

Appendix 1

Annual Governance Statement 2021-2022

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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 Board's (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 achievement of the Joint Committee's policies, aims and objectives; and to report the adequacy of these arrangements to the Chief Executive of CTMUHB. 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 during the COVID-19 pandemic. 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 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 SO's, 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), the Joint Committee SOs provide the regulatory framework for the business conduct of the Joint Committee.

These documents, together with a Memorandum of Agreement (MoA) setting out the governance arrangements for the seven LHBs and a hosting agreement between the Joint Committee and CTMUHB form the basis upon which the Joint Committee's Governance and Accountability Framework is developed. This, together with the adoption of a Values and Standards of Behaviour Framework, is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

The Joint Committee Standing Orders were substantially revised under [Welsh Health Circular \(WHC\) 2019 027](#) and approved by LHBs for adoption during November 2019.

It is necessary to ensure that the WHSCC SOs are kept up to date and take account of any developments. Updated Model SO's and Model SFI's were issued by the Minister for Health and Social Services in correspondence received on the 7 April 2021.

The proposed changes to the Governance Framework were considered and endorsed by the Integrated Governance Committee (IGC) on the 9 June 2021.

A Chair's Action was taken on 21 June 2021 to recommend variation to elements of the Governance and Accountability Framework for onward approval by the seven LHBs. Updated versions of the MoA and the Hosting agreement with CDTMUHB were approved by the Joint Committee on 13 July 2021. A report on the updated Governance and Accountability Framework for WHSCC was taken to the CTMUHB Audit and Risk Committee on the 17 August 2021 for assurance.

A copy of the WHSCC 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 WHSCC 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. Kevin Smith, Committee Secretary, retired on 31 May 2021, and returned on a part time basis to ensure a smooth handover with his successor, Jacqueline Evans, who started at WHSSC on 1 June 2021.

2.1.1 Appointments

Paul Griffiths, IM Audit Lead CTMUHB left his role as WHSSC IM with effect from 31 December 2020 and his replacement, Professor Ian Wells, commenced as an Independent Member on 1 May 2021.

Emrys Elias left his role as an Independent Member with effect from 31 May 2021 and his replacement, Professor Ceri Phillips, commenced as an Independent Member on 1 June 2021.

Ian Phillips agreed to stand for a further two years as an Independent Member from 1 April 2021.

Following the resignation of Emrys Elias who was also WHSSC Vice Chair, Ian Phillips was appointed Vice Chair by the JC on 13 July 2021.

Dr Kieron Donovan left his role as Chair of WRCN with effect from 28 February 2021. In September 2021, the JC agreed that Ian, as WHSSC Vice Chair, could undertake the role of interim Chair of the WRCN on an unremunerated basis to support the network in ensuring business continuity until the end of March 2022. Following a competitive recruitment exercise, Ian Phillips was appointed as the substantive Chair for the Welsh Renal Clinical Network (WRCN), with effect from the 1 April 2022 for a period of three years in accordance with the Terms of Reference. Consequently, Ian Phillips resigned from his position as WHSSC Independent Member (IM) as it would prove a conflict of interest for him to hold both substantive roles concurrently. A recruitment exercise for a new WHSSC IM will be undertaken in May 2022 in accordance with the IM appointment process agreed by the JC on the 18 January 2022, to 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.

2.1.2 IM Remuneration

Historically, the additional time commitment required of HB IM members to perform the WHSSC IM roles has not been recognised and no additional remuneration has been provided. Whilst there has been a role profile, the specific skills required for a WHSSC IM, as opposed to a HB IM, were not fully explored or described. There have been longstanding issues in recruiting IMs to sit on the WHSSC Joint Committee as is evidenced above by the lengthy delay before a replacement was sought following Paul

Griffiths departure at the end of 2020. The Joint Committee and the Integrated Governance Committee meetings have frequently been at risk of being non-quorate.

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 IM's 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.

