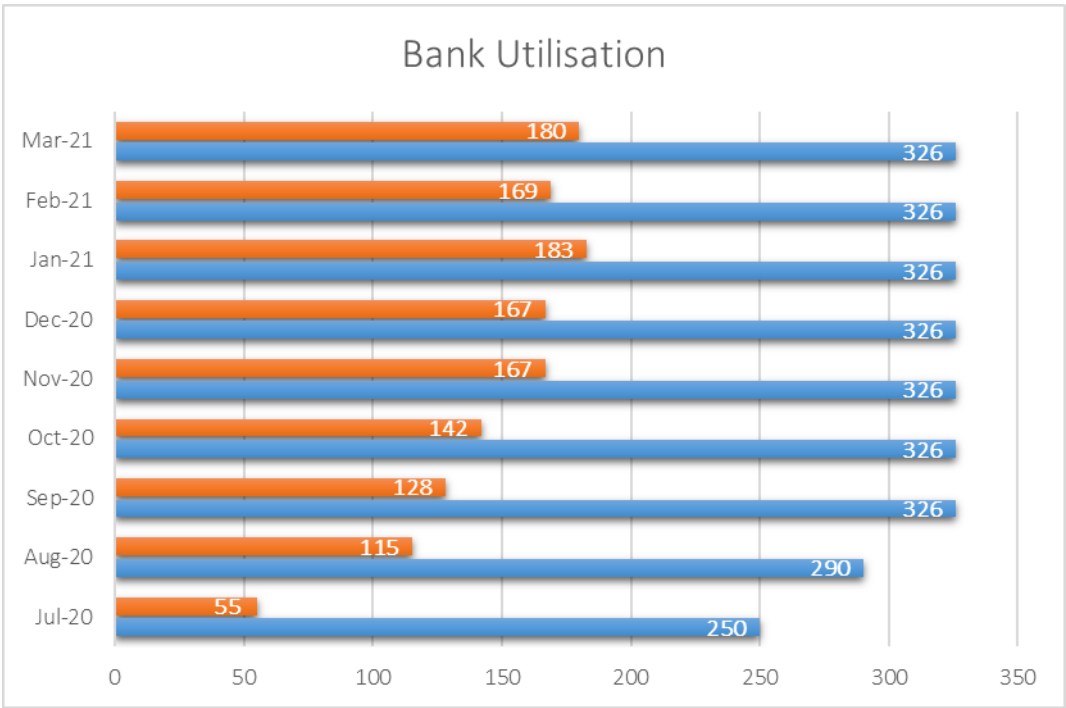
We have seen a rise once again in the use of bank workers over the last month, taking engagement of workers to 180. This is the second highest period of engagement seen since reporting began.

Recruitment

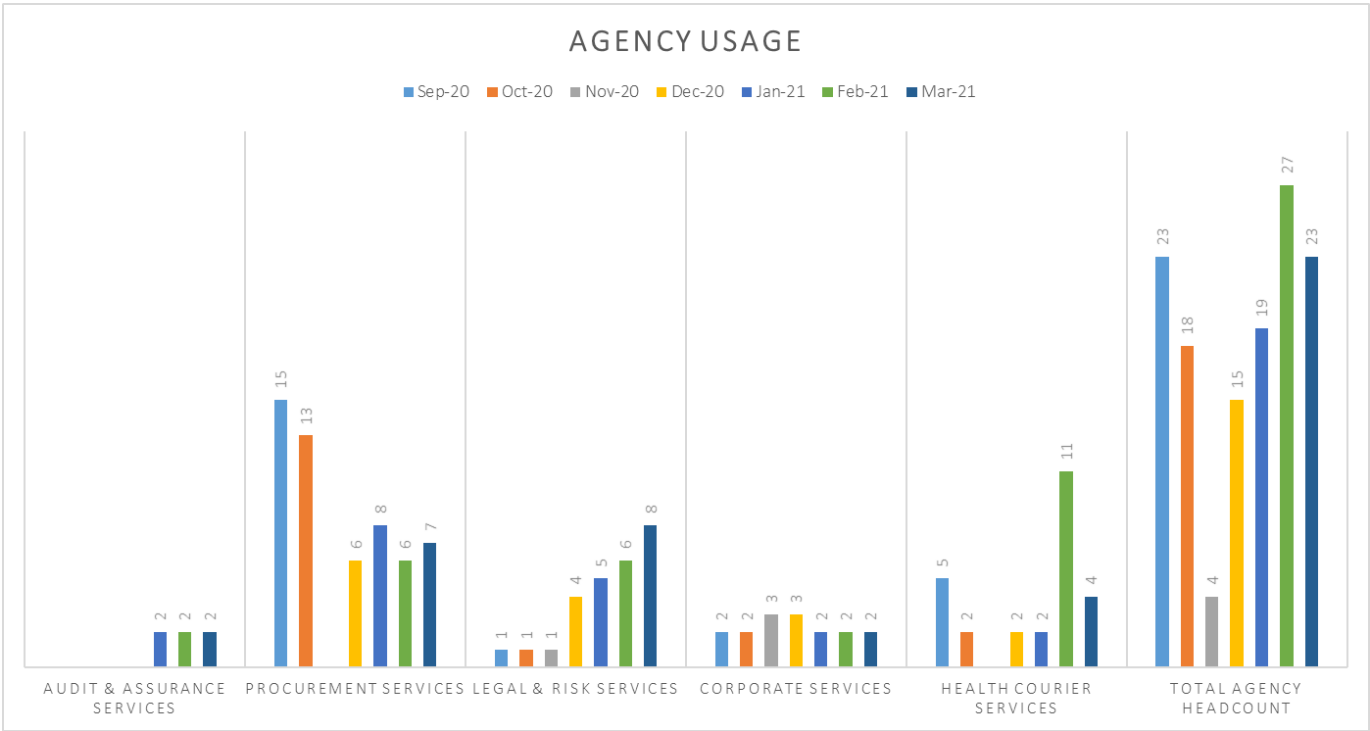
- We currently have a Band 3 Health Records post in the shortlisting stage which will be based in PCS Stores
- We have recently engaged an individual in the Engagement and Support Services in PCS
- We have recently engaged an individual in the Registration team in PCS

Potential future plans

From discussions we will be needing a pool of bank staff to support the SLE to undertake PEC checks for the mass intake of trainee doctors we will be having in August, and further support may be required shortly within the Welsh Risk Pool.

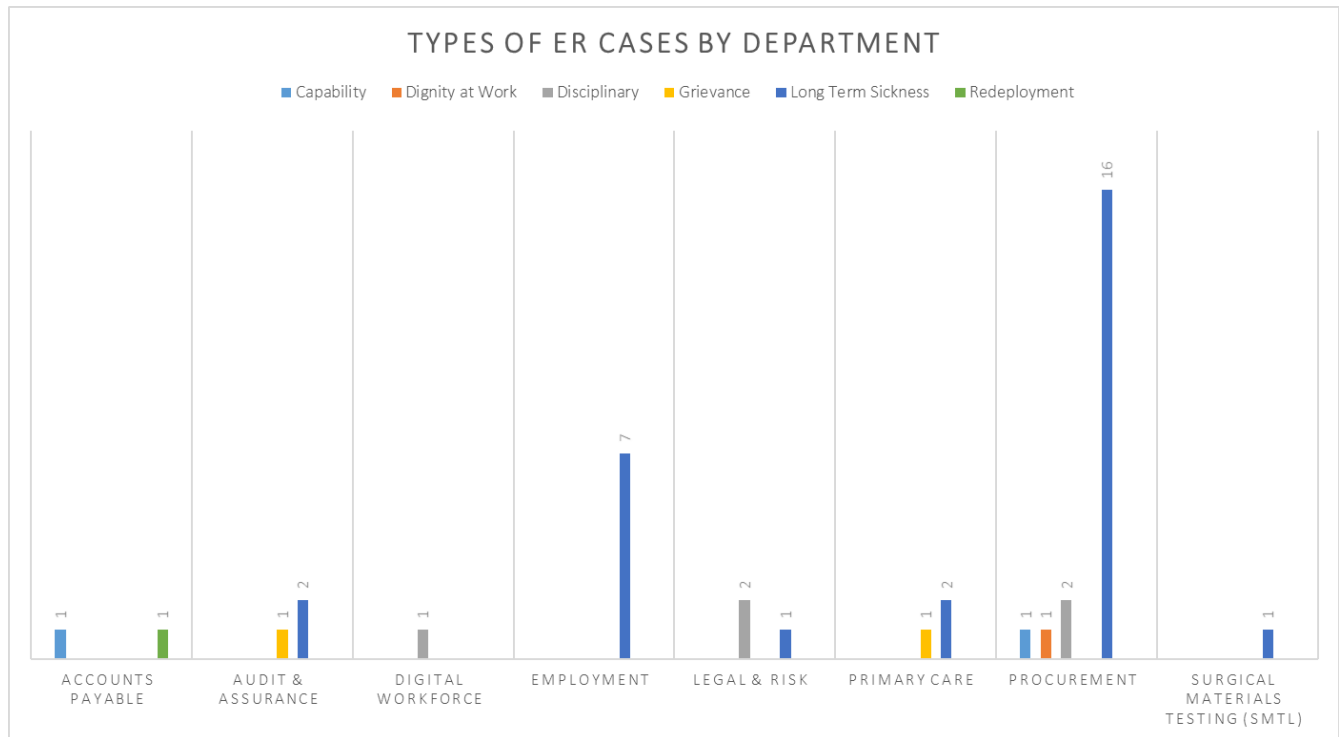


Agency Usage

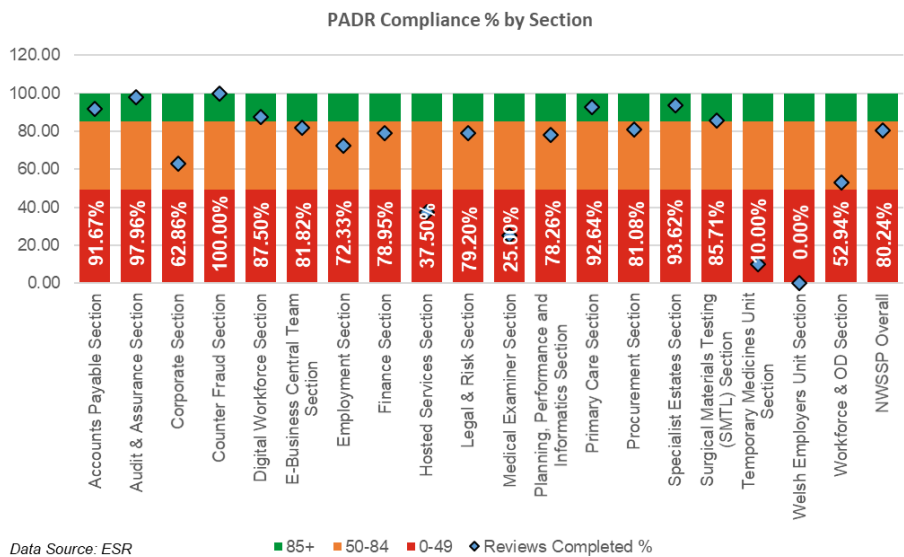


Data provided by Finance suggests that in March 2021 we engaged a total of 23 workers from Agencies, of those 8 within Legal & Risk Services accounting for 34.8% of the total placements; 7 were placed in Procurement (30.4%), 4 in Health Courier Services (17.4%), 2 within Corporate Services (8.7%), and a further 2 in Audit & Assurance (8.7%).

EMPLOYEE RELATIONS ACTIVITY



PADR

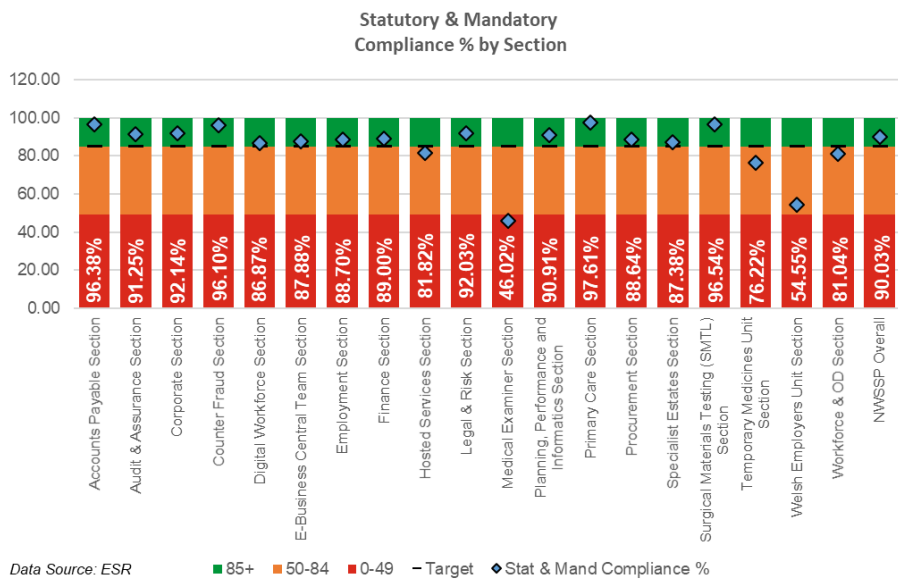


NWSSP completed **80.24%** of Appraisal Reviews as of 31st March 2021, excluding new starters for 3 months, bank workers, GP trainees and those staff who are on career break, maternity & adoption, external secondment or suspension. A **3.11%-point increase** on the data reported for February 2021 where the figure sat at 77.13%.

LEARNING COMPLIANCE

Statutory and Mandatory Training

NWSSP is currently **90.03%** compliant with the Core Skills Training Framework, which is above the recognised minimum standard for statutory and mandatory training. This figure is down 0.56% points on the previous month. Please note this excludes GP trainees and bank workers.



Note: Compliance based on the following competencies:

- CSTF | Equality, Diversity and Human Rights - 3 Years
- CSTF | Fire Safety - 2 Years
- CSTF | Health, Safety and Welfare - 3 Years
- CSTF | Infection Prevention and Control - Level 1 - 3 Years
- CSTF | Information Governance (Wales) - 2 Years
- CSTF | Moving and Handling - Level 1 - 2 Years
- CSTF | Resuscitation - Level 1 - 3 Years
- CSTF | Safeguarding Adults - Level 1 - 3 Years
- CSTF | Safeguarding Children - Level 1 - 3 Years
- CSTF | Violence and Aggression (Wales) - Module A - No specified renewal
- * MAND | Cyber Awareness | Core

* included in compliance percentage from December 20 SMT onwards.

WORKFORCE AND OD DEVELOPMENTS

- **Transforming Access to Medicines (TrAMs) and Temporary Medicine Unit (TMU)**
The final staff engagement sessions with BCUHB took place w/c 12th April 2021 and were well received. The Director of Pharmacy Technical Services is now live and we are working with our recruitment partners to advertise the vacancy in relevant professional journals.

Following the decision to advertise the Quality Assurance Team Manager and Production Team Manager roles, in both the pharmacy and scientific communities for the TMU, we had a very strong recruitment pool

in relation to the QA Lead. The Production Lead is currently being re-advertised. We continue to support the handover of the Accountable Pharmacist role in readiness for the successful candidate starting in May. The current employee will transfer to our Bank to further support the TrAMs project.

► **Agile Working**

The National Guidance has been finalised and has been cross referenced with the Draft NWSSP Agile Toolkit. The guidance will be discussed at the next LPF with the caveat that there is a more 'formal' tone to some aspects of the national guidance, whereas NWSSP is still proceeding on a flexible/voluntary basis, at least until we have a better and more informed understanding of residual issues. Internally, we are holding a virtual coffee morning on 30th April and would welcome support from all divisions.

