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CYMRU  
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WALES

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

# **Annual Governance Statement 2019-20**

## 1. 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 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.

The Welsh Health Specialised Services Committee (WHSSC) (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 (previously known as Cwm Taf University Health Board) 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.

WHSSC does not have a statutory duty to produce an Annual Governance Statement but does so, as a matter of good governance, to provide assurance to the LHBs and, in particular, to Cwm Taf Morgannwg University Health Board, as its host organisation, in relation to its governance and accountability arrangements.

## **2. GOVERNANCE FRAMEWORK**

In accordance with regulation 12 of the Regulations, each LHB in Wales must agree Standing Orders for the regulation of Joint Committee proceedings and business. These Joint Committee Standing Orders (Joint Committee SOs) form a schedule to each LHB's own Standing Orders, and have effect as if incorporated within them. Together with the adoption of a scheme of decisions reserved to the Joint Committee; a scheme of delegations to officers and others; and, Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Joint Committee.

These documents, together with a 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, form the basis upon which the Joint Committee's Governance and Accountability Framework is developed. Together with the adoption of a Values and Standards of Behaviour Framework this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

Welsh Government issued revised Model Standing Orders under Welsh Health Circular 2019 027 in September 2019. The WHSSC Governance and Accountability Framework was reviewed in the context of these revised Model Standing Orders and the Joint Committee approved the resultant proposed revisions to the Governance and Accountability Framework (including the Joint Committee SOs) and supported the approval of the revised Joint Committee SOs by the LHBs in November 2019. The revised Joint Committee SOs have therefore now been adopted.

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

<http://www.whssc.wales.nhs.uk/governance-framework>

### **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 Joint Committee is accountable for Governance, Risk Management and Internal Control. As Managing Director of Specialised Commissioning, NHS Wales, I have the responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports achievement of the Joint Committee's policies, aims and objectives; and to report the adequacy of these arrangements to the Chief Executive of Cwm Taf Morgannwg University Health Board. Under the terms of the establishment arrangements, Cwm Taf Morgannwg University Health Board is deemed to be held harmless and have no additional financial liabilities beyond its own population.

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.

Following the departure of Charles Janczewski, as Vice Chair of the Joint Committee, in September 2019, a replacement Vice Chair was not appointed until 12 May 2020, when Emrys Elias was appointed to this role. Emrys first joined the Joint Committee as an Independent Member in December 2019, bringing the number of Independent Members back to three. The absence of a Vice Chair was not regarded as a significant concern, given the limited role of the Vice Chair as set out in Part 3 of the Regulations.

WHSSC has historically appointed the Chair of the Welsh Renal Clinical Network as a non-statutory Affiliate Member. Kieron Donovan was appointed interim chair of the Welsh Renal Clinical Network from 1 April 2019, so joined the Joint Committee as an Affiliate Member at that time.

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 toward 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.

In accordance with WHSSC Standing Order 3, the Joint Committee may and, 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).

## **2.2 Joint Sub-Committees and Advisory Groups**

The Joint Committee structural diagram can be found on page 10.

### **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
- Management Group
- Quality & Patient Safety Committee
- Welsh Renal Clinical Network

The **All Wales Individual Patient Funding Request (IPFR) Panel (WHSSC)** holds delegated Joint Committee authority to consider and make decisions on requests to fund NHS healthcare for patients who fall outside the range of specialised services and treatments that a health board has agreed to routinely provide.

The **Integrated Governance Committee** scrutinises evidence and information brought before it in relation to activities and potential risks which impact on the services provided and provides assurance to the Joint Committee that effective governance and scrutiny arrangements are in place across the organisation.

During 2019-20 the Terms of Reference for the Integrated Governance Committee were reviewed and refreshed as part of the ongoing development to strengthen quality performance and reporting within the organisation.

The **Management Group** 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.

The **Quality & Patient Safety Committee** 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 Terms of Reference for the Management Group and the Quality & Patient Safety Committee will be reviewed in 2020-21 as part of the sub-committees' ongoing development.

The **Welsh Clinical Renal Network** 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 clear remit, responsibility and accountability.

During 2019-20 the Terms of Reference for the Welsh Clinical Renal Network were reviewed and refreshed with only a few minor amendments.

### **2.2.2 Advisory Groups and Networks**

The Joint Committee also established three advisory groups in the discharge of its functions.