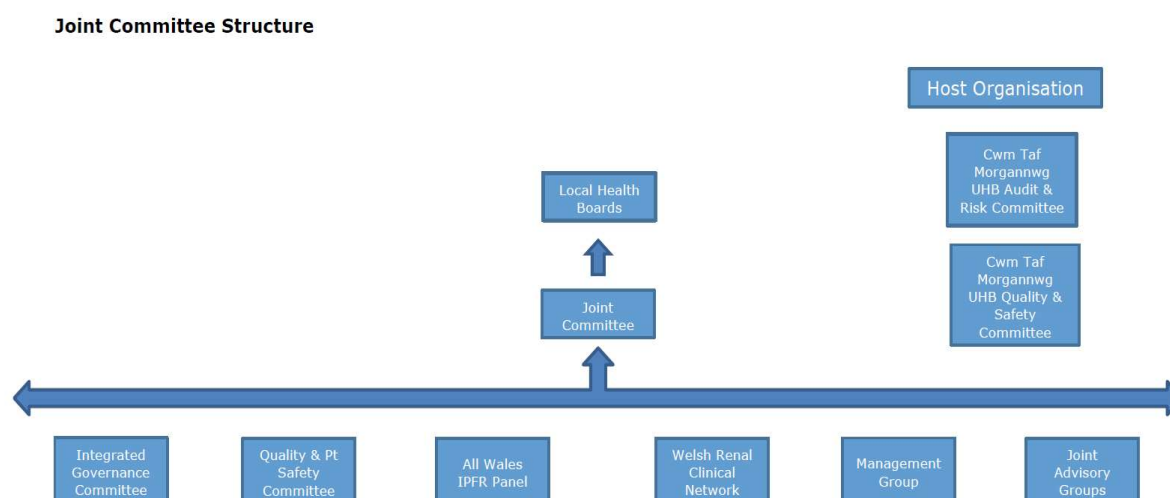
The Joint Committee papers and confirmed minutes can be viewed on the link below:

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

2.2 Joint Sub-Committees and Advisory Groups

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).

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 Renal Clinical Network (WRCN)

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 (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.

During 2021-2022, the IGC closely monitored and tracked progress against the recommendations outlined in the Audit Wales report on Committee governance arrangements at WHSSC, on behalf of the Joint Committee. The 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 and the CTMUHB Audit & Risk Committee (ARC) for approval and assurance. The IGC participated in development sessions focussed on the Clinical Impact Advisory Group (CIAG) Prioritisation process and a session on the work of the WHSSC Policy Group. All members of the QPSC were invited to attend the development sessions.

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.

During 2021-2022, the Group held a workshop on 25 November 2021 to evaluate the commissioning of services. MG members were requested to submit expressions of interest to evaluate specific commissioned services in order to evaluate the merits of the service being commissioned locally at HB level or through WHSSC. A recovery workshop was held with the MG on the 16 December 2021 to discuss recovery Planning and Quality and Outcome Improvement for Patients.

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 has been revised during the past year, and re-launched as the Commissioning Assurance Framework (CAF), which was approved by the Joint Committee on the [7 September 2022](#). 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 2021-2022, a successful development day took place on 10 February 2022. Following the departure of some longstanding WHSSC QPSC Independent Members, the Development Day was also an opportunity to provide new members with an overview of WHSSC to assist in their role as a WHSSC QPSC independent member.

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. The Network functions well and has been given full responsibility and accountability with a clear plan based on facts and evidence to support decision-making. The embodiment of the plan in the Welsh Government endorsed National Service framework was crucial and demonstrated that they were able to consult widely with staff, patients, charities and the independent sector; taking on board comments and using evidence to make a target driven achievable national goal for renal services.

The Terms of Reference (ToR) were reviewed and refreshed during December 2021 and a Chair's action was undertaken to update the ToR to ensure effective governance and in the interest of expediency to commence the recruitment exercise for the role of the substantive Chair to the WRCN. This action was taken in accordance with provisions of the WHSSC Standing Orders (SO's) , specifically section 3.1.1 in relation to Chair's action on urgent matters whereby decisions which would normally be made by the JC need to be taken between scheduled meetings, and it is not practicable

to call a meeting of the JC. The action taken was ratified by the JC on 18 January 2022 and they also approved the extension of the interim WRCN Chair arrangement until 31 March 2022 to ensure business continuity whilst the substantive post was recruited to.

