



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

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# Standing Orders

Reservation and Delegation of Powers  
For the

## Welsh Health Specialised Services Committee

**16 November 2015**

**Llywodraethu da.....calon iechyd da**  
**Good governance.....at the heart of good health care**

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Schedule 4.1

STANDING ORDERS FOR THE  
WELSH HEALTH SPECIALISED SERVICES COMMITTEE

This Schedule forms part of, and shall have effect as if incorporated in the Local Health Board Standing Orders

## **FOREWORD**

Each Local Health Board (LHB) in Wales must agree Standing Orders (SOs) for the regulation of the Welsh Health Specialised Services Committee's (the WHSSC or the Joint Committee) proceedings and business. These WHSSC Standing Orders (WHSSC SOs) form a schedule to each LHB's own Standing Orders, and have effect as if incorporated within them. They are designed to translate the statutory requirements set out in the Welsh Health Specialised Services Committee (Wales) Regulations 2009 (2009/3097( W.270)) and LHB Standing Order 3 into day to day operating practice. Together with the adoption of a scheme of decisions reserved to the Joint Committee; a scheme of delegations to officers and others; and Standing Financial Instructions (SFIs), they provide the regulatory framework for the business conduct of the Joint Committee.

These documents, together with the Memorandum of Agreement dated 16 November 2015 made between the Joint Committee and the seven LHBs in Wales that defines the respective roles of the seven LHB Accountable Officers and a hosting agreement dated 16 November 2015 between the Joint Committee and Cwm Taf LHB (the host LHB), form the basis upon which the Joint Committee governance and accountability framework is developed. Together with the adoption of a Values and Standards of Behaviour framework this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

All LHB Board members, Joint Committee members, LHB and Welsh Health Specialised Services Team (WHSST) staff must be made aware of these Standing Orders and, where appropriate, should be familiar with their detailed content. The Committee Secretary of

the Joint Committee will be able to provide further advice and guidance on any aspect of the Standing Orders or the wider governance arrangements for the Joint Committee. Further information on governance in the NHS in Wales may be accessed at [www.NHSWalesGovernance.com](http://www.NHSWalesGovernance.com)

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## Section: A – Introduction

### Statutory framework

- i) The Welsh Health Specialised Services Committee (the Joint Committee) is a joint committee of each LHB in Wales, established under the **Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9))** (the WHSSC Directions). The functions and services of the Joint Committee are listed in Annex (i) of the WHSSC Directions and are subject to variations to those functions agreed from time to time by the Joint Committee. The Joint Committee is hosted by the host LHB on behalf of each of the seven LHBs.
- ii) The principal place of business of the WHSSC is:  
3a Caerphilly Business Park, Caerphilly, CF83 3ED.
- iii) All business shall be conducted in the name of the Welsh Health Specialised Services Committee on behalf of LHBs.
- iv) LHBs are corporate bodies and their functions must be carried out in accordance with their statutory powers and duties. Their statutory powers and duties are mainly contained in the **NHS (Wales) Act 2006 (c.42)** which is the principal legislation relating to the NHS in Wales. Whilst the **NHS Act 2006 (c.41)** applies equivalent legislation to the NHS in England, it also contains some legislation that applies to both England and Wales. Section 72 of the NHS Act 2006 places a duty on NHS bodies to co-operate with each other in exercising their functions.
- v) Sections 12 and 13 of the NHS (Wales) Act 2006 provide for Welsh Ministers to confer functions on LHBs and to give directions about how they exercise those functions. LHBs must act in accordance with those directions. Most of the LHBs' statutory functions are set out in the Local Health Boards (Directed Functions) (Wales) Regulations 2009 (2009/1511 (W.147)).
- vi) However in some cases, particularly if the function exercised relates to legislation about quality and standards where either there is an overlap with social care functions or bodies and with regards to the law on the regulation of healthcare

professionals, the relevant function may be contained in other legislation.

- vii) Each LHB's functions include planning, funding, designing, developing and securing the delivery of primary, community, in-hospital care services, and specialised services for the citizens in their respective areas. The Directions provide that the seven LHBs in Wales will work jointly to exercise functions relating to the planning and securing of specialised and tertiary services and will establish the joint committee for the purpose of jointly exercising those functions.
- viii) Under powers in paragraph 4 of Schedule 2 to the NHS (Wales) Act 2006 the Minister has made the **Welsh Health Specialised Services Committee (Wales) Regulations 2009 (2009/3097 (W.270))** (the WHSSC Regulations) which set out the constitution and membership arrangements of the Joint Committee. Certain provisions of the **Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (2009/779 (W.67))** (the Constitution Regulations) will also apply to the operations of the Joint Committee, as appropriate.
- ix) In addition to directions the Welsh Government may from time to time issue guidance relating to the activities of the Joint Committee which LHBs must take into account when exercising any function.
- x) The Host LHB shall issue an indemnity to the Chair, on behalf of the LHBs.

## **NHS framework**

- xi) In addition to the statutory requirements set out above, the Joint Committee, on behalf of each of the LHBs, must carry out all its business in a manner that enables it to contribute fully to the achievement of the Welsh Government's vision for the NHS in Wales and its standards for public service delivery. The governance standards set for the NHS in Wales are based upon the Welsh Government's Citizen Centred Governance principles. These principles provide the framework for good governance and embody the values and standards of behaviour that is expected at all levels of the service, locally and nationally.

- xii) Adoption of the principles will better equip the Joint Committee to take a balanced, holistic view of its work and its capacity to deliver high quality, safe healthcare services on behalf of all citizens in Wales within the NHS framework set nationally.
- xiii) The overarching NHS governance and accountability framework within which the Joint Committee must work incorporates the LHBs SOs; Schedules of Powers reserved for the Board and Delegation to others and SFIs, together with a range of other frameworks designed to cover specific aspects. These include the NHS Values and Standards of Behaviour Framework; the Healthcare Standards for Wales Framework, the NHS Risk and Assurance Framework, and the NHS planning and performance management systems.
- xiv) The Welsh Government, reflecting its constitutional obligations, has stated that sustainable development should be the central organising principle for the public sector and a core objective for the restructured NHS in all it does.
- xv) Full, up to date details of the other requirements that fall within the NHS framework – as well as further information on the Welsh Government's Citizen Centred Governance principles - are provided on the NHS Wales Governance e-manual which can be accessed at [www.NHSWalesGovernance.com](http://www.NHSWalesGovernance.com). Directions or guidance on specific aspects of LHB business are also issued in hard copy, usually under cover of a Ministerial letter.

## **Joint Committee Framework**

- xvi) The specific governance and accountability arrangements established for the Joint Committee are set out within:
  - These WHSSC SOs and Schedules of Powers reserved for the Joint Committee and Delegation to others;
  - The WHSSC Standing Financial Instructions (SFIs);
  - A Memorandum of Agreement defining the respective roles of the seven LHB Accountable Officers; and
  - A hosting agreement between the Joint Committee and the host LHB in relation to the provision of administrative and any other services to be provided to the Joint Committee.

- xvii) The annexes to these SOs provides details of the key documents that, together with these SOs, make up the Joint Committee's governance and accountability framework. These documents must be read in conjunction with these WHSSC SOs.
- xviii) The Joint Committee may from time to time, subject to the prior approval of each LHB's Board, agree operating procedures which apply to Joint Committee members and/or members of the WHSST and others. The decisions to approve these operating procedures will be recorded in an appropriate Joint Committee minute and, where appropriate, will also be considered to be an integral part of these WHSSC SOs and SFIs. Details of the Joint Committee's key operating procedures are also included in the annexes of these SOs.