- NHS Wales Gender Identity Partnership Group
- All Wales Mental Health and Learning Disability Collaborative Commissioning Group
- All Wales Posture & Mobility Partnership Board

The **NHS Wales Gender Identity Partnership Group (AWGIPG)**, established in July 2013, supports the development of a future NHS Wales Strategy for Gender Dysphoria services within current NHS Wales' funding parameters. The AWGIPG was set up to advise the Joint Committee on the development of a model and pathway for Gender Identity Services in Wales, to identify gaps in local services and advise on quality of care and patient experience. The AWGIPG provides a forum for meaningful engagement with service users, support groups and providers. The scope of the Group extends beyond the services previously commissioned by WHSSC. In 2019, WHSSC commissioned the Adult Gender Identity Service (non-surgical). The remit of the AWGIPG is under review following this development. Recommendations will be made to Joint Committee in 2020-21.

The **All Wales Mental Health and Learning Disability Collaborative Commissioning Group** advises the Joint Committee on issues regarding the development of secure mental health services for Wales. The Group ensures that there is a co-ordinated approach to secure services across Wales and that the benefits of working collaboratively are realised. The purpose of this Group has been subject to review during 2019-20 because

of changes to the structure of mental health advisory functions. It is anticipated that the learning disability aspects previously incorporated in the function of the Group will be incorporated elsewhere during 2020-21.

The **All Wales Posture and Mobility Services Partnership Board** monitor the service's delivery against the key performance and quality indicators, in order to provide assurance to the Joint Committee that the service is delivering in line with the All Wales Service Specification and advises the Joint Committee on the commissioning strategy for Posture and Mobility services, including identification of, and supporting opportunities for embedding co-production as a core principle of the commissioning strategy. The Group has not met since 5 March 2018 and during 2020-21 it is anticipated that this group will be formally dis-established. This is due to it achieving its main objectives, namely to ensure that there is equitable access to safe and effective Posture and Mobility services across Wales.

## **2.3 Committees of the Host Organisation**

### **2.3.1 Audit & Risk Committee** (formerly the Audit Committee)

[The Audit & Risk Committee of the Cwm Taf Morgannwg University Health Board](#), 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, to support 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 Cwm Taf Morgannwg Audit & Risk Committee meetings for agenda items concerned with WHSSC business.

### **2.3.2 Quality & Safety Committee** (formerly Quality, Safety & Risk Committee)

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

The Corporate Governance Manager for WHSSC attends the Cwm Taf Morgannwg University Health Board, Quality & Safety Committee when appropriate.

## 2.4 Joint Committee and Joint Sub-Committees meetings

The following table indicates the months during which meetings of the Joint Committee and joint sub-committee meetings were held during 2019-20. Meetings where a quorum was not achieved are highlighted in red.

	2019									2020		
	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Joint Committee												
Joint Committee (extraordinary)												
Integrated Governance												
All Wales IPFR Panel												
Management Group												
Quality & Patient Safety												
Welsh Renal Clinical Network												

Where a quorum was not present at the scheduled start time for the meeting, the practice was to proceed with consideration of the items on the agenda but to defer any decisions to the following meeting or to take Chair's action to approve urgent issues outside of the meeting.

COVID-19 caused disruption to sub-committee meetings scheduled to take place in March 2020. The March Quality & Patient Safety Committee meeting was re-scheduled for 16 April 2020. The IPFR Panel cancelled its March meeting but monthly meetings resumed virtually from April 2020.

The membership of the Joint Committee and member's attendance can be found on page 11.