It is important to note that since the WCRN 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; however, a review of the governance of the WCRN has never been undertaken. It has been agreed that a bespoke piece of work will now be undertaken in early 2022 to review the networks governance arrangements.

2.2.2 Advisory Groups and Networks

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

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

The Joint Committee supported the proposal to disband the **All Wales Gender Identity Partnership Group (AWGIPG)**, and supported the recommendation to consider the development of a Managed Clinical Network hosted outside of WHSSC in its meeting on 10 November 2020.

The decision was taken by Joint Committee on 9 March 2021 to disband the **All Wales Posture and Mobility Services Partnership Board**.

The **NHS Wales Adult Mental Health and Learning Disability Collaborative Commissioning Group (MH & LD)** was established to advise the Joint Committee on issues regarding the development of secure mental health services for Wales. The Group ensured that there was a co-ordinated approach to secure services across Wales and that the benefits of working collaboratively were realised. The Group reported to the JC and oversaw the performance and contract management arrangements function to improve pathways and standards of care for Welsh residents across the full spectrum of Secure Care. The purpose of this Group was subject to review during 2019-20 because of changes to the structure of mental health advisory functions. The group has not met since 2017.

During 2018-2019, the purpose of the Group was subject to review due to the changes to the structure of mental health advisory functions however, LD was not included in the Wales All Age Mental Health Network. Since then it has been identified that there is no longer a need for the group to meet, as the oversight of LD is undertaken through the Inclusion and Corporate Business Division within Social Services in WG where there are two programmes of work, the integrated learning disability, autism and

neurodevelopmental policy team and the Learning Disabilities Transformation Programme.

At its meeting in May 2022 the Joint Committee will seek support for 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 these unprecedented times, there are limitations on 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 there have been limitations on public gatherings, it has not been possible for the Joint Committee to allow the public to attend committee meetings. Given that the Joint Committee could not meet in person, virtual meetings and electronic communication have remained the key to the Joint Committee's functionality.

To ensure business was conducted in as open and transparent a manner as possible, during this time 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 questions were invited from members to be received one week prior to meetings and responses were published prior to meetings,
- Written briefings of the key components of meetings were published as soon as possible after meetings.

During the pandemic, the website (which gives our official notice of Joint Committee meetings) explained why the Joint Committee was not meeting in public. This notice was further updated to include a statement that invited anybody wishing to attend a meeting to contact the organisation in advance to determine what arrangements were possible. During the Joint Committee meeting held on 9 March 2021, for the first time during the pandemic, a member of the public observed the public meeting via Microsoft Teams. No requests from members of the public were received during 2021 - 2022 to date.

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 2021-2022, is presented at **Appendix 2**.

The All Wales IPFR Panel meetings were stood down from January – March 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 Chairs Action Panel continued to operate into March 2022 in

response to the Minister for Health & Social Services agreement that a two-week system reset would take place across Wales and across health and social care. 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 April 2022, All Wales IPFR Panel meetings were reinstated with meetings being held twice monthly. Full IPFR panel meetings resumed in April 2022.

There are longstanding issues and risks arising from the COVID-19 pandemic related to the terms of reference (ToR) of the All Wales IPFR Panel. The WHSSC All Wales IPFR Panel 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)".

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. To ensure business continuity WHSSC - COVID-19 – Standard Operating Procedure 02 was introduced, for Individual Patient funding (IPFR) decisions, as there became a reliance on undertaking Chairs action meetings to ensure effective decision making in accordance with the IPFR Policy.

The COVID-19 pandemic has demonstrated long-term impacts on IPFR decision making and consideration has been given to the future All Wales (WHSSC) IPFR Panel membership, and the lessons learned from the agile governance methods adopted during the 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 was included 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 judgement 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](#). Discussions with Welsh Government are ongoing and whilst WHSSC await further clarification from Welsh Government, an engagement process around proposals to change the All-Wales IPFR WHSSC Panel ToR commenced following JC approval in March 2022. IPFR governance has been identified as a risk on the WHSSC Corporate Risk and Assurance Framework (CRAF) and has been escalated from 16 to 20 following the judgment handed down in the Judicial Review case in December 2021.