### **Applying WHSSC Standing Orders**

- xix) These WHSSC SOs (together with the WHSSC SFIs and other documents making up the governance and accountability framework will, as far as they are applicable, also apply to meetings of any joint sub-Committees established by the Joint Committee, including any expert panels and advisory groups. These WHSSC SOs may be amended or adapted for the joint sub-Committees, expert panels or advisory groups as appropriate, with the approval of the Joint Committee. Further details on joint sub-Committees and Advisory Groups may be found in the annexes of the WHSSC SOs.
- xx) Full details of any non compliance with the WHSSC SOs, including an explanation of the reasons and circumstances must be reported in the first instance to the Committee Secretary, who will ask the Joint Committee's Audit Committee to formally consider the matter and make proposals to the Joint Committee on any action to be taken. All Joint Committee members and Joint Committee officers have a duty to report any non compliance to the Committee Secretary as soon as they are aware of any circumstance that has not previously been reported. **Ultimately, failure to comply with WHSSC SOs is a disciplinary matter.**

## **Variation and amendment of WHSSC Standing Orders**

- xxi) Although SOs are subject to regular, annual review there may, exceptionally, be an occasion where the Joint Committee determines that it is necessary to vary or amend the SOs during the year. In these circumstances, the Chair of the Joint Committee, advised by the Committee Secretary, shall submit a formal report to each LHB Board setting out the nature and rationale for the proposed variation or amendment. Such a decision may only be made if:
- Each of the seven LHBs are in favour of the amendment; or
  - In the event that agreement cannot be reached, Welsh Ministers determine that the amendment should be approved.

## **Interpretation**

- xxii) During any Joint Committee meeting where there is doubt as to the applicability or interpretation of the WHSSC SOs, the Chair of the Joint Committee shall have the final say, provided that his or her decision does not conflict with rights, liabilities or duties as prescribed by law. In doing so, the Chair should take appropriate advice from the Committee Secretary or in their absence the Corporate Governance Manager.
- xxiii) The terms and provisions contained within these SOs aim to reflect those covered within all applicable health legislation. The legislation takes precedence over these WHSSC SOs when interpreting any term or provision covered by legislation.

## **Relationship with LHB Standing Orders**

- xxiv) These WHSSC SOs form a schedule to each LHB's own SOs, and shall have effect as if incorporated within them.

## **The role of the Committee Secretary**

- xxv) The role of the Committee Secretary, supported by the Corporate Governance Manager, is crucial to the ongoing development and maintenance of a strong governance framework within the Joint Committee, and is a key source of advice and support to the Chair and Joint Committee

members. Independent of the Joint Committee, the Committee Secretary and the Corporate Governance Manager act as the guardians of good governance within the Joint Committee:

- Providing advice to the Joint Committee as a whole and to individual Committee members on all aspects of governance;
- Facilitating the effective conduct of Joint Committee business through meetings of the Joint Committee, its joint sub-Committees and Advisory Groups;
- Ensuring that Joint Committee members have the right information to enable them to make informed decisions and fulfil their responsibilities in accordance with the provisions of these SOs;
- Ensuring that in all its dealings, the Joint Committee acts fairly, with integrity, and without prejudice or discrimination;
- Contributing to the development of an organisational culture that embodies NHS values and standards of behaviour; and
- Monitoring the Joint Committee's compliance with the law, WHSSC SOs and the framework set by the LHB and Welsh Ministers.

xxvi) As advisor to the Joint Committee, the Committee Secretary's role does not affect the specific responsibilities of Joint Committee members for governing the Committees operations. The Committee Secretary is directly accountable for the conduct of their role to the Chair of the Joint Committee.

## **Section: B – WHSSC Standing Orders**

### **1. THE JOINT COMMITTEE**

#### **1.1 Purpose and Delegated functions**

1.1.1 The Joint Committee has been established for the purpose of jointly exercising those functions relating to commissioning of certain specialised and tertiary services on a national all-Wales basis, on behalf of each of the seven LHBs in Wales.

1.1.2 LHBs are responsible for those people who are resident in their areas. Whilst the Joint Committee acts on behalf of the seven LHBs in undertaking its functions, the duty on individual LHBs remains, and they are ultimately accountable to citizens and other stakeholders for the provision of specialised and tertiary services for residents within their area.

The Joint Committee's role is to:

- Determine a long-term strategic plan for the development of specialised and tertiary services in Wales, in conjunction with the Welsh Government;
- Identify and evaluate existing, new and emerging treatments and services and advise on the designation of such services;
- Develop national policies for the equitable access to safe and sustainable, high quality specialised and tertiary healthcare services across Wales, whether planned, funded and secured at national, regional or local level;
- Agree annually those services that should be planned on a national basis and those that should be planned locally;
- Produce an annual plan for agreement by the Committee following the publication of the Delivery Framework by the Welsh Government;
- Agree the appropriate level of funding for the provision of specialised and tertiary services at a national level, and determining the contribution from each LHB for those services (which will include the running costs of the Joint Committee and the WHSST) in accordance with any specific directions set by the Welsh Government;

- Establish mechanisms for managing the in year risks associated with the agreed service portfolio and new pressures that may arise;
- Secure the provision of specialised and tertiary services planned at a national level, including those to be delivered by providers outside Wales; and
- Establish mechanisms to monitor, evaluate and publish the outcomes of specialised and tertiary healthcare services and take appropriate action.

1.1.3 The Joint Committee must ensure that all its activities are in exercise of these functions or any other functions that may be conferred on it. Each LHB shall be bound by the decisions of the Joint Committee in the exercise of its roles. In the event that the Joint Committee is unable to reach unanimous agreement in relation to the funding levels to be provided by each LHB, then this matter shall be escalated to the Welsh Government for resolution ultimately by Welsh Ministers.

1.1.4 To fulfil its functions, the Joint Committee shall lead and scrutinise the operations, functions and decision making of the Management Team undertaken at the direction of the Joint Committee.

1.1.5 The Joint Committee shall work with all its partners and stakeholders in the best interests of its population across Wales.

## **1.2 Membership of the Joint Committee<sup>1</sup>**

The membership of the Joint Committee shall be 15 voting members and three associate members, comprising the Chair (appointed by the Minister for Health and Social Services) and the Vice Chair (appointed by the Joint Committee from existing non-officer members of the seven LHBs), together with the following:

1.2.2 Non Officer Members [also known as Independent Members<sup>2</sup>]

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1 Reference: Welsh Health Specialised Services Committee (Wales) Regulation 2009, Regulation 3(1)

2 '*Independent Members*', for the purposes of these WHSSC SOs, unless otherwise stated, refers to the following voting members of the Board: Chair, Vice Chair and Non-Officer Members.

A total of 2, appointed by the Joint Committee from existing Non-Officer Members of the seven LHBs.

1.2.3 Chief Executives

A total of 7, drawn from each Local Health Board in Wales.

1.2.4 Officer Members [known as WHSST Directors]

A total of 4, appointed by the Joint Committee, consisting of a:

- Managing Director of Specialised and Tertiary Services Commissioning;
- Medical Director of Specialised and Tertiary Services;
- Director of Finance of Specialised and Tertiary Services; and
- Director of Nursing and Quality of Specialised and Tertiary Services.

These officer members may have other responsibilities as determined by the Joint Committee and set out in the scheme of delegation to officers. These officer members comprise the WHSST Management Team.

Where a post of WHSST Director is shared between more than one person because of their being appointed jointly to a post:

- Either or both persons may attend and take part in Joint Committee meetings;
- If both are present at a meeting they shall cast one vote if they agree. In the case of disagreement no vote shall be cast and the presence of both or one person will count as one person in relation to the quorum.

