

Shared Services Partnership Committee PART A

02 December 2019, 11:00 to 12:30
Nantgarw HQ/Skype

Agenda

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 September 2019		Margaret Foster
	 Approved Minutes 18.09.19.pdf	(9 pages)	
1.5.	Action Log		Margaret Foster
	 1.5 Action Log November 2019.pdf	(1 pages)	
1.6.	Other Matters Arising		Margaret Foster
2.	Items for Approval/Endorsement		
2.1.	NHAIS Replacement Business Case		Peter Stephenson
	 NHAIS Business Case Cover Paper.pdf	(3 pages)	
	 NWSSP_PCS_NHAIS_GMS_Payments_Business Case v0.9.pdf	(33 pages)	
2.2.	IP5 Strategic Outline Case		Mark Roscrow/Ian Rose
	 NWSSP_IP5 SOC_v Final.pdf	(65 pages)	
2.3.	HCS Fleet Renewal		Neil Frow/Alison Ramsey
	 SSPC Board paper HCS.pdf	(4 pages)	
	 HCS 19-20 Fleet Renewal Briefing Paper.pdf	(7 pages)	
2.4.	Single Lead Employer		Gareth Hardacre
	 Single Lead Employer Arrangements.pdf	(7 pages)	
	 Appendix A 23.10.19 Neil Frow re Single Lead Employment Regs in Dentistry & Pharmacy.pdf	(1 pages)	
	 Appendix B Draft SLE Final Business Case	(17 pages)	

3. Any Other Business

3.1. IMTP Presentation

Verbal

Alison Ramsey

3.2. Financial Distribution to Partners

Verbal

Alison Ramsey

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

WEDNESDAY 18th SEPTEMBER 201

10:00 – 13:00

NWSSP HQ, BOARDROOM

Present:

Attendance	Designation	Health Board / Trust
Margaret Foster (MF)	Chair	NWSSP
Neil Frow (NF)	Managing Director	NWSSP
Andy Butler (AB)	Director of Finance & Corporate Services	NWSSP
Gareth Hardacre (GH) (VC)	Director of Workforce & OD	NWSSP
Huw Thomas (HT)	Director of Finance	Hywel Dda
Hazel Robinson (HR)	Director of Workforce & OD	Swansea Bay
Bob Chadwick (BC)	Executive Director of Finance	Cardiff & Vale
Samantha Moss (SM)	Deputy Director of Finance	Powys THB
Matthew Bunce (MB)	Deputy Director of Finance	Velindre University NHS Trust
Peter Stephenson (PS)	Head of Finance & Business Improvement	NWSSP
Other Attendees		
Maria Newbold (MN)	PA to Directors	NWSSP
Heather Gimbaldston (HG) (Agenda item 2.1)	Solicitor, Legal & Risk Services	NWSSP
Kier Warner (KW) (Agenda Item 5.3)	Head of Procurement	Swansea Bay HB

1. PRELIMINARY MATTERS

WELCOME AND INTRODUCTIONS

No.	Minute	Action
1.1	The Chair welcomed attendees to the September 2019 Shared Services Partnership Committee (SSPC) meeting.	
APOLOGIES FOR ABSENCE		
1.2	Apologies for absence were received from the following: Steve Ham, CEO, Velindre; Geraint Evans, Director of Workforce & OD, Aneurin Bevan UHB;	

	Phil Bushby, Director of People and Organisational Development, Public Health Wales; Pete Hopgood, Director of Finance, Powys tHB; Chris Turley, Director of Finance, WAST; and Steve Elliott, Deputy Director of Finance, Welsh Government.	
DECLARATIONS OF INTEREST		
1.3	There were no declarations of interest.	
UNCONFIRMED MINUTES OF THE MEETING HELD ON 18th JULY 2019		
1.4	The unconfirmed minutes of the meeting held on 18 th July 2019 were reviewed. Members NOTED the amendment and AGREED the minutes.	
ACTION LOG		
1.5	Members NOTED the updates provided and ENDORSED the Action Log. All actions were either complete or were on the agenda.	
MATTERS ARISING		
1.6	No further matters were raised.	
2. SERVICE REVIEW		
Deep Dive		
2.1	<p>GP Indemnity Scheme</p> <p>HG gave a presentation on the General Medical Practice Indemnity Scheme, which is a new state backed scheme providing clinical negligence indemnity for providers of GP services across Wales, covering GPs and their employed staff from 1st April 2019.</p> <p>It should provide a more stable and affordable system for GP's and help ensure that GP recruitment and cross border activity is not adversely affected by differences in schemes operating in England and Wales.</p> <p>It currently covers claims for compensation arising from care, diagnosis and treatment of a patient following incidents occurring after 1 April 2019. However, discussions are taking place on whether previous claims will transfer to the scheme. L&R has been commissioned to run the scheme on behalf of Welsh Government.</p> <p>GPs now have access to redress which is something that GP's in England do not have, but it was noted that there is no budget for redress, raising concern that it would impact the finances of Health Boards.</p> <p>The Committee acknowledged the significant contribution made by the Legal & Risk team in implementing the new system within very tight timescales.</p>	
3. CHAIR AND MANAGING DIRECTOR'S REPORT		
3.1	<p>Chairman's Report</p> <p>MF advised that she and NF had attended the C&VUHB Board, which was a very positive meeting. They are scheduled to attend the ABUHB Board next week, and plan to schedule visits to other boards in the new year.</p>	

	<p>A horizon scanning day for the 2020-23 IMTP was held at IP5 on 12 September. The day was attended by large numbers of senior staff, customers and partners and included excellent presentations from Samia Saeed-Edmonds and Alan Brace from Welsh Government. Time was taken to review, refresh and re-focus the strategy map and ensure that the performance framework was appropriately aligned with the NWSSP vision, mission, values and strategic objectives. This is an annual event, providing a rich source of information to be incorporated into the planning process. The SSPC will be provided with an opportunity to review the output in more detail at the November meeting.</p> <p>The Committee:</p> <p>NOTED the update</p>	
3.2	<p>Managing Director's Report</p> <p>NF presented his report and particularly commented on:</p> <p>Lead Employer Status – Junior Doctors</p> <p>The ongoing discussions with HEIW on the potential for NWSSP to expand the Lead Employer role for dentists and pharmacy trainees. HR stated that she was present at a HEIW workshop when options around a lead employer model for Junior Doctors was discussed. HR supports the need for a single lead employer, but has concerns on the decision making process, due to the fact that there was minimal Health Board representation on the panel. GH stated that there appeared to be a lack of awareness at last week's meeting on the work that has already been carried out on Lead Employer status but he supported HR in the concern as to who makes the decisions. NF suggested that the work to date has only been around scoping options and given that all health bodies were represented at the NWSSP committee it would make sense from a governance viewpoint to bring a more detailed paper on the options to the November's SSPC. NF acknowledged the support from the Committee to expand the current arrangements covering GP trainees to other doctors in training and the need to continue to work in partnership with HEIW who would continue to be responsible for the training element. It was AGREED to bring a paper to the next meeting, which outlines the options and benefits of NWSSP taking on the Lead Employer role. If this was then supported by the Committee NF agreed to write to Welsh Government to seek approval to take forward the expansion of the lead employer model. PS to add item to the agenda.</p> <p>ESR</p> <p>NF stated that at the last meeting we discussed problems with some of the systems within ESR. He recently visited the NHS Business Services Authority in Newcastle and met with a number of their Directors, who were experiencing similar issues with the system. They have expressed an interest in working with NWSSP to help shape and develop the next generation of the systems which clearly need further improvement. Discussions were also held regarding electronic prescribing, which is not as straight forward as originally thought and there are still issues to be worked through.</p> <p>Medical Examiner Service</p> <p>NF confirmed the appointment of the Medical Examiner Officer. The appointee is currently leading one of the pilot schemes in England and will therefore bring invaluable experience. The model for delivery is being refined and the exact costs of operating the scheme are being</p>	PS

	<p>worked through against the criteria for reimbursement being set by the Department of Health in England.</p> <p>Laundry</p> <p>The project is progressing well and the programme of engagement with staff is underway.</p> <p>BREXIT</p> <p>Due to the current political uncertainty, there is little to report other than the preparations are still ongoing. Brexit stock is held in IP5, and the relocation of the Cwmbran store into IP5 has been completed. Given the ongoing delays in the transfer of Cwmbran store into IP5 will allow stock to be rotated when necessary to avoid any issue with it going out-of-date. Stock is also being held for Social Services. The main concern is over non-stock items where it is still proving difficult to get clinical signoff of the final list of products for procurement needs. MB requested that AB liaise with Welsh Government as the Trust is being asked by WG for repayment of the cash used to fund the purchase of the additional stock currently held in IP5. This can obviously only be repaid once the stock has been released into the system.</p> <p>111</p> <p>NF highlighted that a procurement challenge to the recent contract award for the replacement of the national 111 system had been received from one of the bidders. Given the supportive legal advice received NF was confident that the challenge could be robustly defended and as a result an initial defence statement had been submitted to the High Court. There were no additional costs forecast at this moment as the various submissions needed to work through the courts process. However, going forward there is a need to consider that this type of procurement was not currently covered by the WRP, and that given the potential number of all Wales contracts the challenges to procurement awards and the potential financial impacts were significant.</p> <p>TRAMS</p> <p>This project continues to progress and the development of the OBC/PBC appeared to be on time and should be delivered towards the end of November. This would be presented at either the November or January NWSSP Committee for approval. Work was ongoing with regard to potentially establishing one of the main hubs at IP5 in Newport with additional facilities in West and North Wales needed as part of the overall scheme. Although there had been a number of communications to staff outlining the project and the potential scope further proposals around staff engagement / consultation were being developed by the Project Board. NF confirmed that the SRO had sent various correspondence to CEOs, Planning Directors and Workforce Directors to keep them updated.</p> <p>Staffing</p> <p>Jonathan Irvine the new Director of Procurement starts next week.</p> <p>The Committee:</p> <p>NOTED the update</p>	
4. ITEMS FOR APPROVAL/ENDORSEMENT		
4.1	<p>NHAIS Draft Business case</p> <p>AB stated that the replacement of the NHAIS system has been a key</p>	

	<p>risk to NWSSP for a number of years. A draft business case has been produced which needs an element of refinement but which is being submitted to Committee to provide an update on the current position and to endorse the preferred option and direction of travel.</p> <p>The system generate payments across all areas of the NHS in England and Wales. It is a very old system, and NHS England decided in 2015 to outsource the replacement of the system to Capita. While proceeding with Capita remains an option for NHS Wales, it is considered to be very expensive, and it would require substantial tailoring to recognise the differences that exist between England and Wales. There have also been significant delays with implementing the Capita solution into NHS England.</p> <p>There are three options, with indicative costs of capital and revenue calculated over a five year (discounted) period. These are:</p> <ul style="list-style-type: none"> • Capita – costing £2.6m • Develop an in-house system – costing £3.1m • Procure the system used in Northern Ireland – costing £2.5m <p>The preferred option is the Northern Ireland system, as while only a few years old, it is a tried and tested solution. However, all options are significantly more expensive than the current arrangements, and will require both additional capital and revenue funding. The outline business case is 95% complete, and will require Welsh Government approval.</p> <p>NHS Digital will rewrite the separate but linked registration process which NWSSP will procure to prevent there being any issues for patients. It is understood that Capita will have a working system by the middle of next year, so the need to procure an alternative payments system is urgent.</p> <p>The Committee:</p> <p>NOTED and ENDORSED the update.</p>	
4.2	<p>Laundry Services Programme Business Case</p> <p>NF advised that the May SSPC approved a paper which set out costs for external consultancy support to the Laundry Business Case, estimated to be £75k. These would be provided for as a first call on savings in the NWSSP budget. The tender process was undertaken and only Capita responded with their quoted fees being £185k. Detailed breakdown of costs were provided with the tender response which have been considered reasonable as there is more work that is required than originally planned by Welsh Government, particularly on transport and carbon footprint which will be funded.</p> <p>The Committee:</p> <p>APPROVED the paper.</p>	
4.3	<p>Welsh Risk Pool Committee Terms of Reference</p> <p>MF advised that the Committee needed to approve revisions to the terms of reference for the Welsh Risk Pool Committee due to the changes brought about by the implementation of the GP Indemnity Scheme, covered in the deep dive at agenda item 2.1. MF advised that the alterations had been considered and endorsed at the previous WRP Committee meeting</p> <p>The Committee:</p>	

	APPROVED the revised Terms of Reference.	
5. PROJECT UPDATES		
5.1	<p>PMO Highlight Report</p> <p>AB stated that the report has been modified so that it is clear if a project has been completed. There are no red actions that require reporting.</p> <p>The Committee:</p> <p>NOTED the update</p>	
5.2	<p>IP5 Update</p> <p>NF presented a paper which set out the current position with IP5 and the potential options for its future use. The decision to acquire additional storage capacity was driven by WG requirements for preparedness for a 'no deal' Brexit scenario. The acquisition of the facility at IP5 offers the potential to provide significant ongoing benefits for NHS Wales. The development of strategic options for the facility's ongoing use is therefore underway in which various NHS and non-NHS organisations have been consulted as part of the process of identifying potential projects that could be located with IP5.</p> <p>The options can be broadly categorised into the following:</p> <ul style="list-style-type: none"> • Warehouse/Logistics • Support Services • Equipment <p>The development of options is being led by NWSSP. A Programme Board has been established to manage the process and which includes NWSSP directors and senior staff, staff side representation and WG officials. The Programme Board has engaged Akeso Ltd, a consultancy company with experience of similar projects, to facilitate and help develop strategic options for IP5. As part of the development of options, a number of engagement events have held with stakeholders.</p> <p>The Committee:</p> <p>NOTED the Report.</p>	
5.3	<p>Clinical Waste Update</p> <p>KW presented a Clinical Waste update.</p> <p>There is a major issue developing with regard to the disposal of clinical waste across the UK due to the collapse of a major supplier to the NHS across the country, which has reduced the overall capacity in the system from three suppliers to two.</p> <p>Stericycle is the current all-Wales contractor, but they are being forced to pick up some of the extra work in England, which is adversely affecting their service to NHS Wales. At present, only "Incineration Only Waste" (IOW) is affected and priority is being given to the collection and disposal of anatomical and highly infectious waste.</p> <p>NHS Wales currently produces 1660 tonnes of IOW annually equating to 30-35 tonnes per week. NHS Improvement are currently estimating a shortfall between waste generated and disposal capacity of 70 tonnes a week across England and Wales.</p> <p>The Stericycle facilities are almost at permitted maximum limits and there is a warning that the situation will become critical by the end of</p>	

	<p>September. In addition to the services for NHS Wales, and the work for NHSE, Stericycle are contracted to take clinical waste from Ireland.</p> <p>Regular consultation is being undertaken on this issue with representation from NWSSP and the All-Wales Clinical Waste Consortium and is also being undertaken at a UK Government level with representation from Natural Resource Wales, the Environment Agency and DEFRA.</p> <p>Numerous actions have been issued and options considered, but at present health boards should have contingency arrangements for storage at point of production. NWSSP are currently looking into the feasibility of providing storage facilities on behalf of the Health Boards and Trusts at other locations, including permit requirements, legal advice etc.</p> <p>£1.2m was saved on overall costs when the contract was last awarded. However, it is expected that there will be a significant increase in costs to the HBs when the contract is next re-tendered in 2022 – although there is a danger that the current contracts are not sustainable for the two remaining suppliers.</p> <p>There is a potential that Health Boards may need to cut back the services they are offering if there is no provision to store and dispose of clinical waste.</p> <p>It was confirmed by SSPC members that this issue is not on their individual Board's radars at present and that this will need to be escalated appropriately. It is requested that health boards are asked to consider their sites to see what they can do locally, while NWSSP look at locations for storage and a longer-term plan.</p> <p>The Committee:</p> <p>NOTED the Report</p>	
6. GOVERNANCE, PERFORMANCE AND ASSURANCE		
6.1	<p>Finance and Performance Report</p> <p>AB Presented the Finance Report to the committee.</p> <p>It was noted that the Revenue budget is on track to deliver a balanced position, and any underspend has been previously signposted towards the laundry and TRAMs projects as a first call. Professional Influence savings are also on track to deliver the £75m annual target. KPIs are generally green or amber at present. Recruitment KPIs have previously been a problem but have recently improved.</p> <p>Capital – £1.146M has been allocated of which £546k is for the IP5 project. Welsh Government have been provided with additional details of the further capital requirements for 2019/20 as set out in the IMTP. Confirmation is awaited regarding the availability of any additional funding.</p> <p>WRP – Spend to date is higher than at the same point last year (£30m compared to £26m). Although fewer cases are being received, they are more complex, resulting in larger settlements. There are also a couple of cases where claimants are requesting the total sum upfront. Changes in the discount rate will reduce the likely allowance from Welsh Government and the forecast outturn is between £99m to £117m with the most likely outcome being approximately £108m. Unfortunately, there is a strong possibility that the risk-sharing agreement may need to be invoked this year.</p>	

	<p>Accounts Payable – This has now moved from the Procurement to the Finance & Corporate Services Directorate.</p> <p>Workforce - GH advised that short-term sickness statistics have improved. There is a higher level of Long Term Sick as well as deaths in service, but it was noted that NWSSP have committed to work on the new dying to work campaign with the charter being signed tomorrow. Headcount is growing and turnover remains static within Shared Services. Many of the staff leavers are due to promotion. Statutory and Mandatory compliance training is also improving.</p> <p>The Committee: NOTED the Report</p>	
6.2	<p>Staff Awards</p> <p>GH advised that the Staff Awards 2019 have now been launched with the prize-giving event being held on 3rd December in the Copthorne hotel in Cardiff.</p> <p>Roadshows are being held across Wales to promote the awards and the closing date will be on the 25th October.</p> <p>It was advised that nominations would be welcomed for NWSSP staff from across NHS Wales.</p> <p>The Committee: NOTED the Report</p>	
6.3	<p>Corporate Risk Register</p> <p>There are currently three red risks, two being issues previously discussed - NHAIS and Brexit. The third is the Ophthalmic payments system. NHS Digital have advised that they will turn the current system off as of March 2020. Work is on-going to source a replacement system, but contingency arrangements to allow payments to continue to be made are already in place should this not be implemented in time.</p> <p>One risk has been removed as the migration of the Learning@wales server has now been completed. PS advised that the register will be refreshed following the planning day that was held last week.</p> <p>The Committee: NOTED the Report</p>	
7. ITEMS FOR INFORMATION AND DISCUSSION		
7.1	<p>PTR Redress Scheme</p> <p>Provided for information, comments welcomed. It is hoped more cases will be diverted to redress to reduce costs.</p> <p>The agreement with WG was that they would cover the costs, however the Risk Pool costs are increasing which could result in the risk-sharing agreement being invoked.</p> <p>A paper on this issue will be taken to DoFs in October</p> <p>The Committee: NOTED the Report</p>	

7.2	<p>Counter Fraud Annual Report 2018/19</p> <p>The report demonstrates that NWSSP are ranked as green in assessing compliance against the Counter Fraud Standards.</p> <p>Eight cases were investigated within NWSSP, all of which related to Student Awards.</p> <p>The overall report is very positive, and further efforts will be focused on a more proactive approach where possible.</p> <p>The Committee: NOTED the Report</p>	
7.3	<p>Monthly Monitoring Returns</p> <p>This report was submitted for information purposes.</p> <p>The Committee: NOTED the Report</p>	
7.4	<p>Health & Safety Annual Report 2018/19</p> <p>It was advised that the H&S Report has now adopted the audit methodology across all its sites, with the majority of sites showing reasonable or substantial assurance.</p> <p>Cwmbran stores was an issue, however, this should now been addressed due to their relocation into IP5.</p> <p>The Committee: NOTED the Report</p>	
7.5	<p>Welsh Language Report 2018/19</p> <p>The report sets out the work undertaken in 2018/19 in advance of the implementation of the Welsh Language Standards in May 2019. NWSSP are working with Health Boards, HEIW and Trusts to provide a consistent message back to the Commissioner in respect of those standards likely to cause problems in meeting implementation timescales. HT requested that the report is made available in Welsh which AB confirmed was already the case.</p> <p>The Committee: NOTED the Report</p>	
8	OTHER MATTERS	
8.1	<p>Any Other Business</p> <p>No further issues were raised.</p>	
8.2	<p>Date of Next Meeting</p> <p>Wednesday 27th November 2019</p>	

Item 1.5

ACTION LOG

SHARED SERVICES PARTNERSHIP COMMITTEE (SSPC)

UPDATE FOR 27 NOVEMBER 2019 MEETING

List No	Minute Ref	Date	AGREED ACTION	LEAD	TIMESCALE	STATUS NOVEMBER 2019
1.	SSPC/3/18	27 March 2018	National Health Applications and Infrastructure Services (NH AIS) – replacement Business Case on the options for replacing the NH AIS system to be considered by Committee.	NF/DH	March 2019	On agenda.
2.	SSPC/9/19	18 September 2019	Lead Employer Status Paper to be included on November agenda.	PS	November 2019	On agenda.



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Partnership

AGENDA ITEM:XX
27 November 2019

The report is not Exempt

Teitl yr Adroddiad/Title of Report

NHAIS Draft Business case

**ARWEINYDD:
LEAD:** Andy Butler, Director Finance & Corporate Services

**AWDUR:
AUTHOR:** Neil Jenkins, Head of Modernisation & Technical Services, PCS

**SWYDDOG ADRODD:
REPORTING OFFICER:** Andy Butler, Director Finance & Corporate Services

**MANYLION CYSWLLT:
CONTACT DETAILS:** Andy Butler, Director Finance & Corporate Services

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

FINAL business case for the replacement of the NHAIS system.

Llywodraethu/Governance

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

**Tystiolaeth:
Supporting evidence:** N/A

Ymgynghoriad/Consultation:

SMT

Adduned y Pwyllgor/Committee Resolution (insert √):

DERBYN/ APPROVE	✓	ARNODI/ ENDORSE		TRAFOD/ DISCUSS		NODI/ NOTE	
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**Argymhelliad/
Recommendation** The Committee is asked to:

- **APPROVE** the NHAIS Business Case.

**Crynodeb Dadansoddiad Effaith:
Summary Impact Analysis:**

**Cydraddoldeb ac
amrywiaeth:** No direct impact.

Equality and diversity:	
Cyfreithiol: Legal:	To set out the proposals for the replacement of the NHAIS system.
Iechyd Poblogaeth: Population Health:	No direct impact.
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	No direct impact.
Ariannol: Financial:	The financial implications of the various options are set out in the business case.
Risg a Aswiriant: Risk and Assurance:	This report provides assurance to the Committee that NWSSP has robust assurance processes in place.
Safonau Iechyd a Gofal: Health & Care Standards:	Standard 1: Governance, Leadership and Accountability http://gov.wales/docs/dhss/publications/150402/standardsen.pdf
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open – the report is NOT exempt.

Purpose

The attached business case (Appendix A) was presented to the Committee at its meeting on 18 September 2019 at which it was endorsed. The final business case has now been prepared, which sets out the options for the replacement of the NHAIS system and selects the preferred option of proceeding with the Northern Ireland system. The business case has been presented to Welsh Government for approval and for capital funding and is also going to the Velindre Trust Board on 28 November for approval.

Background

The business case is required to enable the continuation of payments to GP Practices in Wales that NWSSP Primary Care Services support. New arrangements are required following the decision by NHS England to market test the payments services and systems in England and the subsequent need for NHS Digital to stop supporting the existing legacy NHAIS service used in NHS England, NHS Northern Ireland, Isle of Man and NHS Wales. NHS

England have appointed Capita Plc to develop, deliver and support the new GMS (including Global Sum Formula (GSUM), pensions) payments systems and services for NHS England.

After extensive research and evaluation, NHS Wales has decided to procure the Payment Systems solutions from, and in collaboration with, the Business Services Organisation (BSO) Northern Ireland. This system was viewed to be a close fit to NHS Wales's requirements, and has been used in Northern Ireland for a number of years, so consequently is tried and tested. The Business Case assesses the details of the Northern Ireland proposal against a proposal provided by Capita Plc and the further option of delivering an in-house solution. Over the planned period of the agreement the Northern Ireland option provides better value for money on a net present value basis, and as previously stated, is a tried and tested solution.

Recommendation

The Committee is asked to **APPROVE** the attached business case subject to the further approval of the Velindre University NHS Trust Board and the separate approval and confirmation of funding from Welsh Government.

BUSINESS CASE

NHAIS Modernisation Programme – GMS Payments



Authors: Said Shadi Associate Programme Director, CTeS
Neil Jenkins, Head of Modernisation & Technical Services, PCS

Release: 1st Oct 2019

Version: 0.9

NHAIS Modernisation Programme

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DOCUMENT REFERENCE

Document Details:

Document ID	Document Title	Prepared By
TEMP-04-21	NHAIS GMS Payments – Business Case	Said Shadi Neil Jenkins
Revision	Revision Date	Effective Date
0.9	11/11/2019	11/11/2019
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K:\Projects\Open\NHAIS Transformation Programme\Programme Management\Business Case\NWSSP_PCS_NHAIS_GMS_Payments_Business Case v0.9.docx		

Document Reviewers:

Reviewers Name	Date	Revision Reviewed	Any Additional Supporting Comments
David Hopkins			
Neil Jenkins			
Keir Warner			
Nic Cowley			
Peter Stephenson			

Document Revision History:

Revision Author	Date	Version	Description of Change
Neil Jenkins	16/04/19	0.1	Draft for GMS Payments only
Neil Jenkins	06/08/19	0.2	Updated with FPPS confirmed costs
Neil Jenkins	13/08/19	0.3	Review by DH
Neil Jenkins	28/08/19	0.4	Review by PS
Neil Jenkins	29/08/19	0.5	Further review
Neil Jenkins	29/08/19	0.6	Draft for presentation to NWSSP Exec
Peter Stephenson	13/09/19	0.7	Updated costs.
Neil Jenkins	08/10/19	0.8	Updated income streams.
Peter Stephenson	11/11/19	0.9	Final Business Case

SECTION 1 - INTRODUCTION

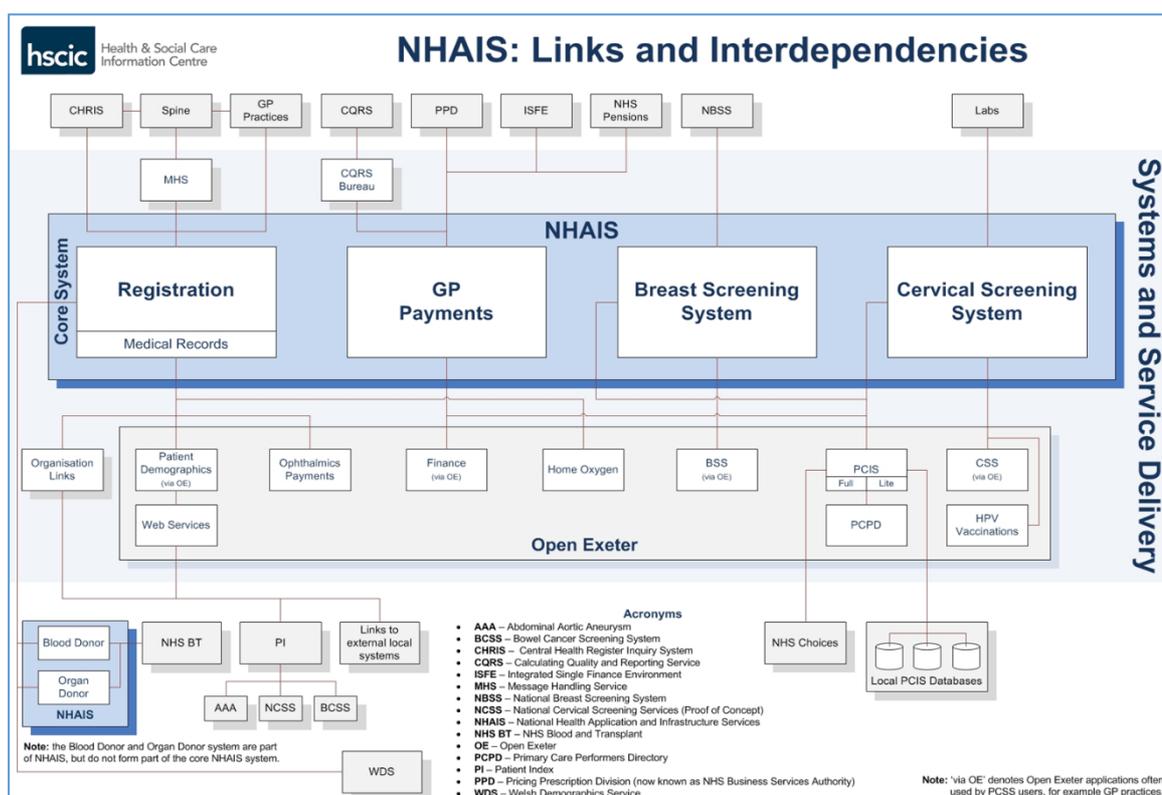
Background

- 1.1. NHAIS is a business critical enterprise system used across NHS England and NHS Wales to manage patient registrations, contractor payments and to deliver screening services.

Key Message:

Without the NHAIS system, payments would not be made to the 2000+ GPs, Pharmacists and other key primary care providers in Wales.

- 1.2. Existing NHAIS System Components:



GP practices send registrations and demographic updates to their local NHAIS system. In return, NHAIS systems send deduction notifications, demographic updates and Medical Record Envelope requests to the GP practice systems. Each NHAIS system holds a copy of all patients registered for primary care services for each GP practice in the area covered by the system. The demographic data recorded during this process drives the global sum payment to GP practices in accordance with the provision of the General Medical Services (GMS) contract.

- 1.3. Under a devolved decision, NHS Wales and NHS England use the same NHAIS application services. Only a subset of the functionality and modules are actually utilised in Wales. The NHAIS service is primarily designed for NHS England, however, it includes Welsh specific elements.
- 1.4. NHS Digital developed NHAIS, which is in its fourth generation of maintenance.
- 1.5. NHS Wales access the NHAIS service under a Memorandum of Understanding (MoU) Service Level Agreement with NHS Digital. This agreement has been extended to April

2020.

- 1.6. NWSSP Primary Care Services (PCS) are responsible for managing the NHAIS system (five regional servers) and the delivery of primary care payments on behalf of the ten Health Boards and Trusts in Wales in accordance with the provisions of: -
 - The General Medical Services (GMS) Contract
 - The General Ophthalmic Services (GOS) Contract
 - The General Dental Services (GDS) Contract
 - The Community Pharmacy Contract
- 1.7. From a technical perspective, NHS Wales Informatics Service (NWIS) manage and support the five regional NHAIS servers located in Wales. The servers are presently over 10 years old. NWIS manage the support arrangements on behalf of NWSSP Primary Care Services through a Memorandum of Understanding agreement.
- 1.8. NWIS provide first line service desk technical support for users of the five NHAIS servers in Wales, including services and applications. NHS Digital Support Desk provide second line support for NHAIS, under the terms of a separate SLA.
- 1.9. GP Practices in Wales and England can access patient resident information across the respective borders through NHAIS (and associated standalone Open Exeter system) using “communication links” established between the distinctive NHS England IM&T infrastructure and NHS Wales IM&T infrastructure.
- 1.10. Welsh NHAIS systems are configured to update the Welsh Demographic Service (WDS) as well as the Person Demographic Service (PDS) in England.
- 1.11. Public Health Wales (PHW) Screening Division use the NHAIS screening functionality to access the demographic database to manage Cervical screening and Breast screening programmes in Wales. This is a secondary purpose of the NHAIS system.
- 1.12. NHS Wales also use the associated Open Exeter system developed by NHS Digital. This is a web enabled Java application with a range of functionality and services provided from the system. There are three broad category of use by NHS Wales: a) to calculate ophthalmic payment claims; b) GP Practices to claim enhanced payments and c) by Health Boards/Trusts to run reports.
- 1.13. In order to qualify for payment for services, medical, dental and ophthalmic performers are required to register on the Health Board’s performers lists. The process of gaining accreditation to provide NHS services and the recording of accredited performers is managed by PCS on behalf of Health Boards. The All Wales Performers List (AWPL) system (developed and supported by NWIS) is used to maintain the accredited list. Regulations differ for pharmacists and pharmacy contractors but their status is also recorded by PCS using the All Wales Pharmacy Database (AWPD) system that is also developed and supported by NWIS. Currently there is no integration between the performer / contractor lists and the NHAIS payments module. However, there is scope to address this within a future phase of this programme.
- 1.14. The payment files generated from the Welsh NHAIS Servers are processed through a BACS Bureau service provided under a separate service level agreement with NWSSP Central Team eBusiness Services.
- 1.15. NHS England appointed Capita plc for the provision of its replacement NHAIS service, in particular the GP and Ophthalmic payments systems. The contract term is until

December 2021, with an option to extend this agreement for one year. NHS Digital is contracted to provide the remaining services for NHS England, including patient registration management. NHS Wales will utilise the new patient registration solution under an SLA with NHS Digital.

Context & Purpose

- 1.16. This document provides a Business Case that sets out the proposal for the provision of a new service to replace the existing legacy NHAIS solution for GMS Payments. GOS and Community Pharmacy payments will be replaced under a separate solution proposal. The document summarises key decisions and activities undertaken to develop these proposals and to provide a robust basis for investment and associated decision making.