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, 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 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.

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 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.

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/>

WHSSC sent out requests for Declarations of Interest for the 2021 -2022 financial year on 1 April 2022.

A register of interests is maintained and is available on request or through the WHSSC publication scheme and is available 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.

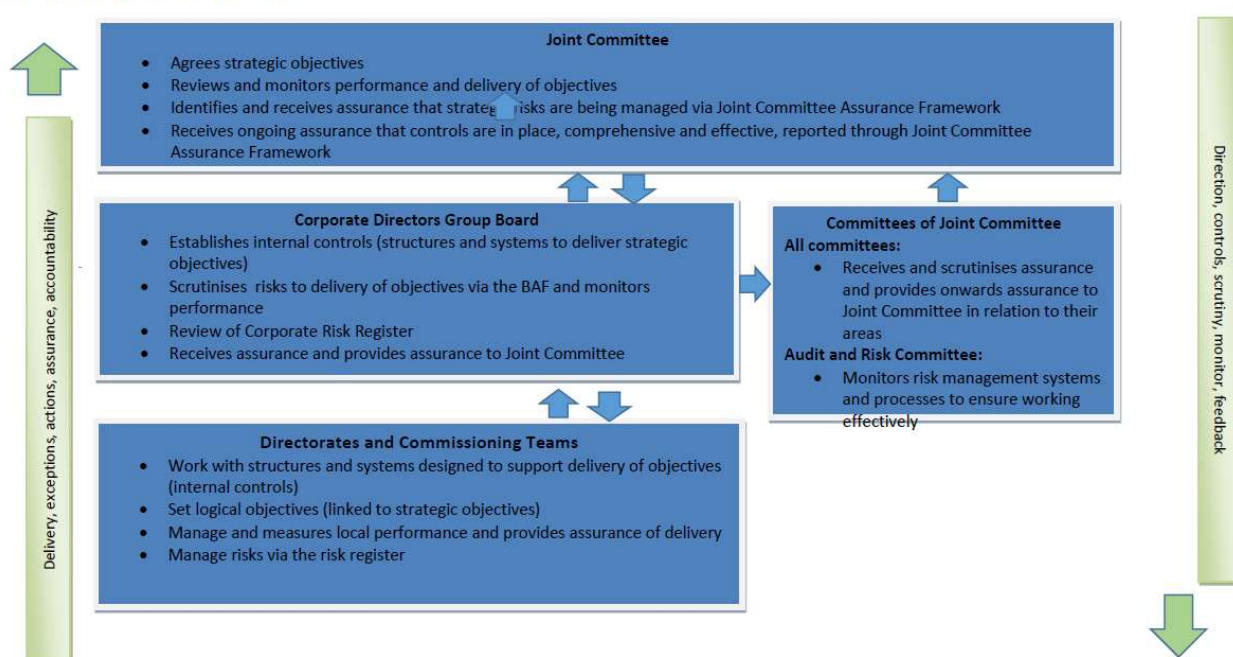
The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control was in place for the year ended 31 March 2022 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 2022 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 ("the 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 Strategy was approved by the Joint Committee [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 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 [15 March 2022](#).

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.

Since May 2021, the commissioning teams have been busy reviewing their risks through a peer review process. A risk management workshop was held with the CDGB during September 2021 to review the risks, review the risk scoring in light of COVID-19 and to horizon scan for new risks. The outcomes included:

- Each directorate developing their own directorate specific risk register,
- The creation of a risk scrutiny group who meet monthly, to scrutinise directorate risks and offer a critical friend process for challenging risk narrative and scoring; and
- The group considers those risks scoring 15 and above which should be escalated to the CRAF in accordance with the risk strategy and makes recommendations to CDGB.

The updated CRAF was approved by the Joint Committee on [15 March 2022](#). The following risks were identified as posing the greatest risk (20 and above) to the delivery of the WHSSC's commissioning objectives during 2021-2022:

Ref	Risk Description	Risk Score
23 (MH/21/08)	Access to Care Adults with a LD 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
26 (NCC046)	Waiting Times Neuropsychiatry Patients There is a risk that neuropsychiatry patients will not be able to be treated in a timely manner with the appropriate therapy support, due to staffing issues.	20
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
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	20

	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	
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The CRAF will be continuously reviewed in line with the revised Risk Management Strategy.