## 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.

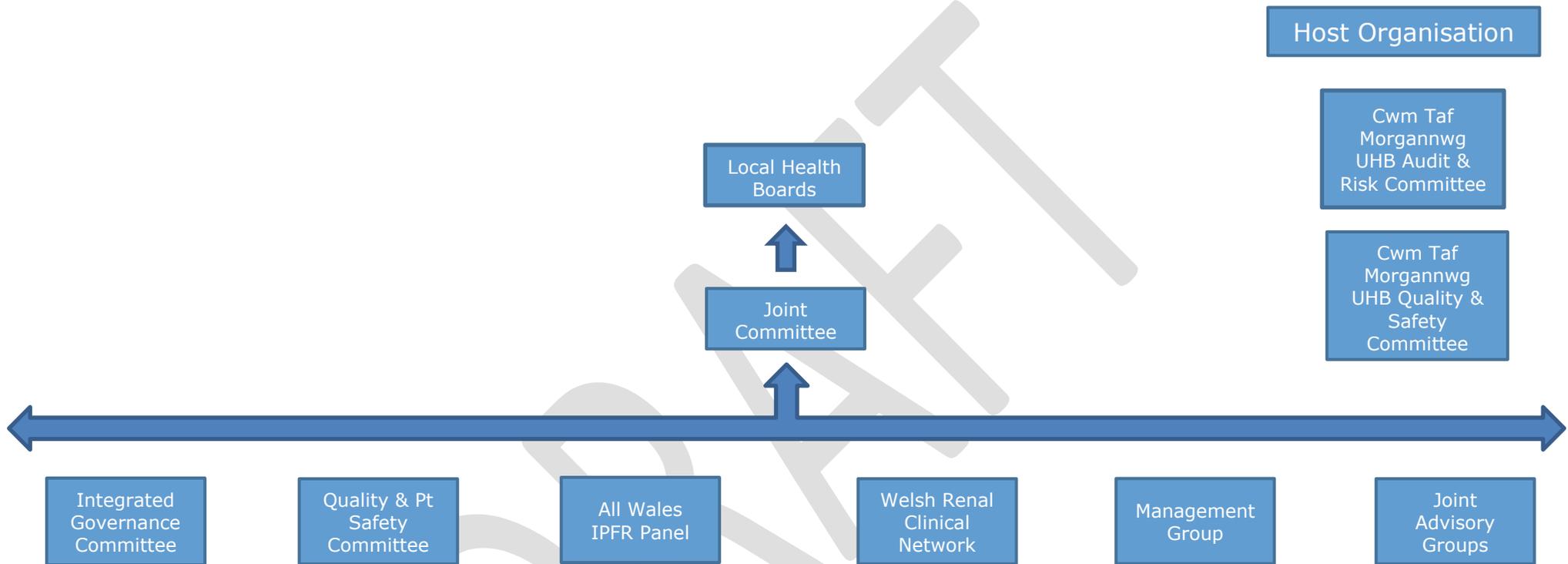
The Joint Committee expects all Independent Members and employees to practice high standards of corporate and personal conduct, based on the recognition that the needs of service users must come first.

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 as well as setting 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.

A register of interests is maintained and is available on request or through the [WHSSC publication scheme](#).

## Joint Committee Structure



Joint Committee members in post during the financial year 2019-20:

Name	Role	Organisation	Attendance at Meetings 2019-2020*
<b>Non Officer Members</b>			
Vivienne Harpwood	Chair	Welsh Health Specialised Services Committee	10/10
Emrys Elias	Member (from 1 December 2019) and Vice Chair (from 12 May 2020)	Independent Board Member, Aneurin Bevan UHB	2/4
Paul Griffiths	Member and Audit Lead (from 1 April 2019)	Independent Board Member, Cwm Taf Morgannwg UHB	9/10
Charles Janczewski	Member (until September 2019)	Independent Board Member, Cardiff and Vale UHB and Chair of the Quality & Safety Committee	3/3
Ian Phillips	Member (from 1 April 2019)	Independent Member, Powys Teaching HB	8/10
<b>Chief Executive Members</b>			
Simon Dean	Member (from 10 February 2020)	Interim Chief Executive, Betsi Cadwaladr UHB	0/1
Gary Doherty	Member (until 7 February 2020)	Chief Executive, Betsi Cadwaladr UHB	8/9
Sharon Hopkins	Member (from 24 June 2019)	Interim Chief Executive, Cwm Taf Morgannwg UHB	7/9
Steve Moore	Member	Chief Executive, Hywel Dda UHB	8/10
Tracy Myhill	Member	Chief Executive, Abertawe Bro Morgannwg UHB	9/10
Judith Paget	Member	Chief Executive, Aneurin Bevan UHB	10/10
Len Richards	Member	Chief Executive, Cardiff and Vale UHB	10/10
Carol Shillabeer	Member	Chief Executive, Powys Teaching HB	9/10
Allison Williams	Member (until 20 August 2019)	Chief Executive, Cwm Taf Morgannwg UHB	1/3
<b>Welsh Health Specialised Services Officer Members</b>			
Carole Bell	Officer Member	Director of Nursing and Quality Assurance	7/10
Stuart Davies	Officer Member	Director of Finance	10/10
Sian Lewis	Officer Member	Managing Director	10/10
Jennifer Thomas	Officer Member	Medical Director	8/10
<b>Associate Members</b>			
Tracey Cooper	Associate Member	Chief Executive, Public Health Wales NHS Trust	0/10
Steve Ham	Associate Member	Chief Executive, Velindre NHS Trust	0/10