Key Message:

It is important to note that in the event the programme fails to deliver a replacement solution before the demise of the legacy NHAIS system, there is a risk that GPs in Wales will not get paid.

- 1.17. The main purpose of this business case is to establish the need for investment, to appraise and confirm the main options for service delivery and to provide NWSSP and associated stakeholders with the recommended way forward.
- 1.18. The business case follows the five case model, an approach recommended in the NHS Information Management & Technology (IM&T) Procurement Review based on Office of Government Commerce (OGC) guidance and practice. There are five separate and related elements:-

▪ Strategic case	The strategic context and the key drivers for change
▪ Economic case	The value for money assessment and supporting evidence
▪ Financial case	Affordability
▪ Commercial case	The contract and procurement process
▪ Management case	Delivery of the programme and its solution

- 1.19. The business case requires approval by the Shared Services Partnership Committee and Welsh Government and any additional stakeholder groups that have an interest in the programme.

SECTION 2 - THE STRATEGIC CASE

Context & Purpose

The strategic case sets out the case for change and defines the programme goals and objectives. In the event the programme fails to deliver a replacement GMS Payments solution before the demise of the legacy NHAIS system, there is a risk that all GPs in Wales will not get paid.

- 2.1. The NHAIS system for Wales manages the processes to support patient registration in primary care, payments to primary care contractors for the provision of NHS services and NHS screening services.
- 2.2. The primary strategic objective of the programme is to successfully deliver continuity of payment services for GP practices whilst taking the opportunity to modernise the existing systems. Separately, the programme is to ensure costs (one-off and recurring) remain affordable and any gaps in funding secured.
- 2.3. The new service provisions will align to the NWSSP-Primary Care Services (PCS) Integrated Medium Term Plan (IMPT) and any Welsh Government Primary Care Service strategic plan.

The Case for Change

- 2.4. NHAIS is in its fourth decade as an operational system. The application is based on legacy 'green screen' technology with none of the facilities one would expect of a modern IT system.
- 2.5. NHS England (NHSE) has taken the decision to decommission NHAIS because of the legacy nature of the solution and the limited skillsets that now exist within the NHS to continue to support and manage the technology. The case for change specifically relates to modernising the present service platform and infrastructure. This is to ensure critical patient services can continue and payments can be made to GPs.
- 2.6. NHS England appointed Capita Plc to work with NHS Digital to replace NHAIS with modern digital services for NHS England Primary Care Services. The NHS England contract with Capital Plc commenced in September 2015 and expires in December 2021. There is an option to extend this agreement by one year. The contract includes provisions for other public sector bodies in the UK to access the agreement, subject to separate commercial discussions with Capita.
- 2.7. NHS Digital are responsible for delivering and supporting the new Primary Care Registration Management (PCRM) system for NHS England. Capita Plc are responsible for delivering and supporting the new payment systems for NHS England.
- 2.8. Appendix 1 sets out the boundary of responsibility between what NHS Digital will deliver and what has been contracted out to third parties to deliver.
- 2.9. The present MoU between NHS Wales and NHS Digital for support of NHAIS expired on 31st March 2018. NHS Digital have presented a revised Provision of Service Agreement (POSA) document titled "Service offering for the provision of call-off support of NHAIS for NHS Wales" that extends the support from 1st April 2018 until 31st March 2020.
- 2.10. Organisations currently running NHAIS registration cannot transition to PCRM until they

have adopted a new GMS payments solution (Capita to develop for NHS England, with Wales to confirm its preferred solution and approach).

- 2.11. The consideration for NHS Wales is to set its own strategic direction for GMS Payment Services and where appropriate to be less dependent on the direction NHS England takes.

Strategic Service Deliverable

- 2.12. Appendix 1 sets out the scope of the core service deliverables for NHS England and NHS Wales, comprising of the registration system and payment system, together with a number of supporting services.
- 2.13. The core phase deliverable will be the replacement of the GMS payment system,
- 2.14. Separate phases will take forward the following initiatives and will be the subject of separate business cases:
- 1) Replacement of the GOS Payments Solution
 - 2) Provision for Community Pharmacy payments
 - 3) To review and enhance the All Wales Performer List (AWPL).
 - 4) To review and enhance the All Wales Pharmacy Database (AWPD).
 - 5) Replacement of screening service functionality will be managed separately by Public Health Wales.

Strategic Service Gaps

- 2.15. The main gap for NHS Wales to address is whether the new GMS payment services will be developed in-house, outsourced to either Capita Plc (under the existing NHS England agreement) or provided by another supplier.
- 2.16. Depending on the chosen option for the delivery of payment services, consideration will also be required on whether the pharmacy process module and BACS payment module also need to be developed. In addition, replacement, development or further integration of the AWPL and AWPD solutions will be considered.
- 2.17. Separately, Welsh Government have recently concluded consultation on changes to the GMS contract in Wales. The decision on the GMS payments solution will need to take account of any changes to the contract and the (yet to be confirmed) implementation timescales.
- 2.18. Based on the plans for the delivery of the new payment systems (i.e. whether to be developed bespoke or for an existing system to be enhanced) and the existing support timelines, it is envisaged that the earliest any potential NHAIS replacement system can be successfully deployed is July 2020. This is based on an incremental deployment to GP practices over a two-month period. This assumes that the business case is signed off by no later than December 2019. Any support for NHAIS must continue until this timeframe, with the option to extend the support window. Refer to Appendix 5 for the outline timetable.
- 2.19. NWSSP Central Team eBusiness Services (CTeS) provides the BACS Bureau service for the existing NHAIS payment files. CTeS will also provide the BACS service for the new payment system to be used by NHS Wales.

Main Risks

- 2.20. The initial risks for the programme are set out in the Programme Initiation Document (PID). Doing nothing is not an option since that would risk all GPs in Wales potentially not being paid if the present NHAIS system fails or no alternative solution/service is confirmed by the NHAIS decommissioning date.
- 2.21. NHS Wales Transformation Programme Board are responsible for managing all risks and associated mitigation plans.
- 2.22. The following table sets out the initial high probability risks:

Table 1- Initial high probability risks

Nature of risk	Risk Probability	Risk Impact
<p><u>Cause:</u> Legacy NHAIS technology and the risk of ongoing support for this solution.</p> <p><u>Event:</u> NHS Digital is aiming to phase out NHAIS support by April 2020. There is a risk NHAIS may not be supported or hardware could fail before NHS Wales delivers a replacement solution.</p> <p><u>Effect:</u> Unless a replacement solution is deployed (registration and payments) in a timely manner then GPs may not get paid if NHAIS fails.</p> <p><u>Mitigation:</u></p> <ul style="list-style-type: none"> • Exercise the NHS Digital support until April 2020. • Finalise the payment system options and appraisal by September 2019 and to sign off proposal and costs by November 2019. • Prepare firm commercial costs and terms for the new registration system and replacement payment systems (based on the preferred option). Present the business case to stakeholders for approval by November 2019. Secure relevant WG/NWSSP funding by December 2019. 	High	High

- 2.23. There are some general stakeholder concerns regarding whether the main supplier for NHS England is able to deliver the payment solution for England. Any delays or challenges for NHS England could have an impact on NHS Wales deliverables and timescales.
- 2.24. Sustainability for a future NHS Wales is also a key consideration. If NHS Wales is dependent on the NHS England contract then it is likely that NHS Wales will be a secondary consideration to the plans and strategic deliverables that NHS England takes forward for their service.

Assumptions

The following strategic assumptions are made for the provision of services:

- 2.25. In the event there are delays with Capita Plc delivering the payment systems for NHS Digital, then the assumption is that NHS Digital will extend their support timelines for NHAIS and Open Exeter. As part of this, any NHAIS support extension into 2020 (and possibly later) will also be available to NHS Wales.

SECTION 3 - THE ECONOMIC CASE

Context & Purpose

- 3.1. The economic case is an analysis of the potential options to support any procurement process/contract award and funding considerations. The case also clearly defines the preferred options that meets the programme objectives described in the 'Strategic case'.

NHAIS Cost (Existing and Extension)

- 3.2. The following table sets out the existing costs for NHAIS, including the options to extend support until March 2020.

Table 2a - Currently Funded NHAIS Support Costs

Item	NHAIS Service
	Total (£) per annum
1. NHAIS Support (existing arrangements to April 2018):	
• NHS Digital support (incl. enhancements and access to third party licenses)	£ 349,912
• NWIS Infrastructure and support	£ 125,000
• BACS Bureau Service to process NHAIS payment files	£ 6,000
Total:	£ 480,912

Table 2b – Costs to extend NHAIS support to March 2020

Item	NHAIS Service
	Total (£) per annum (Pro-rata)
2. NHAIS Support (new arrangements to March 2020):	
NHS Digital Service Management*	£ 29,700
Access to third party licenses (<i>Cache, Unix etc</i>) to run NHAIS	£ 32,750
NWIS Infrastructure and support **	£ 130,000
BACS Bureau Service to process NHAIS payment files	£ 6,000
Total:	£ 198,450

Note:

- * Estimate based on £16.5k per annum, plus £110 per hour (incident support) for an average of 5 tickets per month @ 2 hours spent per ticket. The expectation is that the cost to extend NHAIS support to December 2018 will be similar or less than existing NHAIS support costs.
- ** Costs pro rata based on existing payments.

New Services Cost Appraisal

3.3. There are expected to be four components to the total one off and recurring costs for the NHAIS replacement solution:

- New GMS payment system costs
- NWIS/third party infrastructure hosting costs
- BACS Bureau Service
- Training and decommission costs

NOTE: Replacement for Ophthalmic payments systems are subject to a separate business case.

New Payment Systems

3.4. Appendix 3.1 sets out the long list options for the GMS payment system for the programme.

3.5. The following table uses the short list options to consider the costs to deliver the new GMS payment solution:

Table 3 – Payment Services Cost Appraisal

Options	Description	Cost (£)
1	<p>Capita Plc delivers the new GMS Payment System to NHS Wales based on the NHS England deliverables. (including enhancements to address Welsh specific elements)</p> <p>Note: The development costs exclude a nominal cost to deliver the pharmacy-processing module and the BACS payment module. Cost estimated at £ 5K</p>	<p>Development - £1.305m</p> <p>Recurring - £0.303m p/a</p> <p>Total Discounted Cost over 5 yrs. - £ 2.602m</p>
2	<p>NHS Wales delivers and supports the new GMS Payment Systems in-house. Variation: Using NHS Wales developers to build a bespoke solution</p> <p>Note: The costs include a nominal cost to deliver the pharmacy processing module and the BACS payment module.</p>	<p>Development - £1.8m</p> <p>Recurring - £0.313m p/a</p> <p>Total Discounted Cost over 5 yrs. - £ 3.131m</p>
3	<p>NHS Wales delivers the new GMS Payment System based on the HSC Northern Ireland (HSCNI) developed system (FPPS). (including enhancements to address Welsh specific elements)</p> <p>Note: The development and recurring costs exclude a 10% risk contingency proposed by HSCNI.</p>	<p>Development - £0.461m</p> <p>Recurring - £0.463m p/a</p> <p>Total Discounted Cost over 5 yrs. - £ 2.461m</p>

- 3.6. Option 2 includes the NWIS infrastructure hosting cost (estimated at £107k). This is based on the assumption all hardware management and support rests with NWSSP Primary Care Services.
- 3.7. After due consideration of the analysis of the options for the future payment systems (refer to Appendix 2 for the full analysis), the following recommendation is made:

1) NWSSP Primary Care Services recommends moving forward with the GMS payment system (FPPS) from HSCNI. The major considerations in reaching this conclusion are: -

- Initial development / implementation costs are the lowest and amount to 35% of the next cheapest option

- Recurring costs (despite being the most expensive) are within the general affordability envelope and reflect the benefits expected from a modernised / enhanced payment system

- FPPS is a fully proven solution that has successfully provided GMS payments in support of an almost identical contract framework for 5+ years

- It provides a modernised and self-service based solution but represents considerably less change for GP stakeholders when compared to the Capita solution

- GP stakeholders have expressed concern around the implementation of the (as yet) unproven Capita solution in England. This option is therefore considered to represent a significantly lower risk of reputational damage to NWSSP.

- Future changes will be developed in collaboration with HSCNI. Bearing in mind the recently completed consultation on the future GMS contract in Wales, this approach will significantly reduce future development costs to cater for Welsh only contractual arrangements that would be incurred in any arrangement with Capita.

2) The BACS Bureau Service to process the new payment file will be provided by NWSSP Central Team eBusiness Services.

These options are taken forward into the detailed financial appraisal for the business case; determining the affordability in terms of each option in terms of the capital and revenue demand that will be placed to NWSSP as a consequence of delivering the service.

- 3.8. During the term of the programme, additional options may arise, for instance, whether NHS Digital decides to deliver additional solution that are presently outsourced. If such situation arises then the options appraisal will need to be revisited and business case reassessed.

Benefit Assessment

- 3.9. The benefit assessment for the GMS payment system options is set out in Appendix 2.
- 3.10. The delivery of the service benefits will be managed through the NHS Wales Transformation Programme Board.
- 3.11. The benefits for the programme as a whole are expected to include:
- a) Deliver accurate registration and payments to primary care providers based on “like for like” functionality.
 - b) Modernise the core technology platform and the server support infrastructure for registration and payment systems.
 - c) Enhanced opportunities for greater third party integration, including to NWIS solutions.
 - d) Enhanced security capabilities.
 - e) Reduced future service support and development risks.
 - f) Longevity of any future managed service and support arrangements.
 - g) In the event the NHS in Wales maintains the solution in-house then there are opportunities for greater collaboration with technology providers and consultants.
 - h) Opportunity for NHS Wales to set its own strategic direction for Primary Care payment services, separate to NHS England.

Assumptions

- 3.12. Deploying the FPPS GMS payment system based on the HSC Northern Ireland model is envisaged to take a minimum period of six months to fully transition. This includes building any Welsh specific components and in parallel agreeing any commercial terms with HSC Northern Ireland.

SECTION 4 - THE FINANCIAL CASE

Context and Purpose

- 4.1 The financial case covers affordability of the programme and the bridging of any financial gaps.

Financial Affordability

- 4.2 Based on the information presently available, the expectation is that the new contract and service will cost more than presently incurred.
- 4.3 The following table sets out the indicative financial costs over five years based on the preferred Registration System option (option 1) and GMS Payment System option (option 3).

Table 4 - Summary of expenditure (capital and revenue costs):

	2019/20 (YR 0)	2020/21 (YR 1)	2021/22 (YR 2)	2022/23 (YR 3)	2023/24 (YR 4)	2024/25 (YR 5)
	£	£	£	£	£	£
1. Implement and develop the NI GMS payment system (FPPS) in collaboration. (including licensing costs).	£ 253,401	£253,402				
2. Support & Maintenance of FPPS		£381,861	£509,148	£509,148	£509,148	£509,148
Capital	£253,401	£253,402				
Revenue		£381,861	£509,148	£ 509,148	£ 509,148	£ 509,148
Total:	£253,401	£ 635,263	£509,148	£ 509,148	£ 509,148	£ 509,148

Table 5 – Summary of Preferred Registration and Payment System Options
Income/Expenditure

	2019/20 (YR 0)		2020/21 (YR 1)		2021/22 (YR 2)	2022/23 (YR 3)	2023/24 (YR 4)	2024/25 (YR 5)
	£		£		£	£	£	£
	Capital	Revenue	Capital	Revenue	Revenue	Revenue	Revenue	Revenue
Income:								
Welsh Government	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
NWSSP*	£0	£ 285,912	£0	£ 295,530	£ 305,341	£ 315,348	£ 325,555	£ 335,966
Expenditure:								
Extended NHAIS support		£198,450		£99,225				
HSCNI GMS Payment System (FPPS) Purchase, Support and licensing.	£253,401		£253,402	£381,861	£509,148	£509,148	£509,148	£509,148
Net Balance:	£-253,401	£87,462	£-253,402	£-185,556	£-203,807	£-193,800	£-183,593	£-173,182

* Based on the current income (£480,912) for NHAIS with a 2% annual uplift as per existing arrangements. It should be noted that this income stream currently accounts for patient registration, GMS payments and ophthalmic payments system costs, therefore the amount shown above has been adjusted from the actual funding by deducting the following amounts:

- New patient registration (PCRM) system costs - £92k per annum
- New ophthalmic payments system costs - £103k per annum

Affordability Envelope

4.4 Based on the economic case and financial assessment, there will be a capital affordability gap between existing costs to use NHAIS and costs to modernise the systems.

4.5 No provision exists on how to fund the implementation option for the new payment system. Based on the preferred option, an implementation cost of £507k will be required.

4.6 WG funding will be explored for the upfront implementation costs.

4.7 A period of double running costs may arise (described as “extended NHAIS support” in

table 6 above). This is to support the existing NHAIS system whilst the new payment and PCRPM are tested and deployed. The extent of the double running costs is to be confirmed and will depend on the transition window and final costs for the new services as well as costs to extend existing support services.

4.8 The following financial assumptions are made:

- TUPE will not apply. In particular, where third parties presently provide support to NHS Wales and this support is brought in-house.
- VAT does not apply for the services.

Contingency and Flexibility

4.9 In the event the preferred option for the GMS payment system (Appendix 2, option 3) cannot be delivered or the costs (implementation and/or recurring) exceeds the next preferred option then the NHS Wales Transformation Programme Board will be expected to assess any alternative arrangements.

4.10 Irrespective of the final solution, business continuity arrangements will exist to ensure the continued delivery of the GMS payments to the NHS in Wales. This will be in place for the period until the replacement solution is fully deployed. This includes in situations whereby NHS England deploys a payment system before NHS Wales.

SECTION 5 - COMMERCIAL CASE

Context and Purpose

- 5.1. The commercial case describes the procurement process, commercial, contractual arrangements and timelines for the programme.
- 5.2. Section 3 (Economic Case) captures the basis of the recommendations made on the chosen Procurement and Contractual routes.
- 5.3. Based on the preferred payment system option (option 3) this section details the high-level commercial and procurement considerations. The aim is to ensure award of any Contract [or Contracts] for the provision of a managed service and support arrangements can be facilitated to deliver the NHAIS replacement solutions.

Commercial Approval Process

- 5.4. The total value of the contract over the five years will exceed £1m; therefore, Ministerial approval will be required at the start of the process and again at the end of the process.

Commercial & Contractual Arrangements

- 5.5. The existing NHAIS service is provided under the agreement titled: "Service Level Agreement between NHS Digital and NWSSP Primary Care Services for Services provided by Systems and Service Delivery". This agreement expired on 31st March 2018.
- 5.6. NHS Digital have offered an extension to the support agreement under the document titled: "Service Offering for Provision of Call-Off Support of NHAIS for NHS Wales".
 - The extended agreement will expire on 31st March 2020.
This timescale may be extended (to be confirmed) to align with the NHS Digital rollout of the replacement solution for NHS England. Any potential extension may be subject to a revised SLA agreement.
 - Extending the existing NHAIS service or Open Exeter service provision provided by another public sector body to NHS Wales does not give rise to any procurement rule considerations to agree the extension. Internal governance arrangements will still be applicable.
 - The extended agreement is offered at a lower cost to NHS Wales than in previous years.
- 5.7. NHS Wales will utilise the recommended PCRM system from NHS Digital under a managed service support agreement.
 - The provision of the new service from NHS Digital is an upgrade to the services already provided by another public sector body to NHS Wales. Consequently, there are no procurement rule considerations to procure the new service.
 - The PCRM service will be provided to NHS Wales under an agreement still to be finalised with NHS Wales.

- 5.8. In terms of the new GMS payment services a number of potential options exist on

how this will be delivered. The procurement considerations for each of these options are set out in the following table:

Table 7 – Payment Service Procurement Considerations

Options	Description	Procurement Considerations
1	<p>Capita Plc delivers the NHS England designed new GMS Payment Systems to NHS Wales. (including enhancements to address Welsh specific elements)</p>	<ul style="list-style-type: none"> The NHS England framework contract with Capita Plc provides a call off that allow NHS Wales to exercise the agreement. The existing Capital Plc contract expires in December 2021 with a provision to extend for one year. Consequently, any future procurement and contract provision must continue to provide an option for call off by NHS Wales.
2	<p>NHS Wales delivers and supports the new Payment Systems in-house. Variation: Using NHS Wales developers to build the bespoke solution</p>	<ul style="list-style-type: none"> There is no procurement rule impact to move forward with this option. However, internal governance arrangements to be followed. The exception is where any resources to support the delivery of the project is to be procured, for instance use of consultancy or agency staff. In these circumstances then the Public contract regulations would apply to that expenditure
3	<p>NHS Wales delivers the new GMS Payment System based on the HSC Northern Ireland developed system (FPPS GP). (including enhancements to address Welsh specific elements)</p>	<ul style="list-style-type: none"> This can be progressed under the ‘Hamburg Exemption; which makes provision for co-operation between public sector contracting authorities. This rule is subject to: <ul style="list-style-type: none"> The implementation of the co-operation is governed by the considerations relating to the public interest The contract implements a co-operation between the participating parties with the aim of performing common objectives. Neither party performs more than 20% of the service on the open market

5.9. All the potential options listed in table 7 do not require NWSSP Procurement Services to be involved to approve the award.

Commercial Term

5.10. The contract term for the recommended new service will be for a minimum period of five years, with the option to extend by one year.

SECTION 6 - THE MANAGEMENT CASE

Context and Purpose

- 6.1 The management case defines how the programme will be managed to ensure implementation success and seamless transition into the new contract and support provision.

Programme Scope

- 6.2 The core scope of the programme for NHS Wales will include:
- a) The delivery of a bespoke payment system for GMS payments that meets the requirements of NHS Wales. This is to replace the NHAIS Contractor Payment System and the Open Exeter System.
 - b) The transformation and processing of the remuneration schedule file into a payment file format for processing through the NWSSP BACS Bureau service.
 - c) Engagement with all relevant stakeholders (internal and external) to ensure buy-in and ownership of the programme
 - d) Delivery of the business case confirming the final solutions offering and costs (implementation and recurring)
 - e) Delivery of a transition plan to successfully transition from the legacy services (registration and payment) to the new services.
- 6.3 There will be additional programme deliverables that will form a future phase of the deliverable:
- a) All Wales Performers List (AWPD and AWPD) enhancement/update to deliver the necessary interfaces to the new GMS payments system.
 - b) Any relevant interfaces to primary care contractors IM&T systems, for example to enable electronic claims.
- 6.4 The following are out of scope for the programme:
- a) The delivery of any aspects of a screening service for Public Health Wales NHS Trust.
 - b) Any plans or proposals to extend the services beyond the agreed scope and beyond the NHS in Wales.

Critical Success Factors

- 6.5 The critical success factors for the programme include: -
- To maintain ongoing support for NHAIS (either by NHS Digital or by NWIS) until the implementation of a new GMS payments solution.
 - Identify all costs and to address any funding gaps.
 - To confirm the optimum managed service and support model to meet the requirements of NWSSP PCS
 - To confirm the preferred method of contract delivery
 - To ensure business continuity is maintained for payment services during the transition of any replacement solution
 - The implementation plan is realistic and achievable whilst ensuring all risks and issues are managed

- There is stakeholder sponsorship and adequate stakeholder resources to support the implementation

6.6 To support the successful delivery of the programme requires the involvement of a number of strategic partners. These include:

Partner	Roles and Responsibilities (Primary)
NWIS	1) Provide network services to ensure connectivity and authentication to the FPPS solution.
NWSSP-PCS	1) System and User Acceptance testing – Payment Services 2) Payment Service Training 3) Confirm Wales specific requirements for GMS Payment Services
NWSSP-PMO	1) Overall programme management 2) Preparation of business case and progressing NWSSP governance approval

Programme Funding

- 6.7 At present, no specific funding is set aside to support the implementation and transition of the programme.
- 6.8 The reduced managed services and support costs arising through the NHAIS contract extension period will release funds to offset against some of the implementation costs.

Governance Arrangements

- 6.9 The Managing Director of NWSSP will act as the programme sponsor, with the Director of NWSSP-Primary Care Services acting as the Senior Responsible Owner (SRO).
- 6.10 The NHS Wales Transformation Programme Board and the sub-groups are existing established groups to support Primary Care Services. These groups remit will be extended to include the NHAIS replacement programme.
- 6.11 The NWSSP Shared Service Partnership Committee will be responsible for approving the NHS Wales NHAIS replacement business case, options, resources, risk assessment and recommendations.
- 6.12 Appendix 4 sets out the transformation governance structure for the programme.

Transition and Change Management

- 6.13 The expectation is that a NHAIS development change freeze will remain in place until the deployment of the replacement solutions by NHS Wales.
- 6.14 Business continuity plans will be in place to maintain payments to GPs and to mitigate against the main scenarios until the successful implementation of the replacement solution.

- 6.15 Any changes to the presently defined Welsh requirements will be subject to the NHS Wales Transformation Programme Board considering each change request on a case-by-case basis. This includes full assessment of additional risks, costs and service impact.
- 6.16 Staff training will be required across all the functional areas within registration.

Programme Timelines

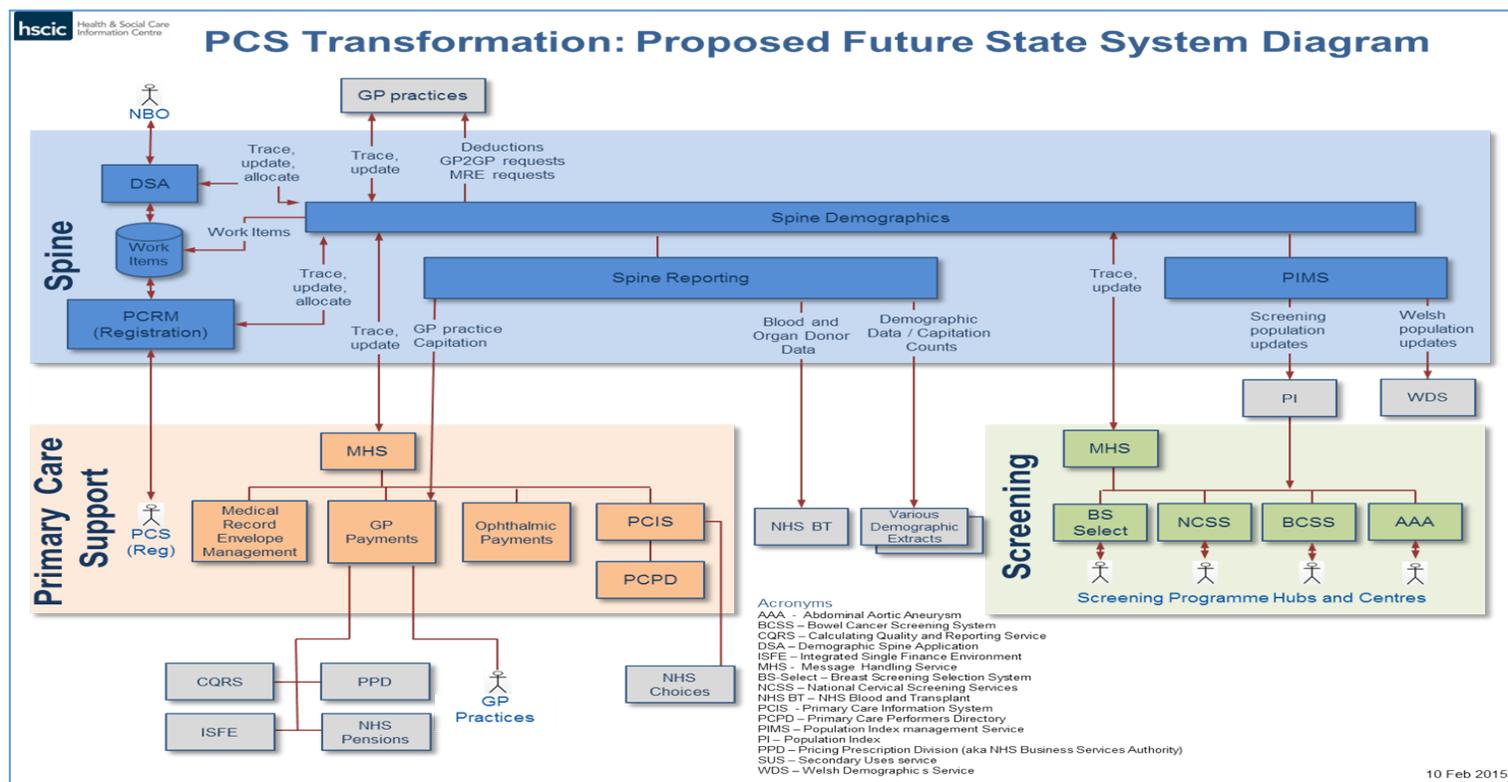
- 6.17 Based on the status of the delivery of a new registration system and payment systems (whether developed bespoke or for an existing solution to be enhanced) and present timelines, it is envisaged that the absolute latest the potential NHAIS replacement systems will be delivered by October 2020. Wherever possible, the intention is to deliver earlier than this date.

This assumes a final decision to proceed is made by December 2019 to allow a minimum six month transition period.

- 6.18 Appendix 5 sets out an outline timetable for the programme.
- 6.19 Until the delivery of a new payment system, it is important for NHAIS support to continue. Whether this is via NHD Digital (preferred approach) or brought in-house and managed through NWIS. NHS Digital have agreed to provide continued support until April 2020.

APPENDIX 1 – FUTURE SOLUTION COMPONENTS

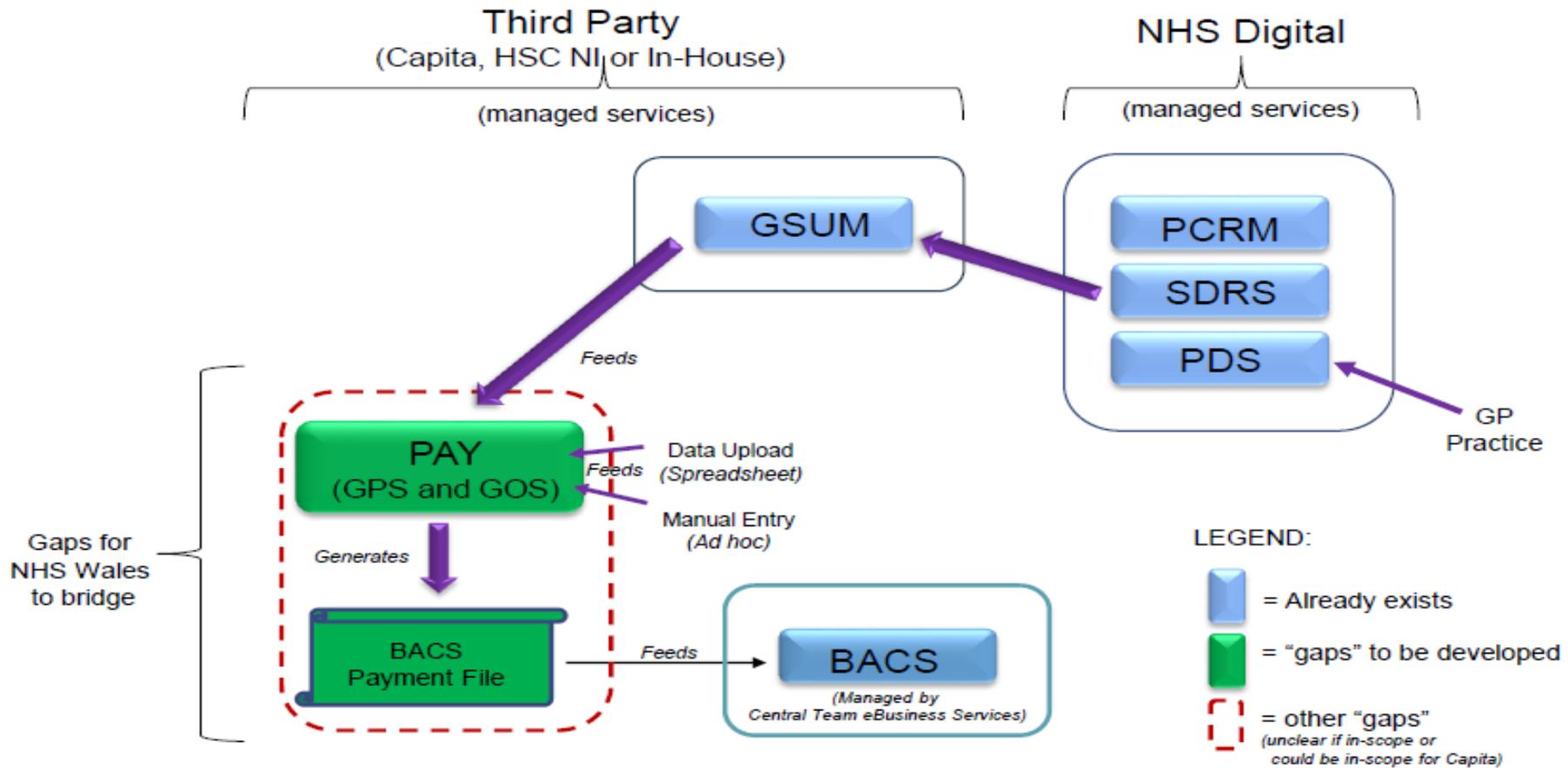
The following diagram depicts the present understanding of the components of the NHS England solution.



In the future, the NHAIS system will have been decommissioned. Primary Care Registration functionality will have migrated to a new PCRM Spine Application, making Spine demographics the sole, authoritative source of patient registration and demographic data. There will be no local copy of registration data. Therefore, all systems and services that previously relied on NHAIS registration data will now be accessing such data from the Spine.