WHSSC is committed to continuous improvement across the whole risk management pathway, areas of significant focus for 2022 include:

- Developing and implementing the new Joint Committee Assurance Framework (JAF) and reviewing the Joint Committees risk appetite,
- 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

In 2015-16, the Joint Committee agreed to adopt the Good Governance Institute (GGI) Model Matrix on defining risk appetite for Specialised Services.

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. A risk management workshop is planned for summer 2022 to review how the RSG process is working, to consider risk appetite and tolerance levels and to discuss developing a Joint Assurance Framework (JAF).

4.3 Managing Risk in the COVID-19 Pandemic

As previously highlighted, the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer-term delivery of specialised services by the organisation, although I am confident that all appropriate action is being taken.

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

Many specialised services are not being delivered in the same way that they were prior to the pandemic. Additionally, there is a broader system risk of equity of access to services and the breakdown of pathways through primary and secondary care, meaning that patients are not flowing into tertiary care in the same way that they were prior to the pandemic. Although this is not a risk that WHSSC can directly manage, there is a clear concern regarding how patients' access specialised services. The update on activity below will provide assurance on how WHSSC intends to manage the recovery during 2022-2023.

4.4 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.

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 received a detailed presentation on "Recovery" at its meeting on the 7 September 2021 that focussed on quality, performance and finance which highlighted key areas of risk and concern. The presentation was also given to the Management Group sub-committee meeting on the 23 September 2021 for assurance.

The Recovery presentations encouraged wide-ranging discussion and structured highlighted reports were presented to Joint Committee from November 2021 onwards. WHSSC reviewed and analysed the business intelligence gathered from real-time monitoring and reporting of waiting times, demand monitoring compared to historical levels for high volume specialties and contract monitoring and developed a full information reporting system which provides monthly updates on delivery against historic activity levels, delivery against recovery plans, referral levels against plan and waiting list positions.

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 reports have evolved and now include 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. For 2021 and 2022 the position is very stable with an improving underspend position.

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.

It should be noted that 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 therefore be captured in processes in place for 2023-24. In the interim, it is anticipated that there will be a non-statutory implementation of the duty of quality in autumn 2022. This will allow for testing the quality reporting indicators, measures and narrative framework concepts being developed during the duty of quality implementation phase as a hybrid reporting process for 2022-23.

The WHSSC Commissioning Assurance Framework (CAF) was considered by the JC in May 2021 and approved in September 2021. This new Commissioner Assurance Framework sets out a new performance assurance process alongside more outcome focussed performance measures. Monitoring services as they recover from the pandemic will need a different approach. Reviewing data on patient outcomes and harm has become an important part of these developing arrangements.

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

WHSSC have discussed recovery plans with Welsh providers through SLA meetings and have now received recovery positions from each of the Welsh providers of tertiary services. WHSSC hold regular Reset and Recovery

meetings with services to monitor performance against plans. A joint Executive-to-Executive meeting has been agreed between WHSSC, CVUHB, SBUHB and BCUHB, in order to discuss the Welsh position across the plans and where necessary identify alternate pathways or Welsh patients. Any significant variance from plans will be managed through the WHSSC escalation process, discussed with the relevant provider and reported to the QPS Committee and the JC.

The escalation process was reviewed alongside the Commissioner Assurance Framework. 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.

Given the pandemic and pressures on providers, services in escalation for isolated RTT failures were removed from the escalation process. Commissioning teams will continue to work with these providers and maintain oversight of their recovery plans and trajectories and re-introduce any Welsh Government targets when announced.

5.2 Integrated Commissioning Plan (ICP) for Specialised Services

Each year Welsh Government issues planning guidance that places a requirement on organisations within NHS Wales, for the development of integrated plans, that seek to align; service, workforce and finance. This plan responds to that guidance, and seeks to present 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 plan has been developed within the ever-changing context of the Coronavirus pandemic, a situation that has seen the delivery of specialist services impacted in both Welsh and English providers.

