



AGENDA ITEM

4.3

AUDIT & RISK COMMITTEE

PROCUREMENT & SCHEME OF DELEGATION REPORT

Date of meeting

22/08/2022

FOI Status

Open/Public

If closed please indicate reason

Not Applicable - Public Report

Prepared by

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Presented by

Sally May, Executive Director Finance & Procurement

Approving Executive Sponsor

Executive Director of Finance & Procurement

Report purpose

FOR APPROVAL

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals

Date

Outcome

Choose an item.

ACRONYMS

OJEU

Official Journal of the European Union

FCPs

Financial Control Procedures

SoD

Scheme of Delegation

1. SITUATION/BACKGROUND

1.1 Procurement Matters

The following areas within the Scheme of Delegation (SoD) are reported to the Audit & Risk Committee so that members of the Committee have the opportunity to ask questions or request further information:

- a) Engagement off contract of non-medical staff not paid via the payroll. The Director of People and the Head of Procurement would need to confirm agreement prior to any commitment.
- b) Waiver of competitive tenders, as authorised by the Director of Finance and Procurement.
- c) Contracts requiring Ministerial approval (over £1m)

This report provides details of any such transactions within the period 01.04.22 to 31.07.22.

1.2 Purchase to Pay

In order to comply with the Public Sector Payment Policy, 95% of the number of non-NHS invoices must be paid within 30 days. This report provides an update on the Prompt Payment compliance for 2022-23.

1.3 Scheme of Delegation and Financial Control Procedures

This report provides update to Scheme of Delegations (SoDs) or Financial Control Procedures (FCPs) are reported.

Financial Control Procedures (FCPs) should be reviewed periodically (at least every 3 years) to ensure they are up to date.

2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 Procurement Matters

a) Engagement off contract of non-medical staff not paid via the payroll

There were no engagements or contracts entered into during the period 01.04.22 to 31.07.22.



b) Waiver of competitive tenders, as authorised by the Director of Finance.

Standing Financial Instructions require 4 competitive tenders for supplies of goods and services over £25,000 up to the prevailing OJEU threshold and 5 competitive tenders above OJEU Purchases over £1m require Ministerial approval.

The Scheme of Delegation allows the Director of Finance and Procurement to approve a waiver of the requirement for competitive tenders up to OJEU or other exceptions to tender rules. **Table A** below provides details of such actions during the period 01.04.22 to 31.07.22

Table A – Single Tender Actions 01.04.22 to 31.07.22

STA	Revenue/Capital	Division	Contract description	Supplier	Contract Value Exc. VAT	Reason for approval	Date Returned
1590	Capital	Estates	Decommissioning work for Ysbyty Seren (design fees)	James & Nicholas	£59,257	a)	27/06/22
1591	Revenue	Workforce	Provision of the Nursing and Midwifery Council Test of Competence	Northumbria University	£70,507	a), b), d)	19/07/22
1592	Revenue	Workforce	Provision of the Nursing and Midwifery Council Test of Competence	Competence Test Centre	£70,507	a), b), d)	19/07/22
07/221596	Revenue	CAMHS	Online platform supporting Children & Young People with mental health	Kooth	£59,332	a), d)	22/07/22

Reasons for approval:

- a) service/work is follow-up, supplier has already undertaken initial work in same area (work undertaken via open competition)
- b) Compatibility issue
- c) Genuine 1 provider

d) Need to retain particular contractor for real business continuity issues not preferences

STA 1591 - Provision of the Nursing and Midwifery Council (NMC) Test of Competence- Northumbria University - £70,507

There are currently only 4 NMC test centres in the UK with a 5th one opening in Leeds in April 2022. Currently Cwm Taf Morgannwg University Health Board has contracts in place with three of the test centres, with the view to utilising Northumbria and Leeds Universities in the future.

This contract is to enable us to have a mechanism to use the additional University capacity to ensure the maximum availability and flexibility to access these mandatory exams.

It is an essential requirement of the Nursing and Midwifery Council to obtain registration in UK. Without access to sit this exam, these individuals are unable to progress to be registered nurses in the UK and their immigration status will become untenable.