► **Single Lead Employer**

Phase 2 of the implementation of the Single Lead Employer model continues to be implemented in accordance with the agreed timescale. At the beginning of April 2021, Geriatric Medicine (50) and Ophthalmology Specialities (40) moved across to the Single Lead Employer model. In May, Pathologies (42) and Higher Psychiatry (63) will move across. There is a planned break between May and August in relation to Specialties moving across to the SLE model as the SLE Team will be on boarding all the new Foundations Doctors, Dentists and Pre-registration Pharmacists.

► **Laundry Transformation Project Group**

The inaugural meeting took place on 16th April, focussing on the new build of laundries in North Wales and Cwm Taff alongside the refurbishment of the site at Greenvale. Engagement with the workforce will be led by the Laundry Operational Group with oversight from the Transformation Project Group. Overall project progress is steady. The condition surveys for the three laundries are under way and the site search alongside the procurement of all expert/consultant roles is progressing. There are no risks to report.

► **This is our NWSSP**

Analysis work is underway from the Senior Leadership Interviews and Focus Groups. The Change Champions will be undertaking the first session of looking at this analysis on Vision and Values in late April with a view to consider priorities and areas for development under this one of the five themes.

► **Healthy Working Relationships**

On 17th March, the Minister joined the Welsh Partnership Forum to endorse the policy and framework for Healthy Working Relationships (HWR) including the Respect and Resolution Policy that will replace our Grievance and Dignity at Work Policies. During late April and early May awareness sessions are being held by NHS Employers and members of the HWR Group to share the framework and consider the implications for NHS Organisations. Further details will be sent out soon for staff to book and attend.

Our next Leadership Masterclass will be exploring the impact of this work in more detail and discuss how we can ensure we embed a culture of just, learning and early resolution within NWSSP. NWSSP are hosting the All Wales Mediation Network, this includes the secondment of a Mediation Coordinator, Emma Thomas who is joining us two days a week from Cardiff and Vale UHB. We are making good progress with this work and are already on our second cohort of training of mediators from across the NHS in Wales. The network will launch alongside the policy in June 2021.

► **Learning & Development**

Information below illustrates the in-house learning and development activity for the month of March 2021.

Service Area	Completed
120 NWSSP Accounts Payable Section	3
120 NWSSP Power of Positive Thinking Virtual Class 11/03/2021	1
120 NWSSP Restoring Healthy Relationships at Work -via Gwella (HEIW), 10/03/2021	2
120 NWSSP Audit & Assurance Section	5
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	2
120 NWSSP Power of Positive Thinking Virtual Class 11/03/2021	2
120 NWSSP Restoring Healthy Relationships at Work -via Gwella (HEIW), 10/03/2021	1
120 NWSSP Counter Fraud Section	2
120 NWSSP Restoring Healthy Relationships at Work -via Gwella (HEIW), 10/03/2021	2
120 NWSSP Digital Workforce Section	1
120 NWSSP Power of Positive Thinking Virtual Class 11/03/2021	1
120 NWSSP E-Business Central Team Section	1
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	1
120 NWSSP Employment Section	12
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	7
120 NWSSP Performance Appraisal Virtual Class via Microsoft Teams, 25/03/2021	1
120 NWSSP Power of Positive Thinking Virtual Class 11/03/2021	4
120 NWSSP Legal & Risk Section	8
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	1
120 NWSSP Performance Appraisal Virtual Class via Microsoft Teams, 25/03/2021	3
120 NWSSP Power of Positive Thinking Virtual Class 11/03/2021	1
120 NWSSP Restoring Healthy Relationships at Work -via Gwella (HEIW), 10/03/2021	3
120 NWSSP Medical Examiner Section	1
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	1
120 NWSSP Planning, Performance and Informatics Section	2
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	1
120 NWSSP Restoring Healthy Relationships at Work -via Gwella (HEIW), 10/03/2021	1
120 NWSSP Primary Care Section	3
120 NWSSP Performance Appraisal Virtual Class via Microsoft Teams, 25/03/2021	1
120 NWSSP Power of Positive Thinking Virtual Class 11/03/2021	2
120 NWSSP Procurement Section	6
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	2
120 NWSSP Performance Appraisal Virtual Class via Microsoft Teams, 25/03/2021	2
120 NWSSP Restoring Healthy Relationships at Work -via Gwella (HEIW), 10/03/2021	2
120 NWSSP Specialist Estates Section	2
120 NWSSP Performance Appraisal Virtual Class via Microsoft Teams, 25/03/2021	1
120 NWSSP Restoring Healthy Relationships at Work -via Gwella (HEIW), 10/03/2021	1
120 NWSSP Temporary Medicines Unit Section	1
120 NWSSP Corporate Induction: Virtual Workshop via Microsoft Teams, 16/03/2021	1
120 NWSSP Workforce & OD Section	1
120 NWSSP Performance Appraisal Virtual Class via Microsoft Teams, 25/03/2021	1

Service Area	Completed
Grand	48



The report is not Exempt

Teitl yr Adroddiad/Title of Report

NWSSP Corporate Risk Update – May 2021

**ARWEINYDD:
LEAD:**

Peter Stephenson
Head of Finance & Business Development

**AWDUR:
AUTHOR:**

Peter Stephenson
Head of Finance & Business Development

**SWYDDOG ADRODD:
REPORTING OFFICER:**

Andy Butler
Director of Finance & Corporate Services

**MANYLION CYSWLLT:
CONTACT DETAILS:**

Andy Butler
Director of Finance & Corporate Services
01443 848552 / Andy.Butler@wales.nhs.uk

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

To provide the Partnership Committee with an update on the NHS Wales Shared Services Partnership's (NWSSP) Corporate Risk Register.

Llywodraethu/Governance

**Amcanion:
Objectives:**

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

**Tystiolaeth:
Supporting
evidence:**

-

Ymgynghoriad/Consultation:

The Senior Leadership Team (SLT) 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 2021

1. INTRODUCTION

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

2. RISKS FOR ACTION

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

Current Risk Rating	May 2021
Red Risk	1
Amber Risk	9
Yellow Risk	3
Green Risk	0
Total	13

2.1 Red-rated Risks

Risk A1 - Demise of the Exeter Software System

The replacement of the GMS systems is still on track and we are now undertaking the checking process for validation of the new system. A period of dual running is due to commence shortly to ensure the accuracy of the new system. Full go-live for all Health Boards will complete over the summer. The planned implementation of the Capita system in NHS England was also due to go-live on 1 April but Capita have asked NHS Digital for six months of continued contingency cover.

2.2 New/Deleted Risks

There has been one risk added to the register since the March meeting of the Committee. This relates to a number of actual and potential frauds relating to hacking of supplier e-mail accounts to change bank account details.

Following a detailed review of the register at the March Senior Leadership Team meeting a number of risks have either been removed from the register or down-graded to risks for monitoring. The detail of the risks and the reasons for their amendment is given below:

Ref	Risk	Reason
Removed Risks		
A2	NHS Digital are withdrawing the Ophthalmics Payment service from the end of September 2020.	The system is now in place and operational with all seven health boards.
A3	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.	Services have been developed over the course of the last year (e.g. Medical Examiner, SLE, Laundry, TMU, TRAMs etc)
CV6	Current uncertainty over the specific requirements for Field Hospitals is impacting on storage facilities within NWSSP impacting current and future plans for their strategic use.	Risk has largely gone away. Although this specific risk has now been removed from the register, it was replaced with a new risk over general storage facilities.
CV7	The impact of the pandemic on workload and also travel restrictions has meant that staff have largely not taken annual leave in the first few months of the year and may be equally less inclined to do so over the summer. This stores up the potential for large numbers of staff to be looking to take high volumes of annual leave in relatively short timeframes towards the end of the year, impacting on service delivery.	At year-end and hadn't become a major issue.
CV8	Lack of clarity regarding the requirements of HCS, and the timescale for delivery, of assisting with distributing vaccines leads to an inability to plan effectively for this service.	Has become business-as-usual.
Down-graded Risks		
CV1	The total quantum for funding for addressing Covid-19 across Wales remains fluid and uncertain. There is a risk that the organisation's operational cost of addressing the pandemic cannot be contained within available funding resulting in a potential breach of the planned outturn for 2020-21.	Funding for the financial year has been received.
M2	There is an increased fire risk with a consequence for protection of buildings at Alder House, Brecon House and Matrix House due to a lack of compartmentation in the roof space	All required actions have been completed and the risk to life is considered extremely low.

3. RISKS FOR MONITORING

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

Current Risk Rating	May 2021
Red Risk	0
Amber Risk	0
Yellow Risk	3
Green Risk	0
Total	3

4. ASSESSMENT/GOVERNANCE & RISK ISSUES

There is a significant risk to the NWSSP if robust governance arrangements are not in place for risk management and each Director has responsibility for notifying the SMT of any risks that could have a financial impact if arrangements are not in place to manage risk. If there are insufficient communication flows to manage risk then there could be a resulting adverse effect on NWSSP and its customers.

5. RECOMMENDATION

The Committee is asked to:

- **NOTE** to the Corporate Risk Register as at May 2021.





Corporate Risk Register

Ref	Risk Summary	Inherent Risk			Existing Controls & Mitigations	Current Risk			Further Action Required	Progress	Trend since last review	Target & Date
		Likelihood	Impact	Total Score		Likelihood	Impact	Total Score				
Risks for Action												
A1	The Northern Ireland model procured to replace the NHAIS system fails to deliver the anticipated benefits within required timescales impacting the ability to pay GPs (Original risk added April 2017)	4	5	20	Legal Counsel advice received. PMO Support Project and Programme Boards in place Heads of Agreement signed	3	5	15	Programme and Project Boards to review progress in lead-up to go-live date for GP payments. Sign off contract extension with NHS Digital.	Work is on-going with Northern Ireland to implement the new system to allow 3 months parallel running with a go-live date in the summer. Roll-out of the Capita system in England has again been delayed with the existing service being available until at least September 2021.	➡	30-sep-21
	Escalated Directorate Risk									Risk Lead: Director of Primary Care Services		
A2	Risks to continuity of supplies and services to NHS Wales resulting from a no-deal Brexit (added Apr 2019)	5	5	25	Storage facility in place (IP5) that has been adequately stocked to cope with a no-deal Brexit. BREXIT Mobilisation Team BREXIT Group which includes WG representation.	2	5	10	Review of Critical Care Items being undertaken. Review of NSDR arrangements. Clinical Decision making arrangements to be raised with Medical Directors.	Situation regarding paperwork is much improved and risk may well be able to be removed shortly.	➡	30-jun-21
	Strategic Objective - Customers									Risk Lead: Director of Procurement Services		
A3	Lack of storage space across NWSSP due to increased demands on space linked to COVID and specific requirements for IP5 (added April 2021)	4	4	16	IP5 Board Additional facilities secured at Picketston	2	4	8	PCS reviewing options for medical records storage.	Discussions are on-going with Welsh Government with regards to the Strategic Outline Case for IP5. Welsh Government have also agreed to cover the running costs of the facility for the current financial year as part of the overall COVID and BREXIT contingency arrangements. We are awaiting news on further capital allocations to cover the costs of additional roller-racking for increased stock holding requirements.	➡	30-jun-21
	Strategic Objective - Service Development									Risk Lead: Director of Procurement Services		
A4	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 Fighting Fraud Strategy & Action Plan	4	3	12	1. Make better use of NFI (PS 31/03/21) 2. Produce Action Plan from Audit Wales "Raising ourGame" report (PS Complete) 3. Strengthen controls to prevent bank mandate fraud (AB/PS Complete)	Risk increased due to COVID-19 and significant increase in expenditure. Further Audit Wales report demonstrates that NHS Wales is in a good place for fraud prevention and detection compared to Central and Local Government but there are still further actions to be undertaken. Struggling to get access to NFI - taken through DoFs. March 21 has seen a number of actual and potential frauds around bank mandates. See separate risk below.	➡	30-jun-21
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A5	Specific fraud risk relating to amendment of banking details for suppliers due to hacking of supplier e-mail accounts leading to payments being made to fraudsters (added April 2021)	5	3	15	Documented process for bank mandate changes Role of Supplier Maintenance Team Authorisation by Senior Finance Staff Internal Audit Reviews	3	3	9	Procure Experian software which will enable an independent check to be undertaken on new bank details. 31/5/21)(RW	There have been a spate of fraudulent bank mandate amendments during March/April 2021 - some of which were successful. Procedures have been reviewed and enhanced. Access to Experian software should reduce risk of successful fraud further.	✳	30-jun-21
	Strategic Objective - Value For Money									Risk Lead: Director of Finance & Corporate Services		
A6	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 Mandatory cyber security e-learn introduced Dec 19 Internal Audit review - Reasonable Assurance (April 2020) Recent investment in training packages (March 2021)	2	5	10	Follow up progress with Cyber Security Plan (PS On-going) Move all desktop devices to Windows 10 by the Windows 7 end of support (PS 31/03/21) NL to further update the SLT in the light of the recent Audit Wales report (NL Complete) Undertake phishing training exercises with NWSSP staff (NL 30/06/21)	Nick Lewis presenting update to April 2021 Audit Committee and January 2021 SLT. E-learn introduced during 2020. Windows 10 migration delayed by COVID but almost complete as at Feb 21 See Risk A4 for increased activity around fraudulent bank mandate requests	➡	30-jun-21
	Strategic Objective - Service Development									Risk Lead: Director of Planning, Performance & Informatics		
A7	The failure to engage with appropriate specialists (e.g. H&S/Fire Safety, Information Security/IG) sufficiently early enough when considering major developments may result in actions being taken that do not consider all relevant potential issues.	4	4	16	In-house H&S and Fire Safety Expertise Role of PMO	3	4	12	PMO to ensure that Project Officers consult appropriately at outset of project. Programme Director to be appointed.	All organisations contributing towards a Fire & Evacuation Strategy for IP5.	➡	30-jun-21
	Strategic Objective - Service Development									Risk Lead: Director of Workforce and OD		

