



		Agenda Item	4.5
Meeting Title	<b>Joint Committee</b>	Meeting Date	13/07/2021
Report Title	WHSSC Committee Governance Arrangements – Management Response		
Author (Job title)	Committee Secretary & Head of Corporate Services		
Executive Lead (Job title)	Committee Secretary & Head of Corporate Services	Public	Public

Purpose	The purpose of this report is to present the management response to the Audit Wales report WHSSC Committee Governance Arrangements.			
RATIFY <input type="checkbox"/>	APPROVE <input type="checkbox"/>	SUPPORT <input type="checkbox"/>	ASSURE <input checked="" type="checkbox"/>	INFORM <input type="checkbox"/>

Sub Group /Committee	Audit Committee	Meeting Date	09/06/2021
Recommendation(s)	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• <b>Note</b> the report and the proposed WHSSC management response to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report,</li> <li>• <b>Note</b> the Welsh Government response to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report.</li> </ul>		

**Considerations within the report** (tick as appropriate)

	YES	NO		YES	NO		YES	NO
Strategic Objective(s)	✓		Link to Integrated Commissioning Plan			Health and Care Standards		
Principles of Prudent Healthcare			IHI Triple Aim			Quality, Safety & Patient Experience		
Resources Implications			Risk and Assurance			Evidence Base		
Equality and Diversity			Population Health			Legal Implications		

**Commissioner Health Board affected**

Aneurin Bevan	✓	Betsi Cadwaladr	✓	Cardiff and Vale	✓	Cwm Taf Morgannwg	✓	Hywel Dda	✓	Powys	✓	Swansea Bay	✓
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**Provider Health Board affected** (please state below)

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## WHSSC COMMITTEE GOVERNANCE ARRANGEMENTS – MANAGEMENT RESPONSE

### 1.0 SITUATION

The purpose of this report is to present the management response to the Audit Wales report WHSSC Committee Governance Arrangements.

### 2.0 BACKGROUND

In 2015, the Good Governance Institute (GGI) and Healthcare Inspectorate Wales (HIW) undertook two separate governance reviews for WHSSC which highlighted issues with WHSSC's governance arrangements. The GGI highlighted concerns relating to decision making and conflicts of interest, and identified the need to improve senior level clinical input as well as the need to create a more independent organisation that is free to make strong and sometimes unpopular (to some) decisions in the best interest of the people of Wales. HIW) conducted a review of clinical governance and found that WHSSC was beginning to strengthen its clinical governance arrangements but needed to strengthen its approach for monitoring service quality and also improve clinical engagement.

Since then, considering the increasing service and financial pressures, and the potentially changing landscape of national collaborative commissioning and NHS Executive as set out in Welsh Government's "A Healthier Wales", the Auditor General for Wales felt it was timely to undertake a review WHSSC's governance arrangements.

The Audit Wales review into Committee Governance arrangements at WHSSC was undertaken between March and June 2020, however as a result of the COVID-19 pandemic, aspects of the review were paused, and re-commenced in July. A survey was issued to all Health Boards and the fieldwork was concluded in October 2020.

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 Health Board Chief Executive and Chairs and a review of corporate documents.

The findings were published in May 2021 in the [Audit Wales Committee Governance Arrangements at WHSSC](#) report.

The report outlined 4 recommendations for WHSSC and the 3 recommendations for Welsh Government.

## 3.0 MANAGEMENT RESPONSE

### 3.1 WHSSC Management Response

The report outlined 4 recommendations for WHSSC and the draft management response has been circulated to Health Board CEO's, Welsh Government and Audit Wales for comment and feedback.

The feedback received has been reviewed and the updated WHSSC management response is presented at **Appendix 1** for information and assurance.

Progress against the actions outlined within the management response will be monitored through the Integrated Governance Committee (IGC) on a quarterly basis, and a full progress report will be presented to the Joint Committee 18 January 2022, once the actions related to the Integrated Commissioning Plan (ICP) process and engagement events have been completed.