STA 1592-Provision of the Nursing and Midwifery Council Test of Competence -Competence Test Centre-£70,507

As per STA 1591

STA 1596 - Online Platform supporting Children & Young People with mental health – Kooth - £59,332

Kooth has been providing an alternative and complementary offer to traditional mental health services and treatment across Cwm Taf since April 2021. However, it was recognised by Kooth that it took quite a few months in the beginning of 21/22 to share information to Children and Young people and therefore uptake to the service in the first 6-9 months was low. As a result, it has been agreed with Kooth that they would extend the service post 21/22 for the first quarter of 22/23 for free and that we would then extend from July 22 to March 23 to enable the health board to formally evaluate the service.

Kooth is a unique online supplier as alongside providing signposting and support for self-management of mental health concerns it also provides online counselling and support sessions to young people. It is different to other mental health online platforms as Kooth can interact with the children and young people, there are mental health professionals providing support from the company, the conversations and therapy is provided by people rather than informatics systems.

d) Contracts requiring Ministerial approval (over £1m)

N/A

2.2 Purchase to Pay (P2P)

The Health Board has met its 95% target of paying non-NHS invoices within 30 days to Month 4 2022-23 achieving 95.95% (value 94.28%). This compares to 93.5% (value 91.8%) to Month 4 2021-22.

However, for the month of July only 93.68% was achieved. This was largely due to the failure of 656 Nurse Agency invoices which accounted for 3%. This was due to the lack of resource in the Bank office team where redeployed staff returned to their substantive posts. As a result, there is a backlog of invoices awaiting processing which is likely to continue to impact the PSPP figures until the new self-billing process is rolled out later in the year.

The self-billing process is due to commence in September 2022, however if this does not proceed and the percentage does not recover in subsequent months, there is a risk that the Health Board may not achieve the 95% target for 2022-23.

	0 - 30 Days		Total		%	
	Number	Value	Number	Value	Number	Value
Apr-22	20,667	46,929,829	21,611	49,682,932	95.63%	94.46%
May-22	19,217	43,766,897	19,796	46,596,405	97.08%	93.93%
Jun-22	25,864	43,490,528	26,670	45,686,653	96.98%	95.19
Jul-22	17,617	36,630,680	18,805	39,207,371	93.68%	93.43%
YTD	83,365	170,817,934	86,882	181,173,361	95.95%	94.28%

The NHS invoice position shows that 87.54% (number) and 97.96% (value) of invoices were paid within 30 days to month 4 2022-23. (77.6% (number) and 95.5% (value) for the same period in 2021-22).

Scheme of Delegation and Financial Control Procedures

Proposed amendments to the Scheme of Delegation are shown in **Appendix A** which outlines the existing limits and delegated authority together with the proposed changes – these are shown in tracked changes.

The Scheme of Delegation has been updated to reflect the changes in job titles due to the new organisation delivery model, moving from locality groups to care groups. The main changes are as follows:

- To change from ILG Directors to Care Group Service Directors
- To include authorisations for Deputy Chief Operating Officer
- Change the old title 'Director of Clinical Services' to Deputy Chief Operating Officer
- To include a limit of £100,000 for Deputy Chief Operating Officer for non-pay expenditure and to clarify limits for Director of Digital and Director of Governance.

Once the Scheme of Delegation has been approved, Financial Control Procedures will be updated to reflect these changes, they will be brought to future Audit & Risk Committee for approval.

3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

- 3.1 Risk that if the Nurse Agency invoices payment times do not improve, the attainment of the PSPP target may not be achieved.

4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	There are no specific quality and safety implications related to the activity outlined in this report.
Related Health and Care standard(s)	Governance, Leadership and Accountability If more than one Healthcare Standard applies please list below:
Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below) If yes, please provide a hyperlink to the location of the completed EIA or who it would be available from in the box below. If no, please provide reasons why an EIA was not considered to be required in the box below.



Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	There is no direct impact on resources as a result of the activity outlined in this report.
Link to Strategic Goals	Sustaining Our Future

5. RECOMMENDATION

The Audit & Risk Committee is asked to:

- a) **NOTE** the position on procurement matters for the period 01.04.22 to 31.07.22;
- b) **NOTE** the update regarding Purchase to Pay;
- c) **APPROVE** the amendments to the Scheme of Delegation