1.2.5 Associate Members

The following Associate Members will attend Joint Committee meetings on an ex-officio basis, but will not have any voting rights:

- Chief Executive of Velindre NHS Trust; and
- Chief Executive of Public Health Wales NHS Trust.

1.2.6 In attendance

The Joint Committee Chair may invite other members of the WHSST or others to attend all or part of a meeting on an ex-officio basis to assist the Joint Committee in its work.

### **1.3 Member Responsibilities and Accountability**

1.3.1 The Joint Committee will function as a decision-making body, all voting members being full and equal members and sharing corporate responsibility for all the decisions of the Joint Committee.

1.3.2 Non-Officer Members who are appointed to the Joint Committee must act in a balanced manner, ensuring that any opinion expressed is impartial and based upon the best interests of the health service across Wales.

1.3.3 All members must comply with the terms of their appointment to the Committee. They must equip themselves to fulfil the breadth of their responsibilities on the Joint Committee by participating in relevant personal and organisational development programmes, engaging fully in the activities of the Joint Committee and promoting understanding of its work.

#### **1.3.4 The Chair**

1.3.4.1 The Chair is responsible for the effective operation of the Joint Committee:

- Chairing Joint Committee meetings;
- Establishing and ensuring adherence to the standards of good governance set for the NHS in Wales, ensuring that all Joint Committee business is conducted in accordance with WHSSC SOs; and
- Developing positive and professional relationships amongst the Joint Committee's membership and between the Joint Committee and each LHB's Board.

1.3.4.2 The Chair shall work in close harmony with the Chair of each LHB and, supported by the Committee Secretary, shall ensure that key and appropriate issues are discussed by the Joint Committee in a timely manner with all the necessary information and advice being made available to members to inform the debate and ultimate resolutions.

1.3.4.3 The Chair is directly accountable to the Minister for Health and Social Services in respect of their performance as Chair, to each LHB Board in relation to the delivery of the functions exercised by the Joint Committee on its behalf

and, through the host LHB's Board, for the conduct of business in accordance with the defined governance and operating framework.

1.3.5 The Vice Chair

The Vice-Chair shall deputise for the Chair in their absence for any reason, and will do so until either the existing Chair resumes their duties or a new Chair is appointed.

The Vice Chair is accountable to the Chair for their performance as Vice Chair.

1.3.6 Non - Officer Members

Non-Officer Members are accountable to the Chair for their performance as Non-Officer Members.

1.3.7 WHSST Managing Director of Specialised and Tertiary Services Commissioning

The WHSST Managing Director of Specialised and Tertiary Services (Lead Director), as head of the Management Team reports to the Chair and is responsible for the overall performance of the WHSST. The Lead Director is accountable to the Joint Committee in relation to those functions delegated to it by the Joint Committee. The Lead Director is also accountable to the Chief Executive of the host LHB in respect of the administrative arrangements supporting the operation of the team.

1.3.8 WHSST Directors (excluding the WHSST Managing Director of Specialised and Tertiary Services)

The Medical Director of Specialised and Tertiary Services, the Finance Director of Specialised and Tertiary Services, and the Director of Nursing and Quality of Specialised and Tertiary Services are accountable to the Joint Committee and the Chief Executive of the host LHB through the Lead Director.

## **1.4 Appointment and tenure of Joint Committee members**

### **1.4.1 Chair<sup>3</sup>**

The Chair, appointed by the Minister for Health and Social Services shall be appointed for a period specified by the Welsh Government, but for no longer than 4 years in any one term. The Chair may be reappointed but may not serve a total period of more than 8 years. Time served need not be consecutive and will still be counted towards the total period even where there is a break in the term.

### **1.4.2 The Vice Chair and Non-Officer Members<sup>4</sup>**

1.4.2.1 The Vice Chair and two other Non-Officer Members shall be appointed by the Joint Committee from existing Non-Officer Members of the seven Local Health Boards for a period of no longer than two years in any one term. These members may be reappointed but may not serve a total period of more than 4 years, in line with that individual's term of office on any LHB Board. Time served need not be consecutive and will still be counted towards the total period even where there is a break in the term.

1.4.2.2 The appointment process for the Vice Chair and the two other Non-Officer Members shall be determined by the Joint Committee, subject to the approval of each LHB Board and any directions made by the Welsh Ministers. In making these appointments, the Joint Committee must ensure:

- A balanced knowledge and understanding amongst the membership of the needs of all geographical areas served by the Joint Committee;
- That wherever possible, the overall membership of the Joint Committee reflects the diversity of the population; and
- Potential conflicts of interest are kept to a minimum.

### **1.4.3 WHSST Directors<sup>5</sup>**

1.4.3.1 The WHSST Directors shall be appointed by the Joint

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<sup>3</sup> Reference: Welsh Health Specialised Services Committee (Wales) Regulations 2009, Reg 4(1) and Reg 6

<sup>4</sup> Reference: Welsh Health Specialised Services Committee (Wales) Regulations 2009, Reg 4(2) and Reg 7

<sup>5</sup> Reference: Welsh Health Specialised Services Committee (Wales) Regulations 2009, Reg 4(3), Reg 10 and Reg 11

Committee, and employed by the host LHB in accordance with the eligibility requirements set out in the Welsh Health Specialised Services Committee (Wales) Regulations 2009 and the employment policies of the host LHB, as appropriate. The appointments process shall be in accordance with the workforce policies and procedures of the host LHB and any directions made by the Welsh Ministers.

- 1.4.3.2 WHSST Directors tenure of office as Joint Committee members will be determined by their contract of employment.

- 1.4.4 Tenure of Appointments

- 1.4.4.1 All Joint Committee members' tenure of appointment will cease in the event that they no longer meet any of the eligibility requirements set for their role, so far as they applicable, and as specified in the relevant regulations. Any member must inform the Joint Committee Chair as soon as is reasonably practicable to do so in respect of any issue which may impact on their eligibility to hold office.
  - 1.4.4.2 The Joint Committee will require its Chair and WHSST Directors to confirm their continued eligibility on an annual basis in writing.

## **2. RESPONSIBILITIES AND RELATIONSHIPS WITH EACH LHB BOARD, THE HOST LHB AND OTHERS**

- 2.1 The Joint Committee is not a separate legal entity from each of the LHBs. It shall report to each LHB Board on its activities, to which it is formally accountable in respect of the exercise of the functions carried out on their behalf. The Joint Committee shall also be held to account by the Welsh Government through the NHS performance management system.
- 2.2 The Board of the host LHB will not be responsible or accountable for the planning, funding and securing of specialised services, save in respect of residents within the areas served. The Board of the host LHB shall be responsible for ensuring that the WHSST acts in accordance with its administrative policies and procedures.

- 2.3 Each LHB Board may agree that designated board members or LHB officers shall be in attendance at Joint Committee meetings. The Joint Committee Chair may also request the attendance of Board members or LHB officers, subject to the agreement of the relevant LHB Chair.
- 2.4 The LHBs jointly shall determine the arrangements for any meetings between the Joint Committee and LHB Boards.
- 2.5 The LHB Chairs [*through the lead Chair*] shall put in place arrangements to meet with the Joint Committee Chair on a regular basis to discuss the Joint Committee's activities and operation.

### **3. RESERVATION AND DELEGATION OF JOINT COMMITTEE FUNCTIONS**

#### **3.1 General**

- 3.1.1 Within the framework approved by each LHB Board and set out within these WHSSC SOs - and subject to any directions that may be given by the Welsh Ministers - the Joint Committee may make arrangements for certain functions to be carried out on its behalf so that the day to day business of the Joint Committee may be carried out effectively and in a manner that secures the achievement of its aims and objectives. In doing so, the Joint Committee must set out clearly the terms and conditions upon which any delegation is being made.
- 3.1.2 The Joint Committee's determination of those matters that it will retain, and those that will be delegated to others shall be set out in a:
- i Schedule of matters reserved to the Joint Committee;
  - ii Scheme of delegation to joint sub-Committees and others; and
  - iii Scheme of delegation to Officers.