Name	Role	Organisation	Attendance at Meetings 2019-2020*
Jason Killens	Associate Member	Chief Executive, Welsh Ambulance Service NHS Trust	1/10
<b>Affiliate Members</b>			
Kieron Donovan	Affiliate Member (from 1 April 2019)	Interim Chair of the Welsh Renal Clinical Network	5/10

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

### **3 THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all 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 2020 and up to the date of approval of the annual accounts.

As Managing Director for Specialised and Tertiary Services Commissioning, NHS Wales, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives and need to be satisfied that appropriate policies and strategies are in place and that systems are functioning effectively.

The Joint Committee's joint sub-committees assist in providing these assurances and I am supported by the Head of Internal Audit's annual work, report and opinion on the effectiveness of our system of internal control.

An Independent Member of the Joint Committee is a Member of the Cwm Taf Morgannwg University Health Board Audit & Risk Committee. The Director of Finance and Committee Secretary and other members of Welsh Health Specialised Services Team, as required, attend the Audit & Risk Committee meetings.

The links with joint sub-committees, previously established through the Integrated Governance Committee, continue. The Integrated Governance Committee is chaired by the Chair of the Joint Committee and the Members include the Independent Member Chairs of the WHSSC joint sub-committees.

A summary briefing from each Joint Committee meeting is circulated to all LHBs and Trusts for reporting to their Boards. The confirmed minutes of Joint Committee meetings are available on the WHSSC website.

Each joint sub-committee and advisory group is required to submit a Chair's report to the Joint Committee following each meeting, to ensure that an integrated and efficient approach to risk management is maintained within the organisation. The report summarises the issues discussed at the joint sub-committee or advisory group meeting and any items for escalation to the Joint Committee. Joint Committee Members

also have access to the minutes of the joint sub-committee or advisory group minutes.

## **4 CAPACITY TO HANDLE RISK**

### **4.1 Risk Appetite**

In 2015-16, the Joint Committee agreed to adopt the Good Governance Institute Model Matrix on defining Risk Appetite for Specialised Services.

The Risk Appetite Statement has been reviewed as part of the review of the Integrated Risk Management Framework.

The risk appetite statement is the driver for implementing our priority areas. It provides staff with clear expectations on how risks should be managed and a common acceptance of the importance of continuous management of risk.

### **4.2 Managing Risk**

WHSSC has established an Internal Risk Group which monitors the organisation's internal risk processes and where necessary makes recommendations to strengthen systems and gain a consistent understanding across the senior management team and improve the way in which risks are reported and managed within the organisation. The Internal Risks Group continues to lead the ongoing work to develop a system of triangulation between the Corporate Risk and Assurance Framework, the Integrated Commissioning Plan Risk Management Framework (detailed in section 5.1), the WHSSC Escalation Process and Quality reporting.

The WHSST continues to strengthen and test its Business Continuity Plan (BCP). This was particularly evidenced during 2019-20, when the organisation experienced three significant business interruptions:

- September 2019 – IT outage following office relocation;
- February 2020 – deprivation of access to office following flood; and
- March 2020 – limited access to office due to COVID-19 pandemic.

On all three occasions the BCP was activated and WHSSC was able to continue its core activities without significant delay.

### **4.3 The Risk and Assurance Framework**

Risk management (for risks other than health and safety) is embedded in the activities of WHSSC through the WHSSC Risk Management Framework and associated operating procedures.

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 Internal Risk Management

Group, the Corporate Directors Group Board, the Joint Committee and the joint sub-committees.

It is for the Joint Committee, through the joint sub-committees, to determine whether there is sufficient assurance in the rigour of internal systems to be confident that there are adequate controls over the management of principal risks to strategic objectives.

The CRAF is informed by risks identified at a Programme, Network, Directorate and Executive level. Each risk is allocated to an appropriate committee for assurance and monitoring purposes, i.e. Joint Committee, Quality & Patient Safety Committee, Cwm Taf Morgannwg Audit & Risk Committee and Cwm Taf Morgannwg Quality & Safety Committee. The CRAF is received by the joint sub-committees as a standing agenda item. The Joint Committee receives the CRAF twice yearly.