### 3.2 Welsh Government Management Response

The report outlined 3 recommendations for Welsh Government (WG) and the management response is outlined in the letter from Dr Andrew Goodall, Director General Health & Social Services/ NHS Wales Chief Executive to Mr Adrian Crompton, Auditor General for Wales which is presented at **Appendix 2** for information and assurance.

Progress against the WG management response will be monitored through discussions between the Chair, the WHSSC Managing Director and the Director General Health & Social Services/ NHS Wales Chief executive.

## 4.0 GOVERNANCE & RISK

Audit Wales undertake an annual programme of independent external audits on NHS services, and NHS bodies are required to present a formal management response to recommendations through a public report.

## 5.0 RECOMMENDATIONS

Members are asked to:

- **Note** the report and the proposed WHSSC management response to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report; and
- **Note** the Welsh Government response to the Audit Wales recommendations outlined in the WHSSC Committee Governance Arrangements report; and
- **Note** the proposed arrangements for monitoring progress against the actions outlined in the management responses.

## 6.0 APPENDICES / ANNEXES

**Appendix 1** - WHSSC Management Response to the Audit Wales Report  
Committee Governance Arrangements at WHSSC

**Appendix 2** – Letter from Welsh Government to Audit Wales – Welsh  
Government’s Management Response



<b>Link to Healthcare Objectives</b>		
Strategic Objective(s)	Governance and Assurance Choose an item. Choose an item.	
Link to Integrated Commissioning Plan	Implementation of the agreed ICP	
Health and Care Standards	Safe Care Effective Care Governance, Leadership and Accountability	
Principles of Prudent Healthcare	Only do what is needed Reduce inappropriate variation Choose an item.	
Institute for HealthCare Improvement Triple Aim	Improving Patient Experience (including quality and Satisfaction) Choose an item. Choose an item.	
<b>Organisational Implications</b>		
Quality, Safety & Patient Experience	The Management responses outline activities to strengthen and develop WHSSC's impact on quality, safety and patient experience.	
Resources Implications	Some improvement actions may require the application of additional resources.	
Risk and Assurance	Risk management is a key element of developing WHSSC's services and risk assessments will be undertaken as required.	
Evidence Base	-	
Equality and Diversity	There are no equality and diversity implications.	
Population Health	There are no immediate population health implications.	
Legal Implications	There are no direct legal implications.	
<b>Report History:</b>		
<b>Presented at:</b>	<b>Date</b>	<b>Brief Summary of Outcome</b>

## Response to the Recommendations from the Audit Wales Report Welsh Health Specialised Services Committee Governance Arrangements

In May 2021, Audit Wales published the “Welsh Health Specialised Services Committee Governance Arrangements”<sup>1</sup> which found that the governance, management and planning arrangements at WHSSC have improved, however the impact of COVID-19 will require a clear strategy to recover key services and that the Welsh Government’s long-term model for health and social care ‘A Healthier Wales’, and the references made to WHSSC should be re-visited.

Audit Wales made a number of recommendations for both WHSSC and Welsh Government and the management response to the WHSSC recommendations are outlined below:

Recommendation	Response/ Action	By when	By whom
<b>Quality governance and management</b>			
<b>R1</b> 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.	We accept the recommendation and intend to take the following actions.		
	We will include in our routine reports to Joint Committee (JC) on quality, performance and finance a section highlighting key areas of concern to promote effective focus and discussion.	Sept 2021	WHSSC Executive leads
	We will develop a revised suite of routine reports for JC that will include elements of the activity reporting, that we introduced during the pandemic, and will take into account the quality and outcome reporting that is currently being developed by Welsh Government (WG).	Mar 2022	WHSSC Executive leads

<sup>1</sup> [Welsh Health Specialised Services Committee Governance Arrangements \(audit.wales\)](https://audit.wales.gov.uk/reports-and-articles/welsh-health-specialised-services-committee-governance-arrangements)