All of which must be formally adopted by the Joint Committee.

- 3.1.3 The Joint Committee retains full responsibility for any functions delegated to others to carry out on its behalf.

### **3.2 Chair's action on urgent matters**

- 3.2.1 There may, occasionally, be circumstances where decisions which would normally be made by the Joint Committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Joint Committee. In these circumstances, the Joint Committee Chair and the Lead Director, supported by the Committee Secretary, may deal with the matter on behalf of the Joint Committee - after first consulting with at least one other Non-Officer Member. The Committee Secretary must ensure that any such action is formally recorded and reported to the next meeting of the Joint Committee for consideration and ratification.

### **3.3 Delegation to joint sub-Committees and others**

- 3.3.1 The Joint Committee shall agree the delegation of any of their functions to joint sub-Committees or others (including networks), setting any conditions and restrictions it considers necessary and following any directions agreed by the LHBs or the Welsh Ministers.
- 3.3.2 The Joint Committee shall agree and formally approve the delegation of specific powers to be exercised by joint sub-Committees which it has formally constituted or to others.

### **3.4 Delegation to Officers**

- 3.4.1 The Joint Committee will delegate certain functions to the Lead Director. For these aspects, the Lead Director, when compiling the Scheme of Delegation, shall set out proposals for those functions they will perform personally and shall nominate other officers to undertake the remaining functions. The Lead Director will still be accountable to the Joint Committee for all functions delegated to them irrespective of any further delegation to other officers.
- 3.4.2 This must be considered and approved by the Joint Committee (subject to any amendment agreed during the discussion). The Lead Director may periodically propose amendment to the Scheme of Delegation and any such amendments must also be considered and approved by the Joint Committee.

- 3.4.3 Individual Directors are in turn responsible for delegation within their own teams in accordance with the framework established by the Lead Director and agreed by the Joint Committee.

## **4. JOINT SUB-COMMITTEES**

### **4.1 General**

- 4.1.1 In accordance with WHSSC Standing Order 4.1.3, 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).
- 4.1.2 These may consist wholly or partly of Joint Committee members or LHB Board members or of persons who are not LHB Board members or Board members of other health service bodies.
- 4.1.3 The Joint Committee shall establish a joint sub-Committee structure that meets its own advisory and assurance needs and in doing so the needs of the constituent LHBs. As a minimum, it shall establish joint sub-Committees which cover the following aspects of Joint Committee business:
- Audit Committee (of the host LHB); and
  - Quality and Safety
- 4.1.4 The Joint Committee may make arrangements to receive and provide assurance to others through the establishment and operation of its own joint sub-Committees or by placing responsibility with the host LHB or other designated LHB. Where responsibility is placed with the host LHB or other designated LHB, the arrangement shall be detailed within the hosting agreement between the Joint Committee and the host LHB or the agreement between the seven LHB Accountable Officers (as appropriate).
- 4.1.5 Full details of the joint sub-Committee structure established by the Joint Committee, including detailed terms of reference for each of these joint sub-Committees

are set out in the annexes of these WHSSC SOs.

- 4.1.6 Each joint sub-Committee established by or on behalf of the Joint Committee must have its own terms of reference and operating arrangements, which must be formally approved by the Joint Committee. These must establish its governance and ways of working, setting out, as a minimum:
- The scope of its work (including its purpose and any delegated powers and authority);
  - Membership and quorum;
  - Meeting arrangements;
  - Relationships and accountabilities with others;
  - Any budget and financial responsibility, where appropriate;
  - Secretariat and other support;
  - Training, development and performance; and
  - Reporting and assurance arrangements.
- 4.1.7 In doing so, the Joint Committee shall specify which aspects of these WHSSC SOs are not applicable to the operation of the joint sub-Committee, keeping any such aspects to the minimum necessary.
- 4.1.8 The membership of any such joint sub-Committees - including the designation of Chair; definition of member roles and powers and terms and conditions of appointment (including remuneration and reimbursement) - will usually be determined by the Joint Committee, subject to any specific requirements, regulations or directions agreed by the LHBs or the Welsh Ministers. Depending on the joint sub-Committee's defined role and remit; membership may be drawn from the Joint Committee, LHB Board or committee members, staff (subject to the conditions set in WHSSC Standing Order 4.1.9) or others.
- 4.1.9 WHSST Directors or officers should not normally be appointed as joint sub-Committee Chairs, nor should they be appointed to serve as members on any committee set up to review the exercise of functions delegated to officers. Designated WHSST Directors or officers shall, however, be in attendance at such joint sub-Committees, as appropriate.

## **4.2 Other Groups**

- 4.2.1 The Joint Committee may also establish other groups to help it in the conduct of its business.

## **4.3 Reporting activity to the Joint Committee**

- 4.3.1 The Joint Committee must ensure that the Chairs of all joint sub-Committees and other bodies or groups operating on its behalf report formally, regularly and on a timely basis to the Joint Committee on their activities. Joint sub-Committee Chairs' shall bring to the Joint Committees specific attention any significant matters under consideration and report on the totality of its activities through the production of minutes or other written reports.
- 4.3.2 Each joint sub-Committee shall also submit an annual report to the Joint Committee through the Chair within 3 months of the end of the reporting year setting out its activities during the year and detailing the results of a review of its performance and that of any sub groups it has established.

## **5. EXPERT PANELS, INCLUDING SPECIALISED SERVICE NETWORKS AND OTHER ADVISORY GROUPS**

### **5.1 General**

- 5.1.1 The Joint Committee may, and where directed by the LHBs jointly or the Welsh Ministers must appoint an Expert Panel, including specialised service networks, and other Advisory Groups to provide it with advice in the exercise of its functions. Full details of the Expert Panels and other Advisory Groups established by the Joint Committee, including detailed terms of reference are set out in the annexes of these WHSSC SOs.
- 5.1.2 Any Expert Panel or Advisory Group established by the Joint Committee must have its own terms of reference and operating arrangements, which must be formally approved by the Joint Committee. These must establish its governance and ways of working, setting out, as a minimum:
- The scope of its work (including its purpose and any delegated powers and authority);
  - Membership and quorum;

- Meeting arrangements;
- Relationships and accountabilities with others;
- Any budget and financial responsibility, where appropriate;
- Secretariat and other support;
- Training, development and performance; and
- Reporting and assurance arrangements.

5.1.3 In doing so, the Joint Committee shall specify which aspects of these WHSSC SOs are not applicable to the operation of the Expert Panel or Advisory Group, keeping any such aspects to the minimum necessary.

5.1.4 The membership of any Expert Panel or Advisory Group - including the designation of Chair; definition of member roles and powers and terms and conditions of appointment (including remuneration and reimbursement) - will usually be determined by the Joint Committee, subject to any specific requirements or directions agreed by the LHBs or the Welsh Ministers.

## **5.2 Reporting activity**

5.2.1 The Joint Committee shall ensure that the Chairs of any Expert Panel or Advisory Group reports formally, regularly and on a timely basis to the Joint Committee on their activities. Expert Panel or Advisory Group Chairs shall bring to the Joint Committees specific attention any significant matters under consideration and report on the totality of its activities through the production of minutes or other written reports.

5.2.2 Any Expert Panel or Advisory Group shall also submit an annual report to the Joint Committee through the Chair within 1 month of the end of the reporting year setting out its activities during the year and detailing the results of a review of its performance and that of any sub groups it has established.