In addition to the COVID-19 pandemic specific work (referred to in section 4.4 below) a review of the Risk Management process for commissioning risks has begun, led by the Director of Planning, and is expected to develop a revised and improved process by Autumn 2020.

Under the hosting agreement with Cwm Taf Morgannwg University Health Board, WHSSC complies with the Health Board's Risk Management Policy and Risk Assessment Procedure for its health and safety risks.

#### **4.4 Top Organisational Risks**

The top organisational risks (scored 15 and above) are delegated where appropriate to key sub-committees of the Joint Committee. They are regularly monitored and or managed by the WHSS Team and reported on monthly. During 2019-20 progress was made in managing these risks and the overall number of these risks reduced.

The WHSST recognised that the COVID-19 pandemic introduced new risks to commissioned services and has been developing a methodology during May and June 2020 for monitoring and managing these particular risks. This has been shared with the Integrated Governance Committee and the Quality & Patient Safety Committee at their meetings in June and will be shared with the Joint Committee at its next meeting.

## **5 THE CONTROL FRAMEWORK**

### **5.1 Integrated Plan for Commissioning Specialised Services**

The Integrated Commissioning Plan (ICP) sets out WHSSC's strategy and aim for commissioning specialised services over a three year period.

The ICP for 2020-23 was approved by the Joint Committee on 22 January 2019. This ICP was developed in greater collaboration with Health Boards than previous plans and was centred on a robust risk assessment model which sought to balance the requirements for quality assurance, reduced

risk and improvement to health outcomes for the people of Wales within the constraints of challenging financial pressures.

The ICP focused on a number of key work programmes including:

### **5.1.1 Quality and Performance Escalation Framework**

The Quality and Performance Escalation Framework sets out a clear process for monitoring and managing performance of providers, including various stages of escalation which culminate in decommissioning if the provider is unable to deliver the appropriate level of quality, performance or activity. The details of the services in Escalation are presented to Management Group on a monthly basis and at every Joint Committee meeting through the WHSSC Integrated Performance Report. Where services are at the highest levels of escalation – level III Commissioning Quality Visit and level IV Escalation Monitoring, for which the outcome could be outsourcing or de-commissioning of a service, these issues are specifically reported to Management Group and Joint Committee.

During 2019-20 various services moved into and out of the escalation process, demonstrating positive progress overall. Further work to develop and strengthen the escalation process is planned for 2020-21 under the remit of the Director of Nursing & Quality Assurance.

### **5.1.2 Schemes prioritised by the Joint Clinical Impact Advisory Group (CIAG) and Management Group Prioritisation process**

Eight schemes prioritised by the Joint CIAG and Management Group Prioritisation process were included for funding within the 2018-21 ICP. The funding releases for these schemes were scrutinised and approved on an individual basis through the WHSSC Management Group. These schemes included:

- Replacement of obsolete wheelchairs (South Wales);
- New indications for Positron Emission Tomography CT (All Wales); and
- Porphyria service available for advice 24/7 (All Wales)
- Alternative Augmentative Communication recurrent equipment funding;
- Cardiac Ablation for AF & VT TAVI;
- Balloon Pulmonary Angioplasty for Chronic Thrombo-embolic Pulmonary Hypertension (CTEPH);
- Minimally Invasive Mitral Valve first time surgery.

### **5.1.3 Schemes highlighted as exceptional risks for additional funding included within the ICP**

Two schemes which were considered in the ICP to be exceptional risks and consequently included for funding were:

- Spinal Rehabilitation (South Wales) – this service was extremely fragile, as it was delivered by a single consultant and with relatively few units across the UK we know that there would be extreme

difficulties in this service being delivered elsewhere for Welsh patients and it would also not be in the best interest of the patients and their families to receive such rehabilitative care further from home; and

- Additional PICU capacity (South Wales) – WHSSC was aware of difficulties in accessing PICU beds in the sole unit in Wales based in the Children’s Hospital for Wales, Cardiff and increased refusal of admissions over the last few months.

The mitigations for both these schemes were also presented to Management Group for scrutiny before funding was released.