Recommendation	Response/ Action	By when	By whom
	We will encourage members of the JC to engage in consideration and discussion of key areas of concern that are highlighted.	Sept 2021	Chair of WHSSC
	We will include routinely at JC an invitation for an oral report to be delivered by, or on behalf of, the Chair of the WHSSC Quality & Patient Safety Committee (Q&PSC) based on the written report from the Chair of Q&PSC.	Sept 2021	Chair of WHSSC
<b>Programme Management</b>			
<p><b>R2</b> 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>We accept the recommendation and intend to take the following actions.</p> <p><b>a) Building Programme Management competency/capacity</b> A number of new staff have recently joined WHSSC in senior positions in the planning team who bring with them strong programme and project management skills. There are 'lunch and learn' sessions planned to share this approach, and the use of common templates is embedding, it is anticipated that this approach will grow programme management competency and capacity within the organisation. The approach is already starting to embed in the way the planning team operates, with programme management approaches already</p>	To commence Sept 2021	WHSSC Director of Planning

Recommendation	Response/ Action	By when	By whom
	<p>applied to the two strategic pieces committed to through the 2021 ICP (namely paediatrics and mental health) and to the management of the CIAG prioritisation process. Common templates apply to highlight and exception reporting, risk logs and timelines/milestones.</p> <p><b>b) Programme management on WHSSC commissioned services.</b> Programme arrangements have previously been used for strategic service reviews and the development of the PET (positron Emission Therapy) business case. We will further develop this approach as outlined above, i.e. through a common approach to programme management across the organisation and to and the use of common templates. These will become the basis of reporting through programme structures and as necessary to joint committee.</p> <p><b>c) HB Commissioned Services</b> – when services are not the sole responsibility of WHSSC, and where the senior responsible officer is outside of WHSSC, we will contribute to the programme arrangements, offering clarity about the role of WHSSC and</p>		

Recommendation	Response/ Action	By when	By whom
	the scope of the responsibilities it has within the programme. We will seek to deliver against any key milestones set, and report progress, risk and exception accordingly.		
<b>Recovery Planning</b>			
<p><b>R3</b> 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"> <li>a. the backlog of waits for specialised services, how these will be managed whilst reducing patient harm.</li> <li>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.</li> <li>c. 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.</li> </ul>	<p>We accept the recommendation and recognise the post COVID-19 recovery challenges. We intend to take the following actions.</p> <p><b>a) Managing backlog of waits whilst reducing harm</b></p> <ul style="list-style-type: none"> <li>i. Introduction of real-time monitoring and reporting of waiting times to Management Group and Joint Committee</li> <li>ii. Review of recovery plans with Welsh provider Health Boards,</li> <li>iii. Regular Reset and Recovery meetings with services to monitor performance against plans. Significant variance from plans will be managed through the WHSSC escalation process</li> <li>iv. Introduction of the WHSSC Commissioner Assurance Framework (CAF),</li> <li>v. Workshop with Joint Committee members on how to deliver 'equity' in specialised services. Report shared with HBs and WG.</li> </ul>	<p>Sep 2021</p> <p>Jul 2021</p> <p>From Apr 2021</p> <p>In place</p> <p>In place Completed May 2021</p>	<p>WHSSC Executive leads</p> <p>WHSSC Executive leads</p>

Recommendation	Response/ Action	By when	By whom
	<p><b>b) Potential impact and cost of managing hidden demand.</b></p> <ul style="list-style-type: none"> <li>i. Introduction of demand monitoring compared to historical levels for high volume specialties, findings to be reported to the WG Planned Care Board and HBs to inform non-WHSSC commissioned pathway development.</li> <li>ii. Appointment of an Associate Medical Director for Public Health to work with Health Board Directors of Public Health to assess impact.</li> </ul> <p><b>c) Financial consequences of services that were commissioned and under-delivered as a result of COVID-19</b></p> <ul style="list-style-type: none"> <li>i. This information is already captured through our contract monitoring process and compared against the national block contract framework implemented to maintain income stability through COVID-19. This will inform future planned baselines and contract negotiation, where the negotiation is within our control. WHSSC is working with contracted providers across Wales and England to establish their specialised recovery trajectories</li> </ul>	<p>In Place</p> <p>Q3/Q4 2021/22</p> <p>In Place</p>	<p>WHSSC Executive leads</p>