## **6. MEETINGS**

### **6.1 Putting Citizens First**

6.1.1 The Joint Committee's business will be carried out openly and transparently in a manner that encourages the active

engagement of its citizens and other stakeholders. The Joint Committee, through the planning and conduct of meetings held in public, shall facilitate this in a number of ways, including:

- Active communication of forthcoming business and activities;
- The selection of accessible, suitable venues for meetings;
- The availability of papers in English and Welsh languages and in accessible formats, such as Braille, large print, easy read and in electronic formats;
- Requesting that attendees notify the Committee Secretary or the Corporate Governance Manager of any access needs sufficiently in advance of a proposed meeting, and responding appropriately, e.g., arranging British Sign Language (BSL) interpretation at meetings; and
- Where appropriate, ensuring suitable translation arrangements are in place to enable the conduct of meetings in either English or Welsh;

in accordance with legislative requirements, e.g. Disability Discrimination Act, as well as its Communication Strategy and the host LHB Welsh Language Scheme.

- 6.1.2 The Joint Committee Chair will ensure that, in determining the matters to be considered by the Joint Committee, full account is taken of the views and interests of all citizens served by the Joint Committee on behalf of each LHB, including any views expressed formally.

## **6.2 Working with Community Health Councils**

- 6.2.1 The Joint Committee shall make arrangements to ensure designated CHC members receive the Joint Committee's papers and are invited to attend Joint Committee meetings.

## **6.3 Annual Plan of Committee Business**

- 6.3.1 The Committee Secretary, on behalf of the Joint Committee Chair, shall ensure that an Annual Plan of Committee business is produced. This plan will include proposals on meeting dates, venues and coverage of business activity during the year. The Plan shall also set

out any standing items that shall appear on every Joint Committee agenda.

- 6.3.2 The plan shall set out the arrangements in place to enable the Joint Committee to meet its obligations to its citizens as outlined in paragraph 6.1.1 whilst also allowing Joint Committee members to contribute in either English or Welsh languages, where appropriate.
- 6.3.3 The plan shall also incorporate formal Joint Committee meetings, regular Committee Development sessions and, where appropriate, the planned activities of joint sub-Committees, Expert Panel and Advisory Groups.
- 6.3.4 The Joint Committee shall agree the plan for the forthcoming year by the end of March, and this plan shall be included as an annex to these WHSSC SOs.

## **6.4 Calling Meetings**

- 6.4.1 In addition to the planned meetings agreed by the Joint Committee, the Joint Committee Chair may call a meeting of the Joint Committee at any time. Any LHB may request that the Chair call a meeting, or an individual committee member may also request that the Joint Committee Chair call a meeting provided that in either case at least one third of the whole number of Committee members supports such a request.
- 6.4.2 If the Chair does not call a meeting within seven days after receiving such a request from Joint Committee members, then those Joint Committee members may themselves call a meeting.

## **6.5 Preparing for Meetings**

### **6.5.1 Setting the agenda**

- 6.5.1.1 The Joint Committee Chair, in consultation with the Committee Secretary or the Corporate Governance Manager and the Lead Director, will set the Agenda. In doing so, they will take account of the planned activity set in the annual cycle of Joint Committee business; any standing items agreed by the Joint Committee; any applicable items received from joint sub-Committees and other groups as well as the priorities facing the Joint

Committee. The Joint Committee Chair must ensure that all relevant matters are brought before the Joint Committee on a timely basis.

6.5.1.2 Any Joint Committee member may request that a matter is placed on the Agenda by writing to the Joint Committee Chair, copied to the Committee Secretary, at least 15 calendar days before the meeting. The request shall set out whether the item of business is proposed to be transacted in public and shall include appropriate supporting information. The Chair may, at their discretion, include items on the agenda that have been requested after the 15 day notice period if this would be beneficial to the conduct of Joint Committee business.

6.5.2 Notifying and equipping Joint Committee members

6.5.2.1 Joint Committee members should be sent an Agenda and a complete set of supporting papers at least 10 calendar days before a formal Joint Committee meeting. This information may be provided to Joint Committee members electronically or in paper form, in an accessible format, to the address provided, and in accordance with their stated preference. Supporting papers may, exceptionally, be provided, after this time provided that the Joint Committee Chair is satisfied that the Joint Committee's ability to consider the issues contained within the paper would not be impaired.

6.5.2.2 No papers should be included for decision by the Joint Committee unless the Joint Committee Chair is satisfied (subject to advice from the Committee Secretary or Corporate Governance Manager, as appropriate) that the information contained within it is sufficient to enable the Joint Committee to take a reasonable decision. *Equality impact assessments (EIA) shall be undertaken on all new or revised policies, strategies, guidance and/or practice to be considered by the Joint Committee, and the outcome of that EIA shall accompany the report to the Joint Committee to enable the Joint Committee to make an informed decision.*

6.5.2.3 In the event that at least half of the Joint Committee members do not receive the Agenda and papers for the meeting as set out above, the Joint Committee Chair must consider whether or not the Joint Committee would still be

capable of fulfilling its role and meeting its responsibilities through the conduct of the meeting. Where the Joint Committee Chair determines that the meeting should go ahead, their decision, and the reason for it, shall be recorded in the minutes.

6.5.2.4 In the case of a meeting called by Joint Committee members, notice of that meeting must be signed by those members and the business conducted will be limited to that set out in the notice.

### 6.5.3 Notifying the public and others

6.5.3.1 Except for meetings called in accordance with WHSSC Standing Order 6.4, at least 10 calendar days before each meeting of the Joint Committee a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed bilingually (in English and Welsh):

- At each LHB and the Joint Committee's principal sites;
- On each LHB's website, together with the papers supporting the public part of the Agenda; as well as
- Through other methods of communication as set out in the Joint Committee's communication strategy.

6.5.3 When providing notification of the forthcoming meeting, each LHB shall set out when and how the Agenda and the papers supporting the public part of the Agenda may be accessed, in what language and in what format, e.g., as Braille, large print, easy read, etc.

## 6.6 **Conducting Joint Committee Meetings**

### 6.6.1 Admission of the public, the press and other observers

6.6.1.1 The Joint Committee shall encourage attendance at its formal Joint Committee meetings by the public and members of the press as well as officers or representatives from organisations who have an interest in the business of the Joint Committee. The venue for such meetings must be appropriate to facilitate easy access for attendees and translation services; and should have appropriate facilities to maximise accessibility such as an induction loop system.

6.6.1.2 The Joint Committee shall conduct as much of its formal

business in public as possible. There may be circumstances where it would not be in the public interest to discuss a matter in public, e.g., business that relates to a confidential matter affecting a WHSST officer or a patient. In such cases the Chair (advised by the Committee Secretary, or in their absence the Corporate Governance Manager, where appropriate) shall schedule these issues accordingly and require that any observers withdraw from the meeting. In doing so, the Joint Committee shall resolve:

"That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest" [Section 1(2) Public Bodies (Admission to Meetings) Act 1960].

6.6.1.3 In these circumstances, when the Joint Committee is not meeting in public session it shall operate in private session, formally reporting any decisions taken to the next meeting of the Joint Committee in public session. Wherever possible, that reporting shall take place at the end of a private session, by reconvening a Joint Committee meeting held in public session.

6.6.1.4 The Committee Secretary, on behalf of the Joint Committee Chair, shall ensure that the nature and volume of business conducted in private session is kept under review to ensure such arrangements are adopted only when absolutely necessary.