The Joint Committee (JC) approved the Integrated Commissioning Plan (ICP) on the [8 February 2022](#).

5.3 Ministerial Priorities & Measures

WHSSC are ambitious about our role in supporting the bold agenda set out in A Healthier Wales (2018) that describes a whole system approach to health and social care. Putting quality and safety above all else is the first NHS Wales core value. This focus has been strengthened more recently through the Health and Social Care (Quality and Engagement) (Wales) Act (2020), the National Clinical Framework for Wales (2021) and the Quality and Safety Framework (2021). Collectively these set out an aspiration for quality-led health and care services, underpinned by prudent healthcare principles, value-based healthcare and the quadruple aim.

The Minister for Health and Social Services published new priority measures in January 2022, and all NHS organisations are required to report on the new measures from April 2022.

Whilst many of the 32 measures will 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).

During the COVID-19 pandemic, and in response to the Ministerial priorities issued to Health organisations at the pandemic's inception, WHSSC has modified its relationship with providers, seeking assurance on delivery and recovery, however moving away from assertive performance management. Reference to the new measures was included in the IPC approved by the Joint Committee on the 8 February 2022 and an update report on the process WHSSC will adopt to respond to the measures was presented to the Joint Committee on the [15 March 2022](#).

5.4 A Specialist 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 Strategy for Specialised Services in Wales.

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.

It was previously agreed with Joint Committee that a stakeholder engagement exercise would be undertaken in December 2021/January 2022 to gain insight on long-term ambitions and to inform how we shape and design our services for the future. This would inform the Specialised Services Strategy which was planned to be presented to the JC in March 2022. However, the timetable for this was revised in response to the system pressures related to the Omicron wave of the pandemic and the letter received from the Director General/CEO of NHS Wales regarding use of the Options Framework and the necessity to step down non-essential activities. In order to progress the work, a Project Manager will be employed on an interim basis to lead the work required to develop and agree the specialised services strategy and it is envisaged this will be completed by July 2022.

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.

WHSSC have embarked on a development programme, which included the Joint Committee participating in an equity workshop in May 2021. The findings of the workshop were shared with HBs and Welsh Government.

The Corporate Governance Officer is a member of the Equality and Welsh Language Group within CTMUHB and 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.

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.

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 2021-2022, the Corporate Governance Officer attended the CTMUHB Welsh language group meetings and the Committee Secretary will attend the recently established CTMUHB Welsh Language Committee meetings to lead and drive the implementation and delivery of legislative Welsh Language compliance across WHSSC. 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.

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 front cover for Committee reports includes a section for the author to 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 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 HB's 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 HB's 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.

6.7 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 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 policies will have a focus on innovative ways of working including digital and remote clinics to support reducing the carbon footprint.

In particular during 2022 and beyond WHSSC will embed the working practices that were, by necessity, introduced in 2020. In particular WHSSC will continue a blended and hybrid approach to office and remote working, reducing the need for travel, and will also 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 to adopt these practices going forward.

A number of staff purchased electric vehicles via the NHS Fleet Solutions Scheme. As a consequence, WHSSC is finalising arrangements to install EV charging stations at its premises.

All our Electricity is Zero Carbon procured on an all-Wales basis under the Renewable Energy Guarantees of Origin (REGO) scheme. Due to an issue with the office electricity meter, we have been unable to record our electricity and gas consumption for 2021-2022. Going forward for 2022-2023 we will monitor our office utilities and we will seek to ensure we meet the Welsh Government 3% reduction target on the office water and energy use.

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.

6.8 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.

6.9 Ministerial Directions 2021-2022

Ministerial Directions issued by the Welsh Government during 2020-2021 have been considered and where appropriate implemented.

Welsh Health Circulars (WHC's) 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 2020-21 which were applicable to WHSSC. A list of WHC's issued by Welsh Government during 2020-21 is available at: <https://gov.wales/health-circulars> and a summary is presented at **Appendix 3**.