A8	The transfer of approximately 250 laundry staff to NWSSP under TUPE arrangements many not proceed smoothly impacting the reputation of NWSSP in NHS Wales, and leading to further delays with the implementation of the Laundry Programme	4	4	16	All-Wales Programme Business Case Programme Board Regular updates to SLT Draft SLAs approved by SSPC	3	4	12	Workforce workstream to oversee the TUPE arrangements.	Transfer has now taken place for 3 of the 5 laundries with the other 2 expected to transfer in the autumn of 2021.	➔	30-jun-21
	Strategic Objective - Service Development									Risk Lead: Director of Procurement Services		
COVID-19 Risks												
CV1	By requiring our staff to continue working we expose them to a greater risk of being infected with COVID-19 which may cause them significant health problems.	5	5	25	All staff encouraged to work from home where possible. Risk Assessments undertaken for all staff. Social Distancing measures in place in each office. Any staff displaying any symptoms told not to come into office or go home immediately. Testing for front-line staff Weekly Site Leads' meetings to assess position in each office. Provision of hand sanitisers and soap. Enhanced Cleaning services Notices in all buildings reminding of good hygiene practices. Regular SMT walk-arounds of all sites. COVID-19 Adapt and Future Change Group More flexible building opening times	2	4	8	Continue to monitor effectiveness of current measures through Site Leads and the weekly Site Leads meeting. Monitor progress with Vaccination programme	Current measures seem to be effective. Large numbers of staff are working from home and social distancing measures are in place for those staff who need to continue to come into work. Daily reporting of absences shows that the numbers of staff reporting COVID-19 like symptoms continues to fall. The regular meetings of the Site Leads provide on the ground information in real time and the Site Leads Meeting includes direct representation from the COVID-19 Planning and Response Group so that matters can be escalated appropriately. Risk assessment exercises completed. 2nd Staff Survey reported in Dec and demonstrates that staff satisfaction with current arrangements is being sustained.	➔	30-jun-21
CV2	NWSSP are unable to procure sufficient orders of PPE, medical consumables and equipment resulting in clinical staff being able to treat patients safely and effectively. This risk may be exacerbated due to the potential need to supply Social Care, Primary Contractors, Carers and even retailers and train passengers. The continuing global difficulties with China also increases this risk.	5	5	25	PPE Winter Plan Finance Governance Committee Streamlined arrangements for Trust Board and WG approvals Increased limits approved for Scheme of Delegation. Regular meetings with UK and Welsh Government. Active involvement in UK Mutual Aid Schemes. Deloitte undertook consultancy work on behalf of WG to assist in this area. Internal Audit Review (Sept 2020)	1	5	5	Audit Wales published their findings on 14 April 2021 and report largely positive but action plan to be developed to respond to their findings.	The PPE plan has been developed in consultation with key stakeholders, and includes the arrangements to distribute PPE to the wider Family Care Practitioners and Social Care sectors. As services across Wales start to open back up, demand for such equipment is increasing in line with our expectations. The Welsh Local Government Association have been a key partner in helping us to take this agenda forward with Local Authorities	➔	30-jun-21
CV3	NWSSP are unable to continue to provide business-critical services due to having insufficient numbers of staff available and able to undertake the work.	5	5	25	Identification of all business-critical services Redeployment of staff to business-critical services Increased provision of laptops and VPN Roll-out of Office 365 Use of Bomgar service for PCS Daily monitoring and reporting of absence figures. Weekly IT Update meetings. IT Update also given to weekly COVID-19 Planning & Response Group	1	5	5	Updated BCP document covering response to COVID and possible impact of future waves presented to August SMT, and September SSPC. Further investment in laptops to ensure that PCS staff are able to work remotely. Increase investment in softphones.	The daily report on staff absence shows that absence rates are falling. The investment in hardware and software has allowed large numbers of staff to work remotely with minimal problems thus far. There are good rates of uptake for the vaccination programme.	➔	30-jun-21
CV4	Staff wellbeing is adversely affected through concerns arising from COVID-19 either directly in terms of their health and that of their families, or financially from loss of income of a family member. This includes the risk of "burn-out" for a number of staff working very long hours over a sustained period of time.	5	5	25	Regular communications to all staff Reminders of how to access Employee Assistance schemes Mental Health First Aiders Formal Peer Group with phone surgery times (includes Trade Union Leads) Staff Surveys Virtual Coffee Mornings with SLT	1	5	5	Implement action plan to respond to findings from staff surveys - monitored and managed through Adapt and Future Change Group.	As previously stated, absence rates are falling linked to COVID-19 symptoms. Communications are being issued on a regular basis and all Directors and Managers are tasked with regularly checking the health and well-being of their staff. 2nd Staff Survey results suggest that arrangements in place still viewed as largely positive.	➔	30-jun-21
CV5	GP Trainees, who are employed by NWSSP, are exposed to a level of risk of risk of catching COVID-19 but are outside the direct control and influence of NWSSP.	5	5	25	Risk Assessments by Education Supervisor - leads to decision on what PPE is to be provided. Tripartite Agreement	2	5	10	Confirming vaccination rates with staff individually as Health Board reports to total numbers vaccinated suggest under-reporting (March 2021)	The tripartite agreement was agreed by the Project Board on 7/9/2020 and sets out the general duties of the host organisation for all trainees employed by NWSSP including the general duty to provide a safe working environment. Vaccination of front-line staff will further mitigate this risk.	➔	30-jun-21
Risks for Monitoring												
M1	Disruption to services and threats to staff due to unauthorised access to NWSSP sites. (Added May 2018)	5	4	20	Manned Security at Matrix CCTV Locked Gates installed at Matrix. Security Review Undertaken (reported Dec 18)	1	4	4	Continue to monitor, and reissue comms to all staff to remind them of need to keep buildings and information secure. (PS 31/08/2020 - complete)	Security Review undertaken and reported to SMT in Dec 2018. No major findings and all agreed actions implemented or superceded.	➔	

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:
20 May 2021

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Annual Report Issues and Complaints 2020-21

ARWEINYDD:

LEAD:

Peter Stephenson
Head of Finance & Business Development

AWDUR:

AUTHOR:

Carly Wilce
Corporate Services Manager

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 report is to provide the Partnership Committee with an update as to complaints received by the NWSSP during the financial year, 1 April 2020 to 31 March 2021.

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:

Monthly reporting to the NWSSP Senior Leadership Team.

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:	<p>Regulation 51 of the "National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 ("the Regulations")" provides that each responsible body in NHS Wales must prepare an annual report on complaints. The report must contain, as a minimum:</p> <ul style="list-style-type: none"> • Number of concerns received (including, in the case of Welsh NHS bodies, concerns reported under Part 7 of the Regulations related to cross border services); • The number of concerns deemed well founded; and • The number of concerns referred to the Public Services Ombudsman for Wales. <p>This report provides assurance to the Committee that NWSSP is dealing with and learning from concerns in accordance with the Regulations.</p>
Iechyd Poblogaeth: Population Health:	No impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	The provisions of the Protocol ensure that NWSSP's services are delivered in a satisfactory manner and support Health Bodies in delivering an excellent service; which will contribute to improving quality, safety and patient experience.
Ariannol: Financial:	Not applicable.
Risg a Aswiriant: 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:	The provision of high quality, safe and reliable care is dependent on good governance, leadership and accountability, which feature as overarching principles of the quality themes outlined in the Health and Care Standards.
Gweithlu: Workforce:	No impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open. The information is disclosable under the Freedom of Information Act 2000.

1. BACKGROUND

NWSSP has arrangements that it follows to manage complaints in order to meet the requirements of the NHS (Concerns, Complaints and Redress Arrangements) (Wales) Regulations (2011) and "Putting Things Right" arrangements in accordance with the Velindre University NHS Trust Handling Complaints Policy.

On 2 July 2014, Welsh Government published the "Review of Concerns (Complaints) Handling with NHS Wales – "Using the Gift of Complaints" report, which made more than 100 recommendations on strengthening the NHS complaints process. In light of this, and with reference to the handling of Complaints within NHS Wales (2015), the NWSSP Issues & Complaints Management Protocol was revised with the objective of standardising the complaints process for all services within NWSSP so that complaints can be handled consistently and recorded accurately.

The Issues and Complaints Management Protocol incorporates specific guidance on identifying if a complainant is to be categorised as vexatious and how such complaints are managed. It also raises awareness for members of the public on how NWSSP deals with all kinds of complaints, as published on the NWSSP website:

<http://www.nwssp.wales.nhs.uk/issues-and-complaints>.

2. GOVERNANCE AND ASSURANCE ARRANGEMENTS

Regulation 51 of the "National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011 ("the Regulations")" states that each responsible body in NHS Wales must prepare an Annual Report on complaints. The report must contain, as a minimum:

- Number of concerns received (including, in the case of Welsh NHS bodies, concerns reported under Part 7 of the Regulations related to cross border services);
- Number of concerns deemed well founded; and
- Number of concerns referred to the Public Services Ombudsman for Wales.

This report provides assurance to the SSPC that NWSSP is dealing with and learning lessons from concerns brought to the attention of the organisation, in accordance with the specified Regulations.

3. SUMMARY OF COMPLAINTS AND ISSUES RECEIVED

During 2020-21, 26 complaints were received, of which:

- 18 complaints responded to within 30 working days (69%); and
- 8 complaints responded to outside of 30 working days (31%).

Of the complaints recorded, 15 were found to be upheld, in their entirety, or in part.

No complaints were escalated to the Public Services Ombudsman Wales (PSOW) for independent investigation during 2020-21, compared to three in the prior financial year.

Complaints

During the reporting period for 2020-21, 26 formal complaints were received and recorded by Corporate Services. This compares with 30 complaints received in the same reporting period during the previous financial year.

As detailed above, 69% of the complaints received were responded to within the 30-working day target, which is an increase in performance compared to 40% compliance during 2019-20.

The majority of complaints received relate to the Employment Services directorate and specifically in relation to Payroll Services. We note that this is a sensitive and emotive area for individuals and that the concerns received represent only a minor percentage of the transactions processed by the service across NHS Wales. Further, a contributory factor was staff absence, in relation to the Student Awards Service, in particular.

Corporate Services continue to work with the Employment Service Improvement Team in order to capture lessons learned to mitigate the need for escalation to a corporate level complaint and to standardise our responses, for consistency and customer service.

Issues

Additionally, there were 34 matters that were categorised as issues, which were locally resolved, thus negating the requirement for a formal complaint to be made during 2020-21. Only 13 issues were received during the 2019-20 financial year.

The table in **Figure 1** categorises the complaints received per directorate:

Figure 1 – Total complaints received by directorate from 1 April 2020 to 31 March 2021

Complaints 2020/21						
Service Area	No of Complaints Received	Acknowledged within 2 Working Days (W/D)	Responded within 30 W/D	Responded outside of 30 W/D	Ongoing Investigation (Within 30 W/D)	Ongoing Investigation (Outside 30 W/D)
Employment Services	23	23	15	8	0	0
Payroll Services	18	18	11	7	0	0

Recruitment Services	4	4	3	1	0	0
Enablement Team	1	1	1	0	0	0
Health Courier Services	1	1	1	0	0	0
Workforce Services- ESR	1	1	1	0	0	0
Procurement Services-Sourcing	1	0	1	0	0	0
Total	26	25	18	8	0	0

The table in **Figure 2** below compares the trends in complaints and issues recorded from 2016-17, to date.

Figure 2 – Comparison of Annual Complaints and Issues Figures 2016-2021

Reporting Year	Complaints Received	Complaints % Difference	Trend	Issues	Issues % Difference	Trend	PSOW Referral	Response in 30 Working Days
2020-21	26	-13%	↓	34	161%	↑	0	-100%
2019-20	30	11%	↑	13	0%	→	3	40%
2018-19	27	93%	↑	13	44%	↑	0	-100%
2017-18	14	100%	↑	9	80%	↑	1	71%
2016-17	7	Baseline	→	5	Baseline	→	0	71%

4. TIMELINESS OF RESPONSE

The Protocol stipulates that all complaints will be acknowledged within two working days of receipt of the initial contact and that a full response to the points raised (where applicable), will be issued within 30 working days, excluding weekend and bank holidays.

During the period 1 April 2019 to 31 March 2020, all but one complaint received was acknowledged within the two working day target. 69% of the complaints received were responded to within the 30-working day target, compared to 40% in 2019-20.

8 responses were issued outside of the target, being responded to between 31 and 49 working days respectively, due the nature of their complexity and/or third-party involvement. However, it should be noted that in all instances, holding communications were issued to the complainants detailing 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.

5. PUBLIC SERVICES OMBUDSMAN WALES

No complaints were escalated to the Public Services Ombudsman Wales (PSOW) for independent investigation during 2020-21, compared to three in the prior financial year.

6. RAISING AWARENESS OF THE IMPORTANCE OF EFFECTIVE COMPLAINTS MANAGEMENT

In order to continue raising awareness of the Protocol and associated process to ensure effective complaints management in the future:

- The NWSSP Issues and Complaints Management Protocol, associated literature and templates, are subject to regular review.
- Corporate Services develop refresher training for staff on effective handling of concerns. In-depth and specific training sessions are to be provided upon request (e.g. directorate specific/working group based). Sessions targeted at staff responsible for managing complaints and investigations of issues reported to highlight expectations, processes and compliance deadlines; they also provide a platform for feedback to be received from an operational level, The pandemic has obviously limited the extent to which the training can be provided; and
- Nominated individuals within directorates review previous concerns raised within their service area to capture outcomes/lessons learned and to share knowledge/achieve best practice as to effective complaints management, in particular working closely with Employment Services' Service Improvement Team.

7. RECOMMENDATION

The SSPC are asked to:

- **NOTE** the Issues & Complaints Annual Report



The report is not Exempt

Teitl yr Adroddiad/Title of Report

**Velindre University NHS Trust Audit Committee for NHS Wales
Shared Services Partnership Terms of Reference**

ARWEINYDD: LEAD:	Andy Butler, Director of Finance and Corporate Services
AWDUR: AUTHOR:	Carly Wilce, Corporate Services Manager
SWYDDOG ADRODD: REPORTING OFFICER:	Peter Stephenson, Head of Finance and Business Development
MANYLION CYSWLLT: CONTACT DETAILS:	Peter.stephenson2@wales.nhs.uk

Pwrpas yr Adroddiad:

Purpose of the Report:

The Committee are asked to **NOTE** the Terms of Reference for the Audit Committee.

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 :

Audit Committee

Adduned y Pwyllgor/Committee Resolution (insert √):

DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	✓
----------------------------	--	----------------------------	--	----------------------------	--	-----------------------	---

Argymhelliad/ Recommendation	The Committee is asked to NOTE the Terms of Reference.					

Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No impact.
Cyfreithiol: Legal:	No impact.
Iechyd Poblogaeth: Population Health:	No impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No impact.
Ariannol: Financial:	No impact.
Risg a Aswiriant: Risk and Assurance:	No Impact.
Safonau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://www.wales.nhs.uk/sitesplus/documents/1064/24729_Health%20Standards%20Framework_2015_E1.pdf Governance, Leadership and Accountability
Gweithlu: Workforce:	No impact.
Deddf Rhyddid Gwybodaeth/ Freedom of Information	This is not exempt.

1. RECOMMENDATIONS

The Committee is asked to **NOTE** the NWSSP Audit Committee Terms of Reference which have not changed since the date of their last approval.



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership

Terms of Reference & Operating Arrangements

April 2021

1. BACKGROUND

1.1 In May 2012, all Health Boards and Trusts approved the Standing Orders for Shared Services Partnership Committee. Section 4.0.3 of the Standing Orders (as amended 1 March 2019) states:

*“The SSPC shall establish a Sub-Committee structure that meets its own advisory and assurance needs and/or **utilise Velindre’s Committee arrangements** to assist in discharging its governance responsibilities.”*

These Terms of Reference set out the arrangements for utilising the Velindre University NHS Trust Audit Committee to support the discharge of those relevant functions in relation to NHS Wales Shared Services Partnership (NWSSP).

ORGANISATIONAL STRUCTURE

Velindre University NHS Trust has an interest in NWSSP on two levels:

- a) The internal governance of NWSSP in relation to the host relationship; and
- b) As a member of NWSSP Committee in relation to the running of national systems and services.

The governance and issues relating to the hosting of NWSSP dealt with in **(a)** will be incorporated into the standard business of the existing Velindre University NHS Trust Audit Committee, with a specific focus on alternating Trust Audit Committee business. The assurance for the business dealt with in **(a)** will be to the Velindre University NHS Trust Board. The Chair of NWSSP Audit Committee should receive copies of the meeting papers and will be invited to attend, should there be anything on the agenda which has implications for the Shared Services Partnership Committee (SSPC).

Issues relating to NWSSP nationally run systems and services **(b)** will be fed into a separate Velindre University NHS Trust Audit Committee for NWSSP operating within its own work cycle. The assurance for the business dealt with in **(b)** will be to NWSSP Chair and the NWSSP Audit Committee, via the communication routes, detailed below.

The arrangements for **(a)** above, will not be considered further within these Terms of Reference, as it is for Velindre University NHS Trust Audit Committee to determine the relevant assurance required in relation to the host relationship.

2. INTRODUCTION

2.1 Velindre University NHS Trust’s Standing Orders provide that *“The Board may and, where directed by the Welsh Government must, appoint Committees of the Trust either to undertake specific functions on the Board’s behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board’s commitment to openness and transparency in the conduct of all its business extends equally to the work*

carried out on its behalf by Committees”.

- 2.2 In line with Standing Orders and NWSSP’s scheme of delegation, the SSPC shall nominate, annually, a Committee to be known as the Velindre University NHS Trust Audit Committee for NWSSP. The detailed Terms of Reference and Operating Arrangements in respect of this Committee are set out below.
- 2.3 These Terms of Reference and Operating Arrangements are based on the model Terms of Reference, as detailed in the NHS Wales Audit Committee Handbook, June 2012.