6.6.1.5 In encouraging entry to formal Joint Committee Meetings from members of the public and others, the Joint Committee shall make clear that attendees are welcomed as observers. The Joint Committee Chair shall take all necessary steps to ensure that the Joint Committee's business is conducted without interruption and disruption. In exceptional circumstances, this may include a requirement that observers leave the meeting. In doing so, the Joint Committee shall resolve:

"That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Joint Committee to reconvene the meeting

and to complete business without the presence of the public".

- 6.6.1.6 Unless the Joint Committee has given prior and specific agreement, members of the public or other observers will not be allowed to record proceedings in any way other than in writing.

- 6.6.2 Addressing the Joint Committee, its joint sub-Committees, Expert Panel or Advisory Groups

- 6.6.2.1 The Joint Committee shall decide what arrangements and terms and conditions are appropriate in extending an invitation to observers to attend and address any meetings of the Joint Committee, its joint sub-Committees, Expert Panels or Advisory Groups, and may change, alter or vary these terms and conditions as it considers appropriate. In doing so, the Joint Committee will take account of its responsibility to actively encourage the engagement and, where appropriate, involvement of citizens and stakeholders in the work of the Joint Committee (whether directly or through the activities of bodies such as Community Health Councils) and to demonstrate openness and transparency in the conduct of business.

- 6.6.3 Chairing Joint Committee Meetings

- 6.6.3.1 The Chair of the Joint Committee will preside at any meeting of the Joint Committee unless they are absent for any reason (including any temporary absence or disqualification from participation on the grounds of a conflict of interest). In these circumstances the Vice Chair shall preside. If both the chair and vice-chair are absent or disqualified, the Non-Officer Members present shall elect one of the Non-Officer Members to preside.

- 6.6.3.2 The Chair must ensure that the meeting is handled in a manner that enables the Joint Committee to reach effective decisions on the matters before it. This includes ensuring that Joint Committee members' contributions are timely and relevant and move business along at an appropriate pace. In doing so, the Joint Committee must have access to appropriate advice on the conduct of the meeting through the attendance of the Committee Secretary. In the absence of the Committee Secretary the Corporate Governance Manager will provide advice. The Chair has the final say on any matter relating to the conduct of Joint

Committee business.

6.6.4 Quorum

6.6.4.1 At least 8 voting members, at least 4 of whom are LHB Chief Executives and 2 are Non-Officer Members, must be present to allow any formal business to take place at a Joint Committee meeting.

6.6.4.2 If a LHB Chief Executive, the Lead Director or another WHSST Director is unable to attend a Joint Committee meeting, then a nominated deputy may attend in their absence and may participate in the meeting, provided that the Chair has agreed the nomination before the meeting. However, Joint Committee members' voting rights cannot be delegated so the nominated deputy may not vote or be counted towards the quorum. If a deputy is already a Joint Committee member in their own right, e.g. a person deputising for the Lead Director will usually be another WHSST Director, they will be able to exercise their own vote in the usual way but they will not have any additional voting rights.

6.6.4.3 The quorum must be maintained during a meeting to allow formal business to be conducted, i.e., any decisions to be made. Any Joint Committee member disqualified through conflict of interest from participating in the discussion on any matter and/or from voting on any resolution will no longer count towards the quorum. If this results in the quorum not being met that particular matter or resolution cannot be considered further at that meeting, and must be noted in the minutes. A member may participate in a meeting via video or teleconference where this is available.

6.6.5 Dealing with Motions

6.6.5.1 In the normal course of Joint Committee business items included on the agenda are subject to discussion and decisions based on consensus. Considering a motion is therefore not a routine matter and may be regarded as exceptional, e.g. where an aspect of service delivery is a cause for particular concern, a Joint Committee member may put forward a motion proposing that a formal review of that service area is undertaken. The Committee Secretary will advise the Chair on the formal process for dealing with motions. No motion or amendment to a motion will be considered by the Joint Committee unless

moved by a Joint Committee member and seconded by another Joint Committee member (including the Joint Committee Chair).

6.6.5.2 *Proposing a formal notice of Motion*

Any Joint Committee member wishing to propose a motion must notify the Joint Committee Chair in writing of the proposed motion at least 12 calendar days before a planned meeting. Exceptionally, an emergency motion may be proposed up to one hour before the fixed start of the meeting, provided that the reasons for the urgency are clearly set out. Where sufficient notice has been provided, and the Joint Committee Chair has determined that the proposed motion is relevant to the Joint Committee's business, the matter shall be included on the agenda, or, where an emergency motion has been proposed, the Joint Committee Chair shall declare the motion at the start of the meeting as an additional item to be included on the agenda.

The Joint Committee Chair also has the discretion to accept a motion proposed during a meeting provided that the matter is considered of sufficient importance and its inclusion would not adversely affect the conduct of Joint Committee business.

6.6.5.3 *Amendments*

Any Joint Committee member may propose an amendment to the motion at any time before or during a meeting and this proposal must be considered by the Joint Committee alongside the motion.

If there are a number of proposed amendments to the Motion, each amendment will be considered in turn, and if passed, the amended Motion becomes the basis on which the further amendments are considered, i.e., the substantive motion.

6.6.5.4 *Motions under discussion*

When a motion is under discussion, any Joint Committee member may propose that:

- The motion be amended;
- The meeting should be adjourned;
- The discussion should be adjourned and the meeting proceed to the next item of business;

- A Joint Committee member may not be heard further;
- The Joint Committee decides upon the motion before them;
- An ad hoc committee should be appointed to deal with a specific item of business; or
- The public, including the press, should be excluded.

#### 6.6.5.5 *Rights of reply to motions*

The mover of a motion (including an amendment) shall have a right of reply at the close of any debate on the motion or the amendment immediately prior to a vote on the proposal.

#### 6.6.5.6 *Withdrawal of Motion or Amendments*

A motion or an amendment to a motion, once moved and seconded, may be withdrawn by the proposer with the agreement of the seconder and the Joint Committee Chair.

#### 6.6.5.7 *Motion to rescind a resolution*

The Joint Committee may not consider a motion to amend or rescind any resolution (or the general substance of any resolution) which has been passed within the preceding six (6) calendar months unless the motion is supported by the (simple) majority of Joint Committee members.

A motion that has been decided upon by the Joint Committee cannot be proposed again within six months except by the Joint Committee Chair, unless the motion relates to the receipt of a report or the recommendations of a joint sub-Committee/WHSSC Director to which a matter has been referred.

#### 6.6.6 Voting

6.6.6.1 The Joint Committee Chair will determine whether Joint Committee members' decisions should be expressed orally, through a show of hands, or by a paper ballot. The Joint Committee Chair must require a paper ballot if the majority of voting Joint Committee members request it. Where voting on any question is conducted, a record shall be maintained showing how each Joint Committee member voted or abstained. Associate Members may not vote in any meetings or proceedings of the Joint Committee.

6.6.6.2 In determining every question at a meeting the Joint

Committee members must take account, where relevant, of the views expressed and representations made by individuals who represent the interests of citizens in Wales. Such views may be presented to the Joint Committee through the Chairs of the LHB's Advisory Groups and/or the Community Health Council representative(s).

6.6.6.3 Except for decisions related to the overall funding contribution from each of the LHBs, where a decision taken by the Joint Committee must be unanimous, the Joint Committee will make decisions based on a simple majority view held by the voting Joint Committee members present. In the event of a split decision, i.e., no majority view being expressed, the Joint Committee Chair shall have a second and casting vote.

6.6.6.4 In no circumstances may a nominated deputy vote, nor may an absent Joint Committee member vote by proxy. Absence is defined as being absent at the time of the vote.