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 2021-2022, the following Welsh Health Circular's (WHCs) were relevant to WHSSC:

WHC
WHC/2022/005 – Welsh Value in Health Centre: data requirements was issues in March 2022. This Welsh Health Circular provides an update to the arrangements set out in WHC 2020(003), and in particular ensuring that the aim of higher value health and care as described in A Healthier Wales, the Welsh Government's long term plan for health and social care, is facilitated through the Welsh Value in Health Centre, in line with its strategy to 2024.
WHC/2021/031 – NHS Wales Planning Framework 2022 to 2025. The timeline of the WHSSC ICP takes into account the NHS Wales Planning Framework.
WHC/2021/024 – NHS Wales' contribution towards a net-zero public sector by 2030. This was taken into account in the WHSSC ICP and Annual Report.
WHC/2021/022 – Publication of the quality and safety framework.

6.10 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 Corporate Governance Manager 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 2022-2023.

There were no WHSSC specific incidents relating to data security that required reporting to the Information Commissioner's Office (ICO) during 2021-2022.

6.11 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.

6.12 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.

6.13 Modern Slavery Act 2015 – 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 2021 - 2022 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.

6.14 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 2020-2021 annual assessment due to work pressures and COVID-19 placing a strain on the Corporate Team, the survey questionnaires were disseminated in a word format via email to all members on 17 June 2021. Respondents were asked to complete and return their responses using a yes/no and comment format. The agreed actions were presented to the IGC on 28 February 2022 and positive progress had been made against each action.

The process was subsequently reviewed and the Corporate Team felt that the approach could be improved, as it required manual reporting of the responses, and that the wording of the questions could be strengthened.

Therefore, a different approach was recommended for the 2021-2022 self-assessment.

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 findings and feedback are currently being reviewed with a view to developing an action plan to address any areas that require improvement, which will be monitored by the IGC. The individual Committee findings will be presented to each relevant sub-Committee and the Joint Committee for assurance.

In addition, the feedback will contribute to the development of a Joint Committee Development plan to map out a forward plan of development activities for the Joint Committee and its sub committees for 2022-2023.

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 the table below to map

the various sources of assurance issues, gaps in controls and/or gaps in assurance can be identified:

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-to-day practices and culture, utilising a single co-ordinated approach to the identification, assessment and management of all types of risk.	The CRAF is presented to each QPSC, IGC and ARC meeting and is presented to the Joint Committee every 6 months. The operating framework for the CRAF is outlined in the Risk Management Strategy.
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 2021-2022. 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.

Tool	Scope	Assurance Reporting
Internal Policies	Policies and procedures designed to give management a reasonable assurance that the company achieves its objectives	A report on operational policies is presented to the QPSC and IGC routinely for assurance. The WHSSC internal policy group oversee the management of all policies and report to CDGB.
Regulatory and Legal	Compliance with regulatory and legislative frameworks.	Routine assurance reports to JC and sub committees and the Annual 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 provides 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 Board 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 2021-2022:

Audit Theme	Assessment Rating
Cancer and Blood Programme Team,	Substantial Assurance
All Wales Positron Emission Tomography (PET) Service	Reasonable Assurance
Risk Management	Reasonable Assurance

The programme was impacted by the need to respond to the COVID-19 pandemic with one audit deferred into 2022-2023 as a consequence of business pressures for the audit team at NWSSP.

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.

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
<p>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.</p>
<p>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.</p>
<p>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:</p> <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. <p>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.</p>
<p>R4 The current specialised services strategy was approved in 2012. WHSSC should develop and approve a new strategy during 2021. This should:</p> <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 2021-2022. The Joint Committee received and approved the tracker document on 18 January 2022. Audit Wales were in attendance and advised that the management responses were comprehensive and well thought out and that positive progress had been made against the actions. The ongoing scrutiny being undertaken through the IGC was noted.

The progress report was shared with the 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.

A further progress report was provided to the IGC Committee meeting on 19 April 2022 with further positive progress noted.

8.0 CONCLUSION

As indicated throughout 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 that 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 2022-2023 and beyond. 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 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 2021-2022.

The IPFR governance issues and risks highlighted under sections 2.4 have been escalated to the Joint Committee and regular updates provided throughout the year. WHSSC is awaiting clarification from Welsh Government before progressing the review of the ToR and All Wales IPFR Policy.