3 PURPOSE

- 3.1 The purpose of the Audit Committee (“the Committee”) is to:
 - **Advise** and **assure** the SSPC and the Accountable Officer on whether effective arrangements are in place - through the design and operation of NWSSP’s **system of assurance** - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the organisation’s objectives, in accordance with the standards of good governance determined for the NHS in Wales.

Where appropriate, the Committee will advise the Velindre University NHS Trust Board and SSPC as to where and how its system of assurance may be strengthened and developed further.

4 DELEGATED POWERS AND AUTHORITY

- 4.1 With regard to its role in providing advice to both Velindre University NHS Trust Board and the SSPC, the Audit Committee will comment specifically upon:
 - The adequacy of NWSSP’s strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation’s activities, designed to support the public disclosure statements that flow from the assurance processes (including the Annual Governance Statement) and providing reasonable assurance on:
 - NWSSP’s ability to achieve its objectives;
 - Compliance with relevant regulatory requirements, standards, quality and service delivery requirements, other directions and requirements set by the Welsh Government and others;

- The reliability, integrity, safety and security of the information collected and used by the organisation;
 - The efficiency, effectiveness and economic use of resources; and
 - The extent to which NWSSP safeguards and protects all of its assets, including its people.
- NWSSP's Standing Orders, and Standing Financial Instructions (including associated framework documents, as appropriate);
 - The planned activity and results of Internal Audit, External Audit and the Local Counter Fraud Specialist (including Strategies, Annual Work Plans and Annual Reports);
 - The adequacy of executive and management's response to issues identified by audit, inspection and other assurance activity, via monitoring of NWSSP's Audit Action Plan;
 - Proposals for accessing Internal Audit service (where appropriate);
 - Anti-fraud policies, whistle-blowing processes and arrangements for special investigations as appropriate; and
 - Any particular matter or issue upon which the SSPC or the Accountable Officer may seek advice.
- 4.2 The Audit Committee will support the SSPC with regard to its responsibilities for governance (including risk and control) by reviewing:
- All risk and control related disclosure statements (in particular the Annual Governance Statement together with any accompanying Head of Internal Audit Statement, External Audit Opinion or other appropriate independent assurances), prior to endorsement by the SSPC;
 - The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
 - The policies for ensuring compliance with relevant regulatory, legal and code of conduct and accountability requirements; and
 - The policies and procedures for all work related to fraud and corruption as set out in Welsh Government Directions and as required by NHS Counter Fraud Authority.
- 4.3 In carrying out this work, the Audit Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of good governance, risk management and internal control, together with indicators of their effectiveness.
- 4.4 This will be evidenced through the Audit Committee's use of effective

governance and assurance arrangements to guide its work and that of the audit and assurance functions that report to it, and enable the Audit Committee to review and form an opinion on:

- The **comprehensiveness** of assurances in meeting the SSPC and the Accountable Officer's assurance needs across the whole of the organisation's activities; and
- The **reliability and integrity** of these assurances.

4.5 To achieve this, the Audit Committee's programme of work will be designed to provide assurance that:

- There is an effective internal audit function that meets the standards set for the provision of internal audit in the NHS in Wales and provides appropriate independent assurance to the SSPC and the Accountable Officer through the Audit Committee;
- There is an effective Counter Fraud service that meets the standards set for the provision of counter fraud in the NHS in Wales and provides appropriate assurance to the SSPC and the Accountable Officer through the Audit Committee;
- There are effective arrangements in place to secure active, ongoing assurance from management with regard to their responsibilities and accountabilities, whether directly to the SSPC and the Accountable Officer or through the effective completion of Audit Recommendations and the Audit Committee's review of the development and drafting of the Annual Governance Statement;
- The work carried out by key sources of external assurance, in particular, but not limited to the SSPC's external auditors, is appropriately planned and co-ordinated and that the results of external assurance activity complements and informs (but does not replace) internal assurance activity;
- The work carried out by the whole range of external review bodies is brought to the attention of the SSPC and that the organisation is aware of the need to comply with related standards and recommendations of these review bodies, together with the risks of failing to comply;
- The systems for financial reporting to the SSPC, including those of budgetary control, are effective; and
- The results of audit and assurance work specific to the organisation and the implications of the findings of wider audit and assurance activity relevant to the SSPC's operations, are appropriately considered and acted upon to secure the ongoing development and improvement of the organisation's governance arrangements.

In carrying out this work, the Audit Committee will follow and implement the Audit Committee for Shared Services Annual Work Plan and will be evidenced through meeting papers, formal minutes, and highlight reports to the SSPC, Velindre Trust Board and annually, via the Annual Governance Statement, to the Velindre University NHS Trust's Chief Executive.

Authority

- 4.6 The Audit Committee is authorised by the SSPC to investigate or to have investigated any activity within its Terms of Reference. In doing so, the Audit Committee shall have the right to inspect any books, records or documents of NWSSP, relevant to the Audit Committee's remit and ensuring patient/client and staff confidentiality, as appropriate. It may seek relevant information from any:
- Employee (and all employees are directed to co-operate with any reasonable request made by the Audit Committee); and
 - Any other Committee, Sub Committee or Group set up by the SSPC to assist it in the delivery of its functions.
- 4.7 The Audit Committee is authorised by the SSPC to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the SSPC's procurement, budgetary and other requirements.

Access

- 4.8 The Head of Internal Audit and the Audit Manager of External Audit shall have unrestricted and confidential access to the Chair of the Audit Committee at any time and the Chair of the Audit Committee will seek to gain reciprocal access as necessary.
- 4.9 The Audit Committee will meet with Internal and External Auditors and the nominated Local Counter Fraud Specialist, without the presence of officials, on at least one occasion each year.
- 4.10 The Chair of Audit Committee shall have reasonable access to Executive Directors and other relevant senior staff.

Sub Committees

- 4.11 The Audit Committee may, subject to the approval of the SSPC, establish Sub-Committees or Task and Finish Groups to carry out on its behalf specific aspects of Committee business. Currently, there is an established Welsh Risk Pool Committee which is a Sub Committee of the SSPC, however, there are no Sub Committees of the Audit Committee.

5 MEMBERSHIP

Members

- 5.1 A minimum of 3 members, comprising:

Chair	Independent member of the Board
Members	Two other independent members of the Velindre Trust Board. The Audit Committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge and expertise. The Chair of the organisation shall not be a member of the Audit Committee.

Attendees

5.2 In attendance:

NWSSP Managing Director, as Accountable Officer
 NWSSP Chair
 NWSSP Director of Finance & Corporate Services
 NWSSP Director of Audit & Assurance
 NWSSP Head of Internal Audit
 NWSSP Audit Manager
 NWSSP Head of Finance and Business Development
 NWSSP Corporate Services Manager
 Representative of Velindre University NHS Trust
 Local Counter Fraud Specialist
 Representative of the Auditor General for Wales
 Other Executive Directors will attend as required by the Committee Chair

By invitation The Committee Chair may invite:

- any other Partnership officials; and/or
- any others from within or outside the organisation

to attend all or part of a meeting to assist it with its discussions on any particular matter.

The Velindre Chief Executive Officer should be invited to attend, where appropriate, to discuss with the Audit Committee the process for assurance that supports the Annual Governance Statement.

Secretariat

Secretary	As determined by the Accountable Officer
-----------	--

Member Appointments

- 5.3 The membership of the Audit Committee shall be determined by the Velindre Trust Board, based on the recommendation of the Trust Chair; taking account of the balance of skills and expertise necessary to deliver the Audit Committee's remit and subject to any specific requirements or directions made by Welsh Government.
- 5.4 Members shall be appointed to hold office for a period of four years. Members may be re-appointed, up to a maximum of their term of office. During this time a member may resign or be removed by the Velindre Trust Board.
- 5.5 Audit Committee members' Terms and Conditions of Appointment, (including any remuneration and reimbursement) are determined on appointment by the Minister for Health and Social Services.

Support to Audit Committee Members

- 5.6 The NWSSP Head of Finance and Business Development and NWSSP Corporate Services Manager, on behalf of the Audit Committee Chair, shall:
- Arrange the provision of advice and support to Audit Committee members on any aspect related to the conduct of their role;
 - Ensure that Committee agenda and supporting papers are issued 5 working days in advance of the meeting taking place; and
 - Ensure the provision of a programme of organisational development for Audit Committee members as part of the Trust's overall Organisational Development programme developed by the Velindre Executive Director of Workforce & Organisational Development.

6 AUDIT COMMITTEE MEETINGS

Quorum

- 6.1 At least two members must be present to ensure the quorum of the Audit Committee, one of whom should be the Audit Committee Chair or Vice Chair.

Frequency of Meetings

- 6.2 Meetings shall be held no less than quarterly and otherwise as the Chair of the Audit Committee deems necessary, consistent with NWSSP's Annual Plan of Business. The External Auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.

Withdrawal of Individuals in Attendance

- 6.3 The Audit Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

7 RELATIONSHIP & ACCOUNTABILITIES WITH THE TRUST BOARD & SSPC DELEGATED TO THE AUDIT COMMITTEE

- 7.1 Although the Velindre Trust Board, with the SSPC and its Sub Committees, including the Welsh Risk Pool Sub Committee, has delegated authority to the Audit Committee for the exercise of certain functions as set out within these Terms of Reference, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens through the effective governance of the organisation.
- 7.2 The Audit Committee is directly accountable to the Velindre Trust Board for its performance in exercising the functions set out in these Terms of Reference.
- 7.3 The Audit Committee, through its Chair and members, shall work closely with NWSSP and its other Sub Committees to provide advice and assurance to the SSPC by taking into account:
- Joint planning and co-ordination of the SSPC business; and
 - Sharing of information

in doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into NWSSP's overall risk and assurance arrangements. This will primarily be achieved through the discussions held at the SSPC, annually, at the end of the financial year.

- 7.4 The Audit Committee will consider the assurance provided through the work of the SSPC's other Committees and Sub Committees to meet its responsibilities for advising the SSPC on the adequacy of the organisation's overall system of assurance by receipt of their annual work plans.
- 7.5 The Audit Committee shall embed the SSPC's and Trust's corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.

8 REPORTING AND ASSURANCE ARRANGEMENTS

- 8.1 The Audit Committee Chair shall:

- Report formally, regularly and on a timely basis to the Board, SSPC and the Accountable Officer on the Audit Committee's activities. This includes verbal updates on activity and the submission of committee minutes, and written highlight reports throughout the year;
 - Bring to the Velindre University NHS Trust Board, SSPC and the Accountable Officer's specific attention any significant matters under consideration by the Audit Committee; and
 - Ensure appropriate escalation arrangements are in place to alert the SSPC Chair, Managing Director (and Accountable Officer) or Chairs of other relevant Committees, of any urgent/critical matters that may affect the operation and/or reputation of the organisation.
- 8.2 The Audit Committee shall provide a written Annual Report to the SSPC and the Accountable Officer on its work in support of the Annual Governance Statement, specifically commenting on the adequacy of the assurance arrangements, the extent to which risk management is comprehensively embedded throughout the organisation, the integration of governance arrangements and the appropriateness of self-assessment activity against relevant standards. The report will also record the results of the Audit Committee's self-assessment and evaluation.
- 8.3 The Velindre Trust Board and SSPC may also require the Audit Committee Chair to report upon the Audit Committee's activities at public meetings or to community partners and other stakeholders, where this is considered appropriate, e.g. where the Audit Committee's assurance role relates to a joint or shared responsibility.
- 8.4 The NWSSP Head of Finance and Business Development and Corporate Services Manager, on behalf of the Partnership, shall oversee a process of regular and rigorous self-assessment and evaluation of the Audit Committee's performance and operation, including that of any Sub Committees established. In doing so, account will be taken of the requirements set out in the NHS Wales Audit Committee Handbook.

9 APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

- 1.1 The requirements for the conduct of business as set out in the NWSSP's Standing Orders are equally applicable to the operation of the Audit Committee, except in the following areas:
- Quorum (*as per section on Committee meetings*)
 - Notice of meetings
 - Notifying the public of meetings
 - Admission of the public, the press and other observers

10 REVIEW

- 10.1 These Terms of Reference and operating arrangements shall be reviewed annually by the Audit Committee with reference to the SSPC and Velindre Trust Board.

NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 12 – MARCH 2021

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for March 2021 and should be read in conjunction with the Monitoring Return tables submitted for Month 12.

Thank you for your letter of 26th March 2021 responding to the Month 11 monitoring return. The action points you have raised have been clarified within this return and additional information provided where requested.

Overview of Performance and Financial Position

The final NWSSP financial position for 2020/21 reports a small planned surplus of £21k.

An additional distribution of £1.250m to Health Boards, Trusts and Welsh Government was made during the financial year with the 2020/21 distribution totalling £2.000m.

There are no material movements to report from the day 5 financial position **(Action Point 11.7)**

1. Movement of Opening Financial Plan to Forecast Outturn (Table A)

Table A has been updated with the final summary of the in year overachievement of savings, net income generation, covid expenditure and funding. The overachievement of savings and the additional income generation have been offset by the additional £1.250m distribution and £1.355m of reinvestment within NWSSP.

The £1.355m has been utilised as follows **(Action Point 11.1)**:

Non Recurrent investment	£m
Clinical negligence solicitor support	0.173
Laundry/TRAMS	0.126
Site/stores repairs/maintenance	0.120
O365 Consultants	0.113
Revenue IT kit to support homeworking	0.078

OCR/GHX Consultancy for AP	0.072
Robotics	0.038
Additional recruitment support	0.033
Additional procurement support	0.028
Payroll restructure lead	0.025
SMTL kit	0.018
Training/development	0.018
Scan 4 Safety business case	0.013
Welsh Government	0.500
TOTAL	1.355

2. Overview of Key Risks & Opportunities (Table A2)

The risks in Table A2 are all reported at zero at Month 12 given the final outturn position has been reported. The final position on the Covid issues previously reported as potential risks is summarised below with the movement from the Month 11 forecast:

	NWSSP ALL WALES COVID FORECAST – MARCH 21	NWSSP ALL WALES COVID ACTUAL	DIFFERENCE
All Wales Non stock PPE	111.173	117.777	6.604
Bad debt provision (DHSC/NI)	0.587	0.587	0.000
Social/Primary Care PPE	59.680	59.390	-0.290
Pandemic Stock PPE	3.865	3.865	0.000
Mass Vaccination PPE	1.421	1.399	-0.021
Stock write on	-22.672	-29.437	-6.765
VAT credits	-14.412	-13.938	0.474
St Athan (non PIPP) stock write on	-7.674	-7.493	0.181
NWSSP Operational Costs - PPE	0.033	0.033	0.000
PPE TOTAL	132.000	132.183	0.183
All Wales Covid Equipment	22.369	20.735	-1.634
Consultant Connect			0.000
TTP	1.202	1.222	0.020
Mass Vaccination (excl PPE)			0.000
NWSSP Operational Costs excl PPE			0.000
TOTAL	155.573	154.140	-1.432
Invoiced	- 296.000	- 296.000	
SURPLUS BALANCE	- 140.428	- 141.860	
RETURN OF CASH	28.664	28.664	
CREDIT NOTE RESOURCE ADJUSTMENT	- 111.764	- 113.196	-1.432

The PPE total forecast in early March was broadly in line with the final outturn position, with the movement in the overall forecast due to equipment orders being cancelled/reduced when the final reconciliation for the year was undertaken.