## **6.7 Record of Proceedings**

6.7.1 A record of the proceedings of formal Joint Committee meetings (and any other meetings of the Joint Committee where the Joint Committee members determine) shall be drawn up as 'minutes'. These minutes shall include a record of Joint Committee member attendance (including the Joint Committee Chair) together with apologies for absence, and shall be submitted for agreement at the next meeting of the Joint Committee, where any discussion shall be limited to matters of accuracy. Any agreed amendment to the minutes must be formally recorded.

6.7.2 Agreed minutes shall be circulated in accordance with Joint Committee members' wishes, and, where providing a record of a formal Joint Committee meeting shall be made available to the public on each LHB's website and in hard copy or other accessible format on request, in accordance with any legislative requirements, e.g., Data Protection Act, the Joint Committee's Communication Strategy and the host LHB's Welsh Language Scheme.

## **6.8 Confidentiality**

6.8.1 All Joint Committee members (including Associate

members), together with members of any joint sub-Committee, Expert Panel or Advisory Group established by or on behalf of the Joint Committee and Joint Committee and/or LHB officials must respect the confidentiality of all matters considered by the Joint Committee in private session or set out in documents which are not publicly available. Disclosure of any such matters may only be made with the express permission of the Joint Committee Chair or relevant joint sub-Committee or group, as appropriate, and in accordance with any other requirements set out elsewhere, e.g., in contracts of employment, within the Values and Standards of Behaviour framework or legislation such as the Freedom of Information Act (2000), etc.

## **7. VALUES AND STANDARDS OF BEHAVIOUR**

### **7.1 General**

7.1.1 The Joint Committee must operate within a set of values and standards of behaviour that meets the requirements of the NHS Wales Values and Standards of Behaviour framework. These values and standards of behaviour will apply to all those conducting business by or on behalf of the Joint Committee, including Joint Committee members, WHSST officers and others, as appropriate. The framework adopted by the Joint Committee will form part of these WHSSC SOs.

7.1.2 Detailed arrangements regarding Standards of Behaviour and the arrangements for the handling of gifts and hospitality are set out within the Joint Committee's *Standards of Behaviour Policy* (<http://www.wales.nhs.uk/sites3/docopen.cfm?orgid=898&id=199052> )

### **7.2 Declaring and recording Joint Committee members' interests**

#### **7.2.1 Declaration of interests**

7.2.1.1 It is a requirement that all Joint Committee members should declare any personal or business interests they may have which may affect, or be perceived to affect the conduct of their role as a Joint Committee member. This includes any interests that may influence or be perceived

to influence their judgement in the course of conducting the Joint Committee's business. Joint Committee members must be familiar with the Values and Standards of Behaviour Framework and their statutory duties under the relevant Constitution Regulations. Joint Committee members must notify the Joint Committee of any such interests at the time of their appointment, and any further interests as they arise throughout their tenure as Joint Committee members.

- 7.2.1.2 Joint Committee members must also declare any interests held by family members or persons or bodies with which they are connected. The Committee Secretary will ensure that the Joint Committee Chair and the Joint Committee are able to access advice on what should be considered as an 'interest', taking account of the regulatory requirements and any further guidance, e.g., the Values and Standards of Behaviour framework. If individual Joint Committee members are in any doubt about what may be considered as an interest, they should seek advice from the Committee Secretary. However, the onus regarding declaration will reside with the individual Joint Committee member.

### 7.2.3 Register of Interests

- 7.2.3.1 The Lead Director, through the Committee Secretary, will ensure that a Register of Interests is established and maintained as a formal record of interests declared by all Joint Committee members. The register will include details of all Directorships and other relevant and material interests which have been declared by Joint Committee members.
- 7.2.3.2 The register will be held by the Committee Secretary, and will be updated during the year, as appropriate, to record any new interests, or changes to the interests declared by Joint Committee members. The Committee Secretary will also arrange an annual review of the register, through which Joint Committee members will be required to confirm the accuracy and completeness of the register relating to their own interests.
- 7.2.3.3 In line with the Joint Committee's commitment to openness and transparency, the Committee Secretary must take reasonable steps to ensure that citizens served

by the Joint Committee are made aware of, and have access to view the Joint Committee's Register of Interests. This will include publication on the WHSSC website.

7.2.4 Publication of declared interests in Annual Report

- 7.2.4.1 Joint Committee members' directorships of companies or positions in other organisations likely or possibly seeking to do business with the NHS shall be published in each LHB Board's Annual Report.

**7.3 Dealing with Members' interests during Joint Committee meetings**

- 7.3.1 The Joint Committee Chair, advised by the Committee Secretary, must ensure that the Joint Committee's decisions on all matters brought before it are taken in an open, balanced, objective and unbiased manner. In turn, individual board members must demonstrate, through their actions, that their contribution to the Joint Committee's decision making is based upon the best interests of the NHS in Wales. This is particularly important as there is an inherent tension in a member's role on the Joint Committee and as a member of the Board of an LHB that provides specialised and tertiary services.
- 7.3.2 Where individual Joint Committee members identify an interest in relation to any aspect of Joint Committee business set out in the Joint Committee's meeting agenda, that member must declare an interest at the start of the Joint Committee meeting. Joint Committee members should seek advice from the Joint Committee Chair, through the Committee Secretary, or in their absence the Corporate Governance Manager, before the start of the Joint Committee meeting if they are in any doubt as to whether they should declare an interest at the meeting. All declarations of interest made at a meeting must be recorded in the Joint Committees minutes.
- 7.3.3 It is the responsibility of the Joint Committee Chair, on behalf of the Joint Committee, to determine the action to be taken in response to a declaration of interest, taking account of any regulatory requirements or directions given by the Welsh Government. The range of possible actions may include determination that:
- i the declaration is formally noted and recorded, but

that the Joint Committee member should participate fully in the Joint Committee's discussion and decision, including voting. The Chair will apply the following general principles when considering the planning and commissioning of services.

- a) Is this a service that the Joint Committee feels should be available to patients in Wales (all parties fully involved)
- b) If so, is it possible and appropriate for that service to be provided within Wales (all parties fully involved)
- c) If so, where should the service be provided (any interest to be declared, and relevant information on services provided)

In the event of a vote being required within this process, any relevant 'provider' LHB would be excluded from voting on the final stage of the process.

- ii the declaration is formally noted and recorded, and the Joint Committee member participates fully in the Joint Committee's discussion, but takes no part in the Joint Committee's decision;
- iii the declaration is formally noted and recorded, and the Joint Committee member takes no part in the Joint Committee discussion or decision;
- iv the declaration is formally noted and recorded, and the Joint Committee member is excluded for that part of the meeting when the matter is being discussed. A Joint Committee member must be excluded, where that member has a direct or indirect financial interest in a matter being considered by the Joint Committee.

7.3.4 In extreme cases, it may be necessary for the member to reflect on whether their position as a Joint Committee member is compatible with an identified conflict of interest.

7.3.5 Where the Joint Committee Chair is the individual declaring an interest, any decision on the action to be taken shall be made by the Vice Chair, on behalf of the Joint Committee.

7.3.6 In all cases the decision of the Joint Committee Chair (or the Vice Chair in the case of an interest declared by the Joint Committee Chair) is binding on all Joint Committee members. The Joint Committee Chair should take advice

from the Committee Secretary, or in their absence the Corporate Governance Manager, when determining the action to take in response to declared interests; taking care to ensure their exercise of judgement is consistently applied.

**7.3.7 Members with pecuniary (financial) interests**

Where a Joint Committee member, or any person they are connected with<sup>6</sup> has any direct or indirect pecuniary interest in any matter being considered by the Joint Committee including a contract or proposed contract, that member must not take part in the consideration or discussion of that matter or vote on any question related to it. The Joint Committee may determine that the Joint Committee member concerned shall be excluded from that part of the meeting.