Recommendation	Response/ Action	By when	By whom
	<p>and where appropriate will secure recovery funding from WG to direct to providers for recovery performance if above established contracted baseline levels.</p> <p><b>d) Reporting Analysis</b> We will review and analyse the business intelligence gathered from the actions outlined in points a,b and c above and use the real-time and historical data to inform our decision making on managing existing, and developing new specialised commissioned services. We will report our analysis and outcomes to the Joint Committee, Welsh Government and the Management Group as appropriate.</p>	Sept 2021	
<b>Specialised Services Strategy</b>			
<p><b>R4</b> 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"> <li>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.</li> <li>b. be informed by a review of the extent of the wider services already commissioned by WHSSC, by</li> </ul>	<p>We accept the recommendation and work had begun on developing a new Commissioning strategy, however the COVID-19 pandemic delayed progress. To move forward the new specialised services strategy will be informed by the WG policy for reset and recovery.</p> <p>We intend to take the following actions.</p> <p><b>a. Embrace New Innovations</b></p> <ul style="list-style-type: none"> <li>i. We will continue to utilise our well-established horizon scanning</li> </ul>	<p>Q4 2021/22</p> <p>In place</p> <p>Jul 2021</p>	<p>WHSSC Managing Director</p>

Recommendation	Response/ Action	By when	By whom
<p>developing a value-based service assessment to better inform commissioning intent and options for driving value and where necessary decommissioning.</p> <p>The review should assess services:</p> <ul style="list-style-type: none"> <li>• which do not demonstrate clinical efficacy or patient outcome (stop);</li> <li>• which should no longer be considered specialised and therefore could transfer to become core services of health boards (transfer);</li> <li>• where alternative interventions provide better outcome for the investment (change);</li> <li>• currently commissioned, which should continue (continue).</li> </ul>	<p>process to identify new therapeutic and technological innovations, drive value and benchmark services against other commissioning models to support , short, medium, and long-term approach for post pandemic recovery</p> <p>ii. We will continue to develop our relationship with NICE, AWMSG and HTW in relation to the evaluation of new drugs and interventions,</p> <p>iii. We will engage with developments for digital and Artificial intelligence (AI),</p> <p>iv. We will continue our regular dialogue and knowledge sharing with the four nations’ specialised services commissioners,</p> <p>v. We will continue to build upon our existing relationships with the Royal Colleges,</p> <p>vi. We will continue to develop our work on value-based commissioning,</p> <p>vii. We will develop a communication and engagement plan to support and inform the strategy.</p> <p>viii. As previously agreed with Joint Committee a stakeholder engagement exercise will be undertaken to gain insight on long term ambitions and to inform how</p>	<p>Q3 2021/22</p> <p>In place</p> <p>Dec 2021</p> <p>Dec 2021</p>	

Recommendation	Response/ Action	By when	By whom
	<p>we shape and design our services for the future. This will inform the Specialised Services Strategy and the supporting the 3 year integrated commissioning plan.</p> <p><b>b. Approach to Review of Services will be considered in strategy engagement</b></p> <ul style="list-style-type: none"> <li>i. The draft strategy will consider our approach to the review of the existing portfolio of commissioned services and undertake a value based services assessment to assess if existing services are still categorised as specialised,</li> <li>ii. We will continue to undertake our annual prioritisation panel with HB's to assess new specialised services that could be commissioned,</li> <li>iii. We will continue to undertake a process of continuous horizon scanning to identify potential new and emerging services and drugs, and to focus on existing and new hyper-specialised services,</li> <li>iv. WHSSC will investigate opportunities for strengthening its information function through internal re-organisation and investment. This will include the development of an outcome</li> </ul>	Sept 2021	

Recommendation	Response/ Action	By when	By whom
	<p>             manager post to support both the WHSSC strategic approach to outcome measurement as well as a feasibility analysis of currently available tools. We will pursue our planned investment to utilise the SAIL database with a view to assessing the population impact of services in a number of pilot areas. As previously agreed with the Joint Committee a stakeholder engagement exercise will be undertaken to gain insight from our stakeholders on long term ambitions and to inform how we shape and design our services for the future. This will inform transferring commissioned services into and out of the WHSSC portfolio to meet stakeholder and patient demand.           </p>		

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/  
Prif Weithredwr GIG Cymru  
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/  
NHS Wales Chief Executive  
Health and Social Services Group



Llywodraeth Cymru  
Welsh Government

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2 June 2021

Dear Adrian

**Welsh Health Specialised Services Committee (WHSSC) Governance Arrangements:  
Report of the Auditor General for Wales, May 2021**

Thank you for the above Audit Wales report, published on 12 May.

I welcome your conclusion that governance arrangements and decision making at WHSSC have improved since previous reviews. The WHSSC team has worked hard to make these changes and I will expect them to make further progress by addressing your recommendations in relation to an increased focus on quality, programme management, COVID-19 recovery and the specialised services strategy. My officials will be following up on these areas at their regular meetings with WHSSC.

In terms of your recommendations to the Welsh Government, I set out my initial response below, although these may well be subject to any views from the new Minister in light of her priorities.

**Recommendation 5: Independent Member recruitment – accepted and action in train**

I am aware there have been challenges in securing nominations from health boards to undertake the independent member role at WHSSC. My officials have been looking at options in relation to recruitment, remuneration and retention of independent members and I am currently considering their advice before the matter is raised with the Minister. There are a number of options, some of which could be achieved relatively simply and others which would require changes to the legislation. I will write to you again when we have a clear way forward.

**Recommendation 6: Sub-regional and regional programme management (linked to recommendation 2 directed to WHSSC) – accepted**

As you have highlighted, whilst some key service areas like major trauma have been developed successfully and with good collaboration across organisations, the timelines around such changes have been slow and often hampered by a lack of clarity on who is driving the process. I agree with your view that end-to-end programme management of such schemes, which are not within the sole remit of WHSSC, should be strengthened. The National Clinical Framework which we published on 22 March, sets out a vision for a health system that is co-ordinated centrally and delivered locally or through regional collaborations. Implementation will be taken forward through NHS planning and quality improvement approaches and our accountability arrangements with NHS bodies.

**Recommendation 7: Future governance and accountability arrangements for specialised services – accepted in principle**

A Healthier Wales committed to reviewing the WHSSC arrangements alongside other hosted national and specialised functions, in the context of the development of the NHS Executive function. The position of WHSSC within this landscape needs to be carefully considered. On the one hand, there are strengths in the current system whereby health boards, through the joint committee, retain overall responsibility for the commissioning of specialised services. This requires collaboration and mature discussion from both the commissioner and provider standpoint. However, I recognise the inherent risk of conflict of interest in this arrangement and note the reference made in your report to the Good Governance Institute's report of 2015 which suggested a more national model may be appropriate.

In my letter to health boards of 14 August 2019, I indicated that, as recommended by the Parliamentary Review, the governance and hosting arrangements for the existing Joint Committees would be streamlined and standardised. I also said that it was intended the NHS Executive would become a member of the Joint Committees' Boards in order to ensure there is a stronger national focus to decision making. However, the thinking at the time was that the joint committee functions would not be subsumed into the NHS Executive function. We will continue to look at this as the NHS Executive function develops further and I will update you should there be any change to the direction of travel I indicated in 2019.

Yours sincerely



**Dr Andrew Goodall CBE**

cc: Chair of the Senedd Public Accounts Committee.