GP practice systems will communicate directly with the Spine, rather than NHAIS for registrations, deductions and demographic updates.

The following diagram depicts the high-level components of the NHS Wales solution (work in progress)



APPENDIX 2 – OPTIONS APPRAISAL: FUTURE PAYMENT SYSTEM

Option	Description	Pros / Cons Assessment	Additional Considerations
<p>Option 1)</p> <p>Capita Plc delivers the new GMS Payment System for NHS Wales.</p> <p>NHS Wales to receive solution after NHS England.</p>	<ul style="list-style-type: none"> NHS Wales engages with Capita Plc to development the new GP Payment Services for Wales. This will be based on the service to be delivered to NHS England and reflect Welsh specific requirements Solution will be hosted by Capita Plc on the same shared infrastructure for NHS England Deployment to NHS Wales will commence once Capita Plc have delivered the payment service to NHS England 	<p>PRO:</p> <ul style="list-style-type: none"> NHS England would have ironed out all issues with the GP Payment System before solution is delivered to NHS Wales The solution provides for a considerable degree of self-service for claiming and reporting however note should be taken of the comments in “additional considerations” concerning engagement with the profession. <p>CONS:</p> <ul style="list-style-type: none"> Higher Capita Plc development costs – £1.305m development and £303k recurring costs (to be confirmed). Little opportunity to negotiate this down based on provisions in the existing contract, for instance day rate Increased transition complexity for Wales if NHS England have fully migrated to the new systems Forces NHS Wales to follow NHS England service direction, including contractual plans Development costs for future change may be significant especially if the provisions of primary care contracts diverge between England and Wales – at present NHS England requirements remain fluid, thereby potentially increasing the “gap” against NHS Wales requirements. 	<ul style="list-style-type: none"> This option is subject to Capita Plc confirming they endorse the approach Capita Plc development costs to factor in Welsh requirements The longer a decision is taken to proceed with this option (implementation and recurring), the less value the NHS Wales will realise given that the Capita contract expires in 2021 and cannot be extended. Capita’s solution puts emphasis on self-service. The onus for ensuring complete information is recorded has been shifted significantly towards GP and GP practices. This will be a culture change for Welsh contractors and will involve a significant level of engagement with contractors and representative bodies. The standard Capita solution generates ISFE invoice files. There will be a requirement to generate a BACS payment file to meet NHS Wales requirement.

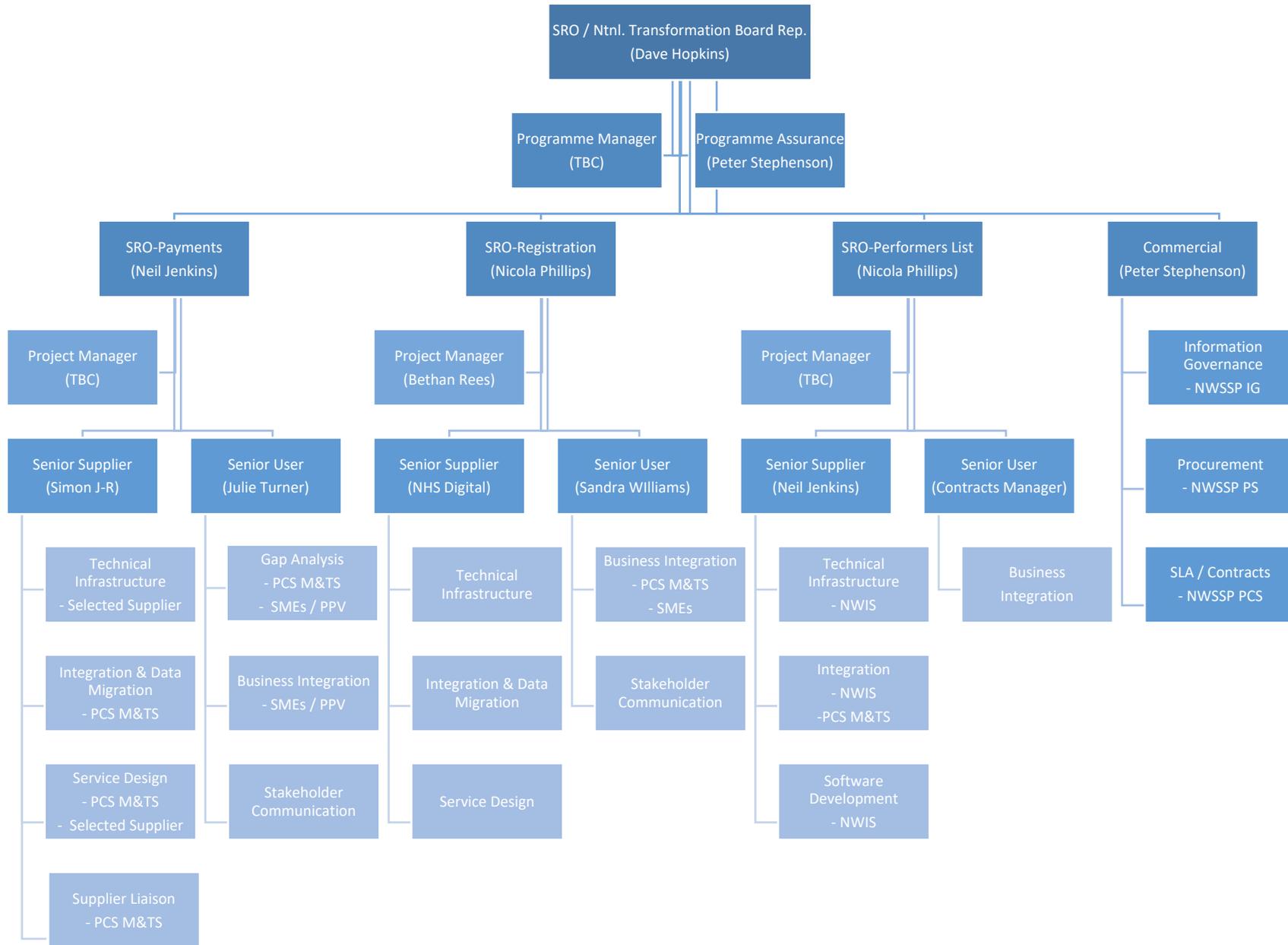
Option	Description	Pros / Cons Assessment	Additional Considerations
		<ul style="list-style-type: none"> • Capita's GP payments solution is fully integrated with their performers list solution. Capita's performers list solution does not meet NHS Wales current and future strategic (common practitioner repository) requirements. Integration of the NHS Wales performers list would be required with a significant development overhead. • As of 28/8/19 there is still no confirmed date for the delivery of the Capita solution to NHS England. Therefore the solution will not have been proven in a live environment prior to any delivery to NHS Wales. • GP stakeholders in Wales have expressed concern about the implementation of initial elements of Capita's Primary Care Support service to NHS England. There is therefore an increased risk of reputational damage for NWSSP in adopting any Capita solution. 	
<p>Option 2) NHS Wales delivers and supports the new Payment System in-house. Developments undertaken by NHS internal resources and/or supported by sub-contractors.</p>	<ul style="list-style-type: none"> • NHS Wales arrangements to take forward and develop its own GMS Payment System that reflects Welsh specific requirements • Solution will be developed by NHS resources or its appointed sub-contractors • Solution will be hosted by NHS Wales 	<p>PRO:</p> <ul style="list-style-type: none"> • The developed solution will be hosted and owned by NHS Wales – not tied into NHS England strategic direction, plans or contractual proposal • Opportunity for Wales to take a different strategic direction to NHS England <p>CONS:</p> <ul style="list-style-type: none"> • Timescales to deliver solution expected to be greater than Capita Plc. Estimated at 2.5 years – in part there is a need to recruit, 	<ul style="list-style-type: none"> • Presently unclear whether VAT reclaimable if the development and services do not form part of a managed services arrangement.

Option	Description	Pros / Cons Assessment	Additional Considerations
		<p>establish project teams and undertake relevant preparatory work (eg fully document requirements) before any development commences</p> <ul style="list-style-type: none"> • Costs to develop (estimate £1.8m) are greater than option 1 and option 3. Although recurring costs may be less. • Some potential duplication in functionality to those of the NHS England Payment System • Extended contingency support on NHAIS would be required. 	
<p>Option 3) NHS Wales delivers the new GMS Payment System in collaboration with HSC Northern Ireland</p>	<ul style="list-style-type: none"> • NHS Wales implements the NI GMS Payments system (FPPS) and develops it in collaboration with HSC to reflect Welsh specific and common requirements. • Solution will extend the system already developed by HSC Northern Ireland 	<p>PRO:</p> <ul style="list-style-type: none"> • FPPS is a proven solution that has delivered a GMS Payments service for Northern Ireland for over 5 years based on a contractual framework that is almost identical to the framework for Wales. • Initial development / implementation costs are the lowest of the three options, amounting to 35% of the Capita solution (option 1) which has the next lowest development and implementation costs. • FPPS provides a modernised and self-service based solution but the majority of processes closely reflect those currently delivered by NWSSP. This represents considerably less change for GP stakeholders when compared to the Capita solution • The collaborative nature of the agreement with HSCNI will ensure that NHS Wales is not be tied into 	<ul style="list-style-type: none"> • A critical requirement is for NHS Wales to possess the intellectual property rights to the solution. This is to enable it to extend the system offering to meet Welsh specific variation requirements. • Estimated duration to deliver is 18 months (6 months to refine requirements, deliverables and commercials; 12 months to implement new solution and Welsh elements).

Option	Description	Pros / Cons Assessment	Additional Considerations
		<p>NHS England strategic direction, plans or contractual proposal. Intellectual property rights in the solution will be retained by the parties thus allowing flexibility for both NWSSP and HSCNI to take forward their own bespoke requirements.</p> <ul style="list-style-type: none"> • Opportunity for Wales to take a different strategic direction to NHS England • Opportunity to take forward “joint” developments with NI, thereby sharing future development costs. • Lower risk option than options 1 and 2 because HSC Northern Ireland have already developed the solution and the effort involved will be to address NHS Wales specific gaps leading to shorter development timescales and reduced development and implementation costs. • Integration with the NHS Wales performers list solution is achievable with minimal development overhead. • Gaps between NHS Wales requirements and the NI GP payments system are minimal. Where there are gaps these are understood. “Filling” these gaps is within NHS Wales control. <p>CONS:</p> <ul style="list-style-type: none"> • Clarity required who maintains and supports the system – may need to be a joint effort initially 	

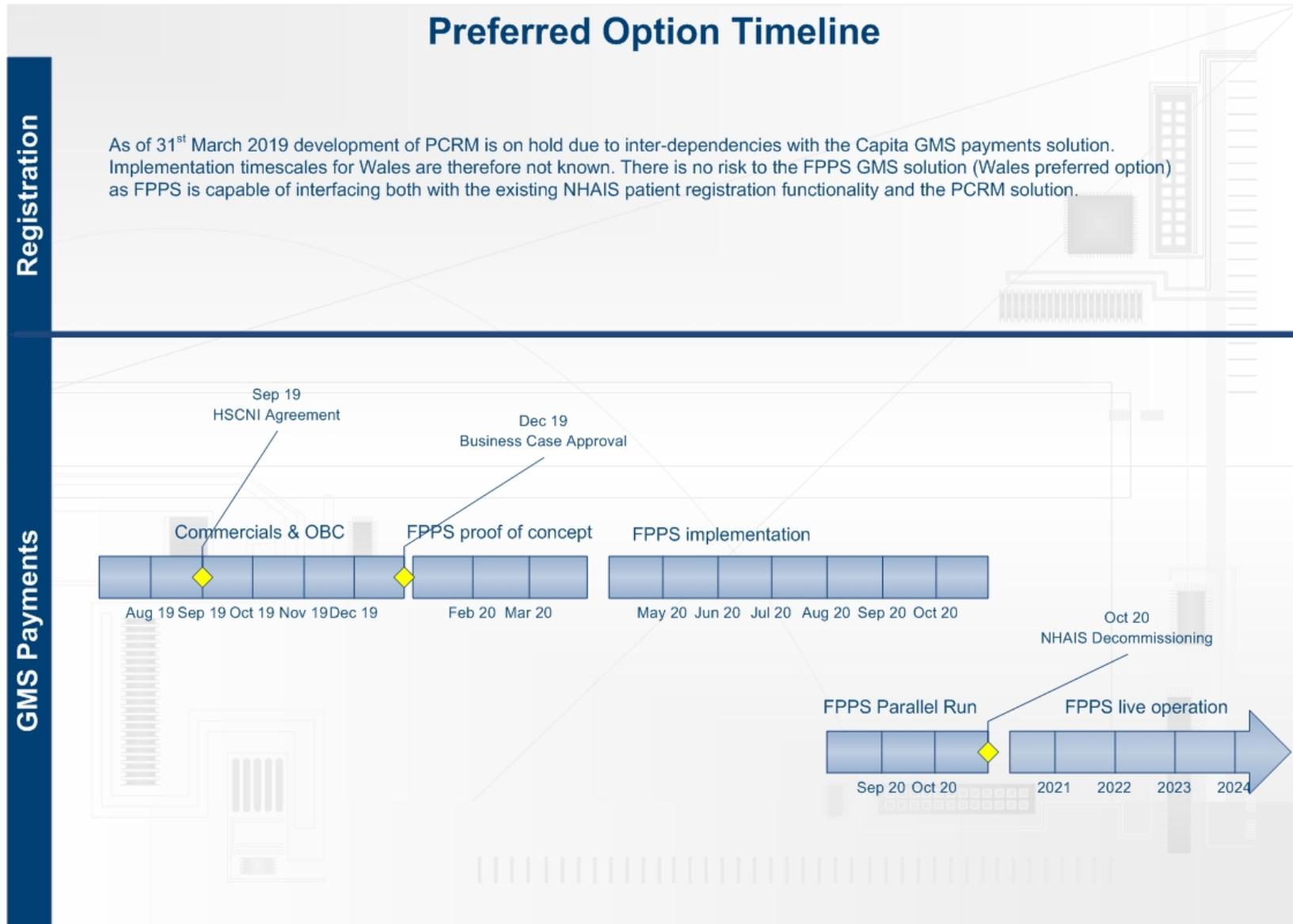
Option	Description	Pros / Cons Assessment	Additional Considerations
		<ul style="list-style-type: none"> • Extended contingency support on NHAIS may still be required. • Recurring costs are the most expensive of the three options. However they remain within the general affordability envelope and reflect the benefits expected from a modernised / enhanced payment system and ensure the provision of a support team dedicated to delivering support solely to NHS Wales. 	

APPENDIX 3 – TRANSFORMATION STRUCTURE GOVERNANCE



APPENDIX 4 – PROGRAMME TIMELINES

The following sets out the indicative timetable based on the preferred option and the present working assumptions.



APPENDIX 5 – GLOSSARY AND DEFINITIONS

Abbreviation	Description
AWPL	All Wales Performers List
AWPD	All Wales Pharmacy Database
GP	General Practice
GPC	General Practitioners Committee
GMS	General Medical Services <i>Note: The new service includes GSUM and Pensions</i>
GOS	General Ophthalmic Service <i>Note: the Ophthalmic Payments System records GOS claims, automates the payment process, produces statistical returns, and provides fraud prevention and detection tools. This service is used via the existing Open Exeter System.</i>
GSUM	Global Sum Formula <i>Note: used to calculate the payment to GPs based on national formula; enhanced activity pay calculation; quality outcome framework.</i>
ISFE	Integrated Single Financial Environment i.e. Invoice File Template format <i>Note: the invoice file will need to be converted for Wales in order to be processed through BACS.</i>
NHAIS	National Health Application and Infrastructure Services. Also known as “Exeter”. <i>Note: user reference manuals are available at: https://digital.nhs.uk/systems-service-delivery/NHAIS-downloads</i>
HSCNI	Health and Social Care Northern Ireland
NWIS	NHS Wales Informatics Services
NWSSP	NHS Wales Shared Services Partnership
Open Exeter	Gives web access to allow data entry and reporting on payments and demographics services delivered via NHAIS systems.
PAY	Payment Module (NHAIS System)
PCS	Primary Care Services

PCRM	Primary Care Registration Management <i>(part of NHS Digital new system)</i>
PDS	Patient Demographic Service <i>(part of NHS Digital New System)</i> <i>Note: The PDS system is the master demographics database for the NHS in England, Wales and the Isle of Man. It is the primary source of information on a patient's NHS number, name, address and date of birth. It does not hold any clinical information. The master database contains approximately 74 million patient records. Records are created for newborns or when a patient makes contact with an NHS service, primarily by registering with a GP practice, but also through accessing A&E or attending hospital. The PDS is used by NHS organisations and enables a patient to be readily identified by a healthcare professional to quickly and accurately obtain their correct medical details.</i>
REG	Registration Module (NHAIS System)
SDRS	Spine Demographics Reporting Service <i>(part of NHS Digital New System)</i>
SPINE	Spine supports the IT infrastructure for NHS Digital in England by joining together the IT Systems in England. NHS Wales Primary Care Services connect to the Spine to access services provided by NHS England.
WDS	Welsh Demographic Service <i>(system maintained by NWIS)</i>
WG	Welsh Government



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership



NHS Wales Shared Services Partnership Utilisation of IP5: Options Assessment

Strategic Outline Case

November 2019

Version	Date
Final	05.11.19

Adding Value Through Partnership

Programme Name	NHS Wales Shared Services Partnership IP5 Utilisation Options Review
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Document Authors	NHS Wales Shared Services Partnership (NWSSP) Akeso & Company Ltd (Akeso&Co)
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Version History

Version	Summary of Changes and Updates	Date	Author(s)
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002	Economic Case	12/09/19	NWSSP /Akeso&Co
003	Strategic Case	08/10/19	NWSSP / Akeso&Co
004	Full Draft	08/10/19	NWSSP / Akeso&Co
005	IP5 Project Team Review	09/10/19	NWSSP / Akeso&Co
006	Draft for NWSSP Board	11/10/19	NWSSP / Akeso&Co
007	Feedback from NWSSP Board	17/10/19	NWSSP / Akeso&Co
008	Updated Financial Case	30/10/19	NWSSP/ Akeso&Co
Final	Final Review	05/11/19	NWSSP/ Akeso&Co

Approvals

Meeting	Date
NWSSP Board	15.10.2019
Welsh Government	tbc

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1. Executive Summary

1.1. Introduction

NHS Wales Shared Services Partnership (NWSSP) has acquired a 275,000 sq.ft. warehouse (IP5) in Newport, South Wales. The primary purpose of IP5 is to serve as a European Union (EU) exit contingency warehouse in the event of a “no deal” exit and mitigate against disruption caused by any exit. The warehouse currently stores approximately eight weeks of medical devices and clinical consumables (double the normal NHS Wales stock of four weeks) to ensure continued availability of medical supplies whilst the UK exists the EU.

At the time of purchasing IP5, the Welsh Government intended that it would be a long-term strategic investment for Wales and create an opportunity for NHS Wales to deliver a one-of-a-kind physical shared service in the future. This Strategic Outline Case (SOC) has been developed to recommend a viable long-term option for IP5 that maximises the benefits of the building, effectively utilises the space, and covers the associated revenue costs.

1.2. Investment Intentions

In the business case that was submitted to gain funding to purchase IP5, a range of desired benefits were identified. These benefits have informed this business case and are as follows:

- Accelerates NHS Wales towards expanding and modernising existing stores
- Enables NHS Wales to think more holistically about health and social care supply chain and move towards that more quickly
- Provides a better understanding of the NHS Wales supply chain, volumes, pressures and geographic origin, presenting an opportunity to manage that chain to drive efficiencies and cost savings and to support economic development
- Possesses the capacity to let space to local supply chain partners e.g. start-up commercial companies and not-for-profit social enterprises
- Creates opportunities to supply beyond Wales, including the potential to engage in international trade and interact with customers hitherto unengaged

1.3. Strategic Alignment

The initiatives, legislation, and strategies below were all identified as key reference documents for this programme.

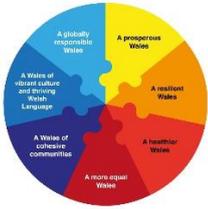
Strategic Alignment		Detail
Wellbeing of Future Generations Act		To consider the long-term impact of all decisions made: to work better with people, communities and each other; and to prevent persistent problems such as poverty, health inequalities and climate change.
Prosperity for All / Taking Wales Forward		The Welsh Government's intentions to deliver more and better jobs through a stronger, fairer economy; improve and reform public services; and build a united, connected and sustainable Wales.
A Healthier Wales		The Welsh Government Plan for Health and Social Care. The plan focuses on a whole system; a 'Once for Wales' approach centred on health and wellbeing and preventing physical and mental illness.
Prudent Healthcare		To achieve health and well-being with the public, patients and professionals as equal partners through co-production. To care for those with the greatest health need first. To do only what is needed, no more, no less; and do no harm. To reduce inappropriate variation using evidence-based practices consistently and transparently.
NWSSP Mission and Vision / Overarching Goals		To support NHS Wales in everything they do: through the promotion of consistent services across Wales; to increasing Vfm for Wales; to standardise, innovate, and modernise.
Specific IP5 Strategies		To maximise the strategic investment for Wales by establishing a one-of-a-kind shared facility that provides long-term benefit to NHS Wales and its customers, as well as the broader Welsh economy.

Table 1: Strategic Alignment

1.4. IP5 Business Case Summary

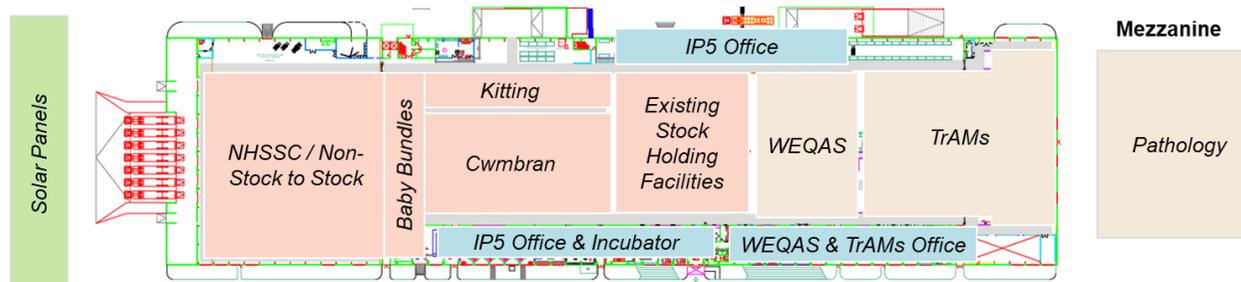
A long list of potential services for IP5 was generated and validated with stakeholders, then evaluated against the project's critical success factors to create a short list of services. The short-listed services were configured into six options and assessed to identify a preferred future option.

	Option 1: 'Do Nothing'	Option 2: 'Do Minimum'	Recommended Option	Option 4a: Logistic & Storage Hub	Option 4b: Logistic & Storage Hub (w/ TrAMs)	Option 5: Regional Clinical Support Hub
Services	<ul style="list-style-type: none"> Cwmbran Storage & HCS Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities TrAMs NHSSC / Non-Stock to Stock Theatre Kitting WEQAS Pathology Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities NHSSC / Non-Stock to Stock Theatre Kitting Medical Records SMTL Medical Waste Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities TrAMs NHSSC / Non-Stock to Stock Theatre Kitting Medical Records Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities TrAMs Theatre Kitting Equipment Services WEQAS Pathology SMTL Health Incubators Office Space
Space (sq.ft)	60,000 - 70,000	50,000 - 60,000	250,000 – 260,000	230,000 – 240,000	260,000 - 275,000	260,000 - 275,000
WTE	35 – 45	90 - 100	460 - 475	220 - 235	325 - 340	490 - 510
10-Year Benefits (£'000)	+ 850 - 950	+ 4,500 – 4,750	- 8,250 – 8,500	- 200 - 300	- 5,750 – 6,000	- 7,250 – 7,500
Benefit Ranking	6 th	5 th	1 st	4 th	3 rd	2 nd
Risk Ranking	1 st	2 nd	3 rd	4 th	5 th	6 th
CapEx	Very Low	Low	High	Medium	High	Very High
Timing	Dependent on EU Exit	12-Months	+24-Months	12-24-Months	+24-Months	+24-Months

Table 2: Option's Overview

Recommended Option

Option 3: Logistic & Clinical Support Hub



- Functions as a central hub for supply chain and clinical support services to serve a range of **regional, national and international customers**
- **Maximises supply chain services** by consolidating existing stock holding facilities and expanding product offering
- Transforms critical clinical support services, **launches social initiatives**, and **produces beneficial synergies**
- **Improves the delivery of clinical support services** and **increases the quality of care** to NHS Wales patients through Kitting, TrAMs, and Pathology, at a better value and in more **efficient** and **environmentally** friendly manner
- The inclusion of existing projects (TrAMs and Baby Bundle) **reduces capital investment** through the avoidance of alternative locations sourced and delivers **clinical and social benefits to the whole of Wales**, ensuring **Future Generations** are cared for
- Consolidated supply chain services enables transport to be optimised, **reducing CO₂ emissions** and enabling a higher volume of products to be transported to existing locations
- **Promotes decarbonisation** through a green transport fleet and implementation of solar panels
- Solar panels supply the facility as a whole and **generates revenue** from surplus energy sold back to the grid. Utilised in the future as **charging stations for green transport fleet**
- Office space used to manage IP5 services and subsidised as incubator space for **start-ups and social enterprises**, promoting the **local Welsh economy**, health and tech sectors
- **Supports “Once for Wales”** by eliminating inconsistency across stores and creates the opportunity for future high scale process improvements
- **Generates jobs** (est. c.80-100) through new services (e.g. Baby Bundles) and service growth (e.g. NHSSC)
- Service co-location enables **greater diversification**, experience, and training to take place to develop a **more skilled workforce**
- **Creates blueprint** and tests consolidation model for clinical support services to be implemented elsewhere in Wales

Strategic Alignment

Wellbeing of Future Generations	Very High	NWSSP Mission & Vision / Goals	Very High
‘A Healthier Wales’	Very High	Investment Objectives	Very High

Options Appraisal

Benefit Rank	1 st / 6	Risk Rank	3 rd / 6
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Financial Appraisal

10-Year Net Benefits	c. £8.3m
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1.5. Commitment to Well-Being Act

All public bodies must contribute towards the seven goals in the Well-Being of Future Generations Act. The table below describes how the preferred option supports each goal.

Wellbeing Goal	Commitment
A prosperous Wales	<ul style="list-style-type: none"> Develop a multi-service “hub” that offers a range of employment opportunities in technical and operational areas Set-up a Health Incubator to foster innovation and encourage international investment Create international trade through offering services to overseas customers
A resilient Wales	<ul style="list-style-type: none"> A best in class shared services facility to attract a mix of employment opportunities and provide both professional and economic growth Ability to support Welsh medical technology start-ups and grow wider export opportunities from both hosted and related services Plant one tree for every employee on site (estimated to be 400) to support biodiversity
A healthy Wales	<ul style="list-style-type: none"> Establish a range of efficient and effective clinical support services to enable clinical resources to focus more time on front line service delivery
A more equal Wales	<ul style="list-style-type: none"> Partner with social enterprises to offer accessible employment opportunities Partner with local universities to offer apprenticeships
A Wales of cohesive communities	<ul style="list-style-type: none"> Make IP5 a desirable place to work by bringing together ~400 staff from different specialties and backgrounds Encourage knowledge-sharing and collaboration by co-locating a range of services alongside each other Support ‘Once for Wales’ by working with Health Boards, NHS Trusts and other health organisations in Wales to collectively achieve greater efficiency and consistency
A Wales of vibrant culture and thriving Welsh language	<ul style="list-style-type: none"> Encourage and support the use of Welsh Language, including by offering free Welsh lessons on site at IP5
A globally responsible Wales	<ul style="list-style-type: none"> Support decarbonisation by implementing Solar Panels that offset carbon emissions generated by IP5 and supplies renewable energy back to the grid Reduce carbon emissions from logistics creating synergies across services that collectively lower transport needs

Table 3: Commitment to Well-Being Future Generations Act

1.6. Requested Approvals

NWSSP is now seeking approval to move forwards with the preferred option. To do so, the following steps are required:

- Approval from NWSSP Committee to progress the NWSSP initiatives
- Direction from Welsh Government and the NHS Executive Group around non-NWSSP initiatives and programmes that have been identified to
- Approval from Welsh Government to provide ongoing funding for the programme and facility

2. Strategic Case

2.1. Introduction

The Strategic Case describes the strategic context that has been considered in developing this proposal and the key drivers that make up the “Case for Change”. It also sets out the spending objectives for the project and what success would look like if these objectives were achieved.

2.2. Strategic Context

2.2.1. EU Exit

On the 23rd June 2016, the British people voted to leave the EU and the “Brexit” process formally began when the UK Government triggered the Article 50 leaving procedure. The UK is due to leave the EU by the 31st January 2020, with the deadline date having been delayed twice already, from 29th March and October 31st, 2019.

It should be noted that at the time of writing this document the terms of the exit have not been agreed and the implications for NHS Wales are unknown and/or highly disputed. Worst-case preparations have been made in the event that there is a “no deal” exit.

Velindre NHS Trust purchased IP5 (with funding from the Welsh Government) to serve as an EU Exit contingency warehouse for storing core medical supplies as part of their EU Exit preparations. NHS Wales and the Welsh Government recognised at the time of purchase that a number of longer-term benefits could be achieved through IP5. These were captured in the original business case and include:

- Accelerates NHS Wales towards expanding and modernising existing stores
- Enables NHS Wales to think more holistically about health and social care supply chain and move towards that more quickly e.g. by converting items from non-stock to stock to increase resilience and reduce dependency on external supply chains
- Provides a better understanding of the NHS Wales supply chain, volumes, pressures and geographic origin, presenting an opportunity to manage that chain to drive efficiencies and cost savings and to support economic development
- Has the capacity to let space to local supply chain partners e.g. start-up commercial companies and not-for-profit social enterprises
- Creates opportunities to supply beyond Wales

2.2.2. Well-Being of Future Generations Act

The *Wellbeing of Future Generations Act (2015)* was introduced by the Welsh Government and came into effect in April 2016. The Act requires public bodies to consider the long-term impact of their decisions; to work better with people, communities and each other; and to prevent persistent problems such as poverty, health inequalities and climate change.

The Act is unique to Wales and applies to all Welsh Ministries, Local Authorities, Health Boards, NHS Trusts, National Authorities and National Councils. It has attracted interest from countries across the world as an example of how to implement the United Nations (UN) 2030 Agenda for Sustainable Development.

The Act puts in place seven well-being goals that public bodies must contribute towards (see diagram below). NWSSP is required to consider how it will support all of these goals as part of the planning process for IP5, for example by exploring opportunities to use renewable energy sources and create equal employment opportunities.



Figure 1: Well-being of Future Generations Goals

2.2.3. Welsh Government Priorities

Taking Wales Forward was published in 2015 sets out the Welsh Government's intentions to deliver more and better jobs through a stronger, fairer economy; improve and reform public services; and build a united, connected and sustainable Wales. The *Prosperity for All Strategy* published in 2017 then takes the key commitments of *Taking Wales Forward*, places them in a long-term context and outlines how they fit with the work of the wider Welsh public service to lay the foundations for achieving prosperity for all.

A number of priority areas have been identified for focusing cross-government action in a way that also supports progress against well-being objectives:

- **Early Years** – ensuring everyone has the opportunity to reach their full potential and lead a health, prosperous and fulfilling life
- **Housing** – enabling everyone to live in a home that meets their needs and supports a healthy, successful and prosperous life
- **Social Care** – providing a high quality and sustainable social care sector, with preventative and integrated services in the community
- **Mental Health** – ensuring that mental health problems are not a barrier to achieving potential in all areas of life
- **Skills and Employability** – creating an economy founded on high quality skills, giving businesses the resources to grow and innovated, and people the ability to prosper
- **Decarbonisation** – ensuring that Wales plays a full part in reducing carbon emissions, whilst adapting to the challenges and opportunities of climate change
- **International Trade and Investment** – making Wales the destination of choice for international businesses and investors and increasing Welsh export

When IP5 was purchased, the Welsh Government intended for it to be a “strategic investment for Wales” and expected the long-term solution to support broader governmental aims. NWSSP must consider initiatives that support the Welsh Government’s policy priorities, for example by establishing the “Baby Bundle” service from IP5 to help address early childhood inequalities.

2.2.4. National Health Strategies

A Healthier Wales was published in June 2018 and is the Welsh Government Plan for Health and Social Care. The plan focuses on a whole system, ‘Once for Wales’ approach centred on health and wellbeing and preventing physical and mental illness.

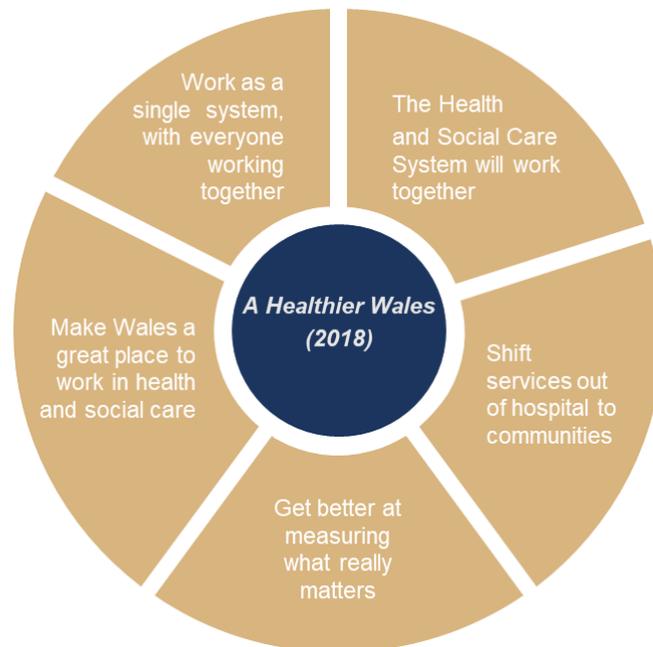


Figure 2: A Healthier Wales Visions

Prudent Healthcare is a major health strategy for the Welsh Government and describes the distinctive way of shaping NHS Wales to ensure it is adding value, contributes to improved outcomes and is sustainable. It includes “principles of prudent healthcare” that underpin everything that is done in the Welsh NHS and are aimed at providing sustainable healthcare services to secure better health and wellbeing. The principles are:

- Achieve health and well-being with the public, patients and professionals as equal partners through co-production
- Care for those with the greatest health need first, making the most effective use of all skills and resources
- Do only what is needed, no more, no less; and do no harm
- Reduce inappropriate variation using evidence-based practices consistently and transparently

Due to the scale of available space in IP5, there is an opportunity to demonstrate progress against these strategies by exploring options that achieve a ‘Once for Wales’ approach. For example, by consolidating services currently operated at multiple sites into one national service from IP5 or looking at opportunities to automate processes through new technologies.

2.2.5. NHS Wales Shared Services Partnership

The NHS Wales Shared Services Partnership (NWSSP) is an independent organisation, owned and directed by NHS Wales. NWSSP supports NHS Wales by providing a range of high quality, customer-focused support services to enable the Welsh Health Boards and NHS Trusts to focus on local delivery of front-line services. It also provides professional advice and support to the Welsh Government.

NWSSP's Integrated Medium Plan 2019-22 describes the actions that Shared Services will take to improve and develop its services to best support the needs of NHS Wales. It focuses on how NWSSP can influence change and help support its customers and partners in NHS Wales. It captures the key policies that apply to NHS Wales and describes how NWSSP will embed the principles of the *Well-being of Future Generations Act*, *A Healthier Wales* and *Prudent Healthcare*. Extracts from the plan are provided below.

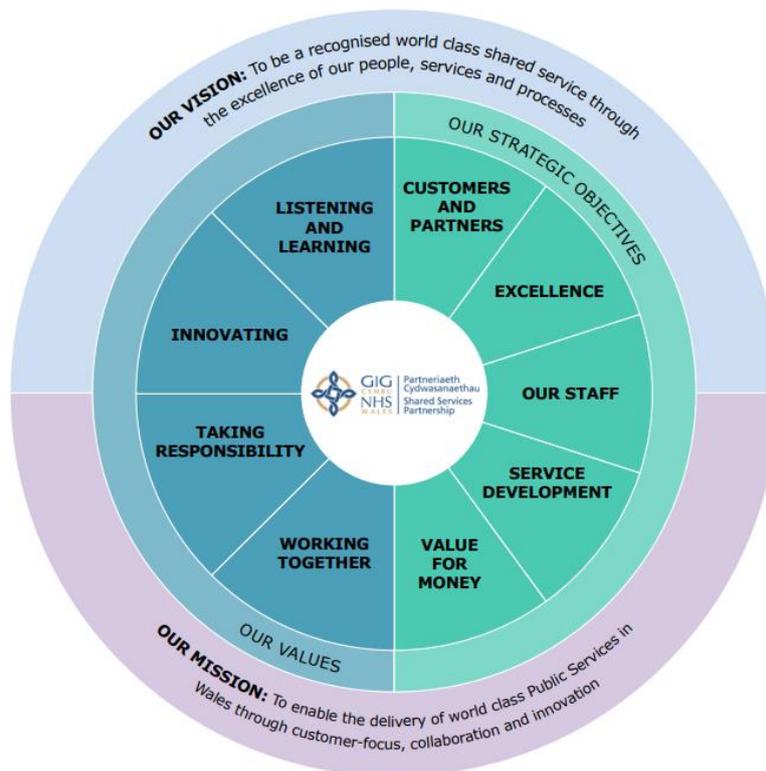


Figure 3: NWSSP Vision and Mission

#	Strategic Goals
1	To promote a consistency of service across Wales by talking and listening to our partners
2	To extend our service to increase value for money and innovation benefiting the people of Wales
3	Continue to standardise, innovate, and modernise our service delivery models to achieve prudent healthcare
4	To encourage people to want to work and stay with us by attracting, training, and keeping them
5	To use our resources effectively so that as the need for our service grows, we can maintain a balanced financial plan
6	To provide excellent customer service and to maximise efficiency by providing our service in one way across Wales
7	To deliver a world class service and use our skills and expertise to help NHS Wales tackle key issues
8	To support NHS Wales in meeting their challenges by sharing good practice and identifying opportunities

Table 4: NWSSP Overarching Goals

The purchase of IP5 for EU Exit resilience has created an opportunity for NWSSP to fast-track progress against its strategic goals. In particular, the location, capacity and nature of the space make the site suitable for:

- Consolidating services into one site to improve the quality and consistency of service delivery to NWSSP customers
- Extending into community and social care and / or other areas of the UK once the facility is operational
- Leveraging new technologies, supply networks and collaboration to create a future-proofed delivery model
- Providing clear and varied career progression to staff, supported by learning and making IP5 a desirable place to work
- Operating as a single entity to allow for easier financial and management accounting
- Co-locating different teams / organisations alongside each other to benefit from sharing information and good practice

2.3. The Case for Change

2.3.1. Spending Objectives

The overarching goal for this project is to: *“Maximise the strategic investment for Wales by establishing a one-of-a-kind shared facility that provides long-term benefit to NHS Wales and its customers, as well as the broader Welsh economy”*.

The investment objectives below will help to achieve this goal by responding to the strategic drivers and potential consequences of no action. They also support NWSSP’s overarching goals and vision.

Category	Objective	Quantitative Benefit
Welsh Economy	To make IP5 an attractive place to work by offering a variety of employment opportunities that are accessible to all and enable different organisations to co-locate alongside each other	<ul style="list-style-type: none"> Creates new, skilled jobs and supports equal opportunities / the third sector
	To support innovation, Welsh businesses and international trade	<ul style="list-style-type: none"> Brings economic activity to Wales
Healthcare Services	To enable Welsh Health Boards and NHS Trusts to focus greater time and resource on front-line clinical services	<ul style="list-style-type: none"> Supports improved clinical outcomes for NHS Wales
Efficiency and Effectiveness	To demonstrate a ‘Once for Wales’ approach by consolidating existing services into one site to maximise economies of scale	<ul style="list-style-type: none"> Standardises / increases consistency in how services and processes are operated
	To offer a range of complementary services from IP5 that collectively generate synergies as a result of being operated from the same site	<ul style="list-style-type: none"> Improves service quality and consistency to NWSSP customers
	To make best use of automation and technology to improve process efficiency and standardisation	<ul style="list-style-type: none"> Delivers tangible financial benefit to NHS Wales (one-off / recurring) as compared to existing operation Enables IP5 to break even
Environmental Sustainability	To minimise the carbon footprint of the facility by using renewable energy sources and sharing resources / logistics where possible	<ul style="list-style-type: none"> Supports Welsh Government sustainability goals and reduces environmental impact of IP5

Table 5: IP5 Spending Objectives

2.3.2. Existing Arrangements

IP5 was originally purchased for EU Exit contingency storage and is currently being used for this purpose, leaving much of the warehouse empty / not used. This investment created a long-term opportunity to consider different options for making best use of available space.

	<p>IP5</p> <ul style="list-style-type: none"> As viewed from the front, offering a 275,000 sq.ft warehouse space to deliver a one-of-a-kind physical shared services facility Situated in Newport, off the M4 it is ideally situated to serve the whole of Wales, as well as South West England and overseas
	<p>EU Exit Resilience and Contingency Stock</p> <ul style="list-style-type: none"> Supplies to offer resilience whilst the EU exit process takes place Transferred Cwmbran stock holding is already operational
	<p>The Mezzanine</p> <ul style="list-style-type: none"> Example of the current space not utilised Mezzanine possesses 50,000 sq.ft of open space with attached offices
	<p>Additional Space</p> <ul style="list-style-type: none"> An example of the additional space offered by IP5. Featured at the side of the warehouse, to the West of the facility Further green space available at the back of the warehouse

A “long list” of potential services was developed through consultation with Health Boards, NWSSP, Welsh Government and other stakeholders. The text below provides an overview of how the services in the long list are currently delivered and the challenges experienced today.

Supply Chain Services

Healthcare providers in Wales predominantly source core medical supplies and consumables through NWSSP storage and distribution centres in Bridgend, Imperial Park (previously Cwmbran) and Denbigh. These stores are supplemented by the smaller stores at a number of receipt and distribution sites.

Challenges with the existing model include space restrictions, which limit the range of products on offer and the amount of stock on hand that can be kept (approximately four weeks’ supply). Often people resort to buying items “off catalogue”, which creates unnecessary variation in supply and additional work (e.g. AP processing and deliveries), but also means that NWSSP does not maximise its collective buying power. There is also high variation in the processes and technology used at each store location, for example with some stores operating manual processes where others have fully automated processes.

Public and private sector hospitals have to deal with the receipt, handling and onward distribution of a wide range of product supplies and equipment. Hospitals in both sectors are increasingly looking to leverage scale from wider geographic areas by consolidating supply models across multiple sites. In doing so, they are able to achieve significant benefits through consolidating inventory and activity and aggregating transactions. Benefits that have been achieved include one-time inventory benefits, recurring supply chain costs (e.g. through overhead / staff efficiencies), improved patient access and reduced emissions from deliveries.

There is a significant opportunity to consolidate and expand existing supply chain activities in IP5 to maximise operational efficiency benefits for Wales (including those linked to logistics) and improve the quality of service to NWSSP customers at the same time.

Due to limited space capacity, NWSSP spends an additional ~£12.5m p/a on purchasing items through NHS Supply chain and sources a number of non-stock items. IP5 creates the space to supply more items directly through NWSSP, which would increase resilience and reduce dependency on external supply chains, as well as improve the purchase to pay process for these products. The available space could also be used to supply beyond Wales to generate new revenue sources, secure better supplier prices (through higher volumes) and provide a direct route to a bigger market for Welsh suppliers on catalogue.

Baby Bundles

It is estimated that ~30% of children in Wales were born in poverty in 2017-18, and this number is rising. There are ~31,000 babies born each year in Wales and it is a Welsh Government priority to tackle childhood poverty and health inequalities.

In August 2017, the Scottish Government introduced a “Baby Box” initiative where every newborn baby would be entitled to a free box with all the necessary items to support the baby’s first six months of life. The Welsh Government have pledged to introduce a similar ‘Baby Bundle’ initiative for Wales. IP5 could be a suitable location for standing up this service.

Medical Records

A UK-wide independent inquiry has been commissioned to examine the circumstances in which men, women and children treated by the NHS were given infected blood and infected blood products, in particular since 1970. As a result, all Health Boards and Trusts in Wales are required to retain materials and medical records as evidence.

Health Boards and Trusts in Wales do not have the space within existing sites to store the materials / records for the inquiry, so are currently exploring options for alternative arrangements (i.e. offsite storage facilities). The total estimated financial costs that would be required to store medical records over a five-year period is ~£5.9m.

Theatre Kitting

At present, each hospital operates its own different process for supplying products into theatres. This can vary from 100% custom procedure packs to individual on-site picking by clinical staff. Challenges with the existing theatre supply chain practices include:

- High amount of clinical staff time (e.g. nurses) spent picking surgical products
- High levels of obsolescence for unused items
- Possibility of human error in selecting products
- Space required to store hospital-owned inventory / stock in theatres
- Lack of visibility of patient-level costs

These problems could be eliminated by adopting an automated system to serve operating theatres with a demand-led supply chain. One solution that has been successfully implemented in hospitals in England (see diagram below) is to offsite the service based on three different approaches that together deliver a total supply solution for all operating theatres in any healthcare provider setting, in turn achieving clinical and commercial benefits.

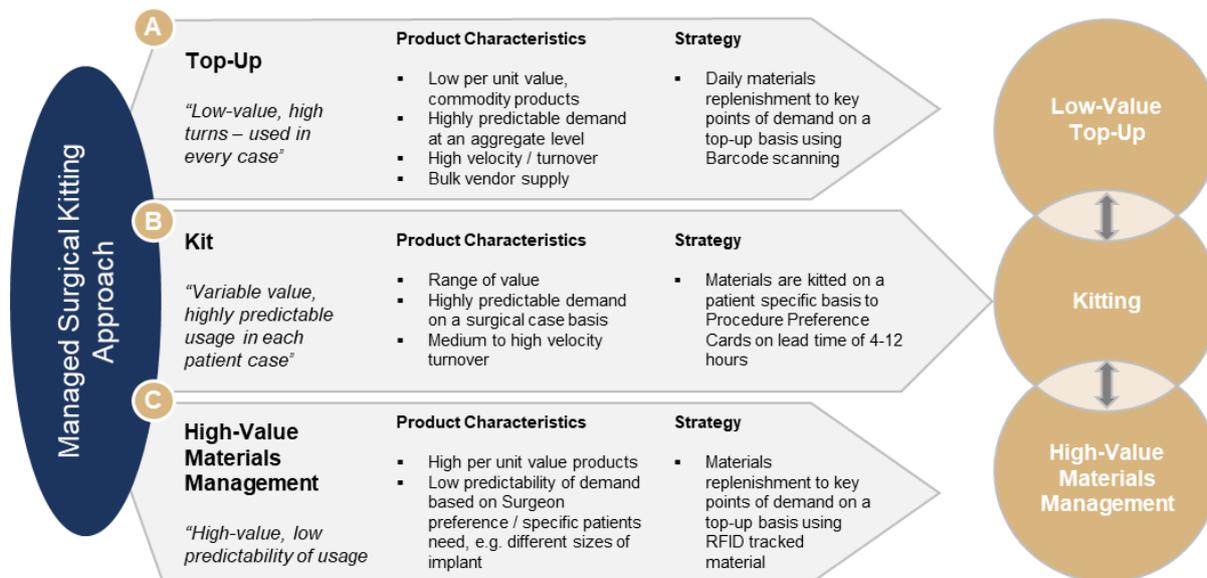


Figure 4: Theatre Kitting Solution

Health Courier Services (HCS)

NWSSP operates a Health Courier Service to Hospitals, Clinics, Surgeries, GP Practices, Pharmacies and Schools. The fleet transports specimens, pathology blood / blood products, whole blood, platelets, vital medicines and wide variety of other non-patient items in routine, urgent and emergency conditions. They also deliver and collect internal / external post as part of a pre-planned scheduling service; exchange all mail at centralised post rooms; manage medical records transport; and laundry distribution.

NWSSP currently have a fleet of 120 vehicles. For 30 of those vehicles, it pays £13,000 p/a to rent parking space. Locating the vehicles at this site also creates additional travel requirements as the vehicles have to then drive to where they are needed.

Medical Equipment Libraries

Typically wards, departments, and hospitals function run their own Medical Equipment Libraries. This can lead to ward-level hoarding and a lack of visibility and utilisation of equipment at a hospital level (and more broadly). Previous reviews by the Wales Audit Office have highlighted concerns with medical equipment services around the procurement of equipment items, replacement of key equipment, standards of reporting for adverse safety incidents, as well as overall management and inventory information relating to the equipment.

Community Equipment Services

There is an increasing demand for community equipment services throughout the UK, driven by an ageing population and funding constraints. In Wales, services are operated by a combination of organisations, including Health Boards and City / County Councils. The lack of

central service coordination means that patients experience different service levels depending on their location, for example they may be eligible for different equipment allowances.

Groups of hospitals in England, such as the London Consortium and Greater Manchester, have successfully consolidated equipment services to deliver financial benefits such as one-time release of capital and reduction in recurring costs through overhead / staff efficiencies. Other benefits that have been achieved include improved patient access and reduced emissions from deliveries.

Electrical and Biomedical Engineering (EBME)

EBME services are currently delivered at a hospital / Health Board level, with a high degree of variation in how the services are delivered at each location. Challenges with the existing service include slow turnaround time for maintenance, inconsistent service quality and lack of planned maintenance impacting equipment availability / overall lifetime costs.

Decontamination and Sterile Services

Decontamination and Sterile Services are provided at a hospital level, where each hospital is service by an average of two Centralised Sterile Service Departments (CSSDs) – some as many as four. The average instrument turnaround times exceed 1.3 days, against an industry best practice of 4 hours where facilities are co-located with theatres. There is also variation in operational and financial efficiency, for example in the level of spend for these services across hospitals and Health Boards. Some Health Boards operate at half of the cost of others, taking into account activity, surgical output and FTE.

English and international healthcare organisations are increasingly off-siting and centralising decontamination and sterile services into CSSDs, often collaborating to share facilities. The benefits associated with CSSDs include:

- Release critical hospital space on site (commonly next to Theatres), which can be repurposed for clinical activities
- Maximise benefits to all collaborating organisations
- Increase service capacity levels
- Increase the opportunity to generate new revenue streams by providing services to the private sector
- Allow for incorporation of sector leading equipment and systems

Aseptic Production and Medicine Supply

The Transforming Access to Medicines (TrAMs) Programme has been established to “devise an integrated solution to support patients and front-line users with pharmacy and other

supplies, to a higher quality, better sustainability, and lower cost, than at present”. It responds to existing challenges relating to the supply and delivery of medicine and aseptic services in Wales. Three medicines hubs will be set up in Wales to consolidate aseptic production and QA regionally. Procurement, storage and delivery of wholesale medicines will also be operated from each hub.

IP5 has been identified as an appropriate location for the South East Wales Hub as it supports a priority initiative for NHS Wales, whilst saving time and cost that would be incurred if a new hub was built from scratch.

Pathology

NHS Wales has a number of pathology initiatives underway to improve Pathology services and support the Welsh Government’s ambitions set out in *Taking Wales Forward: Healthy and Active*. There is a recognition that effective pathology services are essential to prevention and management of disease and that improvements are needed to support better patient outcomes. The demand for pathology services is also growing, with blood science test volumes increasing by ~5% per year.

Wales is experiencing pathology workforce challenges, with a shortage of necessary skills leading to problems in recruiting and retaining talent. Where possible services have been redesigned to increase uptake of automation to increase the capacity to complete tests.

The 2019 Pathology Statement of Intent addresses current challenges facing pathology services in Wales and identifies eight priority areas where new strategic approaches are required. A nationally coordinated strategic plan for Pathology services will be developed and led by the National Pathology Network (established in early 2019).

One option for Wales is to replicate the changes taking place in England at present. In response to the Lord Carter Report (published in 2016), NHS Trusts in England have been moving towards a pathology network model to reduce unwarranted variation and duplication in how diagnostic services are delivered. Consolidating pathology services allows for the most consistent, clinically appropriate turnaround times, ensuring the right test is available at the right time. It also makes better use of the highly skilled workforce to deliver improved, earlier diagnostic services supporting better patient outcomes.

The English network model is built on a hub and spoke approach to consolidation where “cold tests” are performed from a centralised hub, then “hot tests” are completed in local spoke laboratories (e.g. on hospital site). IP5 could be a suitable hub location for processing certain high volume, low urgency “cold” pathology tests.

WEQAS

WEQAS are an independent organisation currently hosted by Cardiff and Vale University Health Board, on a commercial site, who provides external quality assessment for laboratories and diagnostics services. It supplies to more than 35,000 sites per month (in Wales, the UK and internationally) to provide EQA programmes including external audit, performance analysis and educational advisory services.

WEQAS is currently exploring opportunities to relocate and expand their physical footprint. The nature of their services complements the broader options being considered for IP5 and contributes to the Welsh Healthcare system as a whole. Housing WEQAS in IP5 also presents opportunities for synergies with other services (e.g. TrAMs) due to similar environmental needs (e.g. temperature-controlled rooms).

Medical Waste

NHS Wales operate a “collect, consign, transport and treat” model for processing clinical waste. There has been an increasing focus within the NHS on a more effective segregation of waste with more High Temperature Incineration Waste (“HTIW”) being categorised as lower cost Alternative Treatment (AT) waste to align with the successful roll out of the Offensive Waste (OW) stream. This change has significantly impacted the Clinical Waste sector in the UK, leading to some plants being closed or contractors burning AT / OW waste in their incinerators to maintain throughput. Some of the challenges with medical waste disposal today include:

- HWIT being transported over much longer distances to be processed
- Higher tonnage rates of AT / OW produced requiring processing
- More OW being sent to a smaller number of approved landfill sites
- Reduced capacity to process HWIT waste, therefore driving costs up
- Inefficiencies with current AT and OW waste removal processes

There is little space on site at hospitals for processing medical waste (especially taking into account licencing difficulties), so IP5 could be a suitable offsite location to set up a medical waste service for Welsh hospitals.

Office Space

IP5 is well located next to the M4 and has a good train connection, allowing easy access to Cardiff, Bristol and London. There is increasing competition for high quality office space in all these cities so IP5 could offer a lower cost alternative in an easily accessible location. The space may be desirable for existing NHS teams, as well as small business (e.g. start-ups) and

not-for-profits (e.g. social enterprises or charities) who have limited resources to spend on rent.

Solar Panels

The Environment (Wales) Act 2016 requires the Welsh Government to reduce emissions of greenhouse gases in Wales by at least 80% by 2050 and sets the ambition for a carbon neutral public sector by 2030. The Prosperity for All: Low Carbon Wales Plan sets out how Wales will meet its first carbon budget (2016-2022) and the 2020 interim target. The Welsh Government Future Generations Well-Being Act also has a strong focus on environmental sustainability e.g. by requiring public sector organisations to consider opportunities to use renewable energy sources.

In April 2019, the Welsh Government declared a Climate Emergency due to a lack of progress towards future sustainability goals, which has increased the pressure on public service organisations to take action. The IP5 facility is likely to require significant amounts of energy to operate and the associated logistics / transport will generate further carbon emissions. Any opportunity to reduce the overall carbon footprint is welcomed.

Furthermore, the opportunity for the solar panelling to be utilised as a means of supplying the green transport fleet through electrical charging points at IP5 in the future has been noted as highly desirable and will be explored further as the programme develops.

2.3.3. Business Needs – Current and Future

The table below describes how IP5 could be used to respond to challenges experienced today in delivering existing services.

Potential Service	Existing Challenges	Opportunities
Supply Chain Services	Space restrictions; limited product range and stock on hand; process inefficiency and variation; and reliance on external suppliers	<ul style="list-style-type: none"> • Consolidate existing stock holding facilities • Increase product range (convert non-stock to stock) • Convert NHSSC products to stock
Baby Bundles	Childhood poverty and health inequalities impacting long-term health outcomes	<ul style="list-style-type: none"> • Create a new baby bundle service for all new-born babies in Wales from IP5
Medical Records	Space restrictions and high cost of offsite storage rental	<ul style="list-style-type: none"> • Store Medical Records in IP5 or space released by bringing other services into IP5 (e.g. existing stores)
Theatre Kitting	Variation in practices across hospitals and inefficient processes	<ul style="list-style-type: none"> • Provide a local / regional theatre kitting service to supply necessary procedure equipment into theatres
Health Courier Service	Cost for NWSSP to park fleet of vehicles	<ul style="list-style-type: none"> • Transfer existing fleet to IP5 for parking
Medical Equipment Library	Poor utilisation of equipment and duplication of expensive items across multiple sites	<ul style="list-style-type: none"> • Consolidate medical equipment libraries into one location
Community Equipment Services	Inconsistent service quality to patients and duplication of equipment across multiple sites	<ul style="list-style-type: none"> • Consolidate community equipment services into one location
EBME	Limited capacity to provide service, leading to reactive equipment maintenance works and over-utilisation of assets	<ul style="list-style-type: none"> • Consolidate EBME services into one location
Decontamination and Sterile Services	Slow turnaround time and high variation in price to operate service	<ul style="list-style-type: none"> • Create a regional CSSD site that transforms service delivery to meet industry standards

Aseptic Production and Medicine Supply	Critical need for improved service quality at present, but high capital investment and time to implement TrAMs programme	<ul style="list-style-type: none"> • Make IP5 the South East Wales Hub for Aseptic Production and Bulk Medicines Supply
Pathology	Limited capacity to meet growing demand for pathology tests and limited uptake of technology advancements	<ul style="list-style-type: none"> • Consolidate specific high volume, low urgency pathology tests that can be automated in IP5
WEQAS	Lack of space at existing site, limiting ability to grow the service	<ul style="list-style-type: none"> • Host WEQAS at IP5 and expand service
Medical Waste	Low supplier capacity to process medical waste, leading to higher prices for NHS customers	<ul style="list-style-type: none"> • Establish a clinical waste disposal service for Welsh hospitals utilising new technology
Office Space	Lack of cheap, desirable office space in easily accessible location	<ul style="list-style-type: none"> • Provide opportunities to move NWSSP teams to IP5 and explore options to lease remaining office space to external organisations e.g. start-ups / social enterprises
Solar Panels	Welsh Government declaration of Climate Emergency and high carbon footprint associated with running IP5 (e.g. energy, logistics)	<ul style="list-style-type: none"> • Construct solar panels on the roof of the warehouse to supply renewable energy to IP5 (and potentially the grid) • Plant trees on the green space alongside the building

Table 6: Business Needs

2.3.4. Anticipated Benefits

IP5 has the potential to deliver a range of clinical, social, operational and financial benefits. Anticipated benefits are identified in the table below, as well as indicative measures that would help to demonstrate progress against the overarching investment objectives.

Benefit Type	Benefit	Measures	Type
Clinical	Supports improved clinical outcomes for NHS Wales	Improved patient quality of care	Qualitative
		Hours of time freed up to focus on clinical-facing activities	Non-cash releasing
Social	Brings economic activity to Wales	New revenue generated by English / international customers (£)	Quantitative
		Existing spend with English / international suppliers transferred to Welsh suppliers (£)	Quantitative
	Creates new, skilled jobs and supports equal opportunities / the third sector	Number of new jobs created	Quantitative
		% of jobs that are accessible / filled by social enterprise partners	Quantitative
	Supports Welsh Government sustainability goals and reduces environmental impact of IP5	Carbon emissions generated by IP5 (CO2e)	Quantitative
		Energy consumption (kWh)	Quantitative
		Logistics mileage to operate IP5 services	Non-cash releasing
		Capacity (in MW) of renewable energy equipment	Quantitative
Operational	Standardises / increases consistency in how services and processes are operated	% of processes that are automated	Non-cash releasing

	Improves service quality and consistency to NWSSP customers	NWSSP customer satisfaction scores	Qualitative
Financial	Delivers tangible financial benefit to NHS Wales (one-off / recurring) as compared to existing operation	Personnel costs (£)	Cash-releasing
		Inventory costs (£)	Cash-releasing
		Revenue costs (£)	Cash-releasing
	Enables IP5 to break even	Return on investment	Non-cash releasing

Table 7: Anticipated Benefits

2.3.5. Risks, Dependencies and Constraints

Risks

Risks are events that have not yet occurred but have the potential to impact the successful achievement of programme outcomes. The risks identified to date, their potential impact on the programme and the steps that will be taken to reduce their likelihood of occurring are described in the table below.

Risk	Description	Proposed Response
Stakeholder Engagement	If relevant stakeholders (e.g. from the Welsh Government, NWSSP, Health Boards / Trusts) are not appropriately engaged with the programme and the direction of travel, then opportunities to bring initiatives into IP5 may be missed and stakeholders may not support the preferred option	<ul style="list-style-type: none"> Develop a stakeholder engagement plan to identify relevant stakeholders and the most appropriate engagement methods Share the Strategic Outline Case with key stakeholders once it has been approved by the Welsh Government
EU Exit	If there is a no deal exit from the EU and the supply market is impacted for longer than anticipated (6+ months), then the timing for bringing in new services may be delayed	<ul style="list-style-type: none"> Phase implementation of preferred option based on when space becomes available
Service Continuity	If existing services are disrupted during their transfer to IP5, then frontline delivery of clinical services	<ul style="list-style-type: none"> Complete detailed programme planning as part of future phases

	may be compromised and / or NWSSP's reputation may be negatively impacted	<ul style="list-style-type: none"> Sequence transfer of services as appropriate
Business Continuity	If IP5 becomes the national provider for specific services and is impacted by an event that halts operations, then there may be critical service gaps	<ul style="list-style-type: none"> Complete business continuity plans for all services in IP5, including back up sites / resilience levels
Funding	If appropriate funding cannot be sourced to implement the preferred option (including some higher cost, more complex long-term strategic initiatives), then lower cost alternatives or selling IP5 may have to be considered	<ul style="list-style-type: none"> Engage heavily with Welsh Government to understand funding constraints Demonstrate clear benefit (financial and other) of preferred option

Table 8: Anticipated Risks

Dependencies

Dependencies are outputs or results outside of the programme that are needed for this programme to be able to proceed as planned. The dependencies identified to date include:

- EU Exit outcome
- Welsh Government approval of preferred IP5 option
- Welsh Government approval to provide continued funding for the programme

There are also a number of projects / programmes underway that are considering using IP5 as a potential site for future solutions to 1) speed up time to implementation and 2) reduce implementation costs. These initiatives include:

- **Transforming Access to Medicines.** Programme to implement an all-of-Wales solution to providing aseptically prepared medicines. IP5 is being considered as the South East Wales Hub for Aseptic Production and Bulk Medicines. The IP5 programme is dependent on the TrAMs business case being approved to progress this opportunity further
- **Baby Bundles.** Welsh Government are dedicated to implementing a 'Baby Bundle' service, whereby every new-born receiving care from NHS Wales is eligible to receive a bundle containing essentials to support early growth and development. IP5 has been identified as a suitable location to house the delivery and storage of the bundle's constituent items, as well as the assembly space and national distribution centre
- **National Pathology Programme.** A National Pathology Network has been set up to redesign the pathology service delivery model in Wales. IP5 has been identified as a

suitable site for consolidating regional or local pathology services. An opportunity is being progressed with Aneurin Bevan and Public Health Wales to create a regional Microbiology Hub at IP5. This is subject to further conversations to scope and validate the opportunity

- **WEQAS.** WEQAS is currently hosted by the Cardiff and Value University Health Board, the service and is looking to expand its service offering. IP5 has been identified as a suitable location due to the available space and potential beneficial synergies that could be achieved by co-location with similar services (e.g. TrAMs)

Constraints

Constraints are internal and external factors that restrict the project and choices around how it is managed. The constraints identified to date include:

Constraint	Impact
EU Exit	The primary purpose for buying IP5 was to serve as an EU Exit Contingency Store. As long as this need continues, the space available for other initiatives will be limited
Space	The amount of total available space is limited to 275,000 sq.ft. which includes warehouse, office and mezzanine areas
Anchor Initiatives	Anchor initiatives are being progressed on the assumption that they should be established from IP5, due to strong alignment with IP5 objectives and existing project maturity. The initiatives include: Baby Bundles, Solar Panels, Incubator, Cwmbran and Health Courier Services and consolidated existing stock holding facilities. It is also a working assumption that TrAMs will be operated from IP5, subject to further planning and business case approval. These anchor services limit the available space for optional initiatives
Cwmbran	Cwmbran store has already been transferred and started operating from IP5. If it is decided that IP5 should be used for a different purpose or sold, then the service would have to be relocated again
Licences	Some services being considered require specific licences / certifications to operate (e.g. TrAMs, Pathology, Medical Waste). This could impact which services can be operated alongside each other

Table 9: Constraints

3. Economic Case

3.1. Introduction

The Economic Case identifies and evaluates the options for IP5 and recommends the preferred option based on anticipated benefits, risks and overall alignment with the Case for Change described previously.

3.1.1. Approach

To identify a preferred option, the project team followed a two-part approach (see diagram below) to first identify and evaluate potential services that could operate from IP5, then assess options for different configurations of short-listed services and select a preferred option.

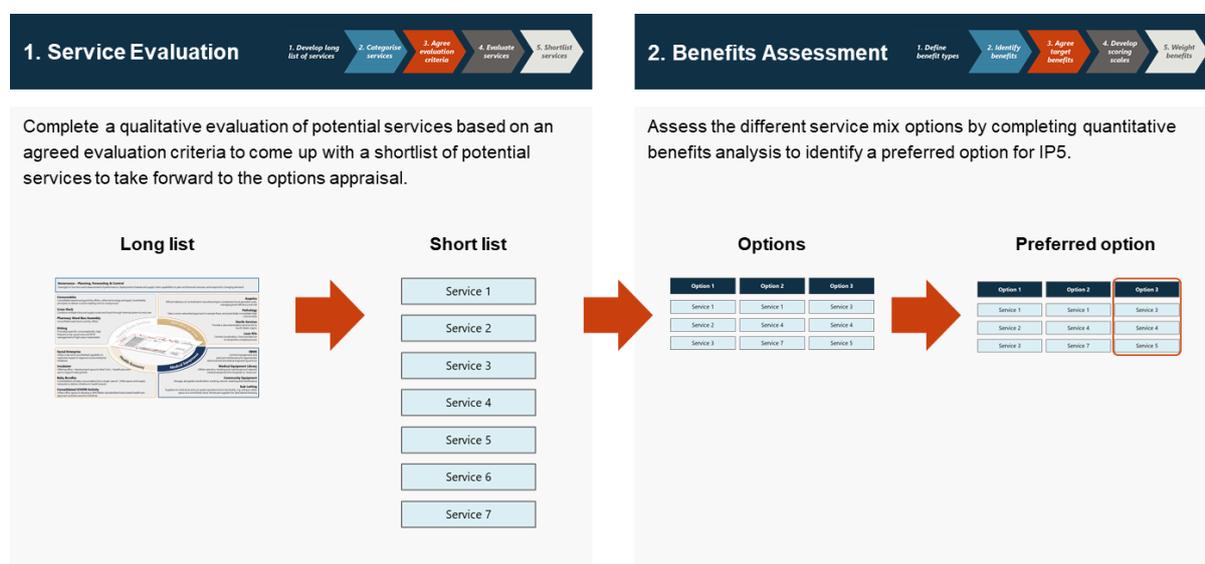


Figure 5: Approach to Options Appraisal

3.1.2. Anchor Initiatives

Anchor initiatives are being progressed on the assumption that they should be established from IP5, due to strong alignment with IP5 objectives and existing project maturity. The initiatives include: Baby Bundles, Solar Panels, Incubator, Cwmbran and Health Courier Services and consolidated existing stock holding facilities. It is also a working assumption that TrAMs will be operated from IP5, subject to further planning and business case approval. These anchor services limit the available space for optional initiatives.

3.2. Critical Success Factors

The critical success factors were agreed in the project kick-off with the core project team on 22nd August 2019 to serve as the assessment criteria for evaluating the long list of potential services. Each service identified was evaluated against this criteria to determine whether or not it would be suitable to deliver from IP5.

Criteria	Description
 <p>National Strategic Alignment</p>	<ul style="list-style-type: none"> Supports the long-term goals of NHS Wales and the Welsh Government, as well as other strategies / initiatives of national importance Clearly demonstrates contribution towards Welsh Government Future Well-being Outcomes Maximises the opportunity created from exiting the EU
 <p>Health Board & Trust Service Needs</p>	<ul style="list-style-type: none"> Responds to Health Board service requirements and needs to enable a greater focus on clinical services Increases collaboration and consistency across Health Boards Has the potential to be scaled across all Health Boards nationally
 <p>Value for Money</p>	<ul style="list-style-type: none"> Generates a broad mix of benefits or has very strong clinical, social, financial and operational benefit Brings economic activity back to Wales Optimises public value in terms of potential costs, benefits and risks
 <p>Affordability</p>	<ul style="list-style-type: none"> Either generates revenue to contribute towards operating costs or is funded through the Welsh Government netting off benefits Has the potential to realise savings through synergies with other services in the facility Aligns with sourcing constraints
 <p>Achievability</p>	<ul style="list-style-type: none"> Can be delivered given the level of change required and Matches the level of available skills needed for successful delivery Matches the capability of potential suppliers to deliver the required services and is commercially attractive
 <p>Time to Benefits</p>	<ul style="list-style-type: none"> Achieves timely realisation of benefits based on time / cost to implement Allows for optimal use of space within the facility based on when it becomes available

Table 10: Critical Success Factors

3.3. Long List of Services

For each of the “long list” services considered for IP5, the project team developed a service summary to document key information around how the service is delivered today, what the future scope and solution from IP5 would look like and how the service would be established from IP5 (including indicative funding requirements). A summary of the information collected is provided in the table below.

Service	Description				Requirements			Complexity		Benefits			
	Anchored	Model	Mechanism	Scope	Space Required	CapEx	Implement. Period	Implement.	Operational	Financial	Operational	Clinical	Social
1 EU Exit Storage	✓	Warehouse	Create	Wales	40,000 sq ft	£££	By 31 Oct 19	🕒	🕒	✓✓✓	✓✓✓	✓✓✓	✓✓✓
2 Baby Bundles	✓	Warehouse	Create	Wales	5,046 sq ft	£	By Mar 20	🕒	🕒				✓✓✓
3 Cwmbran Storage & Health Courier Service	✓	Warehouse	Consolidate	Regional	12,201 sq ft	£	By 14 Oct 19	🕒	🕒	✓	✓		
4 TrAMs	<i>Working assumption</i>	Support Service	Transform	Regional	23,035 sq ft	£££*	12-24 Months	🕒	🕒	✓✓✓	✓✓	✓✓✓	✓
5 Solar Panels	✓	N/A	Create	IP5	N/A	£	6 Months	🕒	🕒	✓✓			✓✓✓
6 Existing Stock Holding Facilities	✓	Warehouse	Consolidate	Wales	36,603 sq ft	£	12 Months	🕒	🕒	✓	✓		
7 NHSSC to NWSSP	✗	Warehouse	Consolidate	Wales	21,962 sq ft	£	By Mar 20	🕒	🕒	✓✓✓	✓		✓✓
8 Theatre Kitting	✗	Support Service	Transform	Regional (scope to expand)	Low	££	12-24 Months	🕒	🕒	✓✓	✓✓	✓	
9 Medical Records	✗	Warehouse	Consolidate	Wales	50,000 sq ft	£	6 Months	🕒	🕒	✓✓			
10 Equipment Services (MEL, EBME & 3P equipment spend)	✗	Equipment	Consolidate	Regional (scope to expand)	Medium	££	12 Months	🕒	🕒	✓✓	✓✓	✓	
11 Community Equipment	✗	Equipment	Consolidate	Wales	Low	£	12 Months	🕒	🕒	✓	✓	✓	✓
12 Sterile Services & Loan Kits	✗	Support Service	Transform	Regional	High	£££	+24 Months	🕒	🕒	✓✓	✓✓	✓✓	
13 WEQAS	✗	Support Service	Consolidate	Wales / Global	17,120 sq ft	£	12 Months	🕒	🕒	✓✓	✓	✓✓	✓
14 Pathology	✗	Support Service	Transform	Regional	50,000 sq ft	£££	+24 Months	🕒	🕒	✓✓	✓✓	✓✓✓	
15 SMTL	✗	Support Service	Consolidate	Wales	Low	£	12 Months	🕒	🕒	✓	✓		
16 Medical Waste	✗	Support Service	Create	Wales	Low	£	6 Months	🕒	🕒		✓✓		✓✓
17 Office Space	✗	N/A	Create	Wales	Low	£	6 Months	🕒	🕒	✓			✓✓
18 Health Incubators	✗	N/A	Create	Wales	Low	£	6 Months	🕒	🕒	✓			✓✓✓

Table 11: Long List of Services

3.4. Short List of Services

Each service on the long list was individually assessed and scored against the evaluation criteria at a workshop with key stakeholders on 3 September 2019. Based on the results of the assessment, the following services were carried forward to the options appraisal (please see appendix for individual scoring). *Note: services that were not carried forward may still be considered as long-term initiatives for future consolidation if the IP5 model proves successful.*

Service	Description	Shortlisted	Evaluation Score	Comments	
Supply Chain	EU Exit Storage	Contingency storage of core medical supplies for Brexit	✓	24	Potential synergies with storage facilities, operating staff, IT infrastructure, transport and logistics
	Baby Bundles	Free baby box with necessary supplies for all babies born in Wales	✓	22	
	Cwmbran Storage & Health Courier Service	Consolidating activity from Cwmbran Store in IP5 and parking ~30 HCS vehicles at IP5	✓	18	
	Existing Stock Holding Facilities	Transferring stock holding activity from existing NWSSP stores into IP5	✓	18	
	NHSSC to NWSSP	Transferring NHSSC products to the NWSSP channel	✓	22	
	Theatre Kitting	Establishing a closed loop, highly automated supply chain to manage, control and track supply of all products into theatres	✓	16	
	Medical Records	Storing NHS Wales Medical Records (in particular those required for the Infected Blood Inquiry) at IP5	✓	16	
Clinical Support	TrAMs	Establishing the South East Wales Hub from IP5 for aseptic production and bulk medicines supply	✓	18	Potential synergies with specialist facilities (e.g. controlled temperature) and transport services
	WEQAS	Hosting WEQAS who provide QA services to laboratories	✓	19	
	Pathology	Consolidating high volume, low urgency pathology tests	✓	18	
	SMTL	Relocating the NWSSP Surgical Materials Testing Lab to IP5	✗	15	
Environmental	Solar Panels	Implementing solar panels on the roof to supply electricity to IP5 and back to the grid	✓	18	Have strong case for and offsetting NHS Wales / IP5 carbon footprint
	Medical Waste	Providing clinical waste disposal services to Welsh hospitals utilising new technology	✓	17	
N/A	Office Space	Leasing office space to NHS Wales or external organisations	✓	19	Any available office space will be utilised
	Health Incubators	Providing office space to incubators / start-ups alongside NHS staff	✓	21	Assumed anchor service
Equipment	Equipment Services (MEL, EBME & 3P equipment spend)	Medical Equipment Library, Electro Biomedical Engineering and in-housing specific services (e.g. bed decontamination)	✗	18	Propose not carrying forward due to high cost to implement and low achievability
	Community Equipment	Storing, leasing and maintaining community equipment	✗	15	
	Sterile Services & Loan Kits	Providing centralised decontamination services and loan kits	✗	16	

Table 12: Short List of Services

3.4.1. Assumptions

A number of overarching assumptions were made when developing the options:

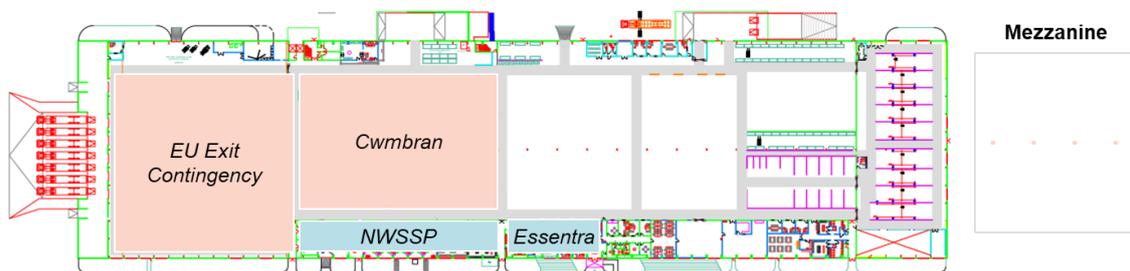
- The anchor initiatives include Baby Bundles, Solar Panels, Incubator, Cwmbran and Health Courier Services, consolidated existing stock holding facilities. It is a working assumption that TrAMs will be operated from IP5, subject to further planning and business case approval
- Where office space is limited, available space will be prioritised in the following order:
 - Management of services in IP5
 - NWSSP teams
 - Incubator / start-ups
 - NHS Wales teams
 - Other / external organisations
- Space estimates are based on available measures and maps are representative
- We need to consider future growth requirements in determining space allocations and / or whether the model can be applied elsewhere in the future
- Some rationalisation of space requirements could be expected through adopting new technologies and driving process efficiencies (particularly for Supply Chain services)
- All options (excluding Option 1: Do Nothing) represent a future state IP5 post-EU membership
- Requirements for shared facilities will be determined once a preferred option has been confirmed (e.g. canteen, changing rooms, gym)

3.5. Configured Options

3.5.1. Option 1: Do Nothing

Summary & Services

- IP5 will operate for its original purpose as an EU Exit contingency to maintain continuity of core medical supplies, then run limited additional services on a temporary basis
- The services currently operating out of IP5 will remain for as long as the EU Exit contingency is needed. This includes EU Exit contingency storage, Cwmboran store, NWSSP office and Essentra office rental
- Once the facility has served this purpose it will become financially unsustainable and put up for sale



Advantages (+)	Disadvantages (-)
<ul style="list-style-type: none"> ▪ Benefits limited to ensuring continuity of core clinical services during the transition out of the EU ▪ EU Exit and Cwmboran stores share limited process, customer and logistics synergies ▪ Cwmboran processes automated in relocation to IP5 ▪ NWSSP can manage the unknown impacts of exiting the EU. In the event of a "worst case" exit scenario, the additional space can be used to increase stockpiles, product volumes and product range ▪ NHS Wales could extend use of IP5 to other public service organisations requiring space for EU Exit contingency 	<ul style="list-style-type: none"> ▪ Does not achieve the strategic investment opportunity for Wales ▪ Fails to address original rationale for purchasing the facility ▪ Offers no long-term benefit to NHS Wales / Welsh citizens ▪ Cwmboran store would have to be relocated again at an additional cost

Evaluation

CapEx	Timing	Benefit Rank	Risk Rank
○	Dependent on EU Exit	6 th	1 st

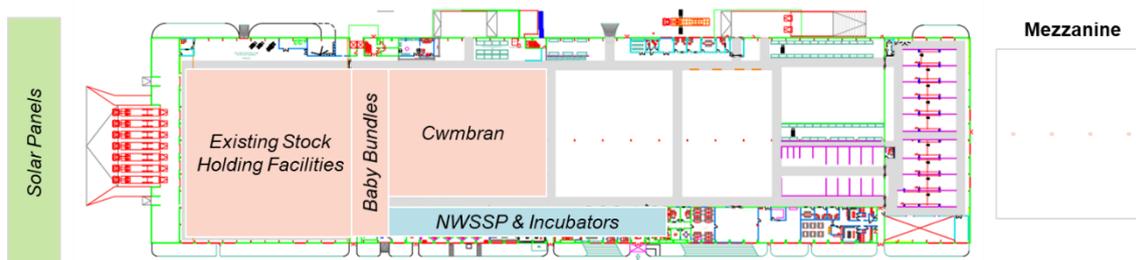
Service Type Key:



3.5.2. Option 2: Do Minimum

Summary & Services

- IP5 will continue to run after its EU Exit function has been completed, at which point all “anchor services” will be operationalised and any remaining available space leased / left empty
- Existing stock holding facilities will be consolidated into IP5 in addition to the already relocated Cwmbran store. Baby Bundles operate alongside stores due to similarities in facilities, equipment, staff and processes
- The current office space will be utilised predominantly by NWSSP. Any remaining space (including the Mezzanine) has the option to be leased to external organisations, with a preference given to Welsh health start-ups and third sector organisations



Advantages (+)	Disadvantages (-)
<ul style="list-style-type: none"> Limited process, people and logistics synergies generated from consolidating additional NWSSP stores alongside the Cwmbran store and Baby Bundle service Enables existing transport to take a higher volume of products / materials to existing locations Supports “Once for Wales” by eliminating some variation and duplication across multiple warehouses, as well as creating the opportunity for some process improvement (e.g. Cwmbran process automation) Provides the opportunity / flexibility to bring in new NWSSP services in the future 	<ul style="list-style-type: none"> Does not achieve the strategic investment opportunity for Wales Fails to address original rationale for purchasing the facility If space is leased externally, contracts would have to be managed in a landlord-type arrangement Large amount of space left unutilised Is not financially sustainable long-term

Evaluation

CapEx	Timing	Benefit Rank	Risk Rank
	12 Months	5 th	2 nd

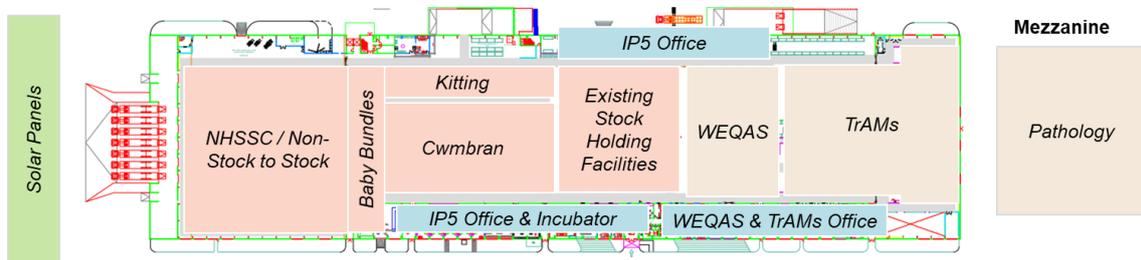
Service Type Key:



3.5.3. Option 3: Logistics and Clinical Support Hub

Summary & Services

- IP5 becomes a central hub for a mixture of supply chain and clinical support services to serve a wide range local, regional, national and international customers
- Maximises supply chain services by consolidating existing stock holding facilities and expanding product offering. Baby Bundles and Theatre Kitting operate alongside stores due to similarities in facilities, equipment, staff and processes. Office space is used fully by start-ups and to manage IP5 services
- Tests a consolidation model for selected clinical support services to understand the potential benefit of bringing further services together in the future
- Offers a range of entry level / trade jobs as well as higher paid, clinical jobs. Further opportunity to link with universities and social enterprises to offer alternative employment arrangements that build local skills / capabilities
- Phases implementation to deliver short- and long-term benefits



Advantages (+)	Disadvantages (-)
<ul style="list-style-type: none"> ▪ Supports decarbonisation through reduced logistics, solar panels and trees, with potential for future “green fleet” ▪ Enables existing transport services to take a higher volume and range of products / materials to existing locations ▪ All services do / can be scaled nationally ▪ Supports “Once for Wales” by eliminating variation and duplication across stores and creates the opportunity for future high scale process improvements ▪ The range of jobs on offer makes IP5 a desirable place to work ▪ Co-locating staff enables sharing of ideas and offers more varied work experiences ▪ WEQAS synergy enables TrAMs to expand to international markets ▪ Creates new jobs through NHSSC, WEQAS, TrAMs and Baby Bundles 	<ul style="list-style-type: none"> ▪ Moderate investment would be required, in particular for construction works associated with TrAMs / WEQAS. ▪ Implementation costs could be offset by coordinating timing of construction, but delay the “go live” date for WEQAS ▪ No additional space to grow services / add others ▪ Medical Waste processing is not possible due to licencing conflicts with TrAMs

Evaluation

CapEx	Timing	Benefit Rank	Risk Rank
	+24 Months	1 st	3 rd

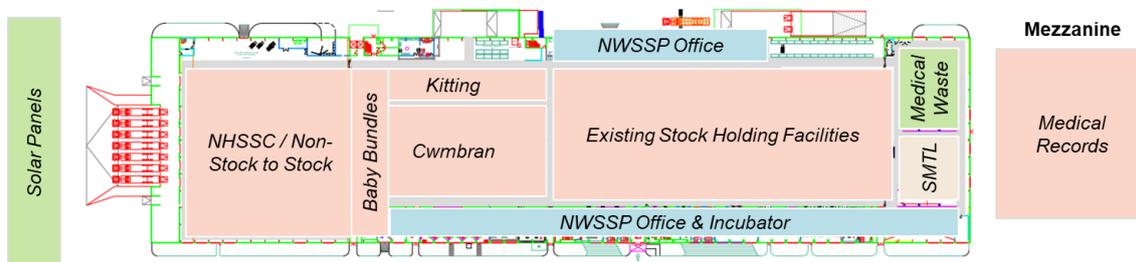
Service Type Key:

- Warehouse
- Clinical Support Service
- Environmental
- Office
- Equipment

3.5.4. Option 4a: Logistics and Storage Hub (without TrAMs)

Summary & Services

- Maximises supply chain services by consolidating existing stock holding facilities and expanding the product offering / stock on hand to the highest level to make full use of space
- Baby Bundles and Theatre Kitting operate alongside stores due to similarities in facilities, equipment, staff and processes. Further NWSSP services brought to IP5 due to available space (e.g. SMTL and Medical Waste)
- Predominantly offers supply chain / trades jobs, with some new jobs created (e.g. through scaling up stock). Provides a further opportunity to link with universities and social enterprises to offer alternative employment arrangements that build local skills / capabilities (in particular for trades)
- Provides maximum benefit for NWSSP and its customers by bringing together a range of NWSSP services into the same location



Advantages (+)

- Supports decarbonisation through reduced logistics, solar panels and trees, with potential for future “green fleet”. The medical waste service also provides a more sustainable solution for Wales
- Enables existing transport services to take a higher volume and range of products / materials to existing locations
- Supports ‘Once for Wales’ by maximising supply chain-related benefits, including indirect benefits such as reduced administrative burden for NWSSP central teams (e.g. AP processing)
- Becomes a central hub for NHS Wales supply chain services, with similar staff needs across the whole warehouse
- No licencing issues for medical waste (due to lack of clinical services)

Disadvantages (-)

- Does not maximise the strategic investment for Wales e.g. as mezzanine is used to store medical records
- Benefit largely falls to NWSSP
- Less opportunity to co-locate different teams / organisations
- Expands supply chain capacity to a “nice to have” level due to availability of space and does not create the pressure to drive process improvement / automation
- A long-term use for the Bridgend store would have to be decided due to medical records being stored on the mezzanine
- Less varied jobs on offer and limited skilled employment opportunities
- Provides little to no clinical benefit and assumes TrAMs is unsuccessful

Evaluation

CapEx	Timing	Benefit Rank	Risk Rank
●	12-24 Months	4 th	4 th

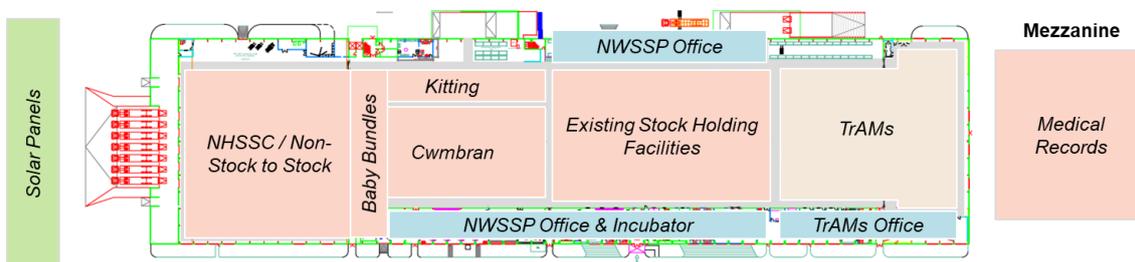
Service Type Key:



3.5.5. Option 4b: Logistics and Storage Hub (with TrAMs)

Summary & Services

- Maximises supply chain services by consolidating existing stock holding facilities and expanding the product offering / stock on hand to the highest level to make full use of space. Baby Bundles and Theatre Kitting operate alongside stores due to similarities in facilities, equipment, staff and processes. TrAMs South East Wales hub set up in IP5
- Predominantly offers supply chain / trades jobs, with high paid, skilled jobs for TrAMs. Some new jobs created (e.g. through TrAMs and scaling up stock). Provides a further opportunity to link with universities and social enterprises to offer alternative employment arrangements that build local skills / capabilities (in particular for trades)
- Provides significant benefit for NWSSP and its customers, as well as clinical benefit from TrAMs



Advantages (+)	Disadvantages (-)
<ul style="list-style-type: none"> Supports decarbonisation through reduced logistics, solar panels and trees, with potential for future “green fleet” Provides significant benefit for NWSSP and its customers by bringing together a range of NWSSP services at one site Supports ‘Once for Wales’ by maximising supply chain-related benefits, including indirect benefits such as reduced administrative burden for NWSSP central teams (e.g. AP processing) Slightly limited space (as compared to 4a) drives future process improvement Provides clinical benefit through TrAMs improving service capacity and quality Becomes a central hub for NHS Wales supply chain services, with similar staff needs across the whole warehouse 	<ul style="list-style-type: none"> TrAMs cannot expand to international markets (due to no WEQAS) Medical Waste processing is not possible due to licencing conflicts with TrAMs Does not maximise the strategic investment for Wales e.g. as mezzanine is used to store medical records A long-term use for the Bridgend store would have to be decided due to medical records being stored on the mezzanine

Evaluation			
CapEx	Timing	Benefit Rank	Risk Rank
	+24 Months	3 rd	5 th

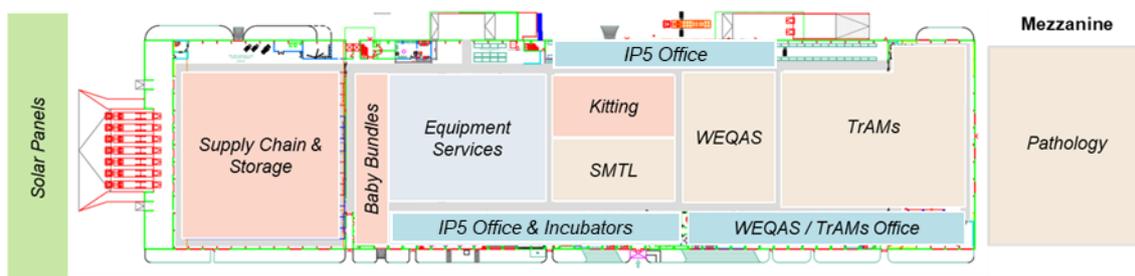
Service Type Key:



3.5.6. Option 5: Regional Specialist Clinical Support Hub

Summary & Services

- Maximises clinical support services by bringing together a range of “non-core” activities into one site. Supply chain services are limited to consolidating existing stores
- Tests a consolidation model for multiple clinical support services to understand the potential benefit of further scaling this model or replicating it in other regions
- Creates a central hub that attracts staff by offering skilled, high paid clinical jobs and having a range of technical / specialist professionals located at together
- WEQAS synergy enables TrAMs to expand to international markets
- Serves as a strategic investment for NHS Wales and the wider health economy by having a range of organisations co-locate in IP5, however, these also require greater effort to manage and reduce the opportunity to improve NWSSP services



Advantages (+)	Disadvantages (-)
<ul style="list-style-type: none"> Supports decarbonisation through reduced logistics, solar panels and trees, with potential for future “green fleet” Potential expansion from Wales to UK and Europe for TrAMs e.g. by learning from the model / processes that WEQAS currently uses High strategic value and clinical benefit Medical records would be stored in Bridgend Makes IP5 an attractive place to work Frees up time for clinical-facing activities to support greater patient care Frees up space on hospital site to be used for higher value activities 	<ul style="list-style-type: none"> Site limited to benefitting the South East Wales region Potential to achieve economies of scale is reduced due to the variety of services operating separately from the one site Effort required to manage non-NWSSP teams using IP5 The specialist nature of services requires specific equipment and environments to be set up for each, with limited ability to share the same physical space Staff will have specific technical skills that do not crossover to other services Significant investment to transfer existing services and prepare the site Long time to operationalise and achieve benefits, with very high costs and risks

Evaluation

CapEx	Timing	Benefit Rank	Risk Rank
●	+24 Months	2 nd	6 th

Service Type Key:



3.6. Benefits Appraisal

3.6.1. Benefits Calculation Methodology

The table below describes the specific benefits in more detail and the respective benefit weightings. The scoring criteria used for the assessment is also provided.

Ref:	Benefit	Weighting	Detail
1	Supports improved clinical outcomes for NHS Wales patients	20	Enables Health Boards and Trusts to deliver better quality of care to improve patient safety and outcomes
2	Contributes to Welsh Government sustainability goals and reduces environmental impact	20	Allows transformed services to operate in a more environmentally sustainable and efficient capacity. Also allows for the creation of new green initiatives and decarbonisation in line with the 'Well-Being of Future Generations Act'
3	Brings economic activity to Wales	20	Transfers economic activity into Wales and promotes Welsh economic development
4	Standardises / increases consistency in how services and processes are operated	10	Moves towards a 'Once for Wales' approach by removing variation in processes and service delivery to achieve operational and financial efficiencies
5	Improves service quality and consistency to NWSSP customers	10	Allows Health Boards, Trusts, and relevant organisations to receive the highest levels of service
6	Delivers tangible financial benefit to NHS Wales (one-off / recurring) as compared to existing operation	10	NHS Wales / NWSSP are financially better off through a release of capital or reduction in operating expenditure
7	Enables IP5 to break even	5	A positive ROI is generated, and the money invested in the IP5 is recaptured over the course of the project
8	Creates new jobs and supports equal opportunities / the third sector	5	The transformation and creation of services creates new accessible jobs and further promotes employment in Wales

Scoring Criteria	Score
Meets Requirements (Excellent)	10
Meets Most Requirements (Good)	8
Partially Meets Requirements (Fair)	6
Meets Few Requirements (Poor)	4
Does Not Meet Requirements (Very Poor)	2

Table 13: Benefits Methodology

3.6.2. Benefits Scoring

Each Option was scored on its potential ability to deliver the desired benefits in a workshop with key stakeholders on 26th September 2019. The results of the benefits scoring exercise are presented in the table below.

Benefit	Weight	Option 1: 'Do Nothing'		Option 2: 'Do Minimum'		Option 3: Logistics & Clinical Support Hub		Option 4a: Logistics & Storage Hub (without TrAMs)		Option 4b: Logistics & Storage Hub (with TrAMs)		Option 5: Regional Clinical Support Hub	
		Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
1 Supports improved clinical outcomes for NHS Wales patients	20	2	0.4	4	0.8	10	2	6	1.2	8	1.6	10	2
2 Contributes to Welsh Government sustainability goals and reduces environmental impact	20	4	0.8	6	1.2	10	2	8	1.6	8	1.6	8	1.6
3 Brings economic activity to Wales	20	2	0.4	4	0.8	8	1.6	6	1.2	6	1.2	6	1.2
4 Standardises / increases consistency in how services and processes are operated	10	2	0.2	4	0.4	10	1	8	0.8	6	0.6	8	0.8
5 Improves service quality and consistency to NWSSP customers	10	4	0.4	4	0.4	8	0.8	6	0.6	6	0.6	6	0.6
6 Delivers tangible financial benefit to NHS Wales (one-off / recurring) as compared to existing operation	10	2	0.2	2	0.2	10	1	4	0.4	6	0.6	8	0.8
7 Enables IP5 to break even	5	0	0	0	0	8	0.4	4	0.2	6	0.3	8	0.4
8 Creates new jobs and supports equal opportunities / the third sector	5	2	0.1	2	0.1	10	0.5	6	0.3	8	0.4	6	0.3
Total Score / 10		18	2.5	26	3.9	74	9.3	48	6.3	54	6.9	60	7.7
Rank / 6		6th		5th		1st		4th		3rd		2nd	

3.7. Risk Appraisal

3.8. Risk Calculation Methodology

The tables below describe the specific risks in detail and the scoring methodology used.

Ref:	Risk	Detail
Implementation Risks		
1	Changes in policy direction lead to changes in the service design	Unforeseen legislative and policy changes i.e. Falsified Medicines Directive, result in alternations to the service and the overall option
2	Construction works are not completed on time, to budget, nor to specification	Delays in the project result in further issues including unnecessary extra spend and delays in the project
3	Changes in available funding impacts the ability to achieve the future design	Due to a lack of funding certain aspects and design plans of the services have to be changed comprising on the configuration
4	Service level and quality are compromised when transferred to IP5	Service issues result as a direct result of transfer from original location to IP5
5	Implementation is slower / more complicated than planned	Transfer of services into IP5 takes longer than expected delaying benefits realisation
Operational Risks		
1	Fails to achieve investment objectives and deliver long-term value to Wales	Foreseen alignment with the programme's strategies fails to manifest itself and the expected value is not delivered
2	Lack of people capability and capacity to achieve necessary level and quality	IP5 fails to deliver the expected level of service as a result of absent/missing capability and capacity
3	The design cannot deliver services to the required quality and standard	IP5 cannot operate at the expected level of service and does not meet its requirements
4	Demand / uptake for services varies from the levels planned / assumed	IP5 cannot meet the actual demand and variation in uptake which is required
5	The costs required to maintain IP5 and services inside are higher than planned / assumed	The actual running costs are higher than anticipated, impacting on the expected financial benefits

Scoring Matrix

Impact	Likelihood				
	Rare	Unlikely	Possible	Probable	Likely
Catastrophic	5	10	15	20	25
Severe	4	8	12	16	20
Moderate	3	6	9	12	15
Low	2	4	6	8	10
None/Near Miss	1	2	3	4	5

Table 14: Risks Methodology

Risks		Option 1: 'Do Nothing'			Option 2: 'Do Minimum'			Option 3: Logistics & Clinical Support Hub			Option 4a: Storage & Logistics Hub (without TrAMs)			Option 4b: Storage & Logistic Hub (w/ TrAMs)			Option 5: Regional Clinical Support Hub		
Implementation		I	L	S	I	L	S	I	L	S	I	L	S	I	L	S	I	L	S
1	Changes in policy direction lead to changes in the service design	1	1	1	2	1	2	3	1	3	2	1	2	3	2	6	4	3	12
2	Construction works are not completed on time, to budget, nor to specification	1	1	1	2	1	2	3	2	6	2	2	4	4	2	8	5	3	15
3	Changes in available funding impacts the ability to achieve the future design	1	1	1	2	1	2	3	2	6	2	2	4	4	2	8	5	3	15
4	Service level and quality are comprised when transferred to IP5	1	1	1	1	1	1	3	2	6	3	1	3	4	2	8	5	2	10
5	Implementation is slower / more complicated than planned	1	1	1	1	1	1	2	2	4	2	1	2	2	2	4	5	3	15
Operational		I	L	S	I	L	S	I	L	S	I	L	S	I	L	S	I	L	S
1	Fails to achieve investment objectives and deliver long-term value to Wales	5	5	25	5	5	25	5	1	5	5	3	15	5	2	10	5	2	10
2	Lack of people capability and capacity to achieve necessary level and quality	1	1	1	2	1	2	3	1	3	2	1	2	3	2	6	5	3	15
3	The design cannot deliver services to the required quality and standard	1	1	1	2	1	2	3	1	3	3	1	3	3	1	3	5	2	10
4	Demand / Uptake for services varies from levels planned / assumed	1	1	1	2	1	2	4	2	8	5	2	10	4	2	8	5	2	10
5	The costs required to maintain IP5 and services are higher than planned / assumed	3	2	6	3	2	6	3	2	6	4	2	8	4	2	8	5	3	15
Total Score / 250		39			45			50			53			69			127		
Rank / 6		1st			2nd			3rd			4th			5th			6th		

3.9. IP5 Options Summary

Six options for different service configurations have been developed to assess the impact that changing the service mix has on overall operating costs, synergies, benefits and risks. A summary of the options and the results of the assessment is presented below.

	Option 1: 'Do Nothing'	Option 2: 'Do Minimum'	Recommended Option	Option 4a: Logistic & Storage Hub	Option 4b: Logistic & Storage Hub (w/ TrAMs)	Option 5: Regional Clinical Support Hub
Services	<ul style="list-style-type: none"> Cwmbran Storage & HCS Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities TrAMs NHSSC / Non-Stock to Stock Theatre Kitting WEQAS Pathology Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities NHSSC / Non-Stock to Stock Theatre Kitting Medical Records SMTL Medical Waste Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities TrAMs NHSSC / Non-Stock to Stock Theatre Kitting Medical Records Health Incubators Office Space 	<ul style="list-style-type: none"> Cwmbran Storage & HCS Baby Bundles Solar Panels Existing Stock Holding Facilities TrAMs Theatre Kitting Equipment Services WEQAS Pathology SMTL Health Incubators Office Space
Space (sq.ft)	60,000 - 70,000	50,000 - 60,000	250,000 – 260,000	230,000 – 240,000	260,000 - 275,000	260,000 - 275,000
WTE	35 – 45	90 - 100	460 - 475	220 - 235	325 - 340	490 - 510
10-Year Benefits (£'000)	+ 850 - 950	+ 4,500 – 4,750	- 8,250 – 8,500	- 200 - 300	- 5,750 – 6,000	- 7,250 – 7,500
Benefit Ranking	6 th	5 th	1 st	4 th	3 rd	2 nd
Risk Ranking	1 st	2 nd	3 rd	4 th	5 th	6 th
CapEx	Very Low	Low	High	Medium	High	Very High
Timing	Dependent on EU Exit	12-Months	+24-Months	12-24-Months	+24-Months	+24-Months

Table 15: Options Summary

3.10. Preferred Way Forwards

The project team recommends **Option 3: Logistics and Clinical Support Hub** as the preferred service mix. This option scored highest in the benefit assessment, demonstrating an ability to realise maximum value from IP5 when considering what is achievable and desirable. This option scored third in the risk assessment, which is largely due to the complexity associated with having clinical support services in the facility (e.g. creates service continuity when transferring into IP5 and risk that approvals / planning / construction take longer than expected). It also strongly supports all investment objectives, as summarised below.

Category	Objective	
Welsh Economy	To make IP5 an attractive place to work by offering a variety of employment opportunities that are accessible to all and enable different organisations to co-locate alongside each other	<ul style="list-style-type: none"> ✓ Range of entry level / warehouse jobs that are accessible for all ✓ Intention to create partnerships with social enterprises / universities to fill roles ✓ Creates new jobs, including highly skilled clinical roles
	To support innovation, Welsh businesses and international trade	<ul style="list-style-type: none"> ✓ Opportunity to expand TrAMs to international markets ✓ Office space allocated to start-ups / incubator
Healthcare Services	To enable Welsh Health Boards and NHS Trusts to focus greater time and resource on front-line clinical services	<ul style="list-style-type: none"> ✓ Consolidation of some clinical support services (e.g. theatre kitting, TrAMs and pathology) ✓ Releases space on hospital sites ✓ Tests consolidation model for further services in the future ✓ Achieves financial benefits for NHS Wales
Efficiency and Effectiveness	To demonstrate a 'Once for Wales' approach by consolidating existing services into one site to maximise economies of scale	<ul style="list-style-type: none"> ✓ High degree of standardisation achieved for supply chain services
	To offer a range of complementary services from IP5 that collectively generate synergies as a result of being operated from the same site	<ul style="list-style-type: none"> ✓ Significant reduction in logistics requirements, with existing vehicles being able to transport a wider range of products / materials to existing sites

	To make best use of automation and technology to improve process efficiency and standardisation	<ul style="list-style-type: none"> ✓ Opportunity to achieve process improvement and optimisation at scale ✓ Can automate processes as part during transition to IP5 e.g. Cwmbran change from paper to automated processes
Environmental Sustainability	To minimise the carbon footprint of the facility by using renewable energy sources and sharing resources / logistics where possible	<ul style="list-style-type: none"> ✓ Solar panels implemented to offset IP5 carbon footprint ✓ Trees to be planted on surrounding area ✓ Supports decarbonisation through reduced logistics ✓ Intention to switch to “green fleet” in the future

Table 16: Preferred Way Forward

4. Commercial Case

4.1. Introduction

The Commercial Case describes the key commercial relationships and elements to consider when progressing the preferred option.

4.2. Service Requirements and Outputs

The exact services that will be outsourced through third party providers will be determined in late planning stages, once the future service configuration has been decided and fully scoped.

Service	Implement	Operate	Comments
IT / Technology	✓	✓	<ul style="list-style-type: none"> Outsource Oracle licence, with opportunity to expand existing licence Explore opportunities for future technology improvements e.g. Scan4Safety
Building / Construction	✓	✓	<ul style="list-style-type: none"> Use external building / construction companies to complete upfront repairs and kit out the building Use external building / construction companies to complete ongoing maintenance
Logistics / Delivery		✓	<ul style="list-style-type: none"> Use external delivery company for specific services where logistics synergy cannot be generated e.g. to deliver Baby Bundles directly to individual homes
Facilities Management		✓	<ul style="list-style-type: none"> Potential to outsource facilities management of the overall building, if it is commercially desirable to do so
Planning / Programme Management	✓		<ul style="list-style-type: none"> Seek additional support to complete plan and mobilise the programme e.g. to design floorplans / building specifications or for broader programme / business case support
Service Delivery		✓	<ul style="list-style-type: none"> Some specific services may be supported by external providers e.g. Managed Equipment Contract for Pathology
Other		✓	<ul style="list-style-type: none"> Potential to outsource shared facilities e.g. staff canteen / gym

Table 17: Commercial Requirements and Outputs

4.3. Commercial Relationships

NWSSP would need to work with a range of external partners to successfully implement the preferred option and achieve its full potential, including:

- **Incumbent Service Providers** – to supply core stock that will then be stored and distributed to NWSSP customers, as well as new stock (e.g. to expand product range)
- **Logistics / Delivery Providers** – engage third party logistics providers where appropriate for specific services (e.g. for Baby Bundles home delivery)
- **IT System Providers and IT Specialists** – to support IT implementation, test processes and integrate IT across services, ensuring interoperability where relevant
- **Legal Advisory** – gain legal advice where necessary to implement commercial arrangements (e.g. between NWSSP and external organisations using IP5)
- **External Consultants and Subject-Matter Experts** – draw upon support from external organisations to provide additional capacity or specialist support during the programme planning and implementation phase
- **Construction Companies** – to complete necessary building works upfront and on an ongoing basis
- **Surveyors / architects / planners** – to complete the detailed planning and design for the building to appropriately configure the space and map out requirements for each service (e.g. from a space / equipment / floorplan perspective)

4.4. Procurement Strategy and Route

The procurement strategy and route will be dependent on the future service delivery model selected for each of the initiatives in the preferred option. Individual business justification cases or business cases will be developed for each initiative in the detailed planning stage that determine the appropriate procurement strategy (where applicable).

4.5. Personnel Implications

In line with HR policy and legislation, staff consultation exercises will be conducted (where applicable) to ensure complete compliance with current employment legislation and gain valuable staff input into making the transfer as successful as possible.

At this stage, it is unknown whether TUPE (Transfer of Undertakings Protection of Employment Regulations, 1981) will apply to this programme. However, it is acknowledged that as externally run services are transferred into IP5, it is possible for NWSSP to become the 'host' organisation, or for ownership to transfer over fully. In these instances, TUPE will apply.

Moreover, there is ongoing consideration of the total number of staff who will be in IP5 and the implications that this has on the level of shared infrastructure that needs to be provided.

5. Financial Case

5.1. Introduction

The Financial Case demonstrates the affordability of the preferred option and outlines the assumptions that have been made in calculating the financial elements of this option. The minimum financial objective for IP5 was that services contained in the preferred option can at least cover the revenue costs to operate the building.

The preferred option demonstrates there is a net 10-year benefit that can be derived from IP5 operations of c. £8.3m.

Financial benefits are in addition to the broader social, clinical and operational benefits that are set out in the Economic Case, as well as the benefits articulated in separate business cases that are being / will be documented for other non-NWSSP services (e.g. TrAMs).

5.2. Summary

- The baseline cost to run the facility is estimated at c. £1.3m per annum, which includes moderate ongoing investment in the building
- The preferred option is estimated to generate net benefit of c. £8.3m over a 10-year period. The methodology that was used to calculate these benefits is as follows:

Scope	Methodology
For activities within the scope of NWSSP	
<ul style="list-style-type: none"> ▪ Cwmbran and Bridgend stores from IP5 and associated warehousing, workforce and logistics synergies ▪ Increasing NWSSP product scope to include certain NHS Supply Chain products and other non-stock items ▪ Utilising capacity created at Bridgend to support a medical records service 	Baseline operating costs in a 'do-nothing' scenario compared to operating costs from IP5
Business cases being delivered by other NHS Wales service	
<ul style="list-style-type: none"> ▪ Transforming Access to Medicines (TrAMs) ▪ WEQAS ▪ Baby Bundles ▪ Theatre Kitting 	Based only on comparison per sq. ft. against a commercial rental. Further costs and benefits associated with these initiatives are subject to their own business case process and not double counted in this business case
<ul style="list-style-type: none"> ▪ Public Health Wales Pathology Laboratories 	Based only on comparison per sq. ft. against an onsite hospital option. Further costs and benefits associated with this initiative are subject to their own business case process and not double counted in this business case
Direct Revenue or Cost Benefits	
<ul style="list-style-type: none"> ▪ Rental income ▪ Cost avoidance and additional income from solar panels 	Actual lease income or expected revenue saving

Table 18: Financial Benefit Types

5.3. Financial Summary

Capital Statement	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	10yr Total
<i>Capital</i>	16,017	887 -	3,764 -	10,750	250	250	250	250	250	250	250	4,140
IP5 Operating Costs	11,000	138	250 -	10,750	250	250	250	250	250	250	250	2,388
Brexit Operation	5,017	-	4,014	-	-	-	-	-	-	-	-	1,003
Project Requirements		749	-	-	-	-	-	-	-	-	-	749

Table 19: Capital Requirements

Net I&E Position	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	10yr Total
All figures £'000												
<i>Core IP5 Operations</i>	-	-	1,091	1,101	1,104	1,113	1,116	1,126	1,129	1,138	1,142	10,061
IP5 Operating Costs	-	-	1,091	1,101	1,104	1,113	1,116	1,126	1,129	1,138	1,142	10,061
Brexit Operation	-	-	-	-	-	-	-	-	-	-	-	-
<i>In-Scope Shared Services Operations</i>	-	88 -	1,143 -	1,223 -	1,353 -	1,383 -	1,413 -	808 -	806 -	804 -	804 -	9,823
Cwmbran	-	81 -	141 -	141 -	142 -	142 -	142 -	143 -	143 -	143 -	143 -	1,362
Bridgend	-	-	326 -	378 -	481 -	483 -	486 -	488 -	491 -	494 -	494 -	4,121
Lakeside	-	-	-	-	-	-	-	-	-	-	-	-
HCS	-	6 -	13 -	13 -	13 -	13 -	13 -	13 -	13 -	13 -	13 -	123
Medical Records	-	-	475 -	507 -	539 -	571 -	603	-	-	-	-	2,695
NHS SC	-	-	188 -	183 -	179 -	174 -	169 -	164 -	159 -	154 -	154 -	1,522
<i>Other IP5 Specific</i>	-	150 -	195 -	241 -	241 -	241 -	241 -	241 -	241 -	241 -	241 -	2,271
Office Sub-Let	-	89 -	134 -	180 -	180 -	180 -	180 -	180 -	180 -	180 -	180 -	1,663
Solar Panels	-	61 -	61 -	61 -	61 -	61 -	61 -	61 -	61 -	61 -	61 -	608
Total NWSSP Benefit	-	237 -	1,338 -	1,464 -	1,594 -	1,624 -	1,654 -	1,049 -	1,047 -	1,044 -	1,044 -	12,094
<i>Benefit quantified only on comparison between alternative accommodation and IP5 cross-charge. Other initiatives subject to their own business case process.</i>												
<i>Lease to NHS Wales Non-Shared Service</i>	-	20 -	699 -	699 -	699 -	699 -	699 -	699 -	699 -	699 -	699 -	6,314
TrAMs	-	-	240 -	240 -	240 -	240 -	240 -	240 -	240 -	240 -	240 -	2,160
WEQAS	-	-	86 -	86 -	86 -	86 -	86 -	86 -	86 -	86 -	86 -	775
Pathology	-	-	293 -	293 -	293 -	293 -	293 -	293 -	293 -	293 -	293 -	2,637
Baby Bundles	-	20 -	20 -	20 -	20 -	20 -	20 -	20 -	20 -	20 -	20 -	202
Kitting	-	-	60 -	60 -	60 -	60 -	60 -	60 -	60 -	60 -	60 -	540
Total non-NWSSP Benefit	-	20 -	699 -	699 -	699 -	699 -	699 -	699 -	699 -	699 -	699 -	6,314
Total Benefits	-	258 -	2,037 -	2,163 -	2,293 -	2,323 -	2,353 -	1,748 -	1,746 -	1,744 -	1,744 -	18,408
Total Net Benefit	-	258 -	946 -	1,062 -	1,189 -	1,210 -	1,236 -	622 -	617 -	605 -	602 -	8,347

Table 20: Net Benefits Cash Flow

5.4. Benefits

The table below provides a detailed breakdown of the anticipated benefits that have been identified for the preferred option and how they are phased over a 10-year period (£'000).

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	10-Year Total
	1	2	3	4	5	6	7	8	9	10	
Benefits associated with NWSSP services											
Consolidated store efficiencies	-88	-480	-533	-635	-638	-641	-644	-647	-650	-650	-5,606
Improved pricing from bringing non-stock items in stock	-	-188	-183	-179	-174	-169	-164	-159	-154	-154	-1,522
Medical Records avoided storage costs	-	-539	-539	-539	-539	-539	-	-	-	-	-2,696
Direct revenue or cost benefits to NWSSP											
Office rental savings	-89	-134	-180	-180	-180	-180	-180	-180	-180	-180	-1,663
Solar panel energy savings / income	-61	-61	-61	-61	-61	-61	-61	-61	-61	-61	-608
Benefits to other NHS Wales projects / services											
TrAMs opportunity cost	-	-240	-240	-240	-240	-240	-240	-240	-240	-240	-2,160
WEQAS opportunity cost	-	-86	-86	-86	-86	-86	-86	-86	-86	-86	-775
Pathology opportunity cost	-	-293	-293	-293	-293	-293	-293	-293	-293	-293	-2,637
Theatre Kitting opportunity cost	-	-60	-60	-60	-60	-60	-60	-60	-60	-60	-540
Baby Bundles opportunity cost	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-202
Total Benefits	-258	-2,101	-2,195	-2,293	-2,291	-2,289	-1,748	-1,746	-1,744	-1,744	-18,408
Total Net Benefits	-258	-1,010	-1,094	-1,189	-1,178	-1,173	-622	-617	-605	-602	-8,347

Table 21: Benefit Estimates

5.5. Assumptions

The table below outlines the assumptions that were made in calculating the anticipated benefits for the preferred option.

Benefit	Assumptions
Consolidated store efficiencies	<ul style="list-style-type: none"> ▪ Workforce, logistics and inventory efficiencies generated from bringing together existing stock holding facilities into one place based on existing activity levels ▪ Includes incremental logistics benefits generated from synergies with other services as they become operational from IP5 ▪ Captures some building-related cost savings (e.g. rent, rates etc.) avoided due to coming into IP5 ▪ Includes avoided parking rental for Health Courier Service
Improved pricing from bringing non-stock items in stock	<ul style="list-style-type: none"> ▪ Additional staff capacity created through store consolidation will be used to expand NWSSP supply chain service ▪ Calculated on assumption that NWSSP can secure optimal prices for new products brought in stock ▪ Staffing profile matches that of Bridgend and Cwmbran
Medical Records avoided storage costs	<ul style="list-style-type: none"> ▪ Five year forecasted costs based on <i>Board Update - National Infected Blood Inquiry Impact of the Embargo on the Destruction of Patient Records</i> ▪ Excludes outsourced or in-house scanning costs at this stage ▪ Assumes 80% of the forecast cost related to offsite storage is mitigated by storing medical records in the Bridgend site ▪ Potential for further savings beyond the five-year forecast or storage capacity may be released at Bridgend from 25/26 if no longer required for medical records
Office rental savings	<ul style="list-style-type: none"> ▪ Based on comparison with external rental option ▪ Potential to realise larger benefit if space was leased to external organisations to generate new revenue
Solar panel energy savings / income	<ul style="list-style-type: none"> ▪ Based on initial assessment completed by Welsh Government Option R7: Roof mounted – large indicative PV array (assumes 20% electricity generated is used onsite)

	<ul style="list-style-type: none"> ▪ Electricity savings estimated at c. £50k per annum based on services in IP5 using 50% of electricity generated ▪ Revenue generated for remaining 50% of electricity capacity being sold back to the grid at 5p per kWh
TrAMs opportunity cost	<ul style="list-style-type: none"> ▪ Based on sq. ft. requirements estimated during TrAMs business case process and opportunity cost linked to avoiding external rental fees ▪ Assume TrAMs South East Hub can be implemented sooner than if a new building was constructed, accelerating benefits realisation ▪ Direct benefits will be captured in TrAMs business case ▪ The new service would not be operational until 2021/22, but the benefit starts from when TrAMs acquires space in IP5
WEQAS opportunity cost	<ul style="list-style-type: none"> ▪ Based on increased sq. ft. requirements and opportunity cost linked to avoiding external rental fees ▪ Direct benefits will be captured in separate business case ▪ The new service would not be operational until 2021/22, but the benefit starts from when WEQAS acquires space in IP5
Pathology opportunity cost	<ul style="list-style-type: none"> ▪ Based on estimated future sq. ft. requirements and opportunity cost linked to releasing space from hospital sites ▪ Assume new pathology facility can implemented sooner than anticipated, therefore bringing forwards benefits realisation ▪ Direct benefits will be captured in separate business case ▪ The new service would not be operational until 2021/22, but the benefit starts from when pathology acquires space in IP5
Theatre Kitting opportunity cost	<ul style="list-style-type: none"> ▪ Based on sq. ft. requirements estimated from Aneurin Bevan University Health Board theatre activity data and opportunity cost linked to avoiding external rental fees ▪ Based on comparison with external rental option as this would be a new service, is able to free up further space on hospital site ▪ Represents a regional service for South East Wales
Baby Bundles opportunity cost	<ul style="list-style-type: none"> ▪ Based on sq. ft. requirements modelled on bundle contents, number of births etc. ▪ Opportunity cost linked to not having to pay external rent fees ▪ Direct benefits will be captured in separate business case

5.6. Further Analysis Required

The financial analysis to date has been focused on testing the affordability of the preferred option to understand whether or not it would be able to cover the base IP5 operating costs. Further analysis will be required to validate the findings from this stage and understand the full capital requirements, revenue impacts and financial benefits associated with the preferred option. The following elements in particular need to be considered in the next stage of the programme:

- Full capital costs required to implement the preferred option (including programme management costs)
- Additional costs of further IP5 shared services (e.g. staff canteen, gym, and logistics)
- Impact of Brexit requirements on the ability to progress NWSSP supply chain initiatives in the short term
- The affordability and funding mechanism for each service housed within IP5
- Additional benefits that have not been captured and quantified at this stage (e.g. those linked to non-NWSSP services)

6. Management Case

6.1. Introduction

The Management Case describes how the programme will be structured and managed to successfully achieve the investment objectives and realise anticipated benefits. This includes providing clarity on the next steps and ongoing governance arrangements to maintain the momentum of the programme.

6.2. Programme Management

The programme management approach moving forwards will draw upon PRINCE2 and Managing Successful Programmes (MSP) methodologies to achieve the programme's goals in line with an agreed scope, plan and budget.

In the next phase of the programme, an early step will be to develop a programme plan that defines the approach that will be taken for the following components:

- **Change management** – identifying the stakeholders that are impacted / interested in the programme and ensuring what steps will be taken to ensure they understand and support the programme (e.g. through communications, workshops and training / education)
- **Budget development and monitoring** – building a budget that defines all costs associated with the programme, at the overall programme level and for each project. The budget should include resources (internal and external), technology, building works and licence fees. Monitoring the actual effort and reporting on spend at programme governance meetings
- **Benefits realisation management** – developing a benefits realisation plan that documents the anticipated benefits for the programme (financial and non-financial), how they will be measured, what the target benefit is and who is accountable for achieving the benefit
- **Change control** – confirming what is in / out of scope for the overall programme and individual projects. Defining the process by which changes to the baseline programme scope, milestones and budget are proposed and either approved / refused
- **Planning and scheduling** – developing a detailed programme schedule that defines the overarching timeframes and milestones for the programme. Also developing individual project schedules to define what activities will be completed when to ensure milestones are achieved
- **Risk and issue management** – identifying programme and project level risks and issues, then documenting them in a centralised risks and issues log. Using the

programme governance groups as a forum for escalating and discussing how risks / issues will be managed to minimise their impact

- **Project reporting** – completing regular status reports at a programme and project level to update on progress against milestones and bring attention to key risks / issues. These will be shared with programme governance groups for information and discussion
- **Project meetings** – holding a range of different meetings with team members, governance groups and stakeholders to gain an appropriate level of input and direction into the project

6.3. Programme Structure

6.3.1. Programme Governance

The programme will formalise existing governance arrangements (see diagram below) to clarify lines of accountability and decision-making rights moving forwards. The Welsh Government will be the overall sponsor and decision-making body for the programme to ensure that it is sufficiently funded and supports national policy priorities. There is also an opportunity for the new NHS Executive Group to provide direction, especially for the larger strategic initiatives (e.g. TrAMs, Pathology and WEQAS) that are out of scope for NWSSP to decide. The existing IP5 Programme Board will continue to operate as the oversight group for the programme to monitor execution at a strategic level. The programme and project teams will manage the effective delivery of work at an operational level and share information to other governance groups as required.

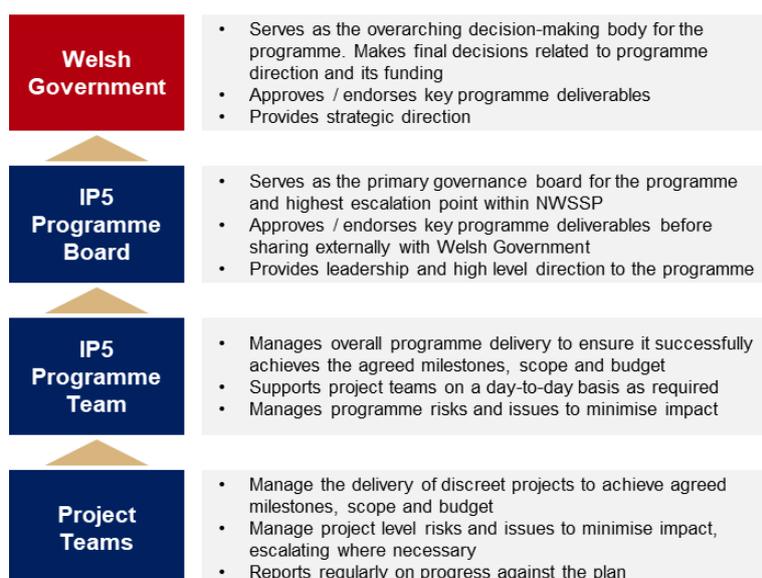


Figure 6: Programme Governance

6.3.2. Programme Team

The programme will be led by the Programme Director and managed by the programme team (as demonstrated by the blue boxes in the diagram below). The programme team will be responsible for achieving the programme objectives and completing the overarching programme management activities to ensure success. Individual project teams will report into the Programme Director and be responsible for setting up the individual services in IP5 on time, to budget and within agreed scope. The exact project teams have not yet been decided as they are dependent on the outcome of this business case.

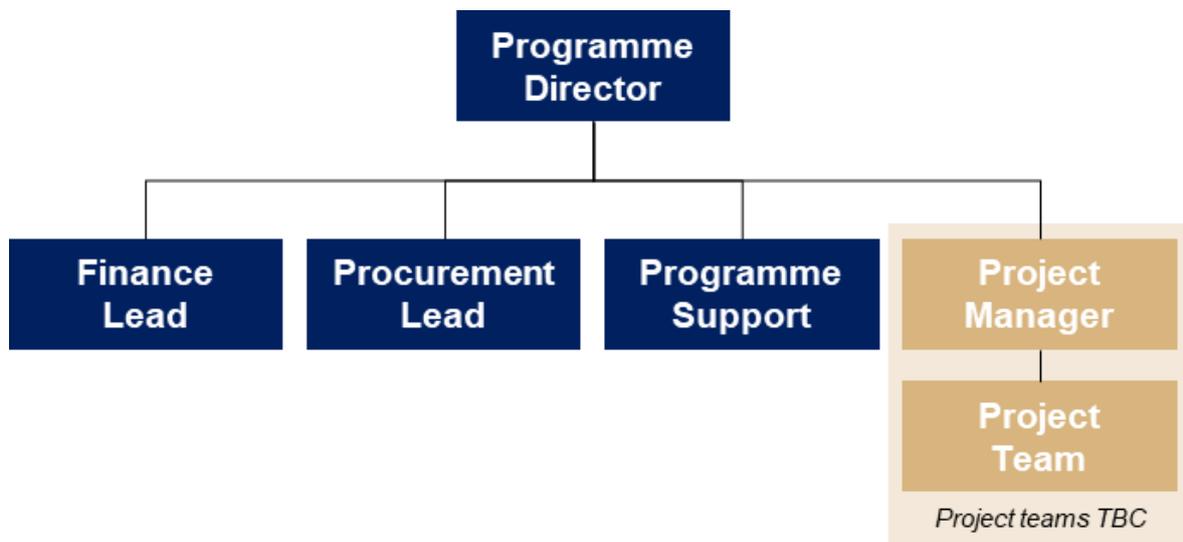


Figure 7: Programme Team Structure

6.4. Programme Schedule

The high-level schedule below provides an indicative view of the timeframes for core programme activities over the next 18-24 months. At a programme level, the next step following approval of this SOC will be to develop a detailed programme plan to outline how the programme will be managed to make IP5 largely operational by June 2021. Multiple projects will then be mobilised to implement each service identified in the preferred option. Smaller initiatives will need to complete a Business Justification Case (BJC) to progress and larger initiatives will need to complete a full business case process (Strategic Outline Case, Outline Business Case and Final Business Case).

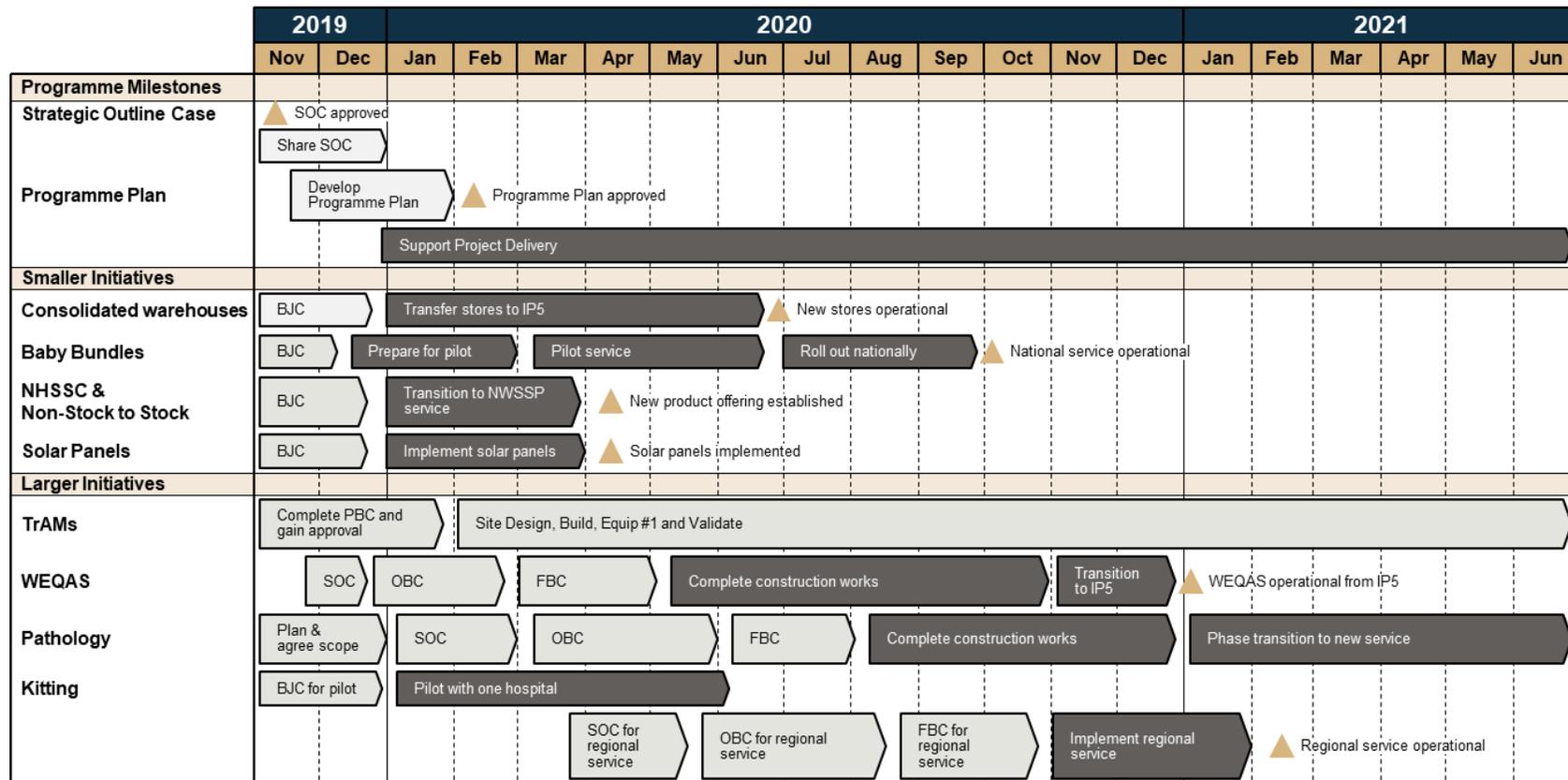


Figure 8: Programme Schedule

7. Appendices

7.1. Stakeholder Engagement

A wide range of stakeholders (listed below) were engaged to gain input into this document, in particular to identify and validate future service opportunities.

Ref	Stakeholder(s)	Role	Subject
1	30 leads from Welsh Heath Boards, Trusts, and Welsh Government	Various, NHS Wales Health Boards	Future IP5 services workshop
2	Directors of Planning	Directors of Planning, NHS Wales Health Boards	Current planned initiatives and projects
3	NWSSP Board	Neal Frow, Andy Butler, Jonathon Irvine, Mark Roscrow, Andrew Naylor, Ian Rose, Graham Davies	Overall project
4	Gill Bailey	Project Manager, Cwmbran Closure	Cwmbran store transfer
5	Peter Elliot	Programme Manager, TrAMS	TrAMS
6	Samia Saeed-Edmonds	Programme Planning Director, NHS Wales	Welsh Government priorities, existing initiatives / projects
7	David Heyburn	Head of Operations for Microbiology and Health Protection, Public Health Wales	Pathology
8	Pathology Working Group	Health Board Pathology and Public Health Wales	Pathology
9	Annette Thomas, David Ducroq	Director, WEQAS Deputy Director, WEQAS	WEQAS opportunity
10	Clare Salisbury	Head of Procurement, Cardiff and Vale University Health Board	Theatre Kitting opportunity
11	Paul Barker	General Manager, Eurotech Environmental	Medical Waste
12	Helen James	Project Manager, Capital and Maintenance Review	Equipment Services opportunity
13	Nicola Edwards	Deputy Director, Welsh Government	Baby Bundle Opportunity

Table 22: Stakeholder Engagement

7.2. Long List Scoring Against Critical Success Factors

The following specific services/ initiatives were scored against each critical success factor (CSF) at a workshop with key stakeholders. CSFs can be found described in more detail in the economic case.

Service	Detail		Critical Success Factor						Total Score	
	Anchored	Model	National Strategic Alignment	HB / Trust Service Needs	Value for Money	Affordability	Achievability	Time to Benefits		
										
1	EU Exit Storage	✓	Warehouse	4	4	4	4	4	4	24
3	Baby Bundles	✓	Warehouse	4	2	4	4	4	4	22
4	Cwmbran Storage & HCS	✓	Warehouse	2	2	2	4	4	4	18
5	TrAMs	Assumed	Support Service	4	4	4	2	2	2	18
6	Solar Panels	✓	N/A	4	1	3	3	4	3	18
7	Existing Stock Holding Facilities	✓	Warehouse	2	3	2	4	4	3	18
8	NHSSC to NWSSP	Optional	Warehouse	3	3	4	4	4	4	22
9	Theatre Kitting	Optional	Support Service	2	3	3	3	3	2	16
10	Medical Records	Optional	Warehouse	1	2	1	4	4	4	16
10	Equipment Services	Optional	Equipment	2	3	4	3	3	3	18
11	Community Equipment	Optional	Equipment	2	2	3	4	1	3	15
12	Sterile Services & Loan Kits	Optional	Support Service	3	3	4	2	2	2	16
13	WEQAS	Optional	Support Service	3	3	4	3	3	3	19
14	Pathology	Optional	Support Service	3	4	4	2	3	2	18
15	SMTL	Optional	Support Service	2	2	2	3	3	3	15
16	Medical Waste	Optional	Support Service	2	4	3	3	2	3	17
17	Office Space	Optional	N/A	2	3	2	4	4	4	19
18	Health Incubators	Optional	N/A	4	3	4	4	4	2	21

Table 23: CSF Scoring



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Shared Services
Partnership

AGENDA ITEM:
27th November 2019

The report is not Exempt

Teitl yr Adroddiad/Title of Report

Health Courier Service Vehicle Replacement–27th November 2019

**ARWEINYDD:
LEAD:**

Tony Chatfield, Head of Operations,
Health Courier Service

**AWDUR:
AUTHOR:**

Matthew Lewis, Category Officer

**SWYDDOG ADRODD:
REPORTING OFFICER:**

Neil Frow, Managing Director

**MANYLION CYSWLLT:
CONTACT DETAILS:**

Neil Frow, Managing Director 01443 848550 /
Neil.Frow@wales.nhs.uk

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

The purpose of this paper is to provide the SSPC with details of the proposed Health Courier Service fleet renewal, to be endorsed by the NHS Wales Shared Services Partnership Committee at its meeting on the 27th November 2019.

Llywodraethu/Governance

**Amcanion:
Objectives:**

To minimise capital costs through effective procurement, to reduce revenue costs from maintenance and repair, to avoid high cost leasing charges (Economy).

To ensure fit for purpose fleet to meet the range of services provided, with a much-improved emphasis on quality and patient safety/outcomes (Quality).

To provide opportunities for future service reconfiguration and expansion (Strategy).

**Tystiolaeth:
Supporting evidence:**

NWSSP – Procurement Services Briefing Paper
Welsh Government Funding Award Letter awaiting approval

Ymgynghoriad/Consultation:

Who has been consulted on the details of the report?

- NWSSP- Health Courier Service
- NWSSP- Procurement Services
- Endorsement from Velindre Board anticipated 28th November 2019

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 requested to endorse the report prior to NWSSP Procurement Services requesting Velindre Trust Board Approval. 		

**Crynodeb Dadansoddiad Effaith:
Summary Impact Analysis:**

Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct impact
Cyfreithiol: Legal:	Compliant under the Public Contract Regulations 2015 and the Terms and Conditions of the Crown Commercial Services frameworks.
Iechyd Poblogaeth: Population Health:	No direct impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	Provision of a fit for purpose fleet capable of carrying temperature controlled environments for pathology and to present a positive public image of a modern fleet, capable of displaying Public Health messages to support immunisation, stop smoking and choose well etc.
Ariannol: Financial:	Utilisation of the capital funding made available by Welsh Government resulting in reduced revenue costs.
Risg a Aswiriant: Risk and Assurance:	Reduced risks associated to aged fleet fuel and maintenance inefficiency, poor environmental compliance and assurance to deliver effective services.
Safonau Iechyd a Gofal:	Implementation of Temperature Controlled Pathology Transport to MHRA standards.

Health & Care Standards:	
Gweithlu: Workforce:	No direct impact
Deddf Rhyddid Gwybodaeth/ Freedom of Information	Open. The information is disclosable under the Freedom of Information Act 2000.

HEALTH COURIER SERVICE FLEET RENEWAL –27TH NOVEMBER 2019

1. CEFNDIR/BACKGROUND

NWSSP have submitted a business case for £214,727 of discretionary capital, with approval from Welsh Government to be confirmed in late October/November. NWSSP-Health Courier Service is in year four of the current rolling seven-year programme to replace its fleet, with smaller amounts of vehicle procurement planned for the next three years.

NWSSP- Health Courier Service is limited to purchasing Ford, Renault, Mercedes and Honda vehicles. This is due to its agreement with the Welsh Ambulance Service Trust (WAST) who provide vehicle maintenance and are only able to work upon these vehicle types. NWSSP- Health Courier Service have a destabilization agreement with WAST associated to fleet maintenance and changing manufacturer or outsourcing fleet maintenance would compromise that agreement. Honda are unable to provide commercial vehicles, other than 4x4 winter resilience vehicles, and as such could not meet the vast majority of the requirement.

NWSSP- Health Courier Service have previously examined the Ford, Mercedes and Renault vehicles to establish whole life costs. NWSSP Health Courier Service examined historic data to capture fuel and maintenance costs, looking at type and age of vehicle. In general, the smaller the vehicle, the lower the cost, with Mercedes Benz performing better than both Ford and Renault.

Maintenance costs of the Mercedes Vito (Small – Medium Van) did not increase over its operational life, but comparable vehicles such as Ford or Renault suffered increase in maintenance costs as the vehicle age and use increased. Furthermore, the residual value associated to Mercedes Benz vehicles is higher than the comparable Ford or Renault vehicles, after the 7 year expected life cycle.

Consequentially, Mercedes Benz have been identified as the preferred supplier as to be able to fulfil all of the specified vehicle requirements enabling aggregation and associated economies of scale.

To guarantee the Whole Life Cost benefits the recommendation is to proceed on a Direct Award basis with the nominated agent of Mercedes Benz, Euro Commercials. This enables further opportunity to exert leverage on cost as well as encourage buyer specification flexibility associated to available vehicles.

Please note, the fleet is managed dynamically, and the above fleet replacement figure (number of vehicles) is the expected replacement programme. Should vehicle revisions combined with robust procurement mean the fleet numbers can be adjusted/increased within the cost envelope, the utilisation of the spare capital for additional vehicles will be agreed with NWSSP Directors and Welsh Government.

Maintenance will continue to be managed via the existing revenue budget.

2. ARGYMHELLIAD/RECOMMENDATION

It is recommended that the RM6060 Crown Commercial Service (CCS) Vehicle Purchase Framework be utilised on a direct award basis for vehicle chassis. It is further recommended that the manufacturers sub supply chain is utilised for any retrofitting and that any warranty of the manufacturer is thus maintained.

An STA will be required for the retrofit with the value estimated to be around 20% of the total value. This is due to the CCS framework not including retrofit within its scope. Including the retrofit within the deal for chassis purchase will ensure that warranty of the vehicles is maintained throughout this process and may also drive cost efficiencies with the preferred supplier. Purchasing both elements of the requirement through a single supplier has derived significant savings during previous years of the replacement programme.

The Committee are asked to:

- **Endorse** the Report



Procurement Services Contracting Briefing Paper

Contract Details

Contract Title:	Health Courier Service Motor Fleet Renewal and Retrofit (excluding maintenance) NMD-DCO-43035
Contract Duration:	One off vehicle purchase, estimated 5-7 year life of each vehicle
Contract Date:	31-03-2019
Estimated Annual Value:	£214,727
Estimated Total Value:	£214,727
Responsible Contracts Officer:	Matthew Lewis
Lead Body LHB or Trust:	Velindre NHS Trust
Contracts Officer Contact Details:	Email: Matthew.Lewis8@wales.nhs.uk Telephone : 029 2090 3853

Executive Summary

This Briefing Paper provides an overview of the proposed route to market for NWSSP Health Courier Service Motor Fleet Renewal for the 2019/20 year. This includes a focus on Whole Life Costs against the background of an inflationary and increasingly regulated market with regards to vehicle buying standards and sustainability Governance introduced by the Government.

It is recommended that the RM6060 Crown Commercial Service (CCS) Vehicle Purchase Framework be utilised on a direct award basis for vehicle chassis. It is further recommended that the manufacturers sub supply chain is utilised for any retrofitting and that any warranty of the manufacturer is thus maintained. An STA will be required for the retrofit (estimated to be around 20% of the total value) as this is not included within the scope of the CCS framework.

Contract Overview

NWSSP Procurement Services has been requested to undertake a procurement exercise for bespoke retrofitted vehicles for NWSSP Health Courier Service. Vehicles being replaced would be those that are no longer economically sustainable and/or cannot be relied upon to provide the service required.

NWSSP Health Courier Services supports frontline services across Wales, operating 24 hours a day, 365 days a year providing vital Clinical Logistical Support services for Primary and Unscheduled Care in Hospitals, Clinics, Surgeries, GP Practices, Pharmacies and Schools issuing vaccines.

In 2017/18, NWSSP Health Courier Service vehicles drove 2.6 million miles and under the current business plan have been instructed to “maximise operational opportunity” as well as the “Review and transfer of Health Board Partner Transport Services to NWSSP.” With this in mind, the demand for updating the NWSSP Health Courier Service fleet is likely to expand.

Market Research

Products

Current fleet provision consists of small, medium and large commercial vehicles as well as Luton lorries and heavy goods vehicles. These vehicles are generally owned due to the mileage requirements of NWSSP Health Courier Service, however, for winter resilience and to adapt to changing technology, both vehicle lease and hire are also utilised.

As a part of the Health Courier Service rolling fleet renewal, the 2019/20 procurement will total six vehicles.

This correlates to the below vehicle types and their corresponding lot within the current CCS framework.

Vehicle Type	Vehicle Quantities	CCS Lot
Small / Medium Vans	2	Lot 2 or 8*
Large Vans / Luton	4	Lot 2 or 8*

*The CCS lot will be either 2 or 8 depending if the vehicle requires blue light capability.

Budget and Estimated Contract Value

NWSSP have submitted a business case for £214,727 of discretionary capital, with approval from Welsh Government to be confirmed in late October/November. NWSSP-Health Courier Service is in year four of the current rolling seven-year programme to replace its fleet, with smaller amounts of vehicle procurement planned for the next three years.

Other UK Practice

Other UK Health Authorities tend to outsource Courier Services through companies such as Royal Mail, Priority Express or DHL. Consequentially there are few comparable organisations.

Benchmarking

Historic Health Courier Service Whole Life Cost data will be utilised to inform the procurement decision. This will include themes of the technical specifications, maintenance, fuel consumption, initial cost and residual value to achieve the most economically advantageous outcome over the life of the vehicle(s).

Benchmarking of chassis costs is possible against the Crown Commercial Services Fleet Portal published prices and this will be utilised to quantify the cost implications / benefits associated.

Sustainable Risk Assessment

Themes arising included:

The UK Government has set out the Government Buying Standards for transport 2017; as such NWSSP- Procurement Services will seek to meet these standards where the available market enables this. The Welsh Government has set further ambitious targets to decarbonise the Public Sector by 2030. The implication is that all new cars and light goods vehicles in the Public Sector fleet should be ultra-low emission by 2025 and where practicably possible, all heavy goods are ultra low emission by 2030.

NWSSP- Health Courier Service has engaged in pilot exercises with new vehicles relating to sustainable vehicle technologies such as Electrical, Hydrogen and Hybrid engines. The result was that these vehicles are not currently viable due to the vehicles not being able to achieve currently advertised range(s).

Additionally, Electrical vehicles may require vehicle batteries to be leased from the manufacturer. This creates a budgetary issue in relation to revenue and capital expenditure. Therefore, it is recommended that Electric Vehicle trials are to remain a revenue expenditure on a lease or hire basis.

The proposed Vehicles purchased will utilise Euro VI diesel engines and consequentially will be an improvement on the current tail pipe emissions.

Health Courier Service is currently utilising the Cleric Fleet Management and Quartex Telematics system, to maximise route planning and monitoring, increasing efficiency and reducing the impact of NWSSP Health Courier Service.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none">• Contractual Compliance• Reduced Maintenance Costs• Reduced Cost of Service Provision• Improved resilience• Reduced Carbon Impacts associated to Euro VI engines.	<ul style="list-style-type: none">• Diminishing relevance of Whole Life Cost Data from Health Courier Service.• Varying Geographical Locations of vehicles to be decommissioned.
Opportunities	Threats
<ul style="list-style-type: none">• Future proof and standardise NHS Wales Commercial Fleet.• Improved image of NWSSP- Health Courier Service.	<ul style="list-style-type: none">• Lead Times to manufacture retrofit and deliver vehicles.• Reliance on fossil fuels to power vehicles.• Geographic constraints of supply chain.• Reduced value of Sterling increasing costs of imported vehicles.• Market and Technology limitations associated to Electric and Hybrid Vehicles.• Brexit uncertainty.

Private Sector Procurement Rationale

In house solution to purchase vehicles is not currently available, however the maintenance of these vehicles is currently provided by an in house solution through an SLA with WAST.

Contract Analysis / Proposal

NWSSP- Health Courier Service is limited to purchasing Ford, Renault, Mercedes and Honda vehicles. This is due to its agreement with the Welsh Ambulance Service Trust (WAST), which provides vehicle maintenance and is only able to work upon these vehicle types. NWSSP- Health Courier Service has a destabilization agreement with WAST associated to fleet maintenance and changing manufacturer or outsourcing fleet maintenance would compromise that agreement. Honda is unable to provide commercial vehicles, other than 4x4 winter resilience vehicles, and as such could not meet the vast majority of the requirement.

NWSSP- Health Courier Service has previously examined the Ford, Mercedes and Renault vehicles to establish whole life costs. NWSSP Health Courier Service examined historic data to capture fuel and maintenance costs, looking at type and age of vehicle. In general, the smaller the vehicle, the lower the cost, with Mercedes Benz performing better than both Ford and Renault.

Maintenance costs of the Mercedes Vito (Small – Medium Van) did not increase over its operational life, but comparable vehicles such as Ford or Renault suffered increase in maintenance costs as the vehicle age and use increased. Furthermore, the residual value associated to Mercedes Benz vehicles is higher than the comparable Ford or Renault vehicles, after the 7 year expected life cycle.

Consequently, Mercedes Benz has been identified as the preferred supplier as to be able to fulfil all of the specified vehicle requirements enabling aggregation and associated economies of scale.

An STA will be required for the retrofit with the value estimated to be around 20% of the total value. This is due to the CCS framework not including retrofit within its scope. Including the retrofit within the deal for chassis purchase will ensure that warranty of the vehicles is maintained throughout this process and may also drive cost efficiencies with the preferred supplier. Purchasing both elements of the requirement through a single supplier has derived significant savings during previous years of the replacement programme.

Route to Market

To guarantee the Whole Life Cost benefits the recommendation is to proceed on a Direct Award basis with the nominated agent of Mercedes Benz, Euro Commercials. This enables further opportunity to exert cost advantage as well as encourage buyer specification flexibility associated to available vehicles.

Pricing strategy

The pricing strategy will utilise a direct award and will seek to leverage the aggregation benefits of the available capital expenditure as well as seeking to exploit the sales targets of the proposed provider, Euro Commercials.

Disposal and Part Exchange

Having engaged with the CCS, the disposal or part exchange of vehicles falls outside of the scope of the vehicle purchase framework. Due to part exchange representing a separate contract of sale, finance requires any revenue created to be accounted for separately.

The preferred bidder, Euro Commercials Ltd has previously offered a secured part exchange for the vehicle purchase. Due to the security of a guaranteed cash amount, Part Exchange represents better value than using an auction, which has previously been used. Having engaged with NWSSP- Legal and Risk Services, Part Exchange would not be in breach of the Public Contract Regulations 2015. A guaranteed price for part exchange will be secured as part of the procurement exercise for purchasing the vehicles.

Invoicing

As this is a one off capital purchase the use of E-invoicing would provide little to no value. Therefore, invoice(s) will need to be validated by Health Courier Service and NWSSP- Procurement Services to ensure validity in line with submitted tender costs.

Expected Benefits

NWSSP Procurement Services expects to make savings associated to the list prices on the Crown Commercial Services Fleet Portal. The 18/19 Fleet Renewal enabled savings in excess of 18% through the purchasing of ex-demonstrator or low mileage vehicles. The expectation is that the proposed exercise should render similar results. NWSSP Procurement Services expects to enable the continued standardisation of Health Courier Service's fleet.

Contract Proposal

1. Tender Type

NWSSP Procurement Services proposes to utilise the CCS Vehicle Purchase Framework on a direct award basis to the nominated agent of Mercedes Benz UK, Euro Commercials. Direct award enables certainty in terms of the vehicles, whole life costs and maintenance profile as well as enabling aggregation benefits of utilising a single manufacturer.

As the direct award option allows for further negotiation with suppliers, engagement with the appointed manufacturer around vehicle options, cost savings and retrofitting can be discussed, with the opportunity for further cost reductions. A mix of new and year old vehicles, utilising any end of calendar year discount and further negotiation on cost can also be utilised to further reduce the cost and increase the value from the procurement process.

The Award would create a call off contract based upon the CCS Order Form and Call off Term

2. Term of the Contract

The term would be until the point of delivery and post inspection by Health Courier Services. This is planned for the end of March 2020 and would extend to the end of the manufacturer warranty period. However, the expenditure is planned to occur during financial year 19-20.

The term of contract is also subject to the availability and lead times for vehicle chassis and conversions. The lead times of the appointed manufacturer will need to be clarified, but may require capital funds to be vested.

3. Timeframes

Contracting Stage	Anticipated Date/Timescales	Responsibility
Funding Confirmation 2019/19 from WG	30/11/2019	Peter Lewis, Jayne Tyler, Tony Chatfield
Briefing paper / Estimates return	14/10/2019	Matthew Lewis
NWSSP Board	14/10/2019 Paper Deadline 27/11/2019 NWSSP Committee Meeting	Matthew Lewis
Velindre Board	14/10/2019 Paper Deadline 28/11/2019 Trust Board Meeting	Matthew Lewis
Supplier Engagement	October – December 2019	Tony Chatfield & Matthew Lewis
Award return	December 2019	Tony Chatfield & Matthew Lewis
Evaluation	December 2019	Tony Chatfield & Matthew Lewis
Ratifications Out / Return	December 2019	Matthew Lewis
Call Off Date	31 th December 2019	Matthew Lewis
Delivery Date	31 st March 2020	Matthew Lewis & Project Management Officer (PMO)

Contract Management

NWSSP-PS, Health Courier Service and the associated PMO will manage the contract until the delivery date of the 31st of March 2020.

Communications

NWSSP- Procurement Services shall manage communications with all relevant parties, in partnership with NWSSP- Health Courier Services.

ACCEPTANCE

Please confirm your acceptance to participate in this procurement and your agreement to the proposal either by e-mail or by signing and returning this briefing paper.

Prepared by: Matthew Lewis Date: 14/10/2019

Contract briefing presented/
circulated to: _____ Date: _____

Response required by date: _____

Trust agreement to participate:

Trust: _____
Trust decision maker: _____
Agreement to proceed
(if different from above): _____
Date: _____



The report is not Exempt

Teitl yr Adroddiad/Title of Report

Proposal for NWSSP to:-

1. Become the Single Lead Employer(SLE) for Pre-Registration Pharmacists and Dental Foundation Trainees from August 2020;
2. Commence preparatory work to becoming the SLE for a small number of Specialty/ Core Medical Trainees from August 2020 as a pre-cursor to becoming the SLE for all Speciality/Core Medical Trainees not currently subject to SLE arrangements in August 2021.

ARWEINYDD: LEAD:	Director of Workforce and OD
AWDUR: AUTHOR:	Deputy Director of Workforce and OD
SWYDDOG ADRODD: REPORTING OFFICER:	

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

The purpose of this paper to seek agreement in principle from the NHS Wales Shared Services Partnership (NWSSP) Committee that NWSSP:-

1. Becomes the SLE for Pre-Registration Pharmacists with effect from August 2020;
2. Becomes the SLE for Dental Foundation Trainees with effect from August 2020;
3. Commences preparatory work to becoming the SLE for a small number of Specialty Medical Trainees from August 2020 (subject to WG approval). This will be a pre-cursor to becoming the SLE for all Core and Medical Specialty Trainees not currently subject to SLE arrangements in August 2021.

This paper will also define the scope of work involved in taking forward this proposal, the project management arrangements that will be required along with details of the key objectives and work streams, to form the basis for its management and the assessment of overall success.

Llywodraethu/Governance

**Amcanion:
Objectives:**

- **Value for Money** –Will deliver real term savings and service quality benefits to our customers through the reduction of administration costs associated with the reduction of payroll transactions, monitoring of professional registrations, DBS, Mandatory & Statutory training compliance etc.

	<ul style="list-style-type: none"> • Excellence – The SLE model will deliver process excellence through a focus on continuous service improvement, automation and the use of technology. • Excellence- Trainees will be pre-screened when they rotate to a different Health Board thus avoiding unnecessary duplication of pre-employment checks. • Staff – Trainees will only require one round of employment checks prior to the start of their Training. This will have significant benefits to the trainee, as they will no longer be required to change employer when they rotate to as part of their training to different Health Boards. • Staff -Trainees will be managed by one employer and have one point of contact for queries relating to their pay, terms and conditions of employment, travel expenses etc. This will also avoid them having multiple employments through their training which causes issues with Personal Tax arrangements; Maternity, Paternity and Sickness benefits etc.; Mortgage and Financial loan applications; Salary Sacrifice benefits will be available to them.
Tystiolaeth: Supporting evidence:	<ul style="list-style-type: none"> • Letter from HEIW dated 23rd October 2019 (Appendix A) formally requesting that NWSSP be the SLE for Foundation Dental Trainees and Pre-registration Pharmacists • Letter from HEIW dated 23rd October 2019 (Appendix A) formally requesting that NWSSP work with HEIW to deliver a SLE model for Core and Specialist Medical Trainees currently not subject to these arrangements • Progress report (Appendix B) from the Associate Dean identifying options under consideration for a SLE for Core and Specialist Medical Trainees

Ymgynghoriad/Consultation :
Consultation will be required with a number of Stakeholders including Health Boards, Deanery (HEIW), Trainee representatives , BMA, BDA, UNITE , Unison

Adduned y Pwyllgor/Committee Resolution (insert ✓):							
DERBYN/ APPROVE	✓	ARNODI/ ENDORSE	✓	TRAFOD/ DISCUSS		NODI/ NOTE	✓

Argymhelliad/ Recommendation	<p>The Committee is asked to endorse that proposal that:-</p> <ul style="list-style-type: none"> • NWSSP becomes the SLE for Pre-Registration Pharmacists with effect from August 2020; • NWSSP becomes the SLE for Dental Foundation Trainees with effect from August 2020; • NWSSP commences the preparatory work to becoming the SLE for a small number of Specialty Medical Trainees from August 2020 as a pre-cursor to becoming the SLE for all Core and Medical Specialty Trainees not currently subject to SLE arrangements in August 2021
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Crynodeb Dadansoddiad Effaith: Summary Impact Analysis:	
Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	Not applicable
Iechyd Poblogaeth: Population Health:	No direct Impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	The SLE model will deliver process excellence through a focus on continuous service improvement, automation and the use of technology.
Ariannol: Financial:	The SLE model will deliver real term savings and service quality benefits to our customers through the reduction of administration costs associated with the reduction of payroll transactions, monitoring of professional registrations, DBS, Mandatory & Statutory training compliance
Risg a Aswiriant: Risk and Assurance:	A Risk Register detailing the risks and actions to be taken to mitigate any risks will be developed as part of the Programme Board arrangements.
Safonnau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	Improved recruitment and retention of trainees Improved morale of trainees The SLE model has proven very popular with the GPSTRs
Deddf Rhyddid Gwybodaeth/ FOIA	Not applicable currently

1. Background

The Deanery (HEIW) have been in discussion for some time with NWSSP about the implementation of a SLE Model for Dental Foundation Trainees and Pre Registration Pharmacists. Committee has been provided with periodic updates in relation to the ongoing discussions. A formal request to progress the above was received from HEIW on 23rd October 2019 (Appendix A)

In parallel with the above discussions, Dr Ian Collings, Associate Postgraduate Dean / Lead for Trainee Development & Wellbeing (Interim) has been scoping out options for a SLE for all doctors and dentists (in core and specialty training) in Wales not currently covered by such arrangements.

There are circa 2200 trainees in Wales who do not currently have access to a SLE arrangement. Currently the only trainees which have SLE arrangements are GP VTS trainees (496) currently employed by NWSSP; along with a small number of very small specialities encompassing medical oncology, clinical oncology, palliative medicine and public health who are managed under separate SLE arrangements.

The letter dated 23rd October 2019 confirmed that HEIW wanted to work with NWSSP to develop a SLE Model for SLE for all doctors and dentists (in core and specialty training) in Wales not currently covered by such arrangements. Initially this will encompass a pilot for approximately 70 trainees (Radiology) to take effect from August 2020 with the aim of all trainees being covered by the SLE model by August 2021. Consideration is also being given to the possibility of Foundation Year one trainees being included from August 2020 as this has potential retention benefits. However, this has not been confirmed as an immediate priority by the Deanery.

A task and finish group has been established to conduct a detailed scoping of the options for an SLE. The group has membership drawn from across NHS Wales including representation from trainees, HEIW, NWSSP, Medical Directors, Workforce & OD Directors, the BMA and WG. Progress thus far has included identifying five options under consideration (including the status quo option), and completion of a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis of each option (Appendix B). Work is ongoing to identify appropriate criteria to evaluate each option, and whilst this work is still being finalised the clear emerging preferred options for SLE are HEIW or NWSSP .

2, Case for Change

There are a significant number of benefits to NHS Wales, Health Boards, the Deanery and Dental Practices and importantly the trainees themselves. These are summarised below:

- Trainees will only require one round of employment checks prior to the start of their Training. This will produce efficiencies across Wales. The pre-employment checks undertaken at the start of training can also be used for the trainee application to the Medical/Dental Performers Lists further increasing efficiencies and avoiding duplication of effort.

- Trainees will have a single consistent contact point for queries relating to terms and conditions of service including matters such as maternity and sickness absence. This will make their experience of training in Wales more positive, and this has been key feedback from the GP VTS arrangements.
- The single contact point offered by the lead employer arrangement will ensure that Trainees are aware of the policies and procedures that apply to their employment. They will have confidence that these policies and procedures are being used consistently across Wales rather than being localised to where the trainee is working at that time.
- The SLE role in monitoring sickness and other absences across the training period will assist in identifying any Trainees in difficulty at an early stage and then providing appropriate support in conjunction with the Deanery.
- A SLE arrangement will ensure that access to occupational health services are consistent across Wales. It will also allow the appropriate transfer of information to host organisations.
- Expert HR knowledge will be available to deal with complex employment issues in a consistent way. This will encompass all Employee Relations issues such as sickness, maternity or performance have arisen. This is particularly applicable to Dental Practices who do not currently have access to dedicated HR support.
- The SLE arrangement for the Trainees detailed above will be fully evaluated by the Deanery to ensure that it is delivering the requirements of trainees. This will provide stakeholders with valuable information to assess whether benefits have been realised.
- The SLE arrangement, where all trainees will be included on one payroll, will provide consistent and comparable payroll data to enable analysis and review of salary and travel information. This will facilitate efficiencies in the form of cost savings, standardised policies and the promotion of best practice.

This will deliver a partnership between HEIW (as the training and education lead), NWSSP (as a single lead employer), and the Health Boards (as the host for placements) that makes Medical Training in Wales attractive to future candidates.

3. Project Management Arrangements

It is proposed that the proposal will be facilitated via Project Management arrangements and a full PID will be developed and shared at the next NWSSP Committee.

The key objectives for the project will be as follows:

- Establish NWSSP as the SLE for Dental Trainees and Pre- registration Pharmacy Trainees with effect from August 2020
- Develop and agree appropriate contractual arrangements to govern the new employment relationship between the SLE and Host Employers (Health Boards, Community Pharmacies, Retail Pharmacy Sector, and Dental Training Practices). It should be noted that we have similar arrangements in place already for the GP trainees
- Develop and agree a suite of Service Level Agreements between all key stakeholders
- Scope out the implications of establishing a dedicated SLE for Core Trainees including any implications for staff currently supporting the provision of this function at Health Board level.

- Develop and agree all operational staff management and work flow arrangements between NWSSP as Lead Employer and all Host Employers (Health Boards, Trusts and Training Practices)
- Develop and agree funding and financial flow arrangements, to include costs associated with trainee salaries and other associated employment costs e.g. travel, training etc.
- Develop proposals to ensure that appropriate arrangements are in place to provide indemnity and insurance cover for trainees when in working Dental practices/Community or retail sector.
- Establish and conduct a wide reaching communication and engagement strategy to ensure that all stakeholders are fully involved and committed to the successful implementation of the project.

4. Approach

The key principle of the project is the need to ensure that all stakeholders derive benefit from the establishment of NWSSP as the SLE for designated Trainees within NHS Wales. The Programme Board and support substructures and work streams will ensure the engagement of all key stakeholders.

An overarching Project Board will therefore be established to oversee the implementation. Membership will include representatives from:

- NWSSP
- HEIW/Deanery for Medicine, Dental and Pharmacy
- BMA/BDA Wales
- Health Boards inc Finance and WOD
- Trainees
- WG

To support the Programme Board and to develop detailed implementation plans the following Task and Finish Groups will be established. Each Task and Finish Group will be required to develop Terms of Reference and a detailed project plan to ensure that all tasks are completed to the agreed timetable:

- **Employment and Contractual Issues**
Key areas of work will include the development and agreement of employment contracts the content of these will vary depend on Professional Group. They must though align with the respective All Wales Contract and take account of any specific Training and Educational arrangements.
- **Finance and Risk Pool**
Key areas of work will include the development and agreement of the financial model and funding flows and the management f Welsh Risk Pool arrangements.
- **SLAs and Operational Staff Management**
Key areas of work will include the development and agreement of core SLAs that describe the roles, responsibilities and accountabilities of all stakeholders. Separate SLAs are required between:
 - NWSSP/ Deanery/HBs/Trusts
 - NWSSP/ Deanery/Training Practices

- **Workflow and Process Issues**

Key areas of work will include process mapping all employment process including those related to payroll, recruitment, expenses, Performers List, training etc. This will also include work required to be undertaken to review data integrity and migration of data between Intrepid (Deanary system) and ESR.

- **Communication and Engagement**

Key areas of work will include establishing appropriate communication and engagement process with all key stakeholders, establishing a dedicated website, FAQs etc.

5. Review and Evaluation

As part of the Project Management arrangements, an agreed evaluation and review process will be developed to ensure that the benefits outlined earlier in this paper will be realised. The review criteria will encompass the following:

- Improved recruitment and retention of trainees and pre-registration pharmacists within NHS Wales.
- Improved and positive feedback from Trainees and Pre registration pharmacist on their employment experience with NHS Wales during their training.
- Financial i.e. Value for Money / Avoidance of Duplication / Streamlining of processes

6. Recommendation

It recommended that the NWSSP Committee endorse the proposal that:-

- NWSSP becomes the Single Lead Employer(SLE) for Pre-Registration Pharmacists with effect from August 2020;
- NWSSP becomes the SLE for Dental Foundation Trainees with effect from August 2020;
- Commences the preparatory work to becoming the SLE for a small number of Specialty/ Core Medical Trainees from August 2020 as a pre-cursor to becoming the SLE for all Core Medical Specialty trainees not currently subject to SLE arrangements in August 2021. This will be subject to a final decision at a later date – given the work programme that will flow out of this programme of work, NWSSP agreement in principle to proceed is considered appropriate at this stage.



GIG
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WALES

Addysg a Gwella Iechyd
Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

Our Ref: AH/cw

Date: 23rd October 2019

Neil Frow
Managing Director, NWSSP
Neil.Frow@wales.nhs.uk

Health Education and Improvement Wales
Ty Dysgu
Cefn Coed
Nantgarw
CF15 7QQ

03300 585 005
HEIWenquiries@wales.nhs.uk

Dear Neil

Request to provide single lead employment arrangements for trainees in dentistry and pharmacy

As you are aware, our teams have been discussing the potential to extend the single lead employer arrangements that are in place for GP trainees to our Dental Foundation Trainees and Pre-Registration Pharmacy Trainees.

This letter is to confirm that we would like to work with NHS Wales Shared Services Partnership (NWSSP) to provide the single lead employment contract so that there is a clear commitment to enable the work to progress. This will enable us to deliver on some significant improvements in employment arrangements for our trainees and we are grateful for your support.

I have asked Eifion Williams to contact you to agree the financial arrangements associated with the above.

We are also considering the single lead employer model for our medical trainees and are keen to progress these discussions when we have an agreed way forward for dental and pharmacy.

In the meantime, please let me know if there are any queries.

Yours sincerely

ALEXANDRA HOWELLS
CHIEF EXECUTIVE

Business Case

Single Employer Arrangements for Trainee Doctors and Dentists in Secondary Care in Wales

Introduction

Health Education and Improvement Wales (HEIW), is responsible for the training of approximately 2300 doctors and dentists in secondary care specialties across Wales. As part of their training rotations trainees will often move from one local education provider (LEP) to another to ensure a wide range of training competencies can be developed. There are 6 Health Boards and 3 NHS trusts that provide training in Wales. Furthermore, on occasion, trainees receive training in locations outside of Wales, these opportunities help to deliver curricula requirements that cannot be delivered within Wales.

At present trainees moving between LEPs in a particular specialty are employed by the HB/NHS trust that they work in. When a trainee moves to another HB/NHS trust, as part of their rotation requirements, they are required to undergo repeated employment checks (onboarding) to satisfy HR/medical staffing and occupational health requirements and are subject to the different workforce policies and practices in place with each different employer.

Since 2016 general practice trainees have benefited from single employer arrangements. The single employer for GP trainees is the NHS Wales Shared Services Partnership (NWSSP), part of Velindre NHS Trust. These arrangements have been well received by junior doctors and BMA Cymru and there is consensus that having this arrangement in place has been beneficial for streamlining HR, occupational health and general employment processes.

At present higher specialty trainees in palliative medicine, clinical oncology and medical oncology are employed by Velindre Hospital NHS Trust. It acts as single employer for all these trainees despite them rotating across the Health Boards along the M4 corridor. Public Health Medicine trainees have Public Health Wales as their single lead employer.

Single Employer across the UK

Across the UK progress is being made on the single employer issue. England has a regional approach (HEE regions) to single employment arrangements with HEE in the North West having the most experience as it has had single employer for all trainees in place for circa 10 years and for GP trainees circa 15 years. St Helens and Knowsley Teaching Hospitals NHS Trust has responsibility for single employer for several training schemes across England. There are several HEE regions that still do not have these arrangements in place however there is broad consensus that single employer arrangements for all regions of England should be explored and implemented in the short to medium term.

NHS Education for Scotland (NES) implemented a single employer for all trainee doctors from August 2018. The model in Scotland has a mixed economy approach with both Health Boards acting as employer for those trainee schemes contained within the Health Board and NES acting as single lead employer for schemes that cross Health Board boundaries.

The Northern Ireland Medical and Dental Training Authority (NIMDTA) are currently piloting single lead employer with full implementation in 2020.

The Case for Change

A previous Welsh Clinical Leadership Training Fellow developed a trainee survey in 2017. The survey had 278 responses from trainees across Wales. The principle results of the survey concluded that:

- 68% of trainees were not paid the correct salary or their salary on time following rotation to their next employer. Examples given included the wrong or emergency tax codes, the wrong point on the salary scale and the wrong banding.
- 60% of trainees had issues with occupational health data being shared between employers including replication of questionnaires, lack of communication and the smart card not being helpful.
- 59% of trainees didn't receive a contract within 8 weeks of starting employment.
- 41% of trainees had not received a return to work interview following sickness absence.

In October 2017, Together We Care, a framework for the development of the medical workforce in Wales, was published. The framework, which has been accepted by all the Chief Executives of the NHS family in Wales, sets out several principles and the ambition for the development of the medical workforce in Wales that encompasses all elements of a doctor's career, from undergraduate through to consultant, GP, SAS and medical education/research posts. Theme six of the framework, a transformed and sustainable medical workforce, sets as a short term aim for the exploration of the potential to implement a single employer for trainee doctors in Wales by 2019.

The inaugural HEIW annual plan committed to scoping out the options for single lead employer for trainees in Wales who aren't already covered by such arrangements.

For GP trainees in Wales this aspiration has been achieved and as a group they have enjoyed the benefits of a single employer for the past 2 years. NHS Wales Shared Services Partnership (NWSSP) currently acts a single employer for all GP trainees in Wales regardless of whether they are in secondary care placements or in practice. It seems appropriate to extend similar benefits to all trainee doctors in secondary care moving forward. By doing this all trainee doctors in Wales will have access to a standardised approach for HR employment and occupational health processes which is likely to improve the lives and time management of trainees and demonstrate that as an organisation we are invested in providing them with enhanced improved employment and professional support. It will also further reinforce our continued commitment to enhancing the working lives of trainee doctors in Wales

Role of Single Employer

Having a single employer for secondary care trainee doctors in Wales will by no means diminish the responsibility of Health Boards and NHS Trusts in Wales to continue to deliver high quality training to trainee doctors in Wales. The commissioning and quality management processes will continue to be delivered albeit by HEIW. The specialty training office will continue to work with local deliverers of training to ensure effective training is delivered. The single employer will have the responsibility for all employment and occupational health onboarding processes including the issuing of a contract of employment. Having a single set of policies which govern the breadth of employment related issues will ensure consistency and clarity for trainee doctors and host organisations. These policies are likely to include:

- Accessing NHS Pension and Retirement Policy
- Childcare Voucher Policy
- Dealing with Professional Conduct/Competence for Trust Medical Staff
- Disciplinary Policy and Procedure
- Domestic Abuse Policy
- Employment Break Policy
- Equality and Diversity Policy
- Flexible Working Policy and Procedure
- Maternity, Adoption & Paternity and Parental Leave Policy
- Procedure and Guidance on Appearing in Court (including Coroner Court)
- Professional Abuse Policy in relation to Children and Vulnerable Adults
- Professional Registration Policy
- Raising Concerns (Whistleblowing) Policy
- Recover of Payroll Overpayments Policy
- Redeployment Policy
- Reimbursement of Removal and Associated Expenses
- Reserve Forces Training and Mobilisation Policy
- Shared Parental Leave Policy
- Sickness Policy
- Smoking Free Policy
- Substance Misuse at Work Policy and Procedure
- Standards of Behaviour Framework Policy

A set of service level agreements between the single employer, HEIW and host organisations will set out clear responsibilities and obligations between all parties.

Advantages of Single Employer

- Alignment with single employer arrangements in general practice training, clinical/medical oncology, palliative medicine and public health medicine.
- Seamless transition for trainees moving from one LEP to another.
- Enhancement of the Wales offer and potential impact on recruitment and retention rates in Wales.
- Trainees will no longer need to take time out of training for pre-employment and occupational health checks.

- Further demonstration of our desire to enhance trainees working lives in Wales
- Less replication of HR and occupational health processes (onboarding).
- Increased cost effectiveness over time
- There would be clear lines of responsibility for failing or underperforming trainees. This could lead to standard and timely disciplinary processes.
- Clearer arrangements and protections for trainees who suffer detriment following raising concerns about patient safety (“whistleblowing”).
- Streamlined processes and improved efficiency.
- Reduced likelihood of junior doctors having any delays with salary payments or emergency tax codes

Disadvantages of Single Employer

- LEPS may feel less engaged with training as they are no longer the employer.
- Further attrition of LEP HR staffing which has declined in recent years.
- Likely increased upfront costs

Options Appraisal Process Methodology

Following the commitment to scope out the options for a single lead employer HEIW set up a task and finish group in May 2019. The task and finish group drew representatives from all relevant stakeholders including the trainee body, HEIW, NWSSP, workforce & OD, finance and medical directors. Terms of reference from the task and finish group were agreed (see appendix 1)

The group met three times between June and October 2019.

A SWOT analysis (Strengths Weaknesses Opportunities Threats) of each option for SLE was conducted. This was further developed following the meeting where colleagues had additional opportunities to add to the SWOT analysis following further reflection. Following the SWOT analysis for each option the group were asked to consider appropriate criteria to evaluate each option to identify preferred options. Rather than scoring each option based on the evaluation criteria, which was seen as an arbitrary exercise, the group agreed that a narrative analysis of each option was more appropriate, robust and transparent.

The task and finish group agreed the following criteria to evaluate the final options:

Desirability - the degree to which Flexibility of each option meets the project strategic objectives and priorities

- Promotes the objectives and priorities of an SLE model?
- Improves the sense of feeling valued and wellbeing for trainees?
- Reduce duplication and promote integrated working?
- Align with the direction of travel across the UK/competitive in the market
- Acceptability across all stakeholders
- How well each model maps to a Healthier Wales and #TrainWorkLive
- Financial benefits need to be reflected

Viability - the degree to which each option is financially viable and sustainable

- Demonstrates financial sustainability?
- Allows savings to be realised (reduced duplication, improved joint working etc)?
- Requires investment from WG
- Will positively impact upon changing context/trainee recruitment and retention needs
- Impact upon HBs
- Affordable

Feasibility - the degree to which each option can be implemented

- Can be implemented within the required timeframes and financial limitations.
- Ensuring appropriate governance systems are planned/in place to hold the SLE to account
- Workforce – is there an infrastructure already in place that would make this choice more attractive, the time needed to recruit new staff and manage the process

A stakeholder event was held on the 25 September 2019. The principle objectives of the event were:

1. To systematically consider the resource implications, benefits and disadvantages and feasibility for all parties of moving to a Single Employer model.
2. To present and share with stakeholders Single Employer models and best practice.
3. To consider how unnecessary bureaucracy can effectively be reduced for the benefit of trainees and employing organisations.
4. To discuss and determine how the project can identify and track measures of success.
5. To agree and determine next steps including ensuring good governance throughout all stages of this project.

The event gave the opportunity for all relevant stakeholders to inform the SWOT analysis and give an indicative preferred option through an informal vote.

Options Appraisal Process Results

Options for SLE

1. Maintain the status quo
2. HEIW acts as the SLE
3. NWSSP acts as the SLE
4. Hybrid model where each HB/NHS Trust takes on SLE responsibility for one or more specialty programme
5. Single HB/NHS Trust taking on SLE following a tendering process

Option 1: Status Quo

<p>Strengths</p> <ul style="list-style-type: none"> • Limited impact on current arrangements • Cost neutral in terms of set up • No need for increased resources • No transitional ‘snags’ • Lines of governance clear (e.g. if there are any problems) Biggest strength from trainee perspective • Ability to ensure service continuity (and clear responsibility) • Current funding of posts ensures flexibility to manage unfilled posts in a more proactive way. • Local reduction of problems by “people of the ground” 	<p>Weaknesses</p> <ul style="list-style-type: none"> • No consistent approach to HR/OH issues • No consistency in range of HR related policies e.g. shared parental leave • Inconsistency in services available e.g. occupational health • Continued issues with transition for trainees e.g. repeated employment checks, emergency tax code • Does not allow for cost saving opportunities that flow from duplicate employment checks, payroll transactions etc • Ongoing reforms and new policies more difficult than if one SLE • Continued higher burden on individual UHB’s resources • No continuity in communication (issues passed on to new employer)
<p>Opportunities</p> <ul style="list-style-type: none"> • Opportunity to review HR/OH service and deliver in a more seamless way • Opportunity to evolve current onboarding practices to ensure more seamless transition for trainees and reduce needless repeat employment checks 	<p>Threats</p> <ul style="list-style-type: none"> • Impact on attractiveness of Wales as a place to train • Loss of productivity (trainees/HR) • Continued impact on moral of negative impacts of current system (administrative burden, repetitive tasks, etc). • Threat to ongoing quality of trainee experience – training, wellbeing. • Challenges to supervisors and departments in supporting trainees during rotation period. • No alignment with other specialties already covered by SLE (GP, Public Health, Palliative Medicine)

Status Quo: Risks

- Does little to improve that Trainee experience, may place Wales at a disadvantage in the longer term as / if English regions, Scotland and NI move to SLE type arrangements
- Inconsistency in Employment conditions i.e. currently GP Trainees employed under SLE relationship

Option 2: HEIW

<p>Strengths</p> <ul style="list-style-type: none"> • Experience of medical training • Understanding the needs of doctors • Will create more of an identity for trainees • HEIW is flagship/national organisation • Responsible officer function already sits in HEIW • Strong advocacy for trainees' rights • Likely increased communication with trainees around education/support • Equitable with direction of travel in rest of the devolved nations of the UK. • One stop shop for everything trainee related 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Immaturity of organisation • Lack of developed infrastructure (HR/IT) – requirement to import knowledge • The likely requirement to sub-contract payroll services • Employer versus “deployer” issues • Conflict of interest if HEIW is employer and training provider (core business diluted?) • National organisation but Cardiff based therefore likely issues with trainees having to travel for checks – satellite offices • Multiple communication interfaces
<p>Opportunities</p> <ul style="list-style-type: none"> • One SLE for all trainees in Wales who are not covered at present. • Improved and consistent funding allocation of training posts (e.g. 100% TGS) • Consistent/harmonised approach to trainee/employment issues • Centralised funding would create more transparency • Opportunity to solve external issues if employed by HEIW • Clarity for trainees dealing with LEP issues and employment issues that also affect training. • More power to improve training conditions due to ‘one body’ influence over trainees and trainers. • Establishment of freedom to speak up guardian • Could more easily provide a return to training service for ‘F3’/ ‘CT3’ doctors returning to training after time out • Frees up resources within HBs to allow innovation 	<p>Threats</p> <ul style="list-style-type: none"> • Potential disengagement from HBs (This hasn't been an issue in GP) • Impact for HR teams across HBs • Threat to reputation of HEIW if implementation goes wrong is potentially more sensitive given its other roles for trainees. • Service perception of HEIW controlling all

HEIW – Risks

- Currently HEIW doesn't have experience of employing trainees.

- Potential redeployment of expertise from HB structures into HEIW impacting upon HB HR teams.
- Conflict of interest if employer and providing training. Quality management could be an issue.
- Memorandum of Understanding will need to be drafted to establish responsibility of host and employer
- The overall size of the task
- Employment liability
- Potential confusion for trainees – educational versus employment issues
- Likely less established governance arrangements

Option 3: NWSSP

Strengths	Weaknesses
<ul style="list-style-type: none"> • Tried and tested (GP) • Preferred option for dental foundation trainees and pharmacy pre-registration trainees – allows consistency of approach and potential economies of scale • Infrastructure (HR/IT) Plus wider infrastructure in place e.g. IT, expenses etc. • Regional Structure/offices across Wales • Relationships already well established • Neutral organisation with no vested interest • National established brand • In-house knowledge – process excellence • Existing HR knowledge and working relationships with HB medical workforce teams e.g UPSW • Less conflict of interest managing multiple aspects of trainee lives. • Finance systems for recharging costs already established • Ability for HB to retain ownership of rota gaps to maintain service delivery • Clear established governance with HEIW and HBs integral to decision making – ownership of the agenda • Will highlight performance / absence issues transparently – these can get lost in transition currently between multiple employers • GP Trainee Feedback on existing arrangements has been positive • Extension of current NWSSP Once for Wales role such as Lead Sponsor CoS 	<ul style="list-style-type: none"> • Likely initial cost • Additional resource requirements

and centralised relocation allowance payment.	
<p>Opportunities</p> <ul style="list-style-type: none"> • One SLE for all trainees in Wales who are not currently covered by arrangements • Consistent approach to employment issues • Harmonisation of processes e.g. relocation Claims • Access to support and information / Occupational Health • More potential for bespoke service for trainees • Could more easily provide a return to training service for 'F3'/ 'CT3' doctors returning to training after time out • In line with direction of travel for dental foundation and pharmacy pre-registration trainees • Both NWSSP and HEIW would be a "one-stop-shop" • Frees resources at HB level, opportunities to innovate. • Will reduce transactional costs associated with multiple checks etc • NWSSP already acts as the Lead for Certificates of Sponsorship – enhances "One Stop Shop" approach and reduces Immigration risk issues 	<p>Threats</p> <ul style="list-style-type: none"> • Impact on Health Board HR – could be seen as a positive impact

NWSSP: Risks

- Memorandum of Understanding will need to be drafted to establish responsibility of host and employer
- (Need to consider the risks experienced during GP trainee project)
- Employment liability

Option 4: Hybrid Model

<p>Strengths</p> <ul style="list-style-type: none"> • Reduced impact on current employers (HR) • Likely most cost neutral at the outset. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Watering down of philosophy of SLE • What if trainees change programmes? • Lack of continuity for trainees moving from foundation programme to core/specialist training.
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<ul style="list-style-type: none"> • Medical expertise from within the health board will be beneficial to the process 	<ul style="list-style-type: none"> • Lack of consistency • Most costly to the NHS, overall overtime • The configuration of the split could cause conflict • Potential difficulty in terms of ensuring sufficient staff allocated to SLE, and if they have split roles, ensuring established protocols. • Harder to assure and ensure consistent oversight to ensure delivery is adequate • More communication interfaces between single employers and HEIW
<p>Opportunities</p> <ul style="list-style-type: none"> • HR expertise available within the HBs to be maximised • Arrangements and models put in place across NHS Wales could improve opportunities for non-training grade doctors also. • Would need North/South provision, duplication of resources 	<p>Threats</p> <ul style="list-style-type: none"> • Discussions about who takes which specialties • Threat to Welsh Government as more sites to deal with • General logistics of managing and supporting more sites • Potential continuing conflict of interest if hybrid site is also employer for trainee at some point/one rotation. • Some HB HR departments seen as more effective than other – “lottery”

Hybrid Model: Risks

- Will be the hardest to implement
- Will be hardest to control the governance
- Will be difficult to agree who has what speciality
- No consistency for trainees
- Concerns about cherry picking vacancies (although this is centrally managed, it could be perceived)
- Employment liability

Option 5: Single HB/NHS Trust through tendering process

<p>Strengths</p> <ul style="list-style-type: none"> • All advantages of SLE • HR knowledge already there 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Likelihood of one HB doing this • Travel for trainees in geographical distant areas • Will create perception of “centric” organisation depending on who wins
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	<ul style="list-style-type: none"> • Perceived favouritism to the Health Board who manages. • Potential continuing conflict of interest if site is also employer for trainee at some point/one rotation. • Changes after tendering process would be disruptive/costly. • Potential (or perceived potential) for funding of SLE to be diverted to other non-SLE/trainee specific areas • Tender process would need to go national. How would this align politically. • Lack of experience of tendering amongst HBs in Wales. • Multiple communication interfaces • Duration of contract, impact on infrastructure elsewhere.
<p>Opportunities</p> <ul style="list-style-type: none"> • Health board could develop HR specialty which would make more attractive 	<p>Threats</p> <ul style="list-style-type: none"> • How would choice be made • Impact on other HBs • Politics • Who has concentration of specialties/logistical issues • Distraction to the HB/HR function • Single HB's ethos may not be reflective of whole NHS Wales. • Could result in 'marmite' view of this HB by trainees- implications for where they apply for consultant posts?

Single HB/NHS Trust: Risks

- What if nobody tenders / nobody wants to do it. (Do we even know what the appetite is for this)
- Employment liability
- Political threat if tender was won by an organisation outside Wales

Following the first stage of the options appraisal there was unanimous agreement from all stakeholders sitting on the task and finish group that the status quo, hybrid model and single HB through a tendering process options were neither feasible or practicable.

There was some discussion that the current status quo would not be able to successfully deliver the significant advantages that a model of SLE could deliver to trainees and the NHS in Wales by reducing replication of processes and saving the significant number of hours that are spent, by trainees, travelling to their next employer every six to twelve months to complete pre-employment checks. There was consensus that even if systems were developed to ensure a more seamless transition between employers for trainees (e.g. processes by which all onboarding could be completed by the

first employer then shared with each subsequent employer) it would not confer the benefits that one SLE could realise.

Both hybrid model and tender process by one HB options were the least favoured options. All agreed that the hybrid model would water down many of the expected benefits of single lead employer as there would ostensibly continue to be multiple employers with differing systems and practice and multiple interfaces. The option of a single HB becoming single lead employer through a tendering process, similar to the process in England, was seen as the option that was least aligned to the philosophy of the NHS in Wales and likely to be the most sensitive option. The appetite for a process such of this in Wales is very unlikely to be present. Furthermore, the process would be open to NHS Trusts and Health Boards in other countries of the UK and the likelihood of one HB in Wales seeking to want to take this on would be very low indeed.

Of note, no votes for the three options were cast at the stakeholder event.

Further Evaluation of Final Options for Single Lead Employer

The HEIW and NWSSP options were considered against the evaluation criteria that were set.

HEIW

Desirability – Given the current relationship that HEIW has with trainees e.g. quality management and planning of training rotations, promoting wellbeing and offering professional support, this option was felt to align well with the objectives and priorities of a single lead employer. Having a one stop shop for all trainees in Wales for training and employment issues would ensure clarity for trainees on the proviso there were clear lines of accountability for each within the organisation for these two roles. Having one organisation taking on this role would realise the benefits of reduced duplication of activities and potential cost savings because of this e.g. DBS checks. The option would align with the direction of travel in other statutory education authorities in the devolved nations of the UK.

Viability – The option was felt to be financially sustainable and allow saving because of multiple episodes of pre-employment check that would no longer be required. It was agreed that with the correct model of SLE the impact on HBs would be significantly less than perceived. Whilst all onboarding for trainees would cease in each HB this would conversely mean that they would have time and opportunities to innovate. As a single lead employer there would be an expected increase in recruitment as the opportunity would enhance the Wales offer.

Feasibility – A phased period of implementation would be required for any single lead employer. This would require significant amounts of planning, but feasibly interim arrangements could be in place for the most in need specialty trainees from August 2020. HEIW remains a young organisation that continues to develop its role within NHS Wales. It could be argued that taking on such responsibility at this point in its maturity could be considered a risk. Both NES and NIMDTA have taken on SLE roles in Scotland and NI but these organisations are much more established and mature.

NWSSP

Desirability – NWSSP has already demonstrated its ability to successfully deliver SLE arrangements for GP trainees in Wales and it can be argued this has been part of the successful drive to recruit additional numbers of trainees in Wales. Evidence already exists that in this group of trainees the objectives and priorities of a SLE model have been delivered by reducing the replication of process and streamlining employment related issues. It has proven acceptable to all stakeholders as it is truly a service with ownership from all HBs and NHS trusts across Wales. Furthermore, the work that NWSSP has delivered aligns with the development of a SLE across the rest of the UK.

Viability – With circa 400 trainees currently enjoying single lead employer benefits being delivered by NWSSP evidence already exists in terms of financial sustainability, savings from less replication of processes and is likely to positively impact the Wales offer in term of recruitment in the future. Like the HEIW option similar investment will be required from WG but it has been agreed by all stakeholders that this option will be affordable and acceptable from current employers.

Feasibility – It could be argued that NWSSP already has infrastructure and governance in place to deliver SLE albeit with an increase in HR resource. Investment will be required but economies of scale could be realised with current work being undertaken by the organisation to deliver SLE arrangements for dental foundation and pre-registration pharmacy trainees.

Economic Analysis

With the current trainee employment model in Wales thousands of episodes of pre-employment and DBS checks are conducted each year across Wales as trainees rotate between employers. With a single lead employer, the reduction in processes and costs are likely to be significant. Furthermore, the time trainees currently take out of training to complete pre-employment checks could be returned to clinical services. The wellbeing of trainees could be enhanced by reducing the likelihood of trainees being subjects to emergency tax codes and being paid at the wrong incremental salary point or banding. Trainees continue to highlight that a SLE model could have the biggest impact on trainees working lives.

Additional information to be added once costings received from NWSSP

Conclusion and Recommendation

The Health Education and Improvement Wales Single Lead Employer Task and Finish Group has now completed a detailed scoping of models that would be able to deliver a SLE. The group believes the case for change to implement SLE is compelling as set out in this paper. Both preferred options for SLE have significant strengths that the corresponding option does not. On balance all stakeholders believe either option could successfully deliver SLE for trainees in Wales following a thorough implementation period and lead to the enhancement of secondary care trainees lives. Furthermore, we now have the opportunity to align ourselves with the other nations of the UK.

Implementation of Single Lead Employer in Wales

Once a preferred option is identified implementation should take place without haste. The identified single lead employer will have the following principle objectives:

- Distribution of contract of employment
- Carrying out all on boarding including:
 - Pre-employment checks
 - Occupational health checks and implementation of reasonable adjustments
 - DBS checks
 - Tier 2 applications
- Single payroll
- Case manager for all terms and conditions (liaison around reasonable adjustments, support and management of sickness absence, grievances and disciplinary issues).
- Employers liability

The constitution of a programme board to oversee SLE implementation is required which should be led by colleagues from the chosen organisation. The board will require the support of a programme manager and oversee the following workstreams:

- Communication and engagement
- Process and Procedures
- Combined Contracts and Employment Issues and SLA and Operational Management
- Finance and Risk Pool

Timeline for Implementation of Single Lead Employer

January 2020 – SLE Implementation programme board and workstreams established and commence work.

August 2020 – SLE arrangements established for all radiology trainees in Wales (circa 69 trainees).

February 2021 – SLE arrangements established for all paediatrics and anaesthetics trainees (circa 343 trainees).

August 2021 - SLE arrangements established for all foundation trainees (circa 678 trainees).

February 2022 – SLE arrangements established for all remaining trainees (circa 1199 trainees).

Appendix 1

Health Education and Improvement Wales

Single Lead Employer Task and Finish Group

Terms of Reference

Introduction:

Health Education & Improvement Wales (HEIW) is responsible for the training of approximately 2300 doctors and dentists in a variety of specialties across Wales. Training programmes often require trainees to rotate from one Health Board/NHS Trust to another as frequently as every three months.

Since 2016, General Practice trainees in Wales have benefited from single employer arrangements. The single employer for GP trainees is the NHS Wales Shared Services Partnership (NWSSP). Higher specialty trainees in palliative medicine, clinical oncology and medical oncology in South Wales are employed by Velindre Hospital NHS Trust. Public Health Wales act as single lead employer for all public health trainees.

Across the UK, progress is being made on the single employer issue. England has a regional approach to single employment arrangements with HEE in the North West having the most experience as it has had a single employer arrangement for all trainees in place for circa 10 years. NHS Education for Scotland (NES) implemented a single employer for all trainee doctors from August 2018. NES will be acting as single lead employer from later this year. The Northern Ireland Medical and Dental Training Agency (NIMDTA) is currently in the process of implementing single lead employer arrangements as a pilot for some specialties from August 2019 (Full implementation in 2020). It is proposed that NIMDTA will act as the single lead employer.

Theme six of the Together we Care framework (2017) sets as a short term aim for the exploration of the potential to implement a single employer for trainee doctors in Wales by 2019. The HEIW annual plan 2019-20 includes a commitment to scoping options and implementation of single lead employer for all remaining trainees in Wales.

Purpose:

The Health Education and Improvement Wales (HEIW) Single Lead Employer Task and Finish Group will act to provide strategic oversight to this critical piece of work. The group will lead on scoping out an appropriate option for single lead employer and its implementation as elucidated in the HEIW annual plan 2019/20.

Membership:

The group includes wide representation from stakeholders across NHS Wales (including HEIW, Health Boards and NWSSP), BMA Cymru and trainees.



Member		Alternate
Chair Dr Ian Collings	Associate Postgraduate Dean, HEIW	Dr Helen Baker
Secretary Mrs Claire Porter	Executive Assistant to the Postgraduate Medical Dean	
Dr Helen Baker	Associate Director of Secondary Care, HEIW	
Dr Tom Yapp	Associate Dean for Foundation Training, HEIW	
Dr Will Mclaughlin	Associate Dean for Dental Core & Specialty Training	
Professor Peter Donnelly	Strategic Programme Lead for SAS and IMGs, HEIW	
Graham Roddis	Management Accountant, HEIW	
Professor Arpan Guha	Deputy Medical Director, BCUHB	
Mr Bob Chadwick	Executive Director of Finance, C&VUHB	
Mr Martin Driscoll	Executive Director of Workforce & OD, C&VUHB	
Dr Melanie Nana	Trainee (Endocrinology)	
Dr Lowri Evans	Trainee (Palliative Medicine)	
Dr Amarit Gil	Foundation Trainee	
Dr Imran Siddiqui	Trainee (Radiology)	
Mr Merlin Gable	Committee Executive Officer, WJDC, BMA	
Dr Josie Cheetham	Chair, WJDC, BMA	
Mr Gareth Hardacre	Director Workforce & OD, NWSSP	
Ms Sarah Evans	Deputy Director Workforce & OD, NWSSP	

Reporting and Assurance Arrangements:

The Chair will:

- Report formally, regularly and on a timely basis to HEIW medical deanery senior management team. This includes verbal updates on activity, the submission of committee minutes and written reports
- Bring to the Postgraduate Medical Dean's attention any significant matters under consideration by the Group

Quorum:

This group will be quorate with a minimum of 50% attendance (9 attendees)

Objectives

- Conduct a detailed options appraisal of options for single lead employer and identify a preferred option for ratification by the Board of HEIW.
- To systematically consider the resource implications, benefits/disadvantages and feasibility for all parties of moving to the preferred single lead employer model.
- To discuss and determine how the project can identify and track measures of success.
- To oversee and ensure good governance throughout all stages of this project.
- To oversee implementation of the preferred single lead employer option by establishing an implementation group and appropriate work streams
- Produce reports to be disseminated to HEIW Executive Board, Welsh Government and other stakeholders.

Frequency of meetings

Meetings will be held every six weeks



The report is not Exempt

Teitl yr Adroddiad/Title of Report

Update on NHS Wales Collaborative Bank Service

ARWEINYDD: LEAD:	Gareth Hardacre, Director of Workforce & OD
AWDUR: AUTHOR:	Matthew Dance, Project Manager, Digital Workforce Solutions team.
SWYDDOG ADRODD: REPORTING OFFICER:	Angela Jones, Assistant Programme Director, Digital Workforce Solutions team.

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

To update the NHS Wales Shared Services Partnership (NWSSP) on the establishment of a NHS Wales Collaborative Staff Bank Service.

Llywodraethu/Governance

**Amcanion:
Objectives:**

The objective of establishing a Collaborative Staff Bank Employment Service is to enable Health Boards to fill vacant shifts in their rosters from a nationwide pool of NHS bank workers via cloud based mobile technology.

Value for Money

- Health Boards filling vacant shifts with NHS bank workers is better value for money than using Agency workers.

Excellence

- Health Boards & Collaborative Bank can utilise a common cloud based mobile technology to fill rosters. Workers have the flexibility to book multiple shifts via their mobile device across multiple Health Boards.
- NHS bank workers are pre-screened, trusted, highly skilled, and competent workforce.
- Will enable us to ensure that Workers are EWTD compliant – satisfying key patient safety concern

Staff

- Flexible shifts across multiple Health Boards to fit with their lifestyle and availability
- Paid Annual Leave + Access to NHS Pension Scheme
- Opportunity to develop specialist skills

Ymgynghoriad/Consultation :

The Collaborative Bank Project Board endorsed the request to deliver the Collaborative Bank pilot through the establishment of a NWSSP Collaborative Bank Employment Service on 11/11/2019

Adduned y Pwyllgor/Committee Resolution (insert v):

DERBYN/ APPROVE	ARNODI/ ENDORSE	TRAFOD/ DISCUSS	NODI/ NOTE	v
				v
Argymhelliad/ Recommendation		<p>The Committee is asked to:</p> <p>Note the progress made to date on the development of an NHS Wales Collaborative Banks, with such arrangements to take effect from 6th April 2020.</p>		

Crynodeb Dadansoddiad Effaith:**Summary Impact Analysis:**

Cydraddoldeb ac amrywiaeth: Equality and diversity:	No direct Impact
Cyfreithiol: Legal:	Included in paper tabled in Part B
Iechyd Poblogaeth: Population Health:	No direct Impact
Ansawdd, Diogelwch a Profiad y Claf: Quality, Safety & Patient Experience:	<ul style="list-style-type: none"> NHS bank workers are pre-screened, trusted, highly skilled, competent workforce. Collaborative Bank project utilises technology that facilitates the monitoring of WTD, thus ensuring patient care.
Ariannol: Financial:	<ul style="list-style-type: none"> Health Boards filling vacant shifts with NHS bank workers is better value for money than using Agency workers. Reduction in administration associated with monitoring of professional registrations, DBS, Mandatory & Statutory training compliance via the creation of a bank 'passport' across Wales.
Risg a Aswiriant: Risk and Assurance:	Included in separate paper to be tabled in Part B
Safonau Iechyd a Gofal: Health & Care Standards:	No direct Impact
Gweithlu: Workforce:	<ul style="list-style-type: none"> Increased recruitment and retention of Bank Workers with less reliance on Agency workers. Consideration of additional staffing requirements within NWSSP to set up and manage the Collaborative Bank.
Deddf Rhyddid Gwybodaeth/ FOIA	OPEN

Update on NHS Wales Collaborative Bank Service

BACKGROUND:

During the Bridgend Boundary Change process, the workforce Directors of Swansea Bay UHB, Cwm Taf Morgannwg UHB required a solution to ensure that their Bank workers who historically supported Princess of Wales Hospital could continue to do so, whilst simultaneously supporting the wider Swansea Bay and Cwm Taf Hospitals. The principle of a pilot in these 2 HBs was supported by NHS Workforce Directors Peer Group Network.

A pilot project to establish a Collaborative Bank was established to facilitate cross-boundary working for NHS Wales Bank Workers.

Acting on behalf of SBUHT and CTMUHB; NWSSP will establish a Collaborative Staff Bank Service to centrally engage, and deliver weekly pay, to bank workers for deployment into HB's via cloud based smart phone enabled technology.

Progress to date [Highlight Report included for further detail]:

- Feasibility Study completed
- Project Board with monthly meetings established
- Development and testing of enabling cloud/smart phone based technology completed
- New VPD established for Collaborative Bank to enable weekly pay
- New cross-charging GL process agreed and in development

Project governance:

- Memorandum of Understanding
- Service Level Agreement
- Data Sharing Agreement
- Terms of Engagement of Bank Workers

Next steps:

- Ratification of governance documents
- Communications strategy/plan to be deployed

Go live date 6th April 2020

CONCLUSION: SBUHT and CTMUHB are working in partnership with NWSSP to develop and deploy a pilot of the NHS Wales Collaborative Bank Service.

RECOMMENDATION: The Committee is asked to:

Note the progress made to date on the development of an NHS Wales Collaborative Banks, with such arrangements to take effect from 6th April 2020.