#### **5.1.4 Schemes included as Ministerial Priorities**

Two schemes were highlighted as ministerial priorities and the funding required for them was included in the 2018-21 baseline. These schemes were:

- Cochlear and Bone Anchored Hearing Aid (BAHA) Referral to Treatment (RTT) times; and
- Lymphatic Venous Anastomosis (LVA)

#### **5.1.5 Key risks that are expected to emerge in year**

The 2019-22 ICP highlighted a number of key risks that were likely to present in year and were likely to present a cost pressure. These included:

- Cystic Fibrosis – the service was exceeding the number of patients for the size/staffing of its service;
- Neonatal Transport - South Wales – the service was only available for 12 hours a day, when the majority of neonatal transport services have in place and national guidance recommends, a 24 hour service; and
- Fetal Medicine – South Wales – in terms of the ability of the service to deliver all necessary diagnostics in the timely manner required.

Further work was required on each of these schemes to fully identify the resource requirements and outcomes before presentation to Management Group and Joint Committee. Whilst Cystic Fibrosis and Fetal Medicine received investment in 2019-20, a full review of Neonatal Transport was recommended following an independent case review and was undertaken in 2019-20.

## **5.2 Performance Dashboard**

WHSSC has two performance dashboards. An Organisation Performance Report and an Integrated Performance Report.

The Organisation Performance Report is provided to the Corporate Directors Group. It details compliance with management indicators including sickness and absence, performance appraisals and mandatory and statutory training.

The Integrated Performance Report provides an overview on the performance of providers for services commissioned by WHSSC including services in escalation and provider performance. The report is provided to the Corporate Directors Group Board, Management Group and Joint Committee. The services in escalation are also reported through the Corporate Risk and Assurance Framework to Joint Committee and the joint sub-committees.

### **5.3 Corporate Governance Code**

The WHSST has reviewed its assessment against the main principles of the *UK Corporate Governance Code: corporate governance in central government departments (2017)* as they relate to an NHS public sector organisation in Wales. 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. No departures from the Code were identified during the year.

### **5.4 Health and Care Standards**

The Health and Care Standards set 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, WHSST 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, Integrated Commissioning Plan process and escalation process.

## **6 OTHER ELEMENTS OF CONTROL FRAMEWORK**

### **6.1 Equality and Diversity**

WHSSC follows the policies and procedures of the Cwm Taf Morgannwg University Health Board, as the host LHB. All staff have access to the Intranet where these are available. The Hosting Agreement includes provision for specific support around Equality and Diversity and WHSSC has been working with the Equality Officer and the NHS Wales Equality Unit to look at ways of integrating equality and diversity issues into its work.

The Corporate Governance Officer is a member of the Equality Group within Cwm Taf Morgannwg University Health Board and therefore any issues are integrated into this process.

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.

In recognition of WHSSC's responsibility to ensure that equality is a key consideration in the commissioning of its services, we aim to develop an equality plan for specialised services. This plan should assist LHBs to ensure that specialised services commissioning for their population is reflected in their individual strategic equality plans.

## **6.2 Ministerial Directions 2019-20**

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. During 2019-20 one only Direction was issued and this was not relevant to WHSSC.

Welsh Health Circulars issued by Welsh Government are logged by the Governance Function. WHSSC has acted upon, and responded to all Welsh Health Circulars (WHC) issued during 2019/20 which were applicable to WHSSC. A list of Welsh Health Circulars issued by Welsh Government during 2019-20 is available at: <http://howis.wales.nhs.uk/whcirculars.cfm>

## **6.3 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 for Cwm Taf Morgannwg University Health Board, as host LHB, will act as Caldicott Guardian for WHSSC with input and assurance from the WHSSC Medical Director.

The Committee Secretary and the Corporate Governance Manager are members of the Cwm Taf Morgannwg University Health Board Information Governance Group.

An Internal Audit review of WHSSC arrangements for Information Governance was carried out during 2019-20, which received a 'Reasonable assurance' rating.

### **6.3.1 Data Security**

There were no WHSSC specific incidents relating to data security that required reporting to the Information Commissioner's Office during 2019-20.

## **6.4 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 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.

## **7 REVIEW OF EFFECTIVENESS**

As Managing Director for Specialised and Tertiary Services Commissioning, I have responsibility for reviewing the effectiveness of the system of internal control. As a non-statutory entity, WHSSC is not under a statutory obligation to undertake annual self-assessments in the same way that Health Boards and Trusts are.

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.