**7.3.8** The Constitution Regulations define 'direct' and 'indirect' pecuniary interests and these definitions always apply when determining whether a member has an interest. These WHSSC SOs must be interpreted in accordance with these definitions.

**7.3.9 Members with Professional Interests**

During the conduct of a Joint Committee meeting, an individual Joint Committee member may establish a clear conflict of interest between their role as a Joint Committee member and that of their professional role outside of the Joint Committee. In any such circumstance, the Joint Committee shall take action that is proportionate to the nature of the conflict, taking account of the advice provided by the Committee Secretary, or in their absence the Corporate Governance Manager.

**7.4 Dealing with officers' interests**

**7.4.1** The Joint Committee must ensure that the Committee Secretary, on behalf of the Lead Director, establishes and maintains a system for the declaration, recording and handling of WHSST officers' interests in accordance with the Values and Standards of Behaviour Framework.

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<sup>6</sup> In the case of persons who are married to each other or in a civil partnership with each other or who are living together as if married or civil partners, the interest of one person shall, if known to the other, be deemed for the purpose of this Standing Order to be also an interest of the other

## **7.5 Reviewing how Interests are handled**

- 7.5.1 The Audit Committee of the host organisation will review and report to the Joint Committee upon the adequacy of the arrangements for declaring, registering and handling interests at least annually.

## **7.6 Dealing with offers of Gifts<sup>7</sup> and Hospitality**

- 7.6.1 The Values and Standards of Behaviour Framework adopted by the Joint Committee prohibits Joint Committee members and WHSST officers from receiving gifts, hospitality or benefits in kind from a third party which may reasonably give rise to suspicion of conflict between their official duty and their private interest, or may reasonably be seen to compromise their personal integrity in any way.
- 7.6.2 Gifts, benefits or hospitality must never be solicited. Any Joint Committee member or WHSST officer who is offered a gift, benefit or hospitality which may or may be seen to compromise their position must refuse to accept it. This may in certain circumstances also include a gift, benefit or hospitality offered to a family member of a Joint Committee member or WHSST officer. Failure to observe this requirement may result in disciplinary and/or legal action.
- 7.6.3 In determining whether any offer of a gift or hospitality should be accepted, an individual must make an active assessment of the circumstances within which the offer is being made, seeking advice from the Committee Secretary, or in their absence the Corporate Governance Manager, as appropriate. In assessing whether an offer should be accepted, individuals must take into account:
- *Relationship:* Contacts which are made for the purpose of information gathering are generally less likely to cause problems than those which could result in a contractual relationship, in which case accepting a gift or hospitality could cause embarrassment or be seen as giving rise to an obligation;

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<sup>7</sup> The term gift refers also to any reward or benefit

- *Legitimate Interest:* Regard should be paid to the reason for the contact on both sides and whether it is a contact that is likely to benefit the Joint Committee;
- *Value:* Gifts and benefits of a trivial or inexpensive seasonal nature, e.g., diaries/calendars, are more likely to be acceptable and can be distinguished from more substantial offers. Similarly, hospitality in the form of a working lunch would not be treated in the same way as more expensive social functions, travel or accommodation (although in some circumstances these may also be accepted);
- *Frequency:* Acceptance of frequent or regular invitations particularly from the same source would breach the required standards of conduct. Isolated acceptance of, for example, meals, tickets to public, and sport, cultural or social events would only be acceptable if attendance is justifiable in that it benefits the Joint Committee; and
- *Reputation:* If the body concerned is known to be under investigation by or has been publicly criticised by a public body, regulators or inspectors, acceptance of a gift or hospitality might be seen as supporting the body or affecting in some way the investigation or negotiations and it must always be declined.

7.6.4 A distinction shall be drawn between items offered as hospitality and items offered in substitution for fees for broadcasts, speeches, lectures or other work done. There may be circumstances where the latter may be accepted if they can be used for official purposes.

## **7.7 Register of Gifts and Hospitality**

7.7.1 The Committee Secretary, on behalf of the Joint Committee Chair, will ensure that a Register of Gifts and Hospitality to record offers of gifts and hospitality made to Joint Committee members is maintained. WHSST Directors will adopt a similar mechanism in relation to WHSST officers working within their areas.

7.7.2 Every Joint Committee member and WHSST officer has a personal responsibility to volunteer information in relation to offers of gifts and hospitality made in their capacity as

Joint Committee members, including those offers that have been refused. The Committee Secretary, on behalf of the Joint Committee Chair and Lead Director, will ensure the incidence and patterns of offers and receipt of gifts and hospitality is kept under active review, taking appropriate action where necessary.

7.7.3 When determining what should be included in the register, individuals must apply the following principles, subject to the considerations in WHSSC Standing Order 7.6 and within the Joint Committee's *Standards of Behaviour Policy*:

- *Gifts*: Generally, only gifts of material value should be recorded. Those with a nominal value would not usually need to be recorded, e.g., seasonal items such as diaries/calendars with normally fall within this category.
- *Hospitality*: Only significant hospitality offered or received should be recorded. Occasional offers of 'modest and proportionate'<sup>8</sup> hospitality need not be included in the Register.

7.7.4 Joint Committee members and WHSST Officers may accept the occasional offer of modest and proportionate hospitality but in doing so must consider whether the following conditions are met:

- Acceptance would further the aims of the Joint Committee;
- The level of hospitality is reasonable in the circumstances;
- It has been openly offered; and,
- It could not be construed as any form of inducement and will not put the individual under any obligation to those offering it.

7.7.5 The Committee Secretary will arrange for a full report of all offers of Gifts and Hospitality recorded by the Joint Committee to be submitted to the Audit Committee at least annually. The Audit Committee will then review and report to the Joint Committee upon the adequacy of the arrangements for dealing with offers of gifts and

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<sup>8</sup> Examples of 'modest and proportionate' hospitality that need not be included in a Hospitality register include a working sandwich lunch or a buffet lunch incidental to a conference or seminar attended by a variety of participants

hospitality.

## **8. GAINING ASSURANCE ON THE CONDUCT OF JOINT COMMITTEE BUSINESS**

### **8.1 General**

8.1.1 The Joint Committee shall set out explicitly, within a Risk and Assurance Framework, how it will gain assurance, and how it will in turn provide assurance to LHBs jointly on the conduct of Joint Committee business, its governance and the effective management of risks in pursuance of its aims and objectives. It shall set out clearly the various sources of assurance, and where and when that assurance will be provided, in accordance with any requirements determined by the Welsh Ministers.

8.1.2 The Joint Committee shall ensure that its assurance arrangements are operating effectively, and shall be advised by the Joint Committee's Audit Committee.

### **8.2 The role of Internal Audit in providing independent internal assurance**

8.2.1 The Joint Committee shall ensure the effective provision of an independent internal audit function as a key source of its internal assurance arrangements, in accordance with NHS Wales Internal Auditing Standards and any others requirements determined by the Welsh Ministers.

### **8.3 Reviewing the performance of the Joint Committee, its joint sub- Committees, Expert Panel and Advisory Groups**

8.3.1 The Joint Committee shall introduce a process of regular and rigorous self assessment and evaluation of its own operations and performance and that of its joint sub-Committees, expert panels and any other Advisory Groups. Where appropriate, the Joint Committee may determine that such evaluation may be independently facilitated.

8.3.2 Each joint sub-Committee and, where appropriate, Expert Panel and any other Advisory Group must also submit an annual report to the Joint Committee through the Chair within 1 month of the end of the reporting year setting out

its activities during the year and including the review of its performance and that of any sub-groups it has established.

- 8.3.3 The Joint Committee, and in turn the LHBs jointly shall use the information from this evaluation activity to inform:
- The ