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Pwyllgor Gwasanaethau Iechyd
Arbenigol Cymru (PGIAC)
Welsh Health Specialised
Services Committee (WHSSC)

Annual Governance Statement 2022-2023

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ANNUAL GOVERNANCE STATEMENT 2022-2023

1.0 SCOPE OF RESPONSIBILITY

In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the Directions), the Local Health Boards (LHBs) established a joint committee known as the Welsh Health Specialised Services Committee (the Joint Committee or WHSSC), which commenced on 1 April 2010, for the purpose of jointly exercising its Delegated Functions and providing the Relevant Services.

In establishing WHSSC to work on their behalf, the seven LHBs recognised that the most efficient and effective way of planning the Relevant Services was to work together to reduce duplication and ensure consistency.

WHSSC's aim is to ensure that there is:

"Equitable access to safe, effective and sustainable specialist services for the people of Wales, as close to patients' homes as possible, within available resources"

In order to achieve this aim, WHSSC works closely with each of the Local Health Boards (LHBs) (in both their commissioner and provider roles) as well as with Welsh NHS Trusts, providers in NHS England and the independent sector.

The commissioning of specialised services is informed through the application of the Prudent Healthcare Principles and the 'Quadruple Aim' identified in the [Parliamentary Review of Health and Social Care in Wales, published in 2018](#).

WHSSC is committed to supporting achievement of the objectives outlined in [A healthier Wales](#) to ensure that people stay healthy for as long as possible, and to supporting achievement of the ambitious objectives outlined in Welsh Government's ["Health and Social Care in Wales COVID-19: Looking Forward"](#) guidance and adopt a realistic approach to supporting building back our health and care system in Wales, in a way that places fairness and equity at its heart.

The Welsh Health Specialised Services Committee (Wales) Regulations 2009 (SI 2009 No 3097) (the Regulations) make provision for the constitution of the Joint Committee including its procedures and administrative arrangements.

The Joint Committee is a statutory committee established under sections 12 (1) (b) and (3), 13(2) (c), (3) (c) and (4) (c) and 203(9) and (10) of the National Health Service (Wales) Act 2006. The LHBs are required to jointly exercise the Relevant Services.

Cwm Taf Morgannwg University Health Board (CTMUHB) is the identified host organisation. It provides administrative support for the running of WHSSC and has established the Welsh Health Specialised Services Team (WHSST) as per Direction 3(4), Regulation 3(1) (d) and the interpretation sections of both the Directions and the Regulations and the Joint Committee Standing Orders: Statutory Framework and Joint Committee Framework.

The Joint Committee is accountable for Governance, Risk Management and Internal Control. As Managing Director for Specialised and Tertiary Services Commissioning, NHS Wales, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the Joint Committee's policies, aims and objectives whilst safeguarding the public funds and the organisation's assets for which I am personally responsible; and to report the adequacy of these arrangements to the Chief Executive of CTMUHB in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales. Under the terms of the establishment arrangements, CTMUHB is deemed to be held harmless and have no additional financial liabilities beyond its own population.

WHSSC does not have a statutory duty to produce an Annual Governance Statement (AGS) but does so, as a matter of good governance, to provide assurance to the LHBs and, in particular, to CTMUHB, as its host organisation, in relation to its governance and accountability arrangements.

This report outlines the different ways the organisation has had to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated and that assurance has been sought and provided.

2.0 OUR GOVERNANCE FRAMEWORK

In accordance with the WHSSC Regulations 2009, each Local Health Board (LHB) in Wales must agree Standing Orders (SOs) for the regulation of the Joint Committee proceedings and business. These Joint Committee standing orders form a schedule to each LHB's own standing orders, and have effect as if incorporated within them. Together with the adoption of the Scheme of Decisions Reserved to the Joint Committee; the Scheme of Delegations to Officers and Others; and the Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Joint Committee.

These documents, together with the Memorandum of Agreement setting out the governance arrangements for the seven LHBs and a Hosting Agreement between the Joint Committee and Cwm Taf Morgannwg University Health Board (as the

Host LHB), form the basis upon which the Joint Committee's Governance and Accountability Framework is developed.

Updated Model Standing Orders and Model Standing Financial Instructions were issued by the Minister for Health and Social Services in correspondence received on the 7 April 2021. Revised Governance and Accountability Framework documents, including the SOs and SFIs, for WHSCC were approved by the Joint Committee on [13 July 2021](#), and were subsequently taken forward for approval by the seven LHBs for inclusion as schedule 4.1 within their respective LHB SOs.

To ensure effective governance and to comply with the provisions of the WHSCC Standing Orders (SOs) it is important that the SOs and Standing Financial Instructions (SFIs) are kept up to date to comply with the need for:

- The Joint Committee to take appropriate action to assure itself that all matters delegated are effectively carried out, and that
- The framework of delegation is kept under active review and, where appropriate, is revised to take account of organisational developments, review findings or other changes.

The governance and accountability framework was updated in 2022-2023 and approved by the Joint Committee on 14 March 2023. The updated documents were issued to the seven HBs for approval and inclusion as schedule 4.1 within their respective HB SOs. The changes included:

- **Financial Limits and Reporting**

On [10 January 2023](#) the Joint Committee approved that the increased financial delegation limits, introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19 pandemic, could be adopted as new permanent limits. In addition, they approved the updated process for the current SFI requirement for Joint Committee "approval" of non-contract cases above defined limits for annual and anticipated lifetime cost, to be replaced by an assurance report to Joint Committee and the CTMUHB Audit & Risk Committee (ARC). This report will notify the Committees of all approvals above the defined limit and the Chairs action required to meet the need for timely approval.

- **Updated Governance and Accountability Framework**

Updated SOs, MoA, Hosting Agreement and SFIs were approved by the Joint Committee on [14 March 2023](#). The changes incorporated the above permanent financial limits. The only other changes related to bespoke elements required for WHSCC as summarised below.

- **Memorandum of Agreement – Designation of Audit & Finance Lead Independent Member (IM)**

On [18 January 2022](#), the Joint Committee approved that the existing arrangements for appointing a CTM audit lead IM, could transition to advertising for an Audit/Finance IM through a fair and open selection process through advertising the vacancy through the HB Chairs and the Board Secretaries, with

eligibility confined to existing HB IMs. Section 7.3 of the MoA has been updated to reflect this.

- **Welsh Kidney Network (WKN)**

Further to the recent governance review undertaken on the Welsh Kidney Network (WKN) to evaluate and determine the adequacy of the systems and controls in place within WHSSC, the scheme of delegation was updated.

- Delegated authority for the network board including which matters are reserved to itself to include executive officer responsibilities and financial delegation limits; and
- Delegated financial limits within the Standing Financial Instructions.

A copy of the 2023 WHSSC Joint Committee Governance and Accountability Framework is available at:

<https://whssc.nhs.wales/publications/governance>

2.1 The Joint Committee

The Joint Committee was established in accordance with the Directions and Regulations to enable the seven LHBs in NHS Wales to make collective decisions on the review, planning, procurement and performance monitoring of agreed specialised and tertiary services (Relevant Services) and in accordance with their defined delegated functions.

Whilst the Joint Committee acts on behalf of the seven LHBs in undertaking its functions, the responsibility of individual LHBs for their residents remains. They are therefore accountable to citizens and other stakeholders for the provision of specialised and tertiary services.

The membership of the Joint Committee consists of 15 voting members and 3 Associate members. The voting members include the Chair (appointed by the Minister for Health and Social Services), the Vice Chair (appointed by the Joint Committee from existing non-officer members of the seven LHBs), two other non-officer members (appointed by the Joint Committee from existing non-officer members of the seven LHBs), the LHB Chief Executives and WHSSC Officers.

Decisions taken at Joint Committee meetings are subject to a two-thirds majority of voting members present. Deputies, who must be LHB Executive Directors, may be nominated by LHB Chief Executives; they formally count towards the quorum and have voting rights.

The Joint Committee is supported by the Committee Secretary, who acts as the guardian of good governance within the Joint Committee. Committee Secretary, Jacqueline Evans, started at WHSSC on 1 June 2021.

2.1.1 Independent Member (IM) Remuneration

The Audit Wales review into the Committee Governance arrangements at WHSSC report included the need to recognise the complexity of the IM role within WHSSC and the consideration of remuneration. In response to this WHSSC began discussions with Welsh Government on the potential to remunerate WHSSC IM's.

The JC approved a proposal to remunerate WHSSC IMs from 1 April 2022 at its meeting on [18 January 2022](#). They also agreed a transition to a fair and open selection process for appointing WHSSC IMs through advertising the vacancies through the HB Chairs and the Board Secretaries, with eligibility confined to existing HB IMs.

The Joint Committee papers and confirmed minutes can be viewed on the link below:

<https://whssc.nhs.wales/joint-committee/committee-meetings-and-papers/>

2.1.2 Appointments

As at 1 April 2022, the WHSSC Independent Members consisted of Professor Ian Wells from CTMUHB (Audit/Finance Lead IM) and Professor Ceri Phillip from C&VUHB (Chair of WHSSC QPSC). Following Ian Philips appointment as the substantive Chair for the Welsh Renal Clinical Network (WRCN), with effect from the 1 April 2022, this left the generic IM and Vice Chair position vacant.

A recruitment exercise commenced in August 2022 to appoint two new WHSSC IMs (generic WHSSC IM and an Audit/Finance Lead IM) in accordance with the IM appointment process agreed by the Joint Committee on [18 January 2022](#). The vacancies were advertised through the HB Chairs and the Board Secretaries, with eligibility confined to existing HB IMs.

Chantal Patel, HDdUHB, was appointed as the new WHSSC IM (Generalist) and Steve Spill, SBUHB, was appointed as the new WHSSC IM (Finance and Audit). Both roles were appointed for a 2-year period with effect from 30 November 2022.

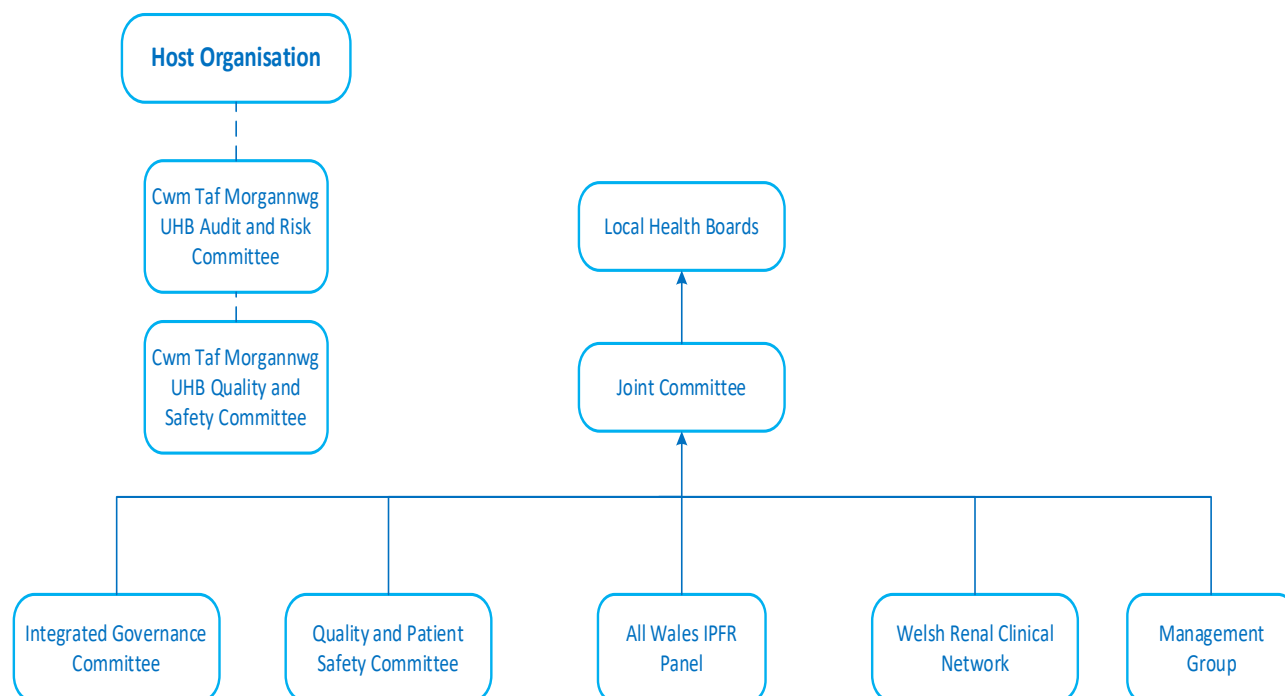
Professor Ian Wells' tenure as an Independent Member ceased on 30 November 2022.

A recruitment process for the third WHSSC IM position will open in April 2023.

2.2 Joint Sub-Committees and Advisory Groups

In accordance with WHSSC Standing Order 3, the Joint Committee, where directed by the LHBs jointly or the Welsh Ministers, must appoint joint sub-committees of the Joint Committee either to undertake specific functions on the Joint Committee's behalf or to provide advice and assurance to others (whether directly to the Joint Committee, or on behalf of the Joint Committee to each LHB Board and/or its other committees).

The Joint Committee governance structure is outlined below:



2.2.1 Sub-Committees

The Joint Committee has established [five joint sub-committees](#) in the discharge of its functions:

- All Wales Individual Patient Funding Request (IPFR) Panel (WHSSC),
- Integrated Governance Committee (IGC),
- Management Group (MG),
- Quality & Patient Safety Committee (QPSC); and
- Welsh Kidney Network (WKN)

The **All Wales Individual Patient Funding Request (IPFR) Panel (WHSSC)** is constituted to act as a Sub Committee of the Joint Committee, and hold delegated Joint Committee authority to consider and make decisions on requests to fund NHS healthcare for patients who fall outside the range of services and treatments that a Health Board has agreed to routinely provide. The terms of reference for the panel are outlined in the “All NHS Wales Policy Making Decisions on Individual Patient Funding Requests (IPFR)”.

The All Wales IPFR Panel meetings were stood down between January – May 2022 in response to the system pressures related to the current wave of the pandemic and the letter from Judith Paget, CEO of NHS Wales regarding use of the Options Framework and the necessity to step down non-essential activities. The Chair’s Action Panel continued to operate up until May 2022. IPFR requests were dealt

with virtually and a Chair's Action panel process, (strengthened by including the attendance of two WHSSC Clinical Directors and a lay member representative) were undertaken on an almost weekly basis. From 23 May 2023, full All Wales IPFR Panel meetings were resumed with meetings being held twice monthly. After reinstating the full IPFR meetings, a total of three meetings were stood down due to the panel not being able to achieve quoracy. All other meetings were held as full IPFR Panel Meetings.

There continued to be longstanding issues and risks which pre-dated, but were exacerbated by, the COVID-19 pandemic related to the terms of reference (ToR) of the All Wales IPFR Panel.

In November 2020, discussions commenced to amend the ToR of the All Wales IPFR Panel to address longstanding issues of quoracy and to address the challenges arising from the COVID-19 pandemic.

The JC were unable to approve the updated ToR in [November 2020](#) and the practical implications of not being able to update them was that the WHSSC IPFR panel was often non-quorate, or lacked the presence of a chair due to diary commitments. Given that the Panel was frequently subject to challenge (including Judicial Review) this represented a significant risk to WHSSC and has remained as a high risk on the corporate risk register.

A further report was submitted to the Joint Committee on [9 November 2021](#) indicating that clarification regarding the appropriate governance route for changes to the ToR had not yet been received from Welsh Government and to alert the Committee of the risks related to this.

Following this, on the 3 December 2021 a request for a judicial review in the case of Maria Rose Wallpott (MW) – v- (1) WHSSC & (2) Aneurin Bevan UHB (ABUHB) was allowed and the decision of the WHSSC IPFR panel to refuse funding for cytoreductive surgery with hyper thermic intraperitoneal chemotherapy (CRS with HIPEC) to treat MW's colorectal cancer, was quashed by the court.

The application for funding for the intervention recommended by her clinician was reconsidered "afresh" by the WHSSC IPFR panel on 16 December 2021.

The judgment handed down on 3 December 2021 focussed on three key areas:

- The All NHS Wales Policy Making Decisions on Individual Patient Funding Requests (IPFR),
- The definition of the comparator group,
- The record of the Panel's reasoning.

Updates on progress were provided to the Joint Committee on [18 January 2022](#) and [15 March 2022](#). On 28 July 2022, Welsh Government (WG) wrote to WHSSC and advised that a process of engagement for a specific and limited review of the All Wales IPFR policy wording and changes to the WHSSC IPFR Panel ToR should

be undertaken. Following the engagement process, the amended Policy and new TORs, should be submitted to the Joint Committee for consideration, and then go to HBs for final approval in keeping with the previous approaches taken by WHSSC when making complex or contentious decisions and in keeping with the WHSSC Standing Orders (SOs).

WG also advised that any changes should be submitted to the Joint Committee for consideration and then go back to HBs for final approval. Any changes agreed with HBs should then be shared with WG. In addition, they advised that they fully supported a move to appoint a remunerated chair for WHSSC's IPFR panel and were agreeable to further discussions on this.

On the [6 September 2022](#), the Joint Committee (JC) approved the proposal for WHSSC to undertake an engagement process with key stakeholders to update the WHSSC IPFR Panel ToR and on the specific and limited review of the All Wales IPFR Policy. It was agreed the process should include the All Wales Therapeutics and Toxicology Centre (AWTTC), the IPFR Quality Assurance Advisory Group (AWTTC QAG), the Medical Directors and the Board Secretaries of each of the HB and Velindre University NHS Trust (VUNT). On [8 November 2022](#), the Joint Committee approved the methodology for engagement allowing WHSSC to start the process.

On [14 March 2023](#) the updated WHSSC ToR were approved by the Joint Committee and the feedback from the engagement process on the All Wales IPFR Policy was presented. The tenure of the interim Chair of the IPFR Panel was also extended by the Joint Committee to 30 September 2023 to ensure business continuity.

IPFR governance was identified as a risk on the WHSSC Corporate Risk and Assurance Framework (CRAF) on 20 October 2021 and was escalated from 16 to 20 following the judgment handed down in the Judicial Review case in December 2021. The risk score has remained at 20 since and will be reviewed once the review of the all Wales IPFR Policy is concluded and the new ToR are implemented. It is anticipated that this will happen during the summer of 2023.

The **Integrated Governance Committee (IGC)** scrutinises evidence and information brought before it in relation to activities and potential risks that impact on the services provided and provides assurance to the Joint Committee that effective governance and scrutiny arrangements are in place across the organisation. For example, the IGC plays a key role in developing the approach for the annual Committee Effectiveness exercise and oversees the Declaration of Interest process.

During 2022-2023, the IGC continued to monitor and track progress against the recommendations outlined in the Audit Wales report on Committee governance arrangements at WHSSC, on behalf of the Joint Committee.

They IGC received regular updates on the revised Corporate Risk and Assurance Framework (CRAF), which was developed during the past 12 months, and they provided scrutiny of the CRAF before it was presented to the Joint Committee for approval, the WHSSC Quality & Patient Safety Committee and the CTMUHB Audit & Risk Committee (ARC) for assurance. The IGC also received quarterly updates on the Delivery of the Integrated Commissioning Plan throughout 2022-2023.

The Welsh Kidney Network (WKN) Governance Plan was presented to the IGC at its February 2023 meeting. The monitoring of this action plan will be a key focus for the IGC in 2023.

The **Management Group (MG)** is the specialised services commissioning operational body responsible for the implementation of the Specialised Services Strategy. The group underpins the commissioning of specialised services to ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales.

An induction session for new members was held on 23 June 2022.

During 2022-2023, the Group held a series of workshops focused on evaluation of specific specialised services. This included a Plastic Surgery Commissioning Arrangements Workshop which was held on 22 September 2022 and a review of specialist Haematology services in January 2023. The Haematology workshop was held and supported by Professor Chris Fegan, Consultant Haematologist, CVUHB who had been commissioned by WHSSC to undertake the Haematology review. From the workshop a suite of papers were developed and taken through Management Group and Health Boards. The final proposals linked to the outputs from this workshop will be submitted to the May 2023 Joint Committee meeting for final approval to ensure the future development of Haematology services in Wales.

In addition to these workshops, MG received presentations on Major Trauma, Congenital Heart Disease, and a Single Commissioner Model for Mental Health and a Paediatric Services Deep Dive.

To support the Integrated Commissioning Process for 2023-2024 an overview of the Schemes received by the Clinical Impact Assessment Group (CIAG) was provided during the July 2022 meeting. In November 2022, a recommissioning For Value Workshop took place following a request from JC to review prioritised schemes and to obtain feedback from MG members.

The workshop was planned in response to the Joint Committee's request for scenarios to make choices on commissioning plans and prioritised schemes. The workshop also provided the opportunity to discuss the approach to becoming a more strategic commissioner and to Value-based commissioning.

An updated ICP with a range of financial scenarios was presented to MG in December 2022 and following discussion at the [January 2023](#) JC meeting, a

workshop to finalise the details of the ICP took place with MG members on 26 January 2023. A financial summary with a composite scenario was presented in response to the discussion at JC on 17 January 2023. This workshop was helpful and enabled WHSSC to present a final ICP Plan for approval to the JC on [13 February 2023](#).

As a condition of signing off the Integrated Commissioning Plan, WHSSC and Health Board staff are requested to make a 1% pathway saving (approximately £7m). An efficiency and recommissioning workshop was held on 23rd March, which set out the programme approach for the work as well as seeking to generate proposals for containment within the programme.

The **Quality & Patient Safety Committee (QPSC)** provides assurance to the Joint Committee in relation to the arrangements for safeguarding and improving the quality and safety of specialised services within the remit of the Joint Committee.

The quality of care and experience that patients and their families receive is central to the commissioning of specialised services. Quality is everyone's business and all of our staff strive to ensure that quality and patient centred services are at the heart of commissioning.

An overarching goal of WHSSC is to improve outcomes for people, wherever they are and wherever they live, by providing them with access to high-quality specialised services. To achieve this aspiration of having a quality-led commissioned service, we need to operate within an effective quality management system. The WHSSC Quality Framework first developed in July 2014 was re-launched as the Commissioning Assurance Framework (CAF), and was endorsed by the WHSSC Quality & Patient Safety Committee on 10 August 2021 and approved by the Joint Committee on the [7 September 2021](#). This framework provides an overview of what quality looks like, highlights the key principles that underpin it and the arrangements that need to be in place to be assured of high quality services at all times.

During 2022-2023, a successful development day took place on 26 February 2022. The development day provided demonstrations on Data Systems such as QSIS, Once for Wales and MAIR. A key focus of the development day was the updated Escalation Trajectory.

In order to implement the Quality Framework (2015) a quality team was appointed in 2019 to strengthen the focus on quality monitoring and improvement. The 'Quality Team' have a pivotal role in the co-ordination of quality monitoring and interventions within commissioned services. In addition, there is a focus on building relationships with providers to develop robust reporting mechanisms. Internally, they work closely with the Medical Directorate, within the Commissioning Teams in order to monitor the quality elements of commissioned services.

A key element of commissioning services is ensuring that patients are put at the centre and is seen pivotal to the success of the framework. Patient experience is an important element of the quality cycle capturing both patient experience and concerns raised whilst accessing specialised services.

The **Welsh Kidney Network (WKN)** (previously known as the **Welsh Clinical Renal Network (WRCN)**) is a vehicle through which specialised renal services are planned and developed on an all Wales basis in an efficient, economical and integrated manner and provides a single decision-making framework with a clear remit, responsibility and accountability.

In March 2022, the WKN held a workshop to consider developing and strengthening the work of the network. Some issues were identified regarding the complexity of the current governance arrangements and it was recognised that since 2011 there had been significant changes to the governance environment within the NHS in Wales and that a review of the governance of the network had never been undertaken. It was suggested that a bespoke piece of work be undertaken to describe the issues and associated risks and if necessary make recommendations as to how these might be addressed.

A governance review was undertaken by Steven Combe, Independent Governance Advisor, as a way of identifying any potential governance issues that the WKN needed to address the governance review was undertaken over the summer 2022 and an Action Plan was developed and approved by the WKN Board on 6 October 2022.

The overall objective of the review was to evaluate and determine the adequacy of the systems and controls in place within the Welsh Health Services Specialist Committee (WHSSC) in relation to the WKN.

The review aimed to provide assurance to the Managing Director that the network is operating effectively and systems are being managed appropriately.

The areas that the review sought to provide assurance on were:

- the network's responsibility to carry out the duties required of them to manage and lead the planning and performance management of the renal service contracts,
- whether the governance framework for the network is operating effectively

The monitoring of the action plan is through the WKN Board.

The final report together with its recommendations were presented to the Joint Committee in [January 2023](#).

The report made comments regarding the working arrangements of the Network and made 11 recommendations to strengthen the governance arrangements of

the network. The updated Terms of Reference addressed some of recommendations and were endorsed by the WKN Board in April 2023, and will be presented to 16 May 2023 JC for final approval.

The Independent Advisor identified some other issues for consideration and concluded that:

"In the medium term there is a need to confirm the strategic direction of the Network. As indicated this is a challenging agenda and needs to be undertaken in conjunction with Welsh Government colleagues, given the changing landscape at an All-Wales level with the creation of the NHS Executive".

The Review concluded that:

"It is clear that the Renal Network has achieved a great deal since it was established and the service to patients has improved enormously. It has been successful at working as a managed network rather than a commissioner of services and caution is needed at this stage not to create increased bureaucracy and stifle the innovative approach the Network has taken."

It is important to note that since the WKN was established in 2009, it has matured and widened its scope of activity. In addition, there have been significant changes to the governance environment within the NHS in Wales; the future direction of the WKN will be considered further during 2023.

On [12 July 2022](#), the Joint Committee ratified the decision of the Welsh Renal Clinical Network (WRCN) Board to change the name of the WRCN to the "Welsh Kidney Network".

2.2.2 Advisory Groups and Networks

During 2022-2023, the Joint Committee had one established advisory group in place to support the discharge of its functions:

- All Wales Mental Health and Learning Disability Collaborative Commissioning Group

At its meeting in [May 2022](#), the Joint Committee supported the disestablishment of the **NHS Wales Mental Health and Learning Disability Collaborative Commissioning Group**.

2.3 Joint Committee and Joint Sub-Committees Meetings

It is acknowledged that in the unprecedented times since the COVID-19 pandemic, there have continued to be limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the Joint Committee is required to meet in public.

As a result of the public health risk linked to the pandemic when there were limitations on public gatherings and it was not therefore possible to allow the

public to attend meetings of the Joint Committee, virtual meetings were introduced to ensure business was conducted in as open and transparent manner.

Further to the Committee effectiveness exercise for 2021-2022 undertaken in April 2022, the feedback from individual members indicated that the majority of members preferred to continue with the virtual meeting arrangements adopted during the COVID-19 pandemic and the recovery phase. Therefore, for the foreseeable future all Joint Committee and sub-committee meetings continued to be held virtually during 2022-2023 and face to face meetings were considered for any key decision making requirements as deemed appropriate by the Chair. Arrangements were in place to ensure that the decision logs were maintained and reported to each meeting appropriately.

Virtual meetings and electronic communication have remained the key to the Joint Committee's functionality as we adapt our working practices following the COVID-19 pandemic.

To ensure business is conducted in as open and transparent a manner as possible, the following actions were taken:

- Joint Committee papers were routinely published and made available on the WHSSC website two weeks prior to meetings, so far as possible,
- Written briefings of the key components of meetings were published as soon as possible after meetings.

The website (which gives our official notice of Joint Committee meetings) includes a statement inviting anybody wishing to attend a Public meeting to contact the organisation in advance to determine suitable arrangements. During the Joint Committee meeting held on [17 January 2023](#) a member of the public observed the public meeting via Microsoft Teams.

The membership of the Joint Committee and member's attendance is presented at **Appendix 1**. A table outlining the dates of Joint Committee meetings held during 2022-2023, is presented at **Appendix 2**.

2.4 Committees of the Host Organisation

2.4.1 Audit & Risk Committee

[The Audit & Risk Committee of Cwm Taf Morgannwg University Health Board \(CTMUHB\)](#), as host organisation, advises and assures the Joint Committee on whether effective arrangements are in place, through the design and operation of the Joint Committee's assurance framework. This supports members in their decision taking and in discharging their accountabilities for securing the achievement of the Joint Committee's Delegated Functions.

Relevant officers from WHSSC attend Part B CTMUHB Audit & Risk Committee meetings for agenda items concerned with WHSSC business. An assurance report following each Part B meeting is submitted to the Joint Committee outlining the business discussions for assurance.

2.4.2 CTMUHB Quality & Safety Committee

[The Quality & Safety Committee of CTMUHB](#), as host organisation, advises and assures the Joint Committee on the provision of workplace health & safety within WHSSC.

Relevant officers from WHSSC attend the CTMUHB, Quality & Safety Committee when appropriate.

2.5 Standards of Behaviour

The Welsh Government's *Citizen-Centred Governance Principles* apply to all public bodies in Wales. These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales.

"Public service values and associated behaviours are and must be at the heart of the NHS in Wales"

The Joint Committee is strongly committed to WHSSC being value-driven, rooted in the Nolan principles and high standards of public life and behaviour, including openness, customer service standards, diversity and engaged leadership.

The Joint Committee expects all Members and employees to practice high standards of corporate and personal conduct, based on the recognition that the needs of service users must come first.

The "Seven Principles of Public Life" or the "Nolan Principles" form the basis of the Standards of Behaviour requirements for WHSSC employees and Independent Members.

The WHSSC Standards of Behaviour Policy, incorporating Declarations of Interest, Gifts, Hospitality and Sponsorship, aims to ensure that arrangements are in place to support employees to act in a manner that upholds the Standards of Behaviour Framework. In addition, it sets out specific arrangements for the appropriate declarations of interests and acceptance / refusal and record of offers of Gifts, Hospitality or Sponsorship. The Policy also aims to capture public acceptability of behaviours of those working in the public sector so that WHSSC can be seen to have exemplary practice in this regard.

The WHSSC Standards of Behaviour Policy was approved on 13 January 2021 and a copy of this policy can be found on the WHSSC website.

<https://whssc.nhs.wales/publications/corporate-policies-and-procedures/>

In accordance with the WHSSC Standards of Behaviour Framework Policy and Standing Orders WHSSC issued requests for annual Declarations of Interest returns for the 2022 -2023 financial year on 23 March 2023. For 2022-2023, the

DOI form was updated to align the Health Board processes and our DOI process has been strengthened to include cross-referencing information with the Companies House register and any other related declaration processes.

The register of interests is available on request or through the WHSSC publication scheme on the WHSSC website:

<https://whssc.nhs.wales/publications/governance>

3.0 THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurances of effectiveness.

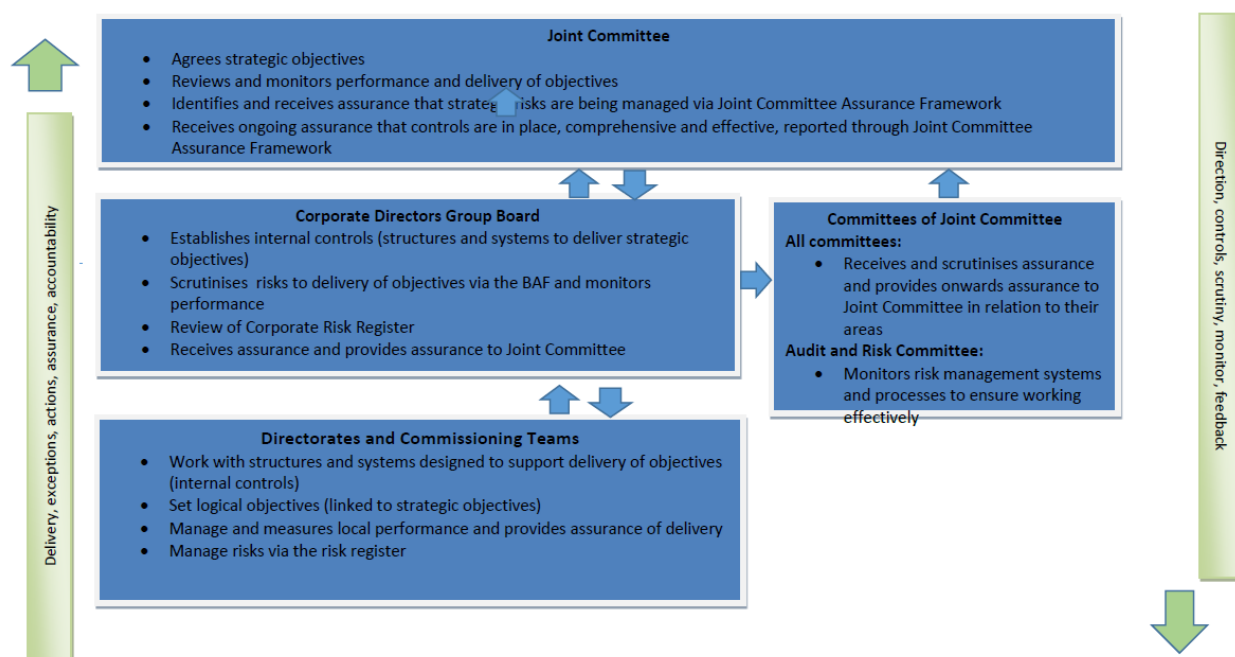
The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control was in place for the year ended 31 March 2023 and up to the date of approval of the annual accounts.

4.0 CAPACITY TO HANDLE RISK

The WHSSC systems of control are designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The WHSSC system of control is based on an ongoing process designed to identify and prioritise the risks to the achievement of its policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2023 and up to the date of approval of the CTMUHB annual report and accounts.

RISK MANAGEMENT PROCESS



4.1 The Risk and Assurance Framework

Risk management is embedded in the activities of WHSSC through the WHSSC Risk Management Framework and associated operating procedures. Overall responsibility for the Risk Management lies with the Director of Planning and Committee Secretary who have delegated responsibility for managing the development and implementation of the Risk Management Strategy. Arrangements are in place to effectively assess and manage risks across the organisation, which includes the ongoing review and updating of the CRAF so that the Joint Committee maintains a line of sight on the WHSSC's key strategic and operational risks.

WHSSC's Risk Management Strategy sets out responsibilities for strategic and operational risk management for the Joint Committee and staff throughout the organisation and describes the procedures to be used in identifying, analysing, evaluating and controlling risks to the delivery of strategic objectives. A revised Risk Management Strategy was approved by the Joint Committee on [11 May 2021](#) and aligns to the Risk Management Strategy agreed by CTMUHB (WHSSC's host organisation) for consistency.

The Corporate Risk and Assurance Framework (CRAF) forms part of WHSSC's approach to the identification and management of strategic and other top-level risks. The framework is subject to continuous review by the Executive Director lead for each risk, the Corporate Directors Group Board (CDGB), the joint sub-committees and the Joint Committee.

The CRAF is informed by risks identified by both Directorates and Commissioning Teams that are considered by a bi-monthly risk scrutiny panel that reports to CDGB. Each risk is allocated to an appropriate sub-committee for assurance and

monitoring purposes. The CRAF is received by the sub-committees as a standing agenda item, and the Joint Committee receives the CRAF at least twice yearly and this was last received by the Joint Committee on [17 January 2023](#).

The CRAF is an integral part of the system of internal control and defines the extreme potential risks listed on the Corporate Risk Register (scored 15 or above) which may impact upon the delivery of strategic objectives. It also summarises the controls and assurances that are in place or plans to mitigate them. The CRAF aims to align principal risks, key controls and assurances on controls alongside each of WHSSC's strategic objectives.

Each directorate risk register is submitted to the Risk Scrutiny Group (RSG) on a bi-monthly basis. The membership of the RSG includes Directorate Managers who review and scrutinise the narrative, scores and mitigating actions for each risk. The risks are validated by the RSG and are subject to continuous review by the Executive Director lead for each risk. In addition to reviewing Directorate Risks, the RSG also receives a deep dive into a Commissioning Team Risk Register at each of its meetings.

A risk management workshop was held on 20 September 2022 to assess how the Risk Scrutiny Group (RSG) process was working, to consider risk appetite and tolerance levels across the organisation and to discuss developing a Joint Assurance Framework (JAF).

The aims of the risk workshop were to:

- Clearly define WHSSC's Risk Appetite Statement,
- Clearly define WHSSC's Risk Tolerance Levels,
- Horizon scan and assess any potential new risks; and
- Discuss next steps for risk management.

Each directorate completed a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis to identify good practice and achievements and to horizon scan for new and emerging risks.

On 14 December 2022, the CDGB undertook a thorough review of all of the findings from the risk workshop and identified new risks which were included in the December 2022 CRAF. In addition, the WKN undertook a review of their Risk register and they have migrated the WKN risks onto the WHSSC risk template.

The updated CRAF was approved by the Joint Committee on [17 January 2023](#). The risks outlined in **Table 1** below were identified as posing the greatest risk (20 and above) to the delivery of the WHSSC's commissioning objectives during 2022-2023:

Table 1 – High coring Risks 20 and above

Ref	Risk Description	Risk Score
23 (MH/21/08)	Access to Care Adults with a Learning Disability There is a risk that adults with a learning disability will not have access to appropriate care and treatment due to the lack of secure MH beds in Wales and a reduction in access to beds in England.	20 (5x4)
24 (MH/21/09)	Access to Care Children with a Learning Disability There is a risk that children with a learning disability will not have access to appropriate care and treatment due to the lack of secure MH beds in Wales and a reduction in access to beds in England. The consequence is that patients may be inappropriately placed with the potential to receive sub-optimal care.	20 (5x4)
29 (CS/08 CD02)	IPFR Governance There is a risk that WHSSC will be unable to meet the TOR for the All Wales IPFR panel due to the inability to achieve quoracy in the membership and consequently this may lead to delayed decision-making. In addition, there is also a risk that the current IPFR governance arrangements are not robust and consequently this may also lead to legal challenges in the form of judicial reviews.	20 (4x5)
33 (CS/10 CD03)	Welsh Government Priority Delivery Measures There is a risk the Welsh Provider Health Boards will not be able to deliver specialised services in line with the new Priority Measures due to the waiting list backlog and the shortfall in capacity as a consequence the measures will not met, patients will be waiting outside of the waiting times within the measures and WHSSC may need to seek commissioning alternatives.	20 (4x5)
34 (P/21/16)	Lack of Paediatric Intensive Care Beds There is a risk that a paediatric intensive care bed, in the Children's Hospital for Wales, will not be available when required due to constraints within the service. There is a consequence that paediatric patients requiring intensive care will be cared for in, inappropriate areas where the	20 (4x5)

	necessary skills or equipment are not available or the patient being transferred out of Wales.	
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In April 2023 as part of the annual internal audit programme and internal audit was undertaken to evaluate and determine the adequacy of the systems and controls in place within WHSSC in relation to risk management. Internal audit gave an audit assessment rating of reasonable assurance” and concluded that WHSSC has an up to date and comprehensive risk management strategy in place that clearly sets out roles and responsibilities.

The CRAF is continuously reviewed in line with the Risk Management Strategy and is being further strengthened to incorporate the recommendations of the internal audit feedback.

WHSSC is committed to continuous improvement across the whole risk management pathway, areas of significant focus for 2023 include:

- Developing and implementing the new Joint Committee Assurance Framework (JAF) and reviewing the Risk management Strategy,
- Training and awareness of the risk management process; and
- Implementing the Once for Wales Risk Management System (Datix Cloud System) and aligned training programmes.

4.2 Risk Appetite

Members of the WHSSC Joint Committee share responsibility for the effective management of risk and compliance with relevant legislation. In relation to risk management, Joint Committee is responsible for approving the risk appetite for WHSSC. The WHSSC risk management strategy states that the Joint Committee will review its risk appetite on an annual basis to ensure that progress is being made toward the ‘risk appetite’ WHSSC wishes to achieve. Following the risk workshop the CDGB reviewed its risk appetite and an updated risk appetite statement 2023 was approved by the Joint Committee on [17 January 2023](#).

WHSSC’s risk appetite has been defined following consideration of organisational risks, issues and consequences. To assess risk appetite the [Good Governance Institute’s Matrix for NHS Organisations](#) was followed. Appetite levels will vary, in some areas, our risk tolerance may be cautious in others we may be eager for risk and are willing to carry risk in the pursuit of important strategic objectives. WHSSC will always aim to operate organisational activities at the levels defined below.

Where activities are projected to exceed the defined levels, this will be escalated through the appropriate governance mechanisms to the Joint Committee for ratification.

Table 2 below outlines the risk appetite.

Table 2 – WHSSC Risk Appetite

Type of Risk	Risk Appetite
Innovation/Quality Outcomes	WHSSC has adopted a Cautious stance for quality and safety risks, with a preference for safer delivery options, tolerating a cautious degree of residual risk and choosing the option most likely to result in successful delivery, high quality care and value for money services to its population.
Reputation / Adverse Publicity (Trust in Confidence) risks	WHSSC has adopted a Cautious stance for reputational risks, with a preference for safer delivery options, tolerating a cautious degree of residual risk and choosing the option most likely to result in successful delivery, high quality care and value for money services to its population.
Business Continuity risks	WHSSC has adopted a Cautious stance for Business Continuity Risks. The Joint Committee will receive ongoing assurance from the testing of business continuity plans
Compliance/Regulatory risks	WHSSC has adopted a Cautious stance for Legal, Regulatory and Compliance risks, seeking a preference for adhering to responsibilities and safe delivery options with little residual risk. The joint Committee will receive assurance that compliance regimes are in place
Data and Information Management risks	WHSSC has adopted a Cautious stance for data and information management risks seeking a preference for adhering to responsibilities and safe delivery options with little residual risk. There is acceptance for the need for operational effectiveness with risk mitigated through careful management of information sharing and limiting distribution
Financial stability risks/VFM	<p>WHSSC stance for financial risk is varied as follows:</p> <ul style="list-style-type: none"> ▪ Averse for financial propriety and regularity risks with a determined focus to maintain effective financial control framework accountability structures. ▪ Averse – in terms of risks related to WHSSC qualification of accounts, associated process and deviation from reporting timescales. ▪ Minimal – as to risk relating to breaching individual control totals. ▪ Cautious – in relation to the WHSSC budget spend with the intention that it should maximise the use of resource each year. WHSSC will seek safe delivery options with little residual risk that only yield some upside opportunities. WHSSC would receive ongoing assurance through reporting structures that policies

	and procedures are in place to comply with HMT guidance.
Assets and Estates risks –	WHSSC has adopted Cautious and Open stances for assets and estates respectively, seeking value for money but with a preference for proven delivery options have that a cautious residual risk. this means that WHSSC will use solutions for purchase, rental, disposal, construction, and refurbishment that ensures it protects the public purse from as much risk as possible, producing good value for money whilst fully meeting organisational objectives.
Technological advances	WHSSC has adopted an Open stance for risks associated with technological advances accepting that system and technology developments can enable improved delivery. Responsibility for non-critical decisions may be devolved in accordance with the Scheme of Delegation. Plans aligned with functional standards and organisational governance.

4.3 Joint Assurance Framework

WHSSC is committed to developing and implementing a Joint Assurance Framework (JAF) that identifies, analyses, evaluates and controls the risks that threaten the delivery of its strategic objectives. The JAF will be considered alongside the CRAF, performance and quality dashboards and financial reports, to give the Joint Committee a comprehensive picture of the organisational risk profile. The intention is that the JAF also aligns with the new Specialised Services Strategy. It is anticipated that the Strategy will be in place by the end of 2023.

5.0 THE CONTROL FRAMEWORK

5.1 Performance Dashboard

Prior to the COVID-19 pandemic WHSSC had two performance dashboards. An Organisation Performance Report and an Integrated Performance Report. Compilation and monitoring of these was stood down during the pandemic.

As a result of responding to the COVID-19 outbreak, provider organisations were permitted to stand down routine care and focus on delivery of services for patients with COVID-19 and essential services. During the height of the pandemic, it was difficult to engage with providers who were heavily focused on the pandemic. To overcome this, WHSSC adopted a direct monitoring system and reviewed available performance data.

The Joint Committee held a workshop on “Recovery Trajectories across NHS Wales” at its meeting on [12 July 2022](#). Members received presentations on the recovery trajectories across Wales and the monitoring of recovery data was a key issue for the Joint Committee throughout 2022-2023.

The Recovery Trajectories presentations from the NHS Wales Delivery Unit, Betsi Cadwaladr UHB (BCUHB), Swansea Bay UHB (SBUHB) and Cardiff & Vale (CVUHB) encouraged wide-ranging discussion and a focus on Paediatric Recovery was presented at the [November 2022](#) JC meeting.

Since the COVID-19 outbreak, WHSSC has taken an activity report to each Joint Committee and Management Group that seek to highlight the scale of the decrease in activity levels during the peak COVID-19 period, and report whether there are any signs of recovery in specialised services activity. The activity decreases were also shown in the context of the potential risk regarding patient harms and of the loss of value from nationally agreed financial block contract arrangements.

The reports evolved and during 2022-2023 included more explicit, measureable intentions to measure achievements against and additional detailed analysis of the position and any key points to promote effective focus and discussion.

Detailed activity performance reports are prepared on a monthly basis and provide qualitative information and quantitative data to the Joint Committee and Management Group meetings. The reports detail delivery by provider and specialty against historic performance and waiting times. Prospective activity reports will also include performance compared to provider agreed recovery plans and waiting list profiles. A presentation dashboard format of the waiting times position has been agreed and details variation from agreed activity delivery, referral rates and overall waiting lists whenever possible. The activity dashboard has already been adapted and aligns to the Welsh Government Priority Delivery Measure.

The WHSSC Commissioner Assurance Framework (CAF) sets out a performance assurance process alongside more outcome focussed performance measures. Monitoring recovery from the pandemic required a different approach. Reviewing data on patient outcomes became an important part of these Performance Management arrangements.

Assurance against the CAF is achieved through service specifications, Service Level Agreements (SLA) and performance monitoring through Quality and Patient Safety Committee (QPSC) and the Integrated Governance Committee (IGC).

The suspension of the referral to treatment targets (RTTs) set by Welsh Government impacted the way that commissioned services were monitored and created a need to temporarily revise the reporting of services in escalation because of a failure to meet RTTs.

WHSSC responded to the request for a relaxed framework by:

- Relaxing the formal focus of SLA meetings (reporting and assurance on contracts, activity and cost) to a less formal approach (reporting on recovery, anticipated trajectories, and general) updates; and
- Moving traditional service level performance management meetings to commissioner assurance meetings.

Given the pandemic and pressures on providers, services in escalation for isolated RTT failures were removed from the escalation process. Commissioning teams continued to work closely with providers and maintained oversight of their recovery plans and trajectories.

Alongside the measures set out in the Ministerial Priorities, WHSSC continues to work closely with providers to assess performance against contracts, to develop plans to address any variance, and where appropriate to find alternate means of provision (e.g. outsourcing) where necessary to ensure that the population needs are met.

During 2022-2023, there has been a further period of tolerance as the system has moved from crisis into recovery, and financial frameworks gradually moved from block back to being based on activity and performance.

Alongside Welsh Government's (WG) shift back to a robust performance management approach, WHSSC has also signalled its intention to do likewise, and now needs to recalibrate its performance management arrangements, re-define the roles and responsibilities of differing parts of the performance management system; and bring standardisation across performance management levels with all providers, and ultimately re-develop the performance management framework.

An updated Performance Management Framework was supported at the April 2023 Management Group meeting and a final version will be presented to the May 2023 JC for approval. From April 2023, there will be a return to monthly performance reporting to Management Group and Joint Committee.

There are 3 levels at which performance management discussions between WHSSC and provider HBs take place, and upon which the Performance Management arrangements have been built: Strategic, Planning and Performance. The performance framework hierarchy is outlined in **Table 3** below:

Table 3 – Performance Framework Hierarchy

Level of discussion	Meeting	Purpose
Strategic	Board to Board	<ul style="list-style-type: none"> • Strategic direction • Strategic risks • Strategic appetite for service developments • Strategic discussion on population health, equity, access etc. • Enabling delivery
	Exec to Exec	
Planning	Planning team to HB corporate teams	<ul style="list-style-type: none"> • Monitor progress with development of Integrated Commissioning Plan (ICP) and Integrated Medium Term Plans (IMTPs) Identify barriers/risks to implementation of plan and developments contained therein • Share intelligence in order to triangulate workforce, finance and performance improvement • Ensure there are 'no surprises' on performance and delivery issues
Performance	SLA Meetings	<ul style="list-style-type: none"> • Formally manage and escalate variation in performance on quality, activity, delivery of Ministerial measures and financial performance. • Formally receive exception reports on services in Escalation • Deal with issues escalated from the service level performance meetings • Formally note and monitor investments and benefits
	Service level performance meetings	<ul style="list-style-type: none"> • To monitor performance in individual service areas – including quality, activity, Ministerial and service specification measures and financial performance • To monitor investments and benefits • To escalate issues as needed to the SLA meeting with Health Boards

Level of discussion	Meeting	Purpose
	Escalation	<ul style="list-style-type: none"> To enable development of an action plan for those services in escalation To enable monitoring of necessary actions To enable de-escalation

From a financial and contracting point of view during 2022-2023 there has been a further period of tolerance as the system has moved from crisis into recovery, and financial frameworks gradually moved from block back to being based on activity and performance. The Directors of Finance Peer Group has indicated a preference to retain a level of tolerance in 2023/24 (although reduced) and this will be discussed further with the Joint Committee.

5.2 Ministerial Priorities & Measures

Following the pandemic the Minister for Health and Social Services published new priority measures in January 2022, and all NHS organisations were required to report on the new measures from April 2022. The process WHSSC adopts to respond to the measures was approved by the Joint Committee on [15 March 2022](#).

Whilst many of the 32 measures require monitoring of provider performance by WHSSC, others could be referenced in various contracts/policies (i.e. those related to infection prevention and control). There are also some measures that, whilst not directly attributable to specialist services provision, could have a longer-term impact on demand (e.g. measures on weight loss could, in the longer term, impact the need for bariatric surgery).

In the Accountability Conditions letter sent in response to the submission of the ICP 2022/23 the Director General required WHSSC to focus on the equity of access in six key specialty areas and, as reported in section 5.1 trajectories were requested from providers for these areas and have been monitored and reported through our performance reporting since September 2022. We have also used our Escalation Framework in a number of these areas to support further improvement.

The mechanisms between WHSSC and commissioned providers continue to be utilised for measuring the Ministerial Measures as set out in the Performance Management Framework (see section 5.1).

5.3 Integrated Commissioning Plan (ICP) for Specialised Services

Each year Welsh Government issues the NHS Planning Framework to support statutory organisations within NHS Wales to meet their legal duty to develop an integrated medium term plan, which aligns service, workforce and finance plans.

The ICP responds to the Framework and presents a cohesive plan for the commissioning of Specialised Services for the people of Wales.

The ICP is developed by the Welsh Health Specialised Services Committee (WHSSC) on behalf of the seven Health Boards (HBs) in Wales, and is the basis upon which HBs will plan for specialist services provision within their Integrated Medium Term Plans (IMTPs). Once again, this year the ICP has been developed in the context of the extreme financial pressures and service challenges facing NHS Wales. In January 2023, a Review of National Commissioning Functions was announced by Welsh Government which will conclude in April 2023. In addition work on developing a Specialist Services Strategy continues, with the aim of agreeing the Strategy in the context of the recommendations of the National Commissioning review in 2023.

The Joint Committee (JC) approved the Integrated Commissioning Plan (ICP) on the [13 February 2023](#). The plan for 2023-24 includes the conclusion of the work on our Specialised Services Strategy and the implementation actions from our two agreed service commissioning strategies (Mental Health and Specialised Paediatrics) with the Specialised Haematology Services Review.

In year, we will develop a further service commissioning strategy for specialised rehabilitation and commence the review of cardiac services in South Wales. Due to the difficult financial climate, there are smaller number than usual of prioritised service developments but all of the high priority horizon -scanning schemes have been included in the Plan.

The IGC plays a key role in monitoring implementation of each ICP. From August 2022 the IGC received quarterly updates on progress on delivering the Integrated Commissioning Plan 2022-23 which was developed to respond to the Welsh Government requirements as set out in the NHS Planning Guidance 2021.

5.4 A Specialised Services Strategy for Wales

Whilst the development of the ICP takes place in accordance with the NHS Wales planning cycle, through discussions with Joint Committee, WHSSC has committed to developing an overarching 10 year Specialised Services Strategy for Wales.

The last specialised services strategy was published in 2012. During the intervening period there has been significant challenge related to the pace of development of innovative treatments, an increasingly austere financial climate, the unprecedented and disruptive impact of the COVID-19 pandemic on NHS care and the recent extreme financial pressures facing the NHS. The policy context within NHS Wales has also changed during this time and any strategy will need to be aligned to a number of major policy developments.

Further to the Welsh context, in July 2022, the Health and Care Act 2022 for NHS England legally established 42 Integrated Care Systems (ICSs) which will plan

and manage health and care services in their ICS area, including more integrated commissioning of specialised services from April 2023.

Recommendation 4 within the Audit Wales report "[WHSSC Committee Governance Arrangements](#)" published in May 2021 made a recommendation that WHSSC should develop and approve a new strategy during 2021. Work began to develop a new strategy, however became delayed due to the refocussed activities of WHSSC business and personnel during the Omicron wave of the COVID-19 pandemic.

A Project Manager led the work required to develop and agree the specialised services strategy. As agreed at Joint Committee meeting on [6 September 2022](#), a 12 week engagement process was undertaken during October and December 2022 to inform and support the development of a ten year specialised services strategy.

The engagement approach taken was a blend of written and electronic feedback via an online survey from our stakeholders. The survey questions were built around 3 strategic themes – What, Where and How. Stakeholders were identified and actively engaged to encourage their participation in the survey in addition to gathering general feedback through a series of meetings that were carried out.

A high level analysis of the thematic responses was developed and shared with Management group at its February 2023 meeting. A set of strategic aims and objectives were developed and these were presented at the March 2023 MG meeting.

It is envisaged that the work will be completed and approved by the Joint Committee on 16 May 2023 and published on 31 May 2023.

6.0 DISCLOSURE STATEMENTS

6.1 Equality, Diversity & Human Rights

Equality is central to the work of WHSSC and our vision for improving and developing specialised services for NHS Wales. WHSSC welcomes Welsh Government's distinct approach to promoting and safeguarding equality, social justice and human rights in Wales. WHSSC is committed to complying with the provisions of the Equality Act 2020, and the public sector general duty and the specific duties to promote and safeguard equality, social justice and human rights in Wales. We are committed to ensuring and considering how we can positively contribute to a fairer society through advancing equality and good relations in our day-to-day activities

WHSSC follows the policies and procedures of CTMUHB, as the host LHB, which set out the organisational commitment to promoting equality, diversity and human rights in relation to employment. It also ensures staff recruitment is

conducted in an equal manner. All staff have access to the Intranet where these are available. The Hosting Agreement includes provision for specific support around Equality and Diversity.

The Corporate Services Manager is a member of the Equality and Welsh Language Steering Group within CTMUHB and any issues are integrated into this process.

Following the publication of the WG Anti-Racist Wales action Plan in June 2022, our host CTMUHB have issued an invitation for all staff (including WHSSC) to respond to an audit and focus group being undertaken by "Diverse Cymru" on behalf of WG, of NHS workforce policies through an anti-racist lens. This work was identified as a priority action in the [Anti-racist Wales Action Plan](#).

The Welsh Government's Public Sector Equality Duty (PSED) advocates that all public sector organisations publish their Strategic Equality Plan (SEP) no less than every four years. Whilst WHSSC commissions specialised services on behalf of the seven LHBs the responsibility for individual patients remains with the LHB of residence.

6.2 Welsh Language

WHSSC is committed to treating the English and Welsh languages based on equality and will endeavour to ensure the services we commission meet the requirements of the legislative framework for Welsh Language as required by the Welsh Language Act (1993), the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards (No. 7) Regulations. Provider organisations in Wales are subject to the same legal framework, however the provisions of the Welsh language standards do not apply to services provided in private facilities or in hospitals outside of Wales. In recognition of its importance to the patient experience, WHSSC ensures that wherever possible patients have access to their preferred language. This commitment is now set out as an overarching statement in all new and updated WHSSC commissioning policies and service specifications.

In order to facilitate this WHSSC is committed to working closely with providers so that in the absence of a Welsh speaker in the service, patients and their families will have access to either a translator or 'Language-line'. We will also encourage, in those services where links to local teams are maintained during the period of care, that this will provide, when possible, access to the Welsh language.

During 2022-2023, the Corporate Services Manager and Committee Secretary were invited to attend the newly established CTMUHB Welsh Language Steering Group meetings to lead and drive the implementation and delivery of legislative Welsh Language compliance across WHSSC and supports implementation of the "More than just words" framework. The Committee is a sub-committee of the CTMUHB People and Culture Committee. The purpose of the Committee is to support the CTMUHB Board to deliver on its responsibilities, in accordance with the legislative framework for Welsh Language, and to improve service user

experience, through the provision of bilingual care and support. The first meeting took place on 15 March 2023.

6.3 Well-Being of Future Generations Act (WBFGA)

The Well-being of Future Generations Act (WBFGA) requires named statutory bodies, including CTMUHB, (our host) to ensure the needs of the current population are met without compromising the ability of future generations to meet their own needs. This 'sustainable development principle' requires the organisation to routinely follow the five ways of working from the Act (prevention, long-term, collaboration, integration, involvement), and contribute to the seven national well-being goals.

WHSSC is committed to contributing towards the achievement of the objectives of the Well-being of Future Generations (Wales) Act aims to improve the social, economic, environmental and cultural well-being of Wales. The WBFGA gives us the opportunity to think differently and to give new emphasis to improving the well-being of both current and future generations, and to think more about the long-term, work better with people, communities and organisations, seek to prevent problems and take a more joined-up approach. This Act puts in place seven well-being goals, and we need to maximise our contribution to all seven.

The ICP integrates and demonstrates the five ways of working and contribution to well-being goals throughout the plan. Prevention is embedded throughout our work.

The back cover for Committee reports includes a section for the author to consider Organisational Implications and outline any legal implications, including the WBFGA.

6.4 Socio Economic Duty

WHSSC recognises that the Socio-economic Duty introduced by Welsh Government under the Equality Act 2010 requires relevant public bodies in Wales, which include LHB's, to have due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage when they take strategic decisions. The duty came into force on 31 March 2021 and as a Joint Committee of the LHB's, this duty has been taken into account when planning and commissioning specialised services. WHSSC will consider how their decisions might help reduce the inequalities associated with socio-economic disadvantage, including evidencing a clear audit trail for all decisions made that are caught by the duty. This will be discharged by using existing processes, such as engagement processes and impact assessments.

6.5 Health and Care Standards

The Health and Care Standards sets out the Welsh Government's common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all healthcare settings. They set out what the people of Wales can expect when they access health

services and what part they themselves can play in promoting their own health and wellbeing.

The Health and Care Standards are focussed around service delivery and therefore a number of areas are not relevant to the remit of WHSSC. However, WHSSC has sought opportunities to ensure consideration of the standards within its work and requires all reports to the Joint Committee and sub-committees to identify which themes within the Health and Care Standards were considered/appropriate when developing those reports. In particular, WHSSC has appropriate structures and processes in place to meet the requirements of the Governance, Leadership and Accountability standard through its Governance and Accountability Framework, ICP process and escalation process.

6.6 Duty of Quality

The duty of quality comes into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The new reporting requirements will be captured in processes in place for 2023-24.

6.7 Duty of Candour

The duty of candour comes into legal force in April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. It requires them to be open and transparent with service users when they experience harm whilst receiving health care.

On 3 October 2022 the Corporate Directors Group Board (CDGB) received a briefing from Welsh Government (WG) on the Health & Social Care (Quality & Engagement) (Wales) Act 2022 with a specific focus on the consultation process for the duty of candour and the soon to be launched consultation process on the duty of quality. The session gave an insight into the need to focus on quality-driven decision-making to improve outcomes and the need to demonstrate with evidence how we have complied with the duty. In addition, to the need to comply with the duty of candour in relation to health care provision. It was recognised that we already have good systems and processes in place on which we can build for both the duties.

6.8 Emergency Preparedness

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented a number of challenges to WHSSC. A number of new and emerging risks were identified. Whilst WHSSC did have a business continuity plan in place, as required by the Civil Contingencies Act 2004, the ongoing scale and impact of the pandemic has been unprecedented.

In terms of delivering commissioned services, significant action has been taken in collaboration with the HBs and provider in NHS England to prepare and respond to the likely impact on the organisation and population. There does remain a level of uncertainty about the overall impact this will have on the immediate and

longer-term delivery of commissioned services by the WHSSC, although we are confident that all appropriate action is being taken.

WHSSC continues to work closely with CTMUHB on business continuity planning arrangements.

WHSSC are working in partnership with HBs and utilise their recovery plans to influence our Integrated Commissioning Plan (ICP). This is supported by a robust risk management framework and the ability to identify, assess and mitigate risks that may impact on the ability to achieve our strategic objectives.

6.9 Carbon Reduction

Welsh Government declared a Climate Emergency in 2019 and expects the public sector to be net zero by 2030. The [NHS Wales Decarbonisation Strategic Delivery Plan](#) was published on 24 March 2021.

WHSSC is committed to taking assertive action to reducing the carbon footprint through mindful commissioning activities, where possible providing services closer to home (via digital and virtual access where possible) and ensuring a delivery chain for service provision and associated capital that reflects our commitment. We will also seek to support staff considerations and behaviours for those actions that have a positive effect on decarbonisation for example reduced travel, efficient travel and use of electric vehicles where possible. With effect the commencement of the 2022-2023 year, all corporate policies will have a decarbonisation statement contained within.

WHSSC is committed to reducing the carbon footprint through mindful commissioning of services that take account the decarbonisation agenda, enabling enhanced digital and virtual access for patients and through ethical consideration of staff actions and behaviours e.g. reduced travel, increased use of virtual engagement and, where feasible, use of electric vehicles. From 2022, all WHSSC commissioning policies will have a focus on innovative ways of working including digital and remote clinics to support reducing the carbon footprint.

In particular during 2023 and beyond WHSSC continue to embed the working practices that were, by necessity, introduced in 2020. In particular WHSSC have adopted a blended and hybrid approach to office and remote working, reducing the need for travel, and we continue to run as many meetings as practically possible using online platforms including Microsoft Teams. Additionally, many of the WHSSC systems which moved to paperless processes have continued operating in this way and these have proven to be more efficient and reduces our impact on the environment. We will continue do adopt these practices going forward.

Increasing numbers of staff are purchasing electric vehicles via the NHS Fleet Solutions Scheme. As a consequence, WHSSC installed EV charging stations at its premises on 20 April 2022.

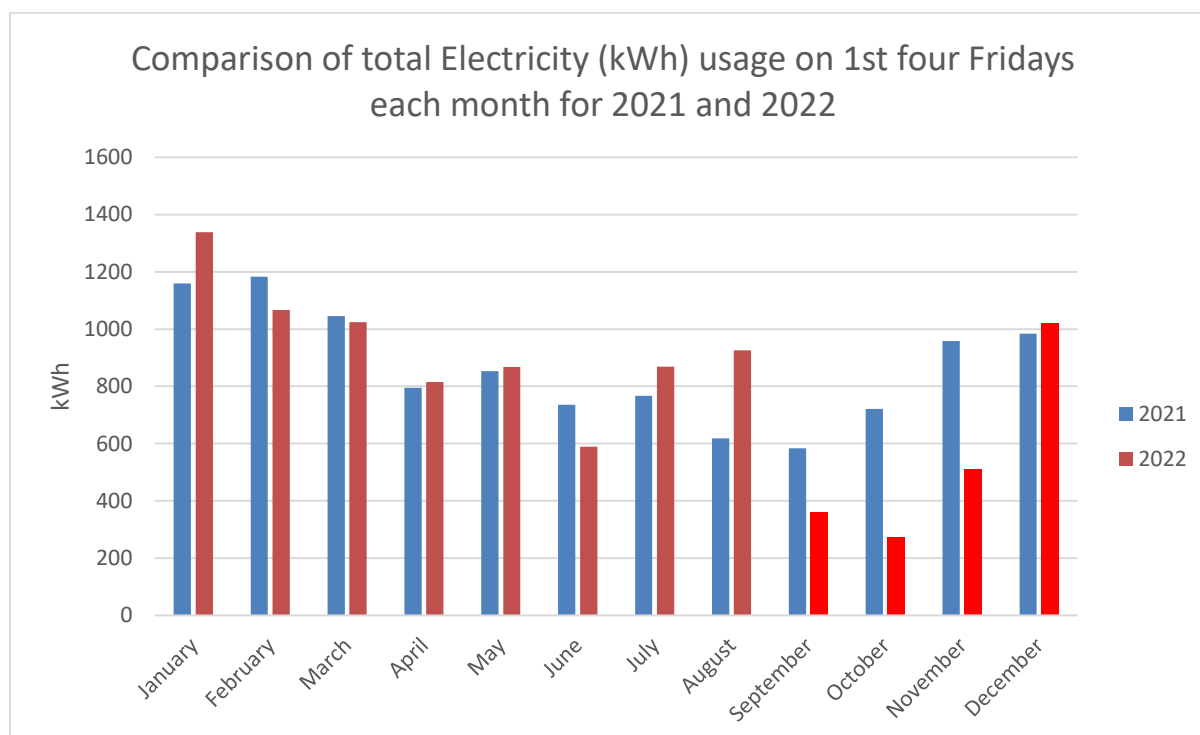
All our Electricity is Zero Carbon procured on an all-Wales basis under the Renewable Energy Guarantees of Origin (REGO) scheme. We have a smart meter installed and during 2022-2023 we monitored our office utilities and through the introduction of a Friday office closure we have been able to meet the Welsh Government 3% reduction target on the office energy use since this was introduced in September 2022.

The below graph findings compares electricity usage for first four Fridays only per month for 2021 and 2022. The electricity usage is calculated by KWh.

Office closure periods have been highlighted in red. Office closure started on Friday 2 September 2022.

The key points are:

- September 2022 38% lower than September 2021,
- October 2022 is 62% lower than October 2021,
- November 2022 47% lower than November 2021, (this measures the impact of the Friday closure).
- December 2022 was slightly higher than 2021 due to staff being in on Fridays to support BAHA/Cochlear engagement material preparation. This involved usage of both printers as well as office heating being on throughout the day.



NHS All Wales Clinical Waste and Municipal Waste Contracts are awarded through an NHS All Wales Tender Process managed by NWSSP Procurement services on

behalf of NHS Wales. Our waste and recycling is processed by Veolia. 'Dry Mixed Recycling' (DMR) is collected and separated for recycling by Veolia. We also work with staff to raise awareness and understanding of the importance of waste segregation to ensure we can continue to meet our recycling targets.

6.10 Duty of Consultation

WHSSC works on behalf of the seven HBs and within the guidance on changes to NHS services in Wales to effectively engage and consult on the services it commissions as required. For any necessary service change that WHSSC leads, it will work through the all Wales engagement leads group in order to utilise existing and established mechanisms at HB level.

6.10.1 Specialist Hearing Implant Device Services

Following notification from CTMUHB in 2019 that they would no longer be able to provide a Cochlear service from the Princess of Wales in Bridgend, due to workforce and sustainability, an urgent temporary service change was enabled. The Covid19 pandemic delayed the ability to proceed with public engagement/consultation during 2019-2021.

Agreement was reached through Health Boards during September 2022, for a period of targeted engagement with regard future provision of both Cochlear and Bone Conduction Hearing Implants (BCHI). Early discussions were held with Community Health Councils to agree the approach at the outset. The proposed scope for the targeted engagement was to talk with people across South East Wales, South West Wales and South Powys on the ideas we have about how specialist hearing implant device services could be provided in the future. A total of 952 patients were contacted via their local clinical teams and the Consultation period run between 4 January 2023 and 14 February 2023. There were a total of 201 responses received. The findings are currently in the process of being collated and the outcome will be reported to the May 2023 JC meeting.

6.11 Ministerial Directions 2022-2023

Ministerial Directions issued by the Welsh Government during [2022-2023](#) have been considered and where appropriate implemented. Whilst Ministerial Directions are received by NHS Wales organisations, these are not always applicable to WHSSC. Ministerial Directions issued throughout the year are listed on the Welsh Government website.

Welsh Health Circulars (WHCs) issued by Welsh Government are logged by the Corporate Governance Function. WHSSC has acted upon, and responded to all Welsh Health Circulars (WHC) issued during 2022-23 which were applicable to WHSSC. A list of WHC's issued by Welsh Government during 2022-23 is available [here](#).

During 2022-2023, the following Welsh Health Circulars (WHCs) were relevant to WHSSC:

WHC
WHC/2022/008 – New records management code of practice for health and care 2022
WHC/2022/012 – Donation and transplantation plan 2022 to 2026.
WHC/2022/013 – Health boards, special health authorities and trusts financial monitoring guidance 2022 to 2023
WHC/2022/017 – Wales rare disease action plan 2022 to 2026
WHC/2022/020 – Never events: policy and incident list July 2022
WHC/2022/032 – Further extending the use of Blueteq in secondary care
WHC/2022/034 – Health Board Allocations for 2023 to 2024
WHC/2023/06 – Commencement of the Health and Social Care (Quality and Engagement) (wales) Act 2020

6.12 Data Security & Information Governance

The Committee Secretary is the Lead Officer in relation to Information Governance for WHSSC. An agreement has been made that the Medical Director of CTMUHB, as host organisation, will act as Caldicott Guardian for WHSSC. The Caldicott Guardian, is responsible for the protection of patient information. Guidance and support on Information Governance issues is obtained from the IG team at CTMUHB.

The Committee Secretary and the Head of Corporate Governance are members of the CTMUHB Information Governance Group. WHSSC has completed the mandatory Information Governance toolkit annual assessment and this will help inform an action plan with identified priorities for 2023-2024.

There were no WHSSC specific incidents relating to data security that required reporting to the Information Commissioner's Office (ICO) during 2022-2023.

6.13 UK Corporate Governance Code

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, the Welsh Health Specialised Services Team (WHSST) considers that it is complying with the main principles of the Code where applicable, through operating within the scope of the governance arrangements for CTMUHB. The WHSST remains satisfied that it remains compliant with the main principles of the Code, is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. This has been informed by the Audit Wales "WHSSC Committee

Governance Arrangements” Report. There were no reported/identified departures from the Code during the year.

6.14 Counter Fraud

The Counter Fraud Plan was designed to reduce the risk of fraud by reviewing those aspects of WHSSC business that have a residual fraud risk. During the year, the CTMUHB Audit & Risk Committee received regular Local Counter Fraud Progress Reports. These provided a summary of the work that had been undertaken by the Local Counter Fraud Services Team to deliver the Counter Fraud Plan.

6.15 Modern Slavery Act 205 – Transparency in Supply Chains

The Welsh Government’s Code of Practice: Ethical Employment in Supply Chains was introduced to highlight the need, at every stage of the supply chain, to ensure good employment practices exist for all employees, both in the United Kingdom and overseas.

WHSSC adopts and complies with all CTMUHB procurement processes that embed the principles and requirements of the Code and the Modern Slavery Act 2015. WHSSC is committed to playing its role as a public sector employer, to eradicate unlawful and unethical employment practices, such as:

- Modern Slavery and Human right abuses,
- The operation of Blacklist / prohibited lists,
- False self-employment,
- Unfair use of umbrella schemes and zero hours contracts; and
- Paying the Living Wage.

During 2022 - 2023 WHSSC continued to take the following actions to deliver on the Code’s commitments:

- It paid all staff above the minimum living rate (which is at Agenda For Change Band 2),
- It complies with the Raising Concerns (Whistleblowing) Policy, which provides the workforce with a fair transparent process, to empower and enable them to raise suspicions of any form of malpractice, by either out staff or suppliers / contractors working on our premises,
- It has a target in place to pay our suppliers within 30 days of receipt of a valid invoice,
- It does not engage or employ staff or work on Zero Hours Contracts,
- It follows a robust Recruitment and Selection Policy and Procedure, which ensure a fair and transparent process as prescribed by its host CTMUHB,
- WHSSC defers the CTMUHB Equality and Diversity Policy, which ensures that no potential applicant, employee or worker engaged by CTMUHB/WHSSC is in anyway unduly disadvantaged, in terms of pay, employment rights, employment, training and development of career opportunities,

- Use of the Transparency in Supply Chains (TISC) report – Modern Slavery Act (2015) compliance tracker through contracts procured and NWSSP Procurement Services on the CTMUHB's behalf.

6.16 NHS Pension Scheme

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

7.0 REVIEW OF EFFECTIVENESS

As Managing Director for Specialised and Tertiary Services Commissioning, NHS Wales, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors and other reports.

Despite this not being a statutory obligation for WHSSC, it is a principle of good governance and best practice that all Wales NHS organisations should undertake a formal and rigorous annual evaluation of their own performance and that of their committees in accordance with the Standing Orders.

The IGC plays a central role in the scrutiny of a number of key governance mechanisms for which it provides assurances to the Joint Committee. The IGC is responsible for agreeing the organisation wide approach to the annual effectiveness self-assessment and for monitoring progress against any identified actions.

For the 2021-2022 assessment, a survey was issued via Microsoft Forms to enable an efficient yet effective reflection on committee effectiveness, which offers a consistent approach for all committees. The 2021-2022 self-assessment survey was issued to all members on 30 March 2022.

The survey questions were derived from best practice guidance, including the NHS Audit Handbook, and adhered to the following principles:

- the need for sub-committees to strengthen their governance arrangements and support the JC in the achievement of the strategic objectives,
- the requirement for a committee structure that strengthens the role of the JC in strategic decision making and supports the role of Independent Members in challenging executive management actions,

- maximising the value of the input from Independent Members , given their limited time commitment, and
- supporting the JC in fulfilling its role, given the nature and magnitude of the WHSSC agenda.

A number of standard questions were included in the survey questionnaires to all committee members. In addition, the Chairs of each sub-committee meeting were also invited to consider some bespoke and individual questions for their sub-committee members to consider.

Overall, the surveys received a positive response, and the findings and the feedback contributed to the development of a Joint Committee Development plan, which mapped out the development activities for the Joint Committee and its sub committees. A copy of all the development activities that have taken place during 2022-2023 can be found at **Appendix 3**.

For the 2022-2023 assessment, a decision was taken to continue with the use of a Microsoft Forms questionnaire but a blended approach was developed that encourages more narrative. The Committee Effectiveness Questionnaires were circulated on 6 April 2023.

In order to obtain a broad view of the Committee's effectiveness, it is important to consider the additional mechanisms and tools, which are used in order to provide evidence that WHSSC's systems of internal control are working effectively. By using the tools outlined in **table 4** below to map the various sources of assurance issues, gaps in controls and/or gaps in assurance can be identified:

Table 4 – Tools to Review Effectiveness

Tool	Scope	Assurance Reporting
Corporate Risk Assurance Framework (CRAF)	This is an essential component of WHSSC's internal control system and is used as a systematic and structured method of recording all risks (operational, financial and strategic) that threaten the achievement of WHSSCs objectives. This forms an integral part of day-	<p>The CRAF is presented to each QPSC, IGC and ARC meeting and is presented to the Joint Committee every 6 months.</p> <p>The operating framework for the CRAF is outlined in the Risk Management Strategy.</p>

Tool	Scope	Assurance Reporting
	to-day practices and culture, utilising a single co-ordinated approach to the identification, assessment and management of all types of risk.	
Internal audit	Look at areas related to corporate governance, risk management and internal control.	The WHSSC Audit tracker outlines audits undertaken and progress being made against recommendations, and is presented to each ARC and IGC meeting.
External Audit	Look at areas related to corporate governance, risk management and internal control.	The Audit Wales Report on Committee Governance Arrangements was presented at JC, IGC and ARC meetings throughout 2022-2023. The tracking report was included on HB Audit Committee agendas to ensure that all NHS bodies were able to maintain a line of sight on the progress being made, noting WHSSC's status as a Joint Committee of each HB in Wales.
Internal Policies	Policies and procedures designed to give management a reasonable assurance that the company achieves its objectives	<p>A report on operational policies is presented to the QPSC and IGC routinely for assurance.</p> <p>The WHSSC internal policy group oversee the management of all policies and report to CDGB. A policy update is also shared with QPSC and MG.</p>
Regulatory and Legal	Compliance with regulatory and	Routine assurance reports to JC and sub committees and the Annual

Tool	Scope	Assurance Reporting
	legislative frameworks.	Governance Statement (AGS).
Stakeholder feedback	Receiving feedback from people (named or anonymous), whose views are considered helpful and relevant.	WHSSC obtain stakeholder feedback through formal consultation processes and through regular dialogue with the JC, sub committees, through attending peer group meetings and 1 to 1 meetings.
Joint Assurance Framework (JAF)	Brings together in one place all of the relevant information on the risks to the achievement of strategic objectives. Known as a Board Assurance Framework (BAF) in HB's.	WHSSC have made a commitment to introducing a JAF in the risk management strategy; however, this has not yet been developed.

**Note this list is not exhaustive*

7.1 Internal Audit

Internal audit provide me as Managing Director and the Joint Committee, through the CTMUHB Audit & Risk Committee, with a flow of assurance on the system of internal control. I have commissioned a programme of audit work that has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership (NWSSP). The scope of this work is agreed with the CTMUHB Audit & Risk Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Joint Committee in reviewing effectiveness and supporting our drive for continuous improvement.

The CTMUHB Audit & Risk Committee regularly reviews and considers the work and findings of the internal audit team. The Director of Audit and Assurance and the relevant Heads of Internal Audit have attended each meeting to discuss their work and present their findings. The CTMUHB Audit & Risk Committee is satisfied with the liaison and coordination between the external and internal auditors.

The following reviews were completed by Internal Audit during 2022-2023:

Audit Theme	Assessment Rating
Neurosciences and Long Term Conditions Programme Team	Substantial Assurance
Quality Assurance Reporting	Substantial Assurance

The internal audit programme was impacted by the need to defer two audits into 2023-2024 to focus more on strategy implementation instead of the normal commissioning team reviews.

The following topics are planned for the 2023-2024 internal audit timetable:

Audit Theme	Date
Neurosciences and Long Term Conditions Programme Team	Quarter 1 (April – June 2023)
Welsh Kidney Network (Deferred from 2022-2023)	Quarter 2 (July – September 2023)
Mental Health (Deferred from 2022-2023)	Quarter 3/4 (TBC October –December 2023 or January to March 2024.

For internal audit, the CTMUHB Audit & Risk Committee (ARC) monitored implementation of management actions agreed in response to reported weaknesses. Reports were generated that enabled the ARC to understand operational and financial risks.

7.2 External Audit

The Auditor General for Wales is CTMUHB's statutory external auditor and the Audit Wales undertakes audits on his behalf. Audit Wales scrutinises the Health Board's financial systems and processes, performance management, key risk areas and the Internal Audit function. This includes the governance and finances of WHSSC.

As an organisation hosted by CTMUHB, the work of external audit is monitored by the CTMUHB Audit & Risk Committee through regular progress reports. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and our work on minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to WHSSC matters, the CTMUHB Audit & Risk Committee has been kept apprised by its external auditors of developments across NHS Wales and elsewhere in the public service. These discussions have been helpful in extending the Audit & Risk Committee's awareness of the wider context of our work and specific updates have been provided

In May 2021, Audit Wales published the "[Committee Governance Arrangements at WHSSC](#)" which outlined the findings of the review undertaken between March and June 2020, and in July 2021 (as a result of the COVID-19 pandemic, aspects of the review were paused, and re-commenced in July).

The scope of the work included interviews with officers and independent members at WHSSC, observations from attending Joint Committee and sub-committee meetings, feedback from questionnaires issued to HB Chief Executive Officers and Chairs and a review of corporate documents.

The report outlined four recommendations for WHSSC and the three recommendations for Welsh Government as outlined below:

Audit Wales Recommendations
WHSSC
R1 Increase the focus on quality at the Joint Committee. This should ensure effective focus and discussion on the pace of improvement for those services in escalation and driving quality and outcome improvements for patients.
R2 Implement clear programme management arrangements for the introduction of new commissioned services. This should include clear and explicit milestones which are set from concept through to completion (i.e. early in the development through to post implementation benefits analysis). Progress reporting against those milestones should then form part of reporting into the Joint Committee.
R3 In the short to medium term, the impact of COVID-19 presents a number of challenges. WHSSC should undertake a review and report analysis on: <ul style="list-style-type: none"> a. the backlog of waits for specialised services, how these will be managed whilst reducing patient harm. b. potential impact and cost of managing hidden demand. That being patients that did not present to primary or secondary care during the pandemic, with conditions potentially worsening. The financial consequences of services that were commissioned and under-delivered as a result of COVID-19, including the under-delivery of services commissioned from England. This should be used to inform contract negotiation.
R4 The current specialised services strategy was approved in 2012. WHSSC should develop and approve a new strategy during 2021. This should: <ul style="list-style-type: none"> a. embrace new therapeutic and technological innovations, drive value, consider best practice commissioning models in place elsewhere, and

drive a short, medium, and long-term approach for post pandemic recovery.

- b. be informed by a review of the extent of the wider services already commissioned by WHSSC, by developing a value-based service assessment to better inform commissioning intent and options for driving value and where necessary decommissioning.

The review should assess services:

- which do not demonstrate clinical efficacy or patient outcome (stop);
- which should no longer be considered specialised and therefore could transfer to become core services of HBs (transfer);
- where alternative interventions provide better outcome for the investment (change); currently commissioned, which should continue.

Progress against the WHSSC actions outlined within the management response are monitored through the Integrated Governance Committee (IGC) and the Joint Committee (JC).

Welsh Government

R5 Review the options to recruit and retain WHSSC independent members. This should include considering measures to expand the range of NHS bodies that WHSSC members can be drawn from, and remuneration for undertaking the role.

R6 This is linked to Recommendation 2 made to WHSSC in this report. When new regional or sub-regional specialised services are planned which are not the sole responsibility of WHSSC, ensure that effective multi- partner programme management arrangements are in place from concept through to completion (i.e. early in the development through to post-implementation benefits analysis).

R7 A Healthier Wales included a commitment to review the WHSSC arrangements along with other national hosted and specialist advisory functions. COVID-19 has contributed to delays in taking forward that action. It is recommended that the Welsh Government set a revised timescale for the action and use the findings of this report to inform any further work looking at governance and accountability arrangements for commissioning specialised services as part of a wider consolidation of current national activity.

Progress against the WG management responses is monitored through discussions between the Chair, the WHSSC Managing Director and the Director General Health & Social Services/ NHS Wales Chief Executive.

Progress against each recommendation is provided via an Audit Tracker document which was presented to the Joint Committee and the CTMUHB ARC during 2022-2023. The Joint Committee received and approved the tracker document on [10 January 2023](#). The ongoing scrutiny being undertaken through the IGC was noted.

A further progress report was provided to the IGC Committee meeting on 13 April 2023 with further positive progress noted.

As at the time of reporting, the majority of actions have been completed and there are only two areas of partial compliance relating to:

- the WHSSC Specialised Services Strategy,
- the appointment of an Assistant Medical Director (AMD) for Public Health.

Both of these outstanding actions are on course to be completed by June 2023.

The report outlined three recommendations for Welsh Government (WG) and progress against the WG management responses is monitored through discussions between the Chair, the WHSSC Managing Director and the Director General Health & Social Services/ NHS Wales Chief executive.

A progress report was sent to Board Secretaries in HBs for inclusion on HB Audit Committee agendas in February/March 2022 to ensure that all NHS bodies were able to maintain a line of sight on the progress being made, noting WHSSC's status as a Joint Committee of each HB in Wales.

Following closure of all remaining recommendations, a final report will be sent to the JC for assurance and then onto the Board Secretaries in HBs for inclusion on HB Audit Committee agendas before the Audit Wales Recommendations into Committee Governance Arrangements at WHSSC can be formally closed.

8.0 CONCLUSION

As indicated throughout this statement the recovery agenda and the extreme financial pressures and service challenges facing NHS Wales has had a significant impact on the organisation, the wider NHS and society as a whole. It has required a dynamic response that has presented a number of opportunities and risks. WHSSC has sought to support commissioned services to recover and return to a position of pre-COVID activity, with variable achievement across our providers. As a result, Performance Management arrangements will continue to be a key priority in 2023-2024 to ensure that high quality services continue to be commissioned for the Welsh population. I will ensure our Governance Framework considers and responds to this need.

As Managing Director, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can confirm that the WHSST are alert to their accountabilities in respect of internal control and that that no significant internal control or governance issues have been identified.

In summary, my review confirms that the WHSCC has sound systems of internal control in place to support the delivery of policy aims and objectives and that there are no significant internal control issues to report for 2022-2023.



Dr Sian Lewis

Managing Director of Specialised and Tertiary
Services Commissioning, NHS Wales

Date: 31 March 2023

Appendix 1

Table 1 - of Membership and Attendance for the Joint Committee 2022 - 2023

Name	Role	Organisation	Attendance at Meetings 2022-2023
Non Officer Members			
Kate Eden	Chair	Welsh Health Specialised Services Committee	8/8
Ceri Phillips	Member	Vice Chair, Cardiff and Vale UHB	6/8
Ian Wells	Member (until 30 November 2022)	Independent Member, Cwm Taf Morgannwg UHB	4/4
Steve Spill	Member (from 30 November 2022)	Independent Member, Swansea Bay University Health Board	3/4
Chantal Patel	Member (from 30 November 2022)	Independent Member, Hywel Dda University Health Board	3/4
Chief Executive Members*			
Mark Hackett	Member	Chief Executive, Swansea Bay UHB	7/8
Glyn Jones	Member (until 1 September 2022)	Interim Chief Executive, Aneurin Bevan UHB	3/3
Paul Mears	Member	Chief Executive, Cwm Taf Morgannwg UHB	7/8
Steve Moore	Member	Chief Executive, Hywel Dda UHB	7/8
Suzanne Rankin	Member	Chief Executive, Cardiff & Vale UHB	7/8
Carol Shillabeer	Member	Chief Executive, Powys Teaching HB	8/8
Jo Whitehead	Member (until January 2023)	Chief Executive, Betsi Cadwaladr UHB	3/4
Gill Harris	Member (from 17 January 2023)	Interim Chief Executive, Betsi Cadwaladr UHB	4/4
Nicola Prygodzicz	Member (from 1 September 2022)	Chief Executive Officer, Aneurin Bevan UHB	4/5
Welsh Health Specialised Services Officer Members			
Carole Bell	Officer Member	Director of Nursing and Quality Assurance	7/8
Stuart Davies	Officer Member	Director of Finance	8/8
Iolo Doull	Officer Member	Medical Director	7/8
Sian Lewis	Officer Member	Managing Director	8/8
Karen Preece **	Officer (until 6 September)	Director of Planning	3/3
Nicola Johnson **	Officer (from 7 September 2022)	Director of Planning	5/5
Jacqui Evans **	Officer	Committee Secretary	8/8
Associate Members			
Tracey Cooper	Associate Member	Chief Executive, Public Health Wales NHS Trust	0/8

Name	Role	Organisation	Attendance at Meetings 2022-2023
Steve Ham	Associate Member	Chief Executive, Velindre NHS Trust	1/8***
Jason Killens	Associate Member	Chief Executive, Welsh Ambulance Service NHS Trust	0/8
Independent Chair WKN			
Ian Phillips	Affiliate Member	Independent Member, Powys Teaching HB	6/8

* *In person or represented by a nominee in accordance with the Joint Committee SOs.*

** *As per the Standing Orders the Director of Planning and Committee Secretary are not voting members of the JC but are both regular attendees.*

*** *Part meeting only*

Appendix 2

Table 2 – Dates of Joint Committee Meetings 2022-2023

The following table outlines the months during which meetings of the Joint Committee and joint sub-committee meetings were held during 2022-2023.

	2022									2023		
	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Joint Committee		10		12		06		08		17		14
Joint Committee (extraordinary)										10	13	
Integrated Governance	19		07		09		11				14	
All Wales IPFR Panel	07* 21*	05* 23	08 16	07 21*	04 18	01 15	06 20*	03 17	15**	05* 19	02 16	02 16
Management Group	28	26	23	28	25	22	27	24	15	26	23	23
Quality & Patient Safety			07		09		25			24		21
Welsh Renal Clinical Network	08		06				06	23			02	

**Inquorate - All meetings were quorate with the exception of the IPFR panel. During these times, the Chair's Action arrangement outlined in the Terms of Reference (ToR) was used to ensure business continuity for urgent cases.*

*** Cancelled due to Strike Action*

IPFR Panel Meetings Jan -May 2022 - Due to ongoing pressures within HBs relating to the pandemic, and in particular staff absence levels, and as result of a letter received from Mrs Judith Paget, Chief Executive Officer of NHS Wales suggesting NHS bodies step down any non-essential meetings, the Individual Patient Funding Request (IPFR) Panel returned to the process previously adopted during the start of the pandemic to ensure business continuity until the end of May 2022.

The full IPFR Panel was stood down until May 2022, and operated via the Chair's Action arrangement outlined in the Terms of Reference (ToR). This process was strengthened by including the attendance of two WHSSC Clinical Directors and a lay member representative. The situation was monitored on a monthly basis and due to the on-going work pressures related to the NHS recovery following Covid-19, full IPFR meeting resumed in May 2022 when attendance from Clinical staff could be secured. There remained some meetings where quoracy was not achieved and on these few occasions, the full IPFR meeting was stood down and a Chairs Action Panel was convened to avoid any delays in decision making.

Joint Committee Development Plan 2022-2023

Meeting Date	Topic	Plan for Delivery and Evaluation
Joint Committee		
10 May 2022	Genomics- Sian Morgan Early presentation at a normal JC May/June/July on good news developments from genomics focussing on Non-invasive pre-natal testing and DPYD testing (for avoiding chemo risk in colo-rectal patients).	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
12 July 2022	Workshop - Recovery Trajectories across NHS Wales JC meeting 10 May 2022 requested a specific workshop on recovery.	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
6 September 2022	ATMP's/Genomics Delivery Plan for Wales Strategic piece covering the next phases of expansion/development in ATMPs and genomics delivery in Wales. Major Trauma Presentation – to update JC members on progress since the launch of the service in September 2020. Specialised Services Strategy Presentation – to inform JC of the planned development of a ten year	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023

Meeting Date	Topic	Plan for Delivery and Evaluation
	strategy for specialised services for the residents of Wales, and to describe the proposed approach to communication and engagement with key stakeholders to support its development.	
8 November 2022	<p>2023 – 2026 ICP Presentation – An overview of the ICP for the next year was provided. The emerging financial plan was shared with members. Arrangements were in progress for all business cases to be scrutinised prior to going through WHSSC’s governance processes in line with the financial commitments in its plan.</p> <p>Recovery Update (incl. Progress with Paediatric Surgery) Members received a presentation providing an update on recovery trajectories since the workshops held with the Joint Committee on the 12 July and 6 September 2022. A focus on Paediatric Surgery was requested.</p>	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
10 January 2023	ICP Workshop – to discuss financial scenarios	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
17 January 2023	ICP Presentation – Updated Financial Position Including more detail around the risks and scenarios	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023

Meeting Date	Topic	Plan for Delivery and Evaluation
14 March 2023	Governance System and Process – WHSSC & HB Shared Pathway Saving Target	
Quality & Patient Safety Committee/Integrated Governance Committee		
7 June 2022	Quality Newsletter	<ul style="list-style-type: none"> Through the IGC Annual Committee Effectiveness survey 2022-2023
	Service Innovation & Improvement Update	
9 August 2022	Mother & Baby Serious Untoward Incident Feedback	<ul style="list-style-type: none"> Through the IGC Annual Committee Effectiveness survey 2022-2023
	Ty Lliard Update	
26 September 2022	Annual QPSC Development Day	<ul style="list-style-type: none"> Feedback following the event
25 October 2022	Neonatal Intensive Care Unit Experiences – patient story	<ul style="list-style-type: none"> Through the IGC Annual Committee Effectiveness survey 2022-2023
24 January 2023	Mental Health Deep Dive	<ul style="list-style-type: none"> Through the IGC Annual Committee Effectiveness survey 2022-2023
18 April 2023	Major Trauma Presentation	<ul style="list-style-type: none"> Through the IGC Annual Committee Effectiveness survey 2022-2023
Individual Patient Funding Request Panel (IPFR)		
17 December 2021	Barrister briefing for IPFR members following the Judicial Review	
2 December 2022	Stakeholder Engagement with KC David Lock on IPFR Policy Changes and WHSSC ToR review	
28 February 2023	Annual IPFR Training and Development Session	

Meeting Date	Topic	Plan for Delivery and Evaluation
Welsh Kidney Network		
27 April 2022	Academi Wales Workshop	<ul style="list-style-type: none"> • WKN governance review
Management Group		
28 April 2022	Presentation National Collaborative Commissioning Unit Secure Services Report	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
23 June	Inductions for New Members	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
28 July 2022	Overview of Schemes received by the Clinical Impact Assessment Group (CIAG) for the 2023-2024 Integrated Commissioning Plan (ICP)	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
25 August 2022	Major Trauma Presentation Paediatric Services Deep Dive	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
22 September 2022	Prioritisation Panel – Update Plastic Surgery Commissioning Arrangements Workshop	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
24 November 2022	Recommissioning for Value Workshop	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
15 December 2022	ICP Update Congenital Heart Disease National Standards Self-Assessment (Welsh Level 3 Centres)	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023

Meeting Date	Topic	Plan for Delivery and Evaluation
	Single Commissioner Model Presentation	
26 January 2023	Haematology workshop	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
23 March 2023	Specialised Services Strategy	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
CDGB		
23 May 2022	Improvement Cymru – Quality workshop	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
3 October 2022	Briefing from Welsh Government (WG) on the Health & Social Care (Quality & Engagement) (Wales) Act 2022 with a specific focus on the consultation process for the duty of candour	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023
29 November 2022	Compassionate Leadership, Kings Fund, Michael West	<ul style="list-style-type: none"> • Through the IGC • Annual Committee Effectiveness survey 2022-2023