3. Actual Year to Date and Forecast Monthly Position (Tables B, B2 & B3)

The key points to note within the final outturn position are:

- The final 2020/21 income totalled £593.121m after the adjustments in Month 12 for the write on to stock of PPE and testing supplies purchased centrally and funded by Welsh Government and prepayments for PPE not delivered at 31st March 2021.
- The Welsh Government and Welsh NHS income increased from the Month 11 forecast, primarily due to the notional adjustment of the 6.3% pension and the accrual for bonus payments in Month 12, with the SLE elements of these impacting the Welsh NHS income.
- Other income is reported above normal levels due to the PPE recharges we have made to the Department of Health & Social Care, NHS Scotland and Northern Ireland for the provision of Type IIR masks and additional pharmacy rebate income that has been achieved this year.
- The significant increase in pay costs reported in Month 12 are due to the recognition of the 6.3% additional pension costs, the accrual of the bonus payment, the increase in the annual leave accrual and the intake of the higher surgery trainees to the SLE in March. The pension costs, bonus accruals and annual leave accrual have been recognised across the pay categories in Table B2 and included in Table B3 as requested (**Action Point 11.5**)
- Non pay expenditure is reported as a negative figure in Month 12 due to the write on of PPE and testing stock and the transfer of bed expenditure of £5.715m to losses in Month 12 after the write on and write off of stock in accordance with guidance provided by WG. The loss has been reported as such following approval by the Velindre Audit Committee for Shared Services and on the assumption that approval for the losses write off submission will be provided by WG as previously discussed with WG finance colleagues.
- Within the non-pay total, YTD expenditure of £50.167m is reported against items issued free of charge to NHS Wales per the schedule circulated to UHB/Trusts to reflect the receipt of these in their accounts. This has been a significant piece of work to provide this information and may change further when the final weighted average cost of PPE issues

from DHSC are provided in May. YTD expenditure of £100.247m is also reported for items issued free of charge to social care & primary care.

- Depreciation charges totalled £2.677m in line with the forecast.
- £123.835m income and expenditure is reported for WRP DEL and redress expenditure. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts (£121.347m WRP DEL and £2.488m for redress). This compares to £123.289m that was forecast in our IMTP.
- The mass vaccination programme costs totalled £2.001m (£1.399m PPE and £0.602m consumable/support costs). Funding of £0.626m was allocated for consumable/support costs, with the £0.024m under-utilisation of funding offset by over-utilisation of operational costs funding of the same amount.
- NWSSP recognised the receipt of donated assets from DHSC totalling £7.732m, reduced by the transfer of assets to UHBs/Trusts of £6.627m. The balance of £1.105m in respect of assets held within NWSSP have been included in the accounts as capital and revenue stock and the donated grant income excluded from the MMR tables as advised.
- Agency expenditure of £1.295m has been reported to the end of Month 12, £0.843m of which has been incurred to support additional Covid work.
- Table B3 details the full year Covid additional expenditure totalling £164.737m which reconciles to the Welsh Government Covid allocation summary issued. The split and profile of the various elements of Table B3 are detailed in the table below:

	TOTAL	PPE
All Wales Non stock PPE	67.496	67.496
Social/Primary Care PPE	59.390	59.390
Pandemic Stock PPE	3.865	3.865
Mass Vaccination PPE	1.399	1.399
All Wales Covid Equipment	20.735	
TTP	1.222	
Mass Vaccination (excl PPE)	0.602	
Consultant Connect	0.454	
NWSSP Operational Costs excl PPE	7.595	
NWSSP Operational Costs - PPE	0.033	0.033
Bonus	1.928	
Cyber Security	0.018	
TOTAL	164.737	132.183

The TTP total expenditure was £1.222m when the actual write on of stock was adjusted for at 31st March 2021. The test kits (£1.136m) are recorded on Line 66 in Table B3 and £0.086m on Line 80 for the swab sticks used for testing.

The full year outturn for the NWSSP Operational Costs was £7.595m against funding provided of £7.571m. The £0.024m additional costs were funded by the underspend against the mass vaccination funding and Welsh Government have been advised of this.

A summary of the £7.595m is detailed in the table below:

Additional COVID Expenditure	
	£m
Staff costs - bank and overtime	2.498
Staff costs - agency	0.843
Interim F1s	0.514
Transportation costs	1.464
Additional cleaning/equipment/security/accommodation	0.705
Distribution of shielding letters	0.082
External lab testing/proj mgt	0.095
Temporary Medicines Unit	0.612
Oracle Licences/Bomgar Licences	0.083
Pulse oximeters - primary care	0.247
Annual leave accrual	0.327
Other non pay costs	0.125
TOTAL	7.595

We note the UHBs have been provided clarification of their covid funding allocations for the first six months of 2021/22. Trust and NWSSP funding was noted as pending confirmation after review of our annual plan submission. We await this confirmation, however we are continuing operations on the expectation that our funding requirements will be met by Welsh Government.

4. Savings (Table C, C1, C2 & C3)

The Savings Tracker, Table C3, has been updated to include the over achievement of savings forecast and additional income generation totalling £2.625m.

5. Welsh NHS Assumptions (Table D)

The NWSSP Table D submission to Welsh Government has been left blank as requested. The Velindre Table D will reconcile to the agreed income & expenditure balances with UHBs/Trusts so will exclude any values in respect of the WRP risk sharing agreement. The request is noted to report the risk sharing total against Welsh Government in Table E1 from month 1 **(Action Point 11.3)**

6. Invoiced Income Streams (Table E1)

Line 1 of this table has been populated with the final income received in 2020/21

7. Cash Flow (Table G)

Not required for completion.

8. PSPP (Table H)

This table is not required for NWSSP, although it is pleasing to report that the NWSSP Non NHS PSPP achievement for Month 12 was 96.27% with a cumulative achievement for 2020/21 of 96.94%

9. Capital Expenditure Limit Management and Disposals (Tables I, & K)

Table I has been populated with the final 2020/21 expenditure against our CEL of £4.526m. This identifies the full £4.526m was utilised, with £0.005m surplus from the sale of land in Denbigh to offset the loss on disposal recorded in Table B. The presentation of the transfer of ventilators to UHBs has been amended in both Tables I and K as requested **(Action Point 11.6)**

Table J has been populated with the full year monthly expenditure and reconciles to Table I

Table K has been updated to include the transfer of the ventilators at NBV and the disposal of a number of smaller items of equipment with zero NBV.

10. Aged Debtors (Table M)

At 31st March there were no invoices outstanding over 17 weeks, with only one invoice outstanding over 11 weeks that has now been paid (**Action Point 11.4**)

11. GMS (Table N)

Not required for completion by NWSSP.

12. Dental (Table O)

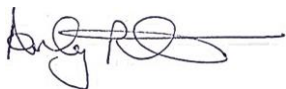
Not required for completion by NWSSP.

13. Other Issues

The financial information provided in this return is an accurate assessment of the NWSSP final 2020/21 reported financial position and aligns to the details provided in the NWSSP Partnership Committee and Senior Leadership Team reports. It is very pleasing to be able to report the small planned surplus in what has been a very challenging financial year.

The Shared Services Partnership Committee will receive the Month 12 Financial Monitoring Return at the May meeting.

14. Authorisation of Return



ANDREW BUTLER
DIRECTOR OF FINANCE AND
CORPORATE SERVICES



NEIL FROW
MANAGING DIRECTOR
NWSSP

26th April 2021

Table A - Movement of Opening Financial Plan to Forecast Outturn

This Table is currently showing 0 errors

Line 12 should reflect the corresponding amounts included within the latest IMTP/AOP submission to WG
Lines 1 - 12 should not be adjusted after Month 1

	In Year Effect	Non Recurring	Recurring	FYE of Recurring
	£'000	£'000	£'000	£'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)	-23,962	-15,693	-8,269	-8,269
2 Opening Cost Pressures	-23,962	-15,693	-8,269	-8,269
3 Welsh Government Funding (Positive Value)	4,106	1,897	2,209	2,209
4 Identified Savings Plan (Positive Value)	1,820	25	1,796	1,804
5 Planned Net Income Generated (Positive Value)	1,182	0	1,182	1,182
6 Planned Accountancy Gains (Positive Value)	0	0	0	0
7 Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
8 Planned Release of Uncommitted Contingencies & Reserves (Positive Value)	0	0		
9 Provider income - new services	16,853	13,779	3,074	3,074
10 Planning Assumptions still to be finalised at Month 1	0	0		
11 IMTP / Annual Operating Plan	0	7	-8	-1
12 Reversal of Planning Assumptions still to be finalised at Month 1	0	0	0	0
13 Month 1 Planned Savings - Forecast Underachievement Due to Covid-19	0	0		
14 Month 1 Planned Savings - Other Forecast (Underachievement) / Overachievement	0	0	0	0
15 Additional In Year Identified Savings - Forecast (Positive Value)	2,010	2,010	0	0
16 Additional In Year & Variance from Planned Net Income Generated (Positive Value)	615	616	-1	1
17 Additional In Year & Variance from Planned Accountancy Gains (Positive Value)	0	0	0	0
18 Additional In Year & Variance from Planned Profit / (Loss) on Disposal of Assets	0	0		
19 Release of Previously Committed Contingencies & Reserves (Positive Value)	0	0		
20 Additional In Year Welsh Government Funding (Positive Value)	0	0		
21 Additional In Year Welsh Government Funding Due To Covid-19 (Positive Value)	164,737	164,737		
22 Operational Expenditure Cost Increase Due To Covid-19 (Negative Value)	-164,737	-164,737		
23 Planned Operational Expenditure Cost Reduction Due To Covid-19 (Positive Value)	0	0		
24 (Positive Value)	0	0		
25 Net In Year Operational Variance to IMTP/AOP (material gross amounts to be listed separately)	0	0		
26 Additional distribution	-1,250	-1,250		
27 Reinvestment within NWSSP	-1,355	-1,355		
28	0	0		
29	0	0		
30	0	0		
31	0	0		
32	0	0		
33	0	0		
34	0	0		
35	0	0		
36	0	0		
37	0	0		
38	0	0		
39	0	0		
40 Forecast Outturn (- Deficit / + Surplus)	21	29	-9	0

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	In Year Effect
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1													0	0
2	-798	-798	-797	-792	-792	-792	-902	-902	-903	-903	-4,603	-10,980	-23,962	-23,962
3	-798	-798	-797	-792	-792	-792	-902	-902	-903	-903	-4,603	-10,980	-23,962	-23,962
4	342	342	342	342	342	342	342	342	342	342	342	344	4,106	4,106
5	156	156	155	150	150	150	150	150	151	151	151	151	1,820	1,820
6	98	98	98	98	98	98	98	98	98	98	98	99	1,182	1,182
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8													0	0
9													0	0
10	202	202	202	202	202	202	312	312	312	312	4,012	10,386	16,853	16,853
11													0	0
12	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
14	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
16	0	0	0	900	156	382	45	-8	37	252	166	80	2,010	2,010
17	0	0	0	-139	-52	77	154	291	175	-224	211	122	615	615
18	0	0	0	0	-52	77	154	291	175	-224	211	122	615	615
19													0	0
20													0	0
21													0	0
22	13,041	34,740	34,244	15,452	17,969	24,295	12,342	10,926	9,982	14,111	5,023	-27,388	164,737	164,737
23	-13,041	-34,740	-34,244	-15,452	-17,969	-24,295	-12,342	-10,926	-9,982	-14,111	-5,023	27,388	-164,737	-164,737
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26													0	0
27				-761	-104	-459	74						-1,250	-1,250
28							-273	-283	-212	-28	-377	-182	-1,355	-1,355
29													0	0
30													0	0
31													0	0
32													0	0
33													0	0
34													0	0
35													0	0
36													0	0
37													0	0
38													0	0
39													0	0
40	0	0	0	0	0	0	0	0	0	0	0	21	21	21

This Table is currently showing 0 errors

Table A2 - Overview Of Key Risks & Opportunities		FORECAST YEAR END	
		£'000	Likelihood
Opportunities to achieve IMTP/AOP (positive values)			
1	Red Pipeline schemes (inc AG & IG)		
2	Potential Cost Reduction		
3	Total Opportunities to achieve IMTP/AOP	0	
Risks (negative values)			
4	Under delivery of Amber Schemes included in Outturn via Tracker		
5	Continuing Healthcare		
6	Prescribing		
7	Pharmacy Contract		
8	WHSSC Performance		
9	Other Contract Performance		
10	GMS Ring Fenced Allocation Underspend Potential Claw back		
11	Dental Ring Fenced Allocation Underspend Potential Claw back		
12	Turnover factor is less than budgeted		
13	Non achievement of income targets		
14	Capital funding not received leads to increased maintenance costs		
15	Fuel costs increase more than budgeted		
16	NWSSP Operational COVID 19 costs are not funded		
17	All Wales Covid 19 costs incurred are not funded		
18	PPE additional VAT/import duty charges not included in forecast		
19	Potential increase in PPE requirements for Social Care/Primary Care over forecast		
20	Additional PPE for vaccination packs over forecast		
21	Additional consumables costs for vaccination packs over forecast		
22	Mass Vaccination (Non PPE) costs are not funded		
23	PPE valuation of stock impact from value included in forecast		
24	Welsh Risk Pool - additional cases settle above most likely forecast		
25	Redress - impact of move to accruals basis		
26	Total Risks	0	
Further Opportunities (positive values)			
27	Turnover factor is greater than budgeted		
28	Overachievement of savings schemes		
29	PPE VAT savings on stock items being reviewed		
30	PPE valuation of stock impact from value included in forecast		
31	Potential reduction in PPE requirements for Social Care/Primary Care compared to forecast		
32	Valuation of beds		
33			
34	Total Further Opportunities	0	
35	Current Reported Forecast Outturn	21	
36	IMTP / AOP Outturn Scenario	21	
37	Worst Case Outturn Scenario	21	
38	Best Case Outturn Scenario	21	

NHS Wales Shared Services Partnership

Table B - Monthly Positions

YTD Months to be completed from Month: 1
Forecast Months to be completed from Month: 3

Period : Mar 21

This Table is currently showing 0 errors

A. Monthly Summarised Statement of Comprehensive Net Expenditure / Statement of Comprehensive Net Income		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	Revenue Resource Limit	Actual/F'cast												0	0
2	Capital Donation / Government Grant Income	Actual/F'cast												0	0
3	Welsh NHS Local Health Boards & Trusts Income	Actual/F'cast	7,647	9,840	16,140	(537)	11,129	15,503	16,780	15,408	15,106	14,524	14,939	154,520	154,520
4	WHSSC Income	Actual/F'cast												0	0
5	Welsh Government Income (Non RRL)	Actual/F'cast	22,516	47,250	49,881	35,753	26,854	41,665	26,346	22,928	33,778	24,164	16,300	369,933	369,933
6	Other Income	Actual/F'cast	454	21,166	8,433	7,582	2,044	3,108	540	5,599	3,725	2,288	4,163	68,668	68,668
7	Income Total		30,617	78,256	74,454	42,798	40,026	60,276	43,665	43,936	52,609	40,976	35,402	593,121	593,121
8	Primary Care Contractor (excluding drugs, including non resource limited expenditure)	Actual/F'cast												0	0
9	Primary Care - Drugs & Appliances	Actual/F'cast												0	0
10	Provided Services - Pay	Actual/F'cast	7,850	7,772	8,124	7,994	9,574	10,786	11,577	11,321	11,512	12,392	13,053	134,836	134,836
11	Provider Services - Non Pay (excluding drugs & depreciation)	Actual/F'cast	18,943	64,124	55,765	20,033	25,481	39,530	23,955	26,144	22,845	24,072	16,594	(11,454)	326,032
12	Secondary Care - Drugs	Actual/F'cast												0	0
13	Healthcare Services Provided by Other NHS Bodies	Actual/F'cast												0	0
14	Non Healthcare Services Provided by Other NHS Bodies	Actual/F'cast												0	0
15	Continuing Care and Funded Nursing Care	Actual/F'cast												0	0
16	Other Private & Voluntary Sector	Actual/F'cast												0	0
17	Joint Financing and Other	Actual/F'cast												0	0
18	Losses, Special Payments and Irrecoverable Debts	Actual/F'cast	3,604	6,140	10,345	14,518	4,719	9,707	7,891	6,210	17,996	4,480	5,511	129,550	129,550
19	Exceptional (Income) / Costs - (Trust Only)	Actual/F'cast												0	0
20	Total Interest Receivable - (Trust Only)	Actual/F'cast												0	0
21	Total Interest Payable - (Trust Only)	Actual/F'cast												0	0
22	DEL Depreciation/Accelerated Depreciation/Impairments	Actual/F'cast	220	220	220	253	253	253	242	256	256	32	244	2,677	2,677
23	AME Donated Depreciation/Impairments	Actual/F'cast												0	0
24	Uncommitted Reserves & Contingencies	Actual/F'cast												0	0
25	Profit/Loss Disposal of Assets	Actual/F'cast								5				5	5
26	Cost - Total	Actual/F'cast	30,617	78,256	74,454	42,798	40,027	60,276	43,665	43,936	52,609	40,976	35,402	593,100	593,100
27	Net surplus/ (deficit)	Actual/F'cast	0	0	0	0	(0)	0	(0)	(0)	0	0	0	21	21

B. Assessment of Financial Forecast Positions

Year-to-date (YTD)	£'000	Full-year surplus/ (deficit) scenarios	£'000
28 . Actual YTD surplus/ (deficit)	21	33. Extrapolated Scenario	21
29. Actual YTD surplus/ (deficit) last month	(0)	34. Year to Date Trend Scenario	21
30. Current month actual surplus/ (deficit)	21		
31. Average monthly surplus/ (deficit) YTD	2		
32. YTD /remaining months	#DIV/0!		
	Trend ▲		

C. DEL/AME Depreciation & Impairments

		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
DEL															
35	Baseline Provider Depreciation	Actual/F'cast	114	114	114	111	111	104	109	109	104	112	108	1,321	1,321
36	Strategic Depreciation	Actual/F'cast	107	107	107	142	141	141	138	147	(72)	126	120	1,350	1,350
37	Accelerated Depreciation	Actual/F'cast										6		6	6
38	Impairments	Actual/F'cast												0	0
39	Other (Specify in Narrative)	Actual/F'cast												0	0
40	Total		220	220	220	253	253	242	256	256	32	244	228	2,677	2,677
AME															
41	Donated Asset Depreciation	Actual/F'cast												0	0

42	Impairments	Actual/F'cast														0	0
43	Other (Specify in Narrative)	Actual/F'cast														0	0
44	Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

D. Accountancy Gains

		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
		Apr £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000		
45	Accountancy Gains	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0

E. Committed Reserves & Contingencies

		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
		Apr £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000		
	List of all Committed Reserves & Contingencies inc above in Section A. Please specify Row number in description.														
46	Forecast Only													0	0
47	Forecast Only													0	0
48	Forecast Only													0	0
49	Forecast Only													0	0
50	Forecast Only													0	0
51	Forecast Only													0	0
52	Forecast Only													0	0
53	Forecast Only													0	0
54	Forecast Only													0	0
55	Forecast Only													0	0
56	Forecast Only													0	0
57	Forecast Only													0	0
58	Forecast Only													0	0
59	Forecast Only													0	0
60	Forecast Only													0	0
61	Forecast Only													0	0
62	Forecast Only													0	0
63	Forecast Only													0	0
64	Forecast Only													0	0
65	Forecast Only													0	0
66	Forecast Only													0	0
67	Forecast Only													0	0
68	Forecast Only													0	0
69	Forecast Only													0	0
70	Forecast Only													0	0
71	Forecast Only													0	0
72	Forecast Only													0	0
73	Forecast Only													0	0
74	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Phasing	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

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

Period : Mar 21

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
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			YTD variance as %age of YTD	Green	Amber	non recurring	recurring	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000	£'000	
1	CHC and Funded Nursing Care	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
2		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
4	Commissioned Services	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
5		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
7	Medicines Management (Primary & Secondary Care)	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
10	Non Pay	Budget/Plan	40	40	40	40	40	40	40	40	40	40	40	40	484	484		484	0			
11		Actual/F'cast	40	40	40	142	26	248	23	15	59	216	240	91	1,184	1,184	100.00%	1,184	0	700	484	484
12		Variance	0	0	0	102	(14)	208	(17)	(25)	19	176	200	51	700	700	144.67%	700	0			
13	Pay	Budget/Plan	115	115	115	110	110	110	110	110	111	111	111	111	1,337	1,337		1,337	0			
14		Actual/F'cast	115	115	115	908	280	284	172	127	129	187	77	140	2,647	2,647	100.00%	2,647	0	1,335	1,312	1,320
15		Variance	0	0	0	798	170	174	62	17	18	76	(34)	29	1,310	1,310	98.01%	1,310	0			
16	Primary Care	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
17		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
19	Total	Budget/Plan	156	156	155	150	150	150	150	150	151	151	151	151	1,820	1,820		1,820	0			
20		Actual/F'cast	156	156	155	1,050	306	532	195	142	188	403	317	231	3,830	3,830	100.00%	3,830	0	2,035	1,796	1,804
21		Variance	0	0	0	900	156	382	45	(8)	37	252	166	80	2,010	2,010	110.41%	2,010	0			
22	Variance in month		0.00%	0.00%	0.00%	600.25%	104.04%	254.77%	30.01%	(5.34%)	24.51%	166.96%	109.98%	53.00%	110.41%							
23	In month achievement against FY forecast		4.07%	4.07%	4.06%	27.41%	7.99%	13.89%	5.09%	3.71%	4.91%	10.52%	8.27%	6.03%								

Table C1- Savings Schemes Pay Analysis

		Month	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
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			YTD variance as %age of YTD Budget/Plan	Green £'000	Amber £'000	non recurring £'000	recurring £'000	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000								
1	Changes in Staffing Establishment	Budget/Plan	115	115	115	110	110	110	110	110	111	111	111	111	1,337	1,337		1,337	0			
2		Actual/F'cast	115	115	115	908	280	284	172	127	129	187	77	140	2,647	2,647	100.00%	2,647	0	1,335	1,312	1,320
3		Variance	0	0	0	798	170	174	62	17	18	76	(34)	29	1,310	1,310	98.01%	1,310	0			
4	Variable Pay	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
5		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
7	Locum	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
10	Agency / Locum paid at a premium	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
11		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
13	Changes in Bank Staff	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
14		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
15		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
16	Other (Please Specify)	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
17		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
18		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
19	Total	Budget/Plan	115	115	115	110	110	110	110	110	111	111	111	111	1,337	1,337		1,337	0			
20		Actual/F'cast	115	115	115	908	280	284	172	127	129	187	77	140	2,647	2,647	100.00%	2,647	0	1,335	1,312	1,320
21		Variance	0	0	0	798	170	174	62	17	18	76	(34)	29	1,310	1,310	98.01%	1,310	0			

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

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

Table C3 - Tracker
This Table is currently showing 0 errors

	£'000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Full-year forecast	Non Recurring	Recurring	FYE Adjustment	Full-year Effect
Savings (Cash Releasing & Cost Avoidance)	Month 1 - Plan	156		156	155	150	150	150	150	151	151	151	151	1,820	1,820	25	1,796	8	1,804
	Month 1 - Actual/Forecast	156		156	155	150	150	150	150	151	151	151	151	1,820	1,820	25	1,796	8	1,804
	Variance	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Plan	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Actual/Forecast	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Variance	(0)		(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Plan	156		156	155	150	150	150	150	151	151	151	151	1,820	1,820	25	1,796	8	1,804
	Total Actual/Forecast	156		156	155	1,050	306	532	195	142	188	403	317	3,830	3,830	2,035	1,796	8	1,804
	Total Variance	(0)		(0)	0	900	156	382	45	(8)	37	252	166	2,010	2,010	2,010	0	0	0
Income Generation	Month 1 - Plan	98		98	98	98	98	98	98	98	98	98	98	1,182	1,182	0	1,182	0	1,182
	Month 1 - Actual/Forecast	98		98	98	(82)	136	86	181	149	88	163	193	1,181	1,181	0	1,181	2	1,183
	Variance	0		0	0	(180)	(125)	38	(13)	82	50	(11)	65	(1)	(1)	0	(1)	2	1
	In Year - Plan	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Actual/Forecast	0		0	0	41	73	39	167	209	125	(213)	146	616	616	616	0	0	0
	Variance	(0)		(0)	41	73	39	167	209	125	(213)	146	29	616	616	616	0	0	0
	Total Plan	98		98	98	98	98	98	98	98	98	98	99	1,182	1,182	0	1,182	0	1,182
	Total Actual/Forecast	98		98	98	(41)	47	175	253	390	274	(125)	309	1,797	1,797	616	1,181	2	1,183
	Total Variance	(0)		(0)	0	(139)	(52)	77	154	291	175	(224)	210	615	615	616	(1)	2	1
Accountancy Gains	Month 1 - Plan	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Month 1 - Actual/Forecast	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Variance	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Plan	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Actual/Forecast	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Variance	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Plan	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Actual/Forecast	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Variance	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	Month 1 - Plan	254		254	254	248	248	248	248	249	249	249	250	3,002	3,002	25	2,978	8	2,986
	Month 1 - Actual/Forecast	254		254	254	68	124	286	331	300	239	314	344	3,002	3,002	25	2,977	10	2,987
	Variance	0		0	0	(180)	(125)	38	(13)	82	50	(11)	65	(1)	(1)	0	(1)	2	1
	In Year - Plan	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Actual/Forecast	0		0	0	941	229	421	212	201	162	39	312	2,626	2,626	2,626	0	0	0
	Variance	(0)		(0)	0	941	229	421	212	201	162	39	312	2,626	2,626	2,626	0	0	0
	Total Plan	254		254	254	248	248	248	248	249	249	249	250	3,003	3,003	25	2,978	8	2,986
	Total Actual/Forecast	254		254	254	1,009	353	707	448	532	462	278	453	5,628	5,628	2,651	2,977	10	2,987
	Total Variance	(0)		(0)	0	761	104	459	199	283	212	28	376	2,625	2,625	2,626	(1)	2	1

NHS WALES SHARED SERVICES PARTNERSHIP MONITORING RETURN COMMENTARY FOR PERIOD 1 – APRIL 2021

This summary report provides a review of NHS Wales Shared Services Partnership's (NWSSP) performance for April 2021 and should be read in conjunction with the Monitoring Return tables submitted for Month 1.

Thank you for your letter of 30th April 2021 responding to the Month 12 monitoring return. The one action point raised is addressed within this return.

Overview of Performance and Financial Position

NWSSP's financial position for Month 1 is reported at break-even. This is based on the assumption that all additional Covid 19 funding and other identified funding anticipated will be received from Welsh Government.

Per the guidance issued, this is a reduced Month 1 monitoring return, with only the specified tables and associated commentary provided.

1. Movement of Opening Financial Plan to Forecast Outturn (Table A)

Table A has been populated with the recurring and non-recurring pressures, identified savings, net income generation and Welsh Government funding as detailed in our Annual Plan submission. These have been included using the profile from our Annual Plan and continue to show a break-even in year and recurrent plan.

The table has also been populated with the additional in year covid expenditure and funding required which includes the movement from the values included within our annual plan. Additional in year savings and income generation of £0.535m are included which are negated by the establishment of a potential reserve for reinvestment and/or distribution to NHS Wales.

The assumption of full funding for the Covid expenditure and other anticipated income enables us to continue to report a break-even forecast outturn.

2. Overview of Key Risks & Opportunities (Table A2)

This table has been populated with the risks and opportunities per our Annual Plan. Due to confirmation of funding awaited for both Covid 19 expenditure and

the Medical Examiner Service – the risk of receiving this income has also been included in the table.

In addition the table includes a TBC in respect of additional WRP Covid claims that we are anticipating over and above the WRP DEL forecast and which we can not currently quantify due to the ongoing assessment of these.

3. Actual Year to Date Monthly Position (Tables B, B2 & B3)

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

- The full year income forecast has reduced from £627.935m as forecast in our Annual Plan to £513.043m. The movement is due to the reduction in stores income that we are now forecasting based on the Month 1 issue values. The Annual Plan forecast was prepared on issues to December 2020 which were anticipated to continue and increase further due to the PPE charges being made from Month 1, however the volumes of PPE being issued have significantly reduced and our forecast has been amended accordingly in line with this.
- The NHS income profile increases throughout the year in line with the phased intake to the SLE for core and specialty trainees. This is also evidenced in the phased increase of pay costs in Table B and the Medical/Dental pay costs in Table B2.
- The other income profile increases in Months 6, 9 and 12 in line with the invoicing for the pharmacy rebate scheme, the funds from which are repatriated to NHS Wales
- Forecast depreciation charges of £3.883m have been included per our Annual Plan. These will be reviewed fully during May/June and updated in line with our non-cash submission at the end of June.
- £0.665m income and expenditure is included for Month 1 in relation to the WRP DEL budget. This relates solely to Periodic Payment Orders due to DEL returns not submitted by UHBs in Month 1. This expenditure is reported separately on line 9 – Losses, Special Payments & Irrecoverable Debts. The balance to the £124.754m forecast (£123.495m WRP DEL and £1.259m Redress) as included in our Annual plan is phased on a straight-line basis over remaining months.

Due to the issues experienced with delays in WRP case settlement due to Covid at the end of 2020/21 meaning that cases were postponed into 2021/22, a further detailed review of cases is being undertaken to provide an early indication of any impact on the forecast outturn.

- £0.080m of agency expenditure was reported in Month 1, with £0.015m of this incurred due to additional Covid19 pressures. £0.040m was incurred by the new laundry service that transferred to NWSSP on 1st April 2021 and is the reason why agency has increased from 2020/21 levels.
- A loss will be reported in Month 2 in respect of the value of covid items provided as aid to India by NWSSP. The list of items to be supplied is being finalised and the value will be included in Month 2 once confirmed.
- Table B3 details the in month and forecast Covid19 additional expenditure. This has been collated and reviewed on a service by service basis within NWSSP and will continue to be monitored at this level.

The mass vaccination and other covid expenditure sections have been populated. Other covid expenditure relates to the NWSSP operational support costs and PPE issues as part of the mass vaccination packs and the social care and primary care PPE issues. It has been assumed that the current level of resource required to support covid will be required for the remainder of the financial year. A summary of the expenditure is detailed below:

	YTD	Full Year Forecast
NWSSP Operational	0.454	6.018
NWSSP PPE	0.001	0.012
Mass Vacc - PPE	0.255	3.005
Mass Vacc - non PPE non pay	0.050	0.595
Mass Vacc - pay	0.062	0.777
Social Care/Primary Care PPE	2.204	26.448
TOTAL	3.026	36.856

The NWSSP operational costs are summarised below:

	YTD	Full Year Forecast
Pay - A&C	0.010	0.491
Pay - PS&T	0.000	0.138
Pay - E&A	0.159	1.952
Estates / Security	0.062	0.744
Insurance	0.006	0.067
Transport	0.210	2.516
Other	0.007	0.109
TOTAL	0.454	6.018

The forecast of covid funding required is less than anticipated in the annual plan due to the reduction in stores issues as detailed above. The mass vaccination forecast is less than the total included in the annual plan due to the PPE costs now being included under other covid expenditure.

We await confirmation with regards to the approval of these costs and when/if we can invoice Welsh Government for them.

At the end of 2020/21 we accrued a credit note to Welsh Government totalling £113.196m to provide NWSSP with the cash coverage for the increased stock balances and prepayments. On a monthly basis this is being reduced by the value of the in month social care and primary care PPE issues. Detailed monitoring of the covid cash position is undertaken to review the cash surpluses from stock debtor invoices raised in excess of stock creditor invoices paid less the Welsh Government funded social care and primary care PPE. We will liaise with Welsh Government if additional cash support is required in future months.

4. Welsh NHS Assumptions (Table D)

Table D has been left blank as requested.

5. Invoiced Income Streams (Table E1)

Line 1 of this table has been populated with the budgeted income streams by organisation. This includes the forecast income from UHBs/Trusts in respect of stores issues and the SLE recharges based on the agreed SLA values. As these costs are recharged based on actual expenditure incurred, these may be subject to change in future months.

Lines 2-12 have been populated with anticipated income streams for which we have yet to receive formal funding confirmation.

The values for depreciation are included per our Annual Plan, although these are likely to change dependent upon when/if new capital schemes are approved during 2021/22 and will be reviewed as part of the non-cash exercise for submission in June.

We have formally agreed our SLA with DHCW for 2021/22. Our other SLA income primarily relates to our Health Courier Services division and the new laundry service that transferred to NWSSP on 1st April 2021. We are in the process of agreeing the continuation of the SLAs at 2020/21 values plus 2% inflation as required by 11th June 2021 (**Action Point 12.1**).

6. Cash Flow (Table G)

Not required for completion.

7. PSPP (Table H)

This table is not required for NWSSP.

8. Capital Expenditure Limit Management and Disposals (Tables I, & K)

Tables not required for completion in Month 1.

9. Aged Debtors (Table M)

At 30th April 2021 there were 7 NHS invoices outstanding over 11 weeks, one of which has been paid by the submission date. Due to the year end agreement of balances deadlines, payment of the remainder of the invoices is anticipated by the end of May and we continue to pursue payment to ensure this is achieved.

10. GMS (Table N)

Not required for completion by NWSSP.

11. Dental (Table O)

Not required for completion by NWSSP.

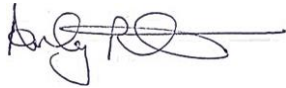
12. Other Issues

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

The Shared Services Partnership Committee will receive the Month 1 Financial Monitoring Return at the May meeting.

13. 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. Lindsay Payne, Interim Deputy Director of Finance and/or Alison Ramsey, Director of Planning, Performance & Informatics 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

13th May 2021

Table A - Movement of Opening Financial Plan to Forecast Outturn

This Table is currently showing 0 errors

Line 14 should reflect the corresponding amounts included within the latest IMTP/AOP submission to WG
Lines 1 - 14 should not be adjusted after Month 1

	In Year Effect £'000	Non Recurring £'000	Recurring £'000	FYE of Recurring £'000
1 Underlying Position b/fwd from Previous Year - must agree to M12 MMR (Deficit - Negative Value)	0	0	0	0
2 Planned New Expenditure (Non Covid-19) (Negative Value)	-6,013	-612	-5,401	-5,401
3 Planned Expenditure For Covid-19 (Negative Value)	-99,422	-99,422		
4 Planned Welsh Government Funding (Non Covid-19) (Positive Value)	3,241	612	2,629	2,629
5 Planned Welsh Government Funding for Covid-19 (Positive Value)	99,422	99,422		
6 Planned Provider Income (Positive Value)	0	0		
7 RRL Profile - phasing only (In Year Effect / Column C must be nil)	0	0	0	0
8 Planned (Finalised) Savings Plan	1,811	0	1,811	1,811
9 Planned (Finalised) Net Income Generation	961	0	961	961
10 Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
11 Planned Release of Uncommitted Contingencies & Reserves (Positive Value)	0	0		
12	0	0		
13 Planning Assumptions still to be finalised at Month 1	0	0		
14 Opening IMTP / Annual Operating Plan	0	0	0	0
15 Reversal of Planning Assumptions still to be finalised at Month 1	0	0	0	0
16 Additional In Year & Movement from Planned Release of Previously Committed Contingencies & Reserves (Positive	0	0		
17 Additional In Year & Movement from Planned Profit / (Loss) on Disposal of Assets	0	0		
18 Underachievement of Month 1 Finalised Income Generation Due to Covid-19 (Negative Value)	0	0		
19 Other Movement in Month 1 Planned & In Year Net Income Generation	129	129	0	0
20 Underachievement of Month 1 Finalised Savings Due to Covid-19 (Negative Value)	0	0		
21 Other Movement in Month 1 Planned Savings - (Underachievement) / Overachievement	0	0	0	0
22 Additional In Year Identified Savings - Forecast	406	406	0	0
23 Variance to Planned RRL & Other Income	0	0		
24 Additional In Year & Movement in Planned Welsh Government Funding for Covid-19 (Positive Value - additional)	-62,566	-62,566		
25 Additional In Year & Movement in Planned Welsh Government Funding (Non Covid) (Positive Value - additional)	0	0		
26 Additional In Year & Movement Expenditure for Covid-19 (Positive Value - additional/Negative Value - reduction)	62,566	62,566		
27 In Year Expenditure Cost Reduction Due To Covid-19 (Positive Value)	0	0		
28 In Year Slippage on Investments/Repurposing of Developmental Initiatives Due To Covid-19 (Positive Value)	0	0		
29 In Year Accountancy Gains (Positive Value)	0	0	0	0
30 Net In Year Operational Variance to IMTP/AOP (material gross amounts to be listed separately)	-535	-535		
31 NWSSP Reserve for reinvestment/distribution	0	0		
32	0	0		
33	0	0		
34	0	0		
35	0	0		
36	0	0		
37	0	0		
38	0	0		
39	0	0		
40 Forecast Outturn (- Deficit / + Surplus)	0	0	0	0

	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 £'000	In Year Effect £'000
1													0	0
2	-475	-478	-482	-487	-490	-498	-505	-510	-514	-522	-525	-527	-475	-6,013
3	-8,294	-8,283	-8,292	-8,270	-8,269	-8,270	-8,304	-8,274	-8,299	-8,273	-8,290	-8,304	-8,294	-99,422
4	249	252	255	260	260	268	274	278	280	287	288	290	249	3,241
5	8,294	8,283	8,292	8,270	8,269	8,270	8,304	8,274	8,299	8,273	8,290	8,304	8,294	99,422
6													0	0
7												0	0	0
8	148	148	148	148	151	151	152	153	154	152	153	153	148	1,811
9	78	78	79	79	79	79	79	79	80	83	84	84	78	961
10													0	0
11													0	0
12													0	0
13													0	0
14	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
16													0	0
17													0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	129	0	0	0	0	0	0	0	0	0	0	0	129	129
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	406	0	0	0	0	0	0	0	0	0	0	0	406	406
23													0	0
24	-5,268	-5,199	-5,203	-5,202	-5,208	-5,205	-5,233	-5,204	-5,224	-5,207	-5,211	-5,204	-5,268	-62,566
25													0	0
26	5,268	5,199	5,203	5,202	5,208	5,205	5,233	5,204	5,224	5,207	5,211	5,204	5,268	62,566
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	-535												-535	-535
31													0	0
32													0	0
33													0	0
34													0	0
35													0	0
36													0	0
37													0	0
38													0	0
39													0	0
40	0	0	0	0	0	0	0	0	0	0	0	0	0	0

NHS Wales Shared Services Partnership

Period : Apr 21

This Table is currently showing 0 errors

Table B3 - COVID-19 Analysis

A - Additional Expenditure

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A1	Enter as positive values														
1	Testing (Additional costs due to C19) enter as positive values - actual/forecast														
2	Provider Pay (Establishment, Temp & Agency)														
3	Administrative, Clerical & Board Members													0	0
4	Medical & Dental													0	0
5	Nursing & Midwifery Registered													0	0
6	Prof Scientific & Technical													0	0
7	Additional Clinical Services													0	0
8	Allied Health Professionals													0	0
9	Healthcare Scientists													0	0
10	Estates & Ancillary													0	0
11	Students													0	0
12	Sub total Testing Provider Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Primary Care Contractor (excluding drugs)													0	0
14	Primary Care - Drugs													0	0
15	Secondary Care - Drugs													0	0
16	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A7													0	0
17	Healthcare Services Provided by Other NHS Bodies													0	0
18	Non Healthcare Services Provided by Other NHS Bodies													0	0
19	Continuing Care and Funded Nursing Care													0	0
20	Other Private & Voluntary Sector													0	0
21	Joint Financing and Other (includes Local Authority)													0	0
22	Other (only use with WG agreement & state SoCNE/I line ref)													0	0
23														0	0
24														0	0
25														0	0
26	Sub total Testing Non Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	TOTAL TESTING EXPENDITURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	PLANNED TESTING EXPENDITURE (In Opening Plan)													0	0
29	MOVEMENT FROM OPENING PLANNED TESTING EXPENDITURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A2	Tracing (Additional costs due to C19) enter as positive values - actual/forecast														
30	Provider Pay (Establishment, Temp & Agency)														
31	Administrative, Clerical & Board Members													0	0
32	Medical & Dental													0	0
33	Nursing & Midwifery Registered													0	0
34	Prof Scientific & Technical													0	0
35	Additional Clinical Services													0	0
36	Allied Health Professionals													0	0
37	Healthcare Scientists													0	0
38	Estates & Ancillary													0	0
39	Students													0	0
40	Sub total Tracing Provider Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Primary Care Contractor (excluding drugs)													0	0
42	Primary Care - Drugs													0	0
43	Secondary Care - Drugs													0	0
44	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A7													0	0
45	Healthcare Services Provided by Other NHS Bodies													0	0
46	Non Healthcare Services Provided by Other NHS Bodies													0	0
47	Continuing Care and Funded Nursing Care													0	0
48	Other Private & Voluntary Sector													0	0
49	Joint Financing and Other (includes Local Authority)													0	0
50	Other (only use with WG agreement & state SoCNE/I line ref)													0	0
51														0	0
52														0	0
53														0	0
54	Sub total Tracing Non Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	TOTAL TRACING EXPENDITURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	PLANNED TRACING EXPENDITURE (In Opening Plan)													0	0
57	MOVEMENT FROM OPENING PLANNED TRACING EXPENDITURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0

A3	Mass COVID-19 Vaccination (Additional costs due to C19) enter as positive values - actual/forecast															
58	Provider Pay (Establishment, Temp & Agency)															
59	Administrative, Clerical & Board Members	2	5	5	5	5	5	5	5	5	5	5	5	5	2	57
60	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
61	Nursing & Midwifery Registered	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
62	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
63	Additional Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
64	Allied Health Professionals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
66	Estates & Ancillary	60	60	60	60	60	60	60	60	60	60	60	60	60	60	720
67	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
68	Sub total Mass COVID-19 Vaccination Provider Pay	62	65	65	65	65	65	65	65	65	65	65	65	65	62	777
69	Primary Care Contractor (excluding drugs)														0	0
70	Primary Care - Drugs														0	0
71	Secondary Care - Drugs														0	0
72	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A7	50	50	50	50	50	50	50	50	50	50	50	50	50	50	595
73	Healthcare Services Provided by Other NHS Bodies														0	0
74	Non Healthcare Services Provided by Other NHS Bodies														0	0
75	Continuing Care and Funded Nursing Care														0	0
76	Other Private & Voluntary Sector														0	0
77	Joint Financing and Other (includes Local Authority)														0	0
78	Other (only use with WG agreement & state SoCNE/ line ref)														0	0
79															0	0
80															0	0
81															0	0
82	Sub total Mass COVID-19 Vaccination Non Pay	50	50	50	50	50	50	50	50	50	50	50	50	50	50	595
83	TOTAL MASS COVID-19 VACC EXPENDITURE	112	115	115	115	115	115	115	115	115	115	115	115	115	112	1,373
84	PLANNED MASS COVID-19 VACC EXPENDITURE (In Opening Plan)	218	218	218	218	218	218	218	218	218	218	218	218	218	218	2,616
85	MOVEMENT FROM OPENING PLANNED MASS COVID-19 VACC EXPENDITURE	106	103	103	103	103	103	103	103	103	103	103	103	103	106	1,243
A4	Extended Flu Vaccination (Additional costs due to C19) enter as positive values - actual/forecast															
86	Provider Pay (Establishment, Temp & Agency)															
87	Administrative, Clerical & Board Members														0	0
88	Medical & Dental														0	0
89	Nursing & Midwifery Registered														0	0
90	Prof Scientific & Technical														0	0
91	Additional Clinical Services														0	0
92	Allied Health Professionals														0	0
93	Healthcare Scientists														0	0
94	Estates & Ancillary														0	0
95	Students														0	0
96	Sub total Extended Flu Vaccination Provider Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
97	Primary Care Contractor (excluding drugs)														0	0
98	Primary Care - Drugs														0	0
99	Secondary Care - Drugs														0	0
100	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A7														0	0
101	Healthcare Services Provided by Other NHS Bodies														0	0
102	Non Healthcare Services Provided by Other NHS Bodies														0	0
103	Continuing Care and Funded Nursing Care														0	0
104	Other Private & Voluntary Sector														0	0
105	Joint Financing and Other (includes Local Authority)														0	0
106	Other (only use with WG agreement & state SoCNE/ line ref)														0	0
107															0	0
108															0	0
109															0	0
110	Sub total Extended Flu Vaccination Non Pay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
111	TOTAL EXTENDED FLU VACC EXPENDITURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
112	PLANNED EXTENDED FLU VACC EXPENDITURE (In Opening Plan)														0	0
113	MOVEMENT FROM OPENING PLANNED EXTENDED FLU VACC EXPENDITURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

A7	Other (Additional costs due to C19) enter as positive value - actual/forecast													
172	Provider Pay (Establishment, Temp & Agency)													
173	Administrative, Clerical & Board Members	10	54	54	37	31	31	41	41	41	35	50	65	10
174	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0
175	Nursing & Midwifery Registered	0	0	0	0	0	0	0	0	0	0	0	0	0
176	Prof Scientific & Technical	0	13	13	13	13	13	13	13	13	13	13	13	138
177	Additional Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	0
178	Allied Health Professionals	0	0	0	0	0	0	0	0	0	0	0	0	0
179	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0
180	Estates & Ancillary	159	163	163	163	163	163	163	163	163	163	163	163	159
181	Students	0	0	0	0	0	0	0	0	0	0	0	0	0
182	Other (only use with WG Agreement & state SoCNE/I line ref)													
183														
184														
185														
186	Sub total Other C-19 Provider Pay	169	229	229	213	207	207	217	217	217	211	225	241	169
187	Primary Care Contractor (excluding drugs)													0
188	Primary Care Contractor (excluding drugs) - Costs as a result of lost GDS Income													0
189	Primary Care - Drugs													0
190	Secondary Care - Drugs													0
191	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see separate line	285	285	290	285	284	289	285	284	289	285	284	289	285
192	Provider - Non Pay - PPE	2,460	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,460
193	Healthcare Services Provided by Other NHS Bodies													0
194	Healthcare Services Provided by Other NHS Bodies - Additional Costs due to Block Contracts - Wales NHS													0
195	Healthcare Services Provided by Other NHS Bodies - Additional Costs due to Block Contracts - England NHS													0
196	Non Healthcare Services Provided by Other NHS Bodies													0
197	Continuing Care and Funded Nursing Care													0
198	Other Private & Voluntary Sector													0
199	Other Private & Voluntary Sector - Private Hospital Providers													0
200	Joint Financing and Other (includes Local Authority)													0
201	Other (only use with WG Agreement & state SoCNE/I line ref)													0
202														0
203														0
204														0
205														0
206	Sub total Other C-19 Non Pay	2,745	2,740	2,745	2,740	2,739	2,744	2,740	2,739	2,744	2,740	2,739	2,744	2,745
207	TOTAL OTHER C-19 EXPENDITURE	2,914	2,970	2,975	2,953	2,946	2,951	2,957	2,956	2,961	2,951	2,965	2,985	2,914
208	PLANNED OTHER C-19 EXPENDITURE (In Opening Plan)	8,076	8,065	8,074	8,052	8,051	8,052	8,086	8,056	8,081	8,055	8,072	8,086	8,076
209	MOVEMENT FROM OPENING PLANNED OTHER C-19 EXPENDITURE	5,162	5,095	5,099	5,099	5,105	5,101	5,129	5,100	5,120	5,104	5,107	5,101	5,162
210	TOTAL ADDITIONAL EXPENDITURE DUE TO COVID	3,026	3,084	3,089	3,068	3,061	3,065	3,071	3,070	3,075	3,066	3,079	3,100	3,026
211	PLANNED ADDITIONAL EXPENDITURE DUE TO COVID (In Opening Plan)	8,294	8,283	8,292	8,270	8,269	8,270	8,304	8,274	8,299	8,273	8,290	8,304	8,294
212	MOVEMENT FROM OPENING PLANNED ADDITIONAL COVID EXPENDITURE	5,268	5,199	5,203	5,202	5,208	5,205	5,233	5,204	5,224	5,207	5,211	5,204	5,268

B - In Year Non Delivery of Savings / Net Income Generation Schemes Due To C19

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	<i>Enter as Positive values</i>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
213	Non Delivery of Savings (due to C19) - Actual/Forecast													0	0
214	Non Delivery of Finalised (M1) Savings													0	0
215	Non finalisation of Planning Assumptions (savings) at M1													0	0
216	Non Delivery of Finalised (M1) Net Income Generation Schemes - Actual/Forecast													0	0
217	TOTAL NON DELIVERY OF SAVINGS/NET INCOME GENERATION DUE TO COVID	0	0	0	0	0	0	0	0	0	0	0	0	0	0

C - In Year Operational Expenditure Cost Reduction Due To C19

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	<i>Enter as Negative values</i>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
218	Expenditure Reductions (due to C19) - Actual/Forecast													0	0
219	Reduction of non pay costs due to reduced elective activity													0	0
220	Reduction of outsourcing costs due to reduced planned activity													0	0
221	WHSSC C-19 Slippage (as advised by WHSSC)													0	0
222	Other (please specify):													0	0
223														0	0
224														0	0
225														0	0
226														0	0
227														0	0
228	TOTAL EXPENDITURE REDUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0

D - In Year Slippage on Planned Investments/Repurposing of Developmental Initiatives due to C19

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	<i>Enter as Negative values</i>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
229	Slippage on Planned Investments/Repurposing of Developmental Initiatives (due to C19) - Actual/Forecast													0	0
230														0	0
231														0	0
232														0	0
233														0	0
234														0	0
235														0	0
236														0	0
237														0	0
238														0	0
239	TOTAL RELEASE/REPURPOSING OF PLANNED INVESTMENTS/DEVELOPMENT INITIATIVES	0	0	0	0	0	0	0	0	0	0	0	0	0	0

240	ACTUAL / FORECAST - EXPENDITURE IMPACT DUE TO COVID-19	3,026	3,084	3,089	3,068	3,061	3,065	3,071	3,070	3,075	3,066	3,079	3,100	3,026	36,856
-----	--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------

E - Additional Welsh Government Funding for C19

		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	<i>Enter as Positive values</i>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
241	PLANNED WG FUNDING FOR COVID-19	8,294	8,283	8,292	8,270	8,269	8,270	8,304	8,274	8,299	8,273	8,290	8,304	8,294	99,422
242	MOVEMENTS FROM OPENING PLANNED WG FUNDING FOR COVID-19	(5,268)	(5,199)	(5,203)	(5,202)	(5,208)	(5,205)	(5,233)	(5,204)	(5,224)	(5,207)	(5,211)	(5,204)	(5,268)	(62,566)
243	TOTAL ACTUAL / FORECAST WG FUNDING FOR COVID-19	3,026	3,084	3,089	3,068	3,061	3,065	3,071	3,070	3,075	3,066	3,079	3,100	3,026	36,856

244	ACTUAL / FORECAST NET IMPACT ON OVERALL FINANCIAL POSITION DUE TO COVID-19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-----	--	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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

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
			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 variance as %age of YTD	Green £'000	Amber £'000	non recurring £'000	recurring £'000	£'000
1	CHC and Funded Nursing Care	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
2		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
3		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
4	Commissioned Services	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
5		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
7	Medicines Management (Primary & Secondary Care)	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
10	Non Pay	Budget/Plan	26	26	26	26	27	27	28	28	28	29	29	27	26	327		327	0			
11		Actual/F'cast	93	26	26	26	27	27	28	28	28	29	29	27	93	394	23.60%	394	0	67	327	327
12		Variance	67	0	0	0	0	0	0	0	0	0	0	0	67	67	257.69%	67	0			
13	Pay	Budget/Plan	122	122	122	122	124	124	124	125	126	123	124	126	122	1,484		1,484	0			
14		Actual/F'cast	461	122	122	122	124	124	124	125	126	123	124	126	461	1,823	25.29%	1,823	0	339	1,484	1,484
15		Variance	339	0	0	0	0	0	0	0	0	0	0	0	339	339	277.87%	339	0			
16	Primary Care	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
17		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
18		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
19	Total	Budget/Plan	148	148	148	148	151	151	152	153	154	152	153	153	148	1,811		1,811	0			
20		Actual/F'cast	554	148	148	148	151	151	152	153	154	152	153	153	554	2,217	24.99%	2,217	0	406	1,811	1,811
21		Variance	406	0	0	0	0	0	0	0	0	0	0	0	406	406	274.32%	406	0			
22	Variance in month		274.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	274.32%							
23	In month achievement against FY forecast		24.99%	6.68%	6.68%	6.68%	6.81%	6.81%	6.86%	6.90%	6.95%	6.86%	6.90%	6.90%								

Table C1- Savings Schemes Pay Analysis


		Month	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
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			YTD variance as %age of YTD Budget/Plan	Green	Amber	non recurring	recurring	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000								
1	Changes in Staffing Establishment	Budget/Plan	114	114	114	114	116	116	116	117	117	114	115	117	114	1,384		1,384	0			
2		Actual/F'cast	453	114	114	114	116	116	116	117	117	114	115	117	453	1,723	26.29%	1,723	0	339	1,384	1,384
3		Variance	339	0	0	0	0	0	0	0	0	0	0	0	339	339	297.37%	339	0			
4	Variable Pay	Budget/Plan	8	8	8	8	8	8	8	8	9	9	9	9	8	100		100	0			
5		Actual/F'cast	8	8	8	8	8	8	8	8	9	9	9	9	8	100	8.00%	100	0	0	100	100
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0			
7	Locum	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
10	Agency / Locum paid at a premium	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
11		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
13	Changes in Bank Staff	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
14		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
15		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
16	Other (Please Specify)	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
17		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
18		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
19	Total	Budget/Plan	122	122	122	122	124	124	124	125	126	123	124	126	122	1,484		1,484	0			
20		Actual/F'cast	461	122	122	122	124	124	124	125	126	123	124	126	461	1,823	25.29%	1,823	0	339	1,484	1,484
21		Variance	339	0	0	0	0	0	0	0	0	0	0	0	339	339	277.87%	339	0			

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

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

Table C3 - Tracker
This Table is currently showing 0 errors

	£'000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Full-year forecast	Non Recurring	Recurring	FYE Adjustment	Full-year Effect
Savings (Cash Releasing & Cost Avoidance)	Month 1 - Plan	148	148	148	148	151	151	152	153	154	152	153	153	148	1,811	0	1,811	0	1,811
	Month 1 - Actual/Forecast	148	148	148	148	151	151	152	153	154	152	153	153	148	1,811	0	1,811	0	1,811
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Plan	406	0	0	0	0	0	0	0	0	0	0	0	406	406	406	0	0	0
	In Year - Actual/Forecast	406	0	0	0	0	0	0	0	0	0	0	0	406	406	406	0	0	0
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Plan	554	148	148	148	151	151	152	153	154	152	153	153	554	2,217	406	1,811	0	1,811
	Total Actual/Forecast	554	148	148	148	151	151	152	153	154	152	153	153	554	2,217	406	1,811	0	1,811
	Total Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income Generation	Month 1 - Plan	78	78	79	79	79	79	79	79	80	83	84	84	78	961	0	961	0	961
	Month 1 - Actual/Forecast	78	78	79	79	79	79	79	79	80	83	84	84	78	961	0	961	0	961
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Plan	129	0	0	0	0	0	0	0	0	0	0	0	129	129	129	0	0	0
	In Year - Actual/Forecast	129	0	0	0	0	0	0	0	0	0	0	0	129	129	129	0	0	0
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Plan	207	78	79	79	79	79	79	79	80	83	84	84	207	1,090	129	961	0	961
	Total Actual/Forecast	207	78	79	79	79	79	79	79	80	83	84	84	207	1,090	129	961	0	961
	Total Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accountancy Gains	In Year - Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Actual/Forecast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	Month 1 - Plan	226	226	227	227	230	230	231	232	234	235	237	237	226	2,772	0	2,772	0	2,772
	Month 1 - Actual/Forecast	226	226	227	227	230	230	231	232	234	235	237	237	226	2,772	0	2,772	0	2,772
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	In Year - Plan	535	0	0	0	0	0	0	0	0	0	0	0	535	535	535	0	0	0
	In Year - Actual/Forecast	535	0	0	0	0	0	0	0	0	0	0	0	535	535	535	0	0	0
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Plan	761	226	227	227	230	230	231	232	234	235	237	237	761	3,307	535	2,772	0	2,772
	Total Actual/Forecast	761	226	227	227	230	230	231	232	234	235	237	237	761	3,307	535	2,772	0	2,772
	Total Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

 GIG Cymru NHS Wales		Partneriaeth Cydwasaethau Shared Services Partnership		AGENDA ITEM: SSPC 20 May 2021	
The report is not Exempt					
Teitl yr Adroddiad/Title of Report					
NWSSP Audit Committee Assurance Report – 20 April 2021					
ARWEINYDD: LEAD:		Peter Stephenson Head of Finance & Business Development, NWSSP			
AWDUR: AUTHOR:		Carly Wilce Interim Corporate Services Manager, NWSSP			
SWYDDOG ADRODD: REPORTING OFFICER:		Andy Butler Director of Finance & Corporate Services, NWSSP			
MANYLION CYSWLLT: CONTACT DETAILS:		Andy Butler Director of Finance & Corporate Services, NWSSP 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 assurance and details of the key issues considered by the NWSSP Audit Committee, at its meeting on 20 April 2021.					
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? <ul style="list-style-type: none"> NWSSP Audit Committee 					
Adduned y Pwyllgor/Committee Resolution (insert ✓):					
DERBYN/ APPROVE		ARNODI/ ENDORSE		TRAFOD/ DISCUSS	NODI/ NOTE
		✓			
Argymhelliad/ Recommendation		Outline the recommendation of the report <ul style="list-style-type: none"> 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			
Answadd, Diogelwch a Profiad y Claf:		No direct impact			

Quality, Safety & Patient Experience:	
Ariannol: Financial:	No direct impact
Risg a Aswiriant: Risk and Assurance:	This report provides assurance to the Committee that NWSSP has robust risk management processes in place.
Safonnau Iechyd a Gofal: Health & Care Standards:	Access to the Standards can be obtained from the following link: http://gov.wales/docs/dhss/publications/150402standardsen.pdf
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open

VELINDRE UNIVERSITY NHS TRUST AUDIT COMMITTEE FOR NWSSP ASSURANCE REPORT

1. CEFNDIR/BACKGROUND

The Velindre University NHS Trust Audit Committee for NHS Wales Shared Services Partnership (Audit Committee) provides assurance to the Shared Services Partnership Committee (SSPC) on the issues delegated to them through the Trust and NWSSP Standing Orders. A summary of the business matters discussed at the meeting held on 20 April 2021, is outlined below:

ALERT	No matters to alert/escalate.
ADVISE	No matters to advise.
ASSURE	<p>External Audit</p> <p>Audit Wales presented their recent report into the procurement and supply of PPE led by NWSSP during the Covid-19 Pandemic. The overall conclusion of the report was positive and highlighted the key challenges faced by NWSSP and its partners in ensuring that sufficient and appropriate PPE was provided to not just the NHS, but also the social care sector and primary care contractors without running out of stock. The main recommendation for NWSSP from the report concerned the timely publishing of contract award notices.</p> <p>Audit Wales also presented a detailed Position Statement, setting out an update as to current and planned audit work, with associated audit assurance arrangements for 2021. The majority of audit work has been completed with some additional work continuing throughout April.</p>
ASSURE	<p>Counter Fraud</p> <p>The Committee received a Position Statement summarising the recent Counter Fraud work carried out to date. The Statement highlighted that only 58 days of work had been undertaken against the 2020-21 work plan resulting in a shortfall from the contracted 75 days. Further to ongoing concerns relating to fraud against NWSSP, it was suggested that the number of contracted days should be increased, and an updated work plan for 2021-22 would be brought back to the June Committee. There are five cases currently under investigation. Fraud awareness presentations have continued to be delivered remotely via Teams in light of the pandemic, with three sessions being delivered to a total of 25 delegates.</p>
ASSURE	<p>Raising the Game Action Plan</p> <p>The raising the game action plan was presented to the Committee Members, the report detailed specific areas for development, to include data analytics, training and policies and collaboration. The action plan had been endorsed by the Counter Fraud Steering Group, and recommendations would be passed to the Director of Finance Group for monitoring going forward.</p>
ASSURE	<p>Internal Audit</p> <p>The Committee received an update from Internal Audit, highlighting progress against the 2020-21 Work Plan and NWSSP Draft Operational Plan for 2021-22 including the Internal Audit Charter, which was reviewed and approved by the Committee. There were no significant issues to raise regarding completing the existing programme, and the Draft Internal Audit Annual Opinion would be brought to the June Audit Committee for review and endorsement. The Committee received the following reports for consideration:</p>

	<ul style="list-style-type: none"> • <u>Covid-19 Premises Safety</u> Achieved reasonable assurance, with four medium and two low priority recommendation for action and did not identify any issues that would be classified as a weakness in the system control or design. • <u>PCS Payment System Data Migration Report Part 1 and PCS Payment System Project Management Report Part 2</u> Advisory reviews are not awarded assurance ratings and findings highlighted one opportunity for improvement. • <u>Student Award Services Report</u> Achieved reasonable assurance, with two high and four medium priority recommendations for action. All recommendations would be addressed urgently. • <u>Payroll Services</u> Achieved reasonable assurance, with one high, six medium and one low risk recommendation for implementation.
ASSURE	<p>Governance, Risk and Assurance The Committee received updates surrounding NWSSP COVID-19 matters, including COVID-19 Expenditure and Governance Arrangements.</p> <p><u>Governance Matters</u> - The Committee received the Governance Matters paper, which detailed the contracting activity from 8 January to 7 April 2021, and highlighted that there had been no departures from Standing Orders. 19 contracts have been let for NWSSP and 64 for NHS Wales, of which 18 were at briefing stage, 35 at ratification and 11 were extensions. No declarations have been made of gifts, hospitality or sponsorship since the last meeting and there have been no limited or no assurance audit reports. An overall financial position and annual accounts report was presented to the Committee highlighting key financial headlines, and the final accounts would be brought to the June Audit Committee for review. During 2020-21 the scheme of delegation was temporarily amended for COVID expenditure, and those limits were extended again by the Trust Board at its March meeting until 30 June 2021.</p> <p><u>Audit Tracking</u> - There are currently 206 recommendations, of which 201 have been implemented, with two not yet due, one outside of NWSSP control and two recommendations classed as outstanding following an agreed extension at the last Committee, the timescales for which have unfortunately not been met. The reasons for the delay in implementing the agreed actions are due to IT macro compatibility issues following the migration to o365 and actions not being prioritised by Health Boards during the pandemic which is understandable. Both actions are now due for completion by the end of July.</p> <p><u>Corporate Risk</u> - The Corporate Risk Register highlighted one red risk, eight amber risks, and three yellow risks in the Risks for Action section of the Register. There remained three yellow risks in the Risks for Monitoring section of the Register. The red risk relates to the demise of the Exeter Software System.</p> <p><u>Terms of Reference</u> – the ToR for the Committee were reviewed and approved, noting that there were no significant changes from the previous version.</p>
INFORM	<p>The following items were received for Committee information:</p> <ul style="list-style-type: none"> • 2020-21 Draft Annual Governance Statement; and • NWSSP Annual Plan 2020-21.

2. ARGYMHELLIAD/RECOMMENDATION

The Committee are asked to:

- **NOTE** the Assurance Report