WHSSC has worked with its Independent Members and agreed a way forward for undertaking a self-assessment of each joint sub-committee. The feedback obtained will be considered at a workshop. Following these discussions each Committee can undertake a review of its role and purpose and use any feedback to inform improvements.

My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within WHSST who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

### **7.1 Internal Audit**

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

The Cwm Taf Morgannwg UHB 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 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 2019-20:

- Cardiac Services
- Information Governance

Both reports received an assessment of 'Reasonable assurance'.

For internal audit the Cwm Taf Morgannwg UHB Audit & Risk Committee monitored implementation of management actions agreed in response to reported weaknesses. Reports were generated that enabled the Audit & Risk Committee to understand operational and financial risks.

## **7.2 External Audit**

As an organisation hosted by Cwm Taf Morgannwg UHB, the work of external audit is monitored by the Cwm Taf Morgannwg UHB 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 Cwm Taf Morgannwg UHB 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.

## **8 COVID-19**

At the time of preparing this statement the organisation and the NHS in Wales is facing unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by COVID-19. The required response has meant the organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to revise the way the governance and operational framework is discharged. We have prepared, updated and issued stakeholders with an organisation response plan.

By Chair's action on 23 April 2020 the Joint Committee resolved to vary elements of the WHSSC Governance and Accountability Framework; in particular, (1) the requirement in the WHSSC SOs to hold Joint Committee meetings in public, and (2) the Sub-committee Terms of Reference, to temporarily relax the frequency and remove any minimum number of meetings required of the joint sub-committees or groups, during the COVID-19 crisis. This was done taking into account the work done by the NHS Wales Board Secretaries Group, in conjunction with Welsh Government, in developing a number of governance principles that were designed to help focus consideration of governance matters during the COVID-19 crisis. It also took into account Welsh Government's

recently published COVID-19 guidance on ethical values and principles for a healthcare delivery environment.

WHSSC's response to the COVID-19 pandemic concentrated on the following areas:

- Business continuity for the organisation;
- Contingency plans for critical functions;
- Development of a priority work programme;
- Support for the wider system response to COVID-19;
- Postponement and pause of non-critical and priority work programmes; and
- Monitoring impact and risk assessment.

We have reviewed our ICP for 2020-23 and paused all non-essential work programmes for Q1 2020-21, and where relevant have refocused appropriate work programmes to support the COVID-19 response. We have also reduced our work in a number of core functions. This will enable us to redirect resources and capacity over the next few months both internally and externally.

The key changes include:

- Cessation of all service level agreement meetings;
- Cessation of all routine performance meetings; and
- Cessation of quarter 1 plan delivery including service developments.

The actions and plans that are being put in place and the impact of the COVID-19 pandemic will and have created new risks to specialised services and WHSSC. We have a live risk register assessment to understand the impact of providers not being able to continue to deliver specialised services. This is being continually updated and reviewed. We are developing our methodology for monitoring and managing these risks (see section 4.4).

We have changed our contracting basis to block contract payments for an initial period of three months which will then be subject to review. This is to ensure that there is reduced financial uncertainty concerning how specialised service providers are funded.

A new commissioning framework has been presented to and supported by Joint Committee at its meeting on 12 May 2020. This will guide the commissioning work of specialised services during the next phase of the pandemic.

We have acted under instruction from Welsh Government to commission hospital capacity within Wales from the private sector on behalf of the local health boards, the cost of which is being funded by Welsh Government. This is a block booking arrangement that will be in place for an initial period of 14 weeks and then subject to review.

## **9 SIGNIFICANT GOVERNANCE ISSUES**

The disclosures given throughout this statement and the recommendations referred to in section 7.1 of this statement should be noted but did not relate to significant governance issues.

## **10 CONCLUSION**

During 2019-20 no significant internal control or governance issues were identified.

As indicated in this statement, the need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, the wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities and risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020-21 and beyond. I will ensure our Governance Framework considers and responds to this need.

As the Managing Director for Specialised and Tertiary Services Commissioning, I will use all reasonable endeavours to ensure that through robust management and accountability frameworks, significant internal control problems do not occur in the future. However, if such situations do arise, swift and robust action will be taken to manage the event and to ensure that learning is spread throughout the organisation

Signed:

**Dr Sian Lewis**

Managing Director of Specialised and Tertiary  
Services Commissioning

Date: [ ] June 2020