Dr Sian Lewis

Managing Director of Specialised and Tertiary
Services Commissioning, NHS Wales
Date: 31 March 2022

Appendix 1

Table 1 - of Membership and Attendance for the Joint Committee 2021-2022

Name	Role	Organisation	Attendance at Meetings 2021-2022
Non Officer Members			
Kate Eden	Chair	Welsh Health Specialised Services Committee	9/9
Emrys Elias	Vice Chair (until 31 May 2021)	Independent Member, Aneurin Bevan UHB	2/2
Ceri Phillips	Member (from 1 June 2021)	Vice Chair, Cardiff and Vale UHB	6/7
Ian Phillips	Member	Independent Member, Powys Teaching HB	9/9
Ian Wells	Member (from 1 May 2021)	Independent Member, Cwm Taf Morgannwg UHB	5/7
Chief Executive Members*			
Mark Hackett	Member	Chief Executive, Swansea Bay UHB	9/9
Glyn Jones	Member	Acting Chief Executive, Aneurin Bevan UHB	5/5
Paul Mears	Member	Chief Executive, Cwm Taf Morgannwg UHB	8/9
Steve Moore	Member	Chief Executive, Hywel Dda UHB	9/9
Judith Paget	Member (until 31 October 2021)	Former Chief Executive, Aneurin Bevan UHB	4/4
Suzanne Rankin	Member (from 1 February 2022)	Chief Executive, Cardiff & Vale UHB	1/2
Len Richards	Member (until 30 September 2021)	Former Chief Executive, Cardiff & Vale UHB	4/4
Carol Shillabeer	Member	Chief Executive, Powys Teaching HB	9/9
Jo Whitehead	Member	Chief Executive, Betsi Cadwaladr UHB	6/9
Stuart Walker	Member	Former Interim Chief Executive, Cardiff & Vale UHB	3/3
Welsh Health Specialised Services Officer Members			
Carole Bell	Officer Member	Director of Nursing and Quality Assurance	7/9
Stuart Davies	Officer Member	Director of Finance	9/9
Iolo Doull	Officer Member	Interim Medical Director	5/9
Sian Lewis	Officer Member	Managing Director	9/9
Karen Preece **	Officer	Director of Planning	9/9
Kevin Smith **	Officer (until 31 May 2021)	Committee Secretary	2/2
Jacqui Evans **	Officer (from 1 June 2021)	Committee Secretary	7/7

Name	Role	Organisation	Attendance at Meetings 2021-2022
Associate Members			
Tracey Cooper	Associate Member	Chief Executive, Public Health Wales NHS Trust	0/9
Steve Ham	Associate Member	Chief Executive, Velindre NHS Trust	0/9
Jason Killens	Associate Member	Chief Executive, Welsh Ambulance Service NHS Trust	0/9

** 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.*

Appendix 2

Table 2 – Dates of Joint Committee Meetings 2021-2022

The following table outlines the months during which meetings of the Joint Committee and joint sub-committee meetings were held during 2021-2022.

	2021									2022		
	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Joint Committee		11		13		7		9		18		15
Joint Committee (extraordinary)	19									11	8	
Integrated Governance			8		10		12		13		28	30
All Wales IPFR Panel	1 & 15*	6	3	1	5* & 19*	2* & 16	07 & 21	18	02 & 16	N/A	N/A	N/A
Management Group	22	20	24	15	19	23	21	25	16	20	24	24
Quality & Patient Safety			8		10		12			18		30
Welsh Renal Clinical Network			9		4		4	10			9	

**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.

IPFR Panel Meetings Jan-March 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.

The full IPFR Panel was stood down January- March 2022, and operated via the Chair's Action arrangement outlined in the Terms of Reference (ToR) was used until the end of March 2022. 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 the decision followed on from the National Health and Social Care Risk Summit on the 15 February 2022 and the Minister for Health & Social Services agreement that a two week system reset take place across Wales and across health and social care to create flex for our capacity and workforce, to manage risk and to meet patient's/ service user's needs from the 2 March until 16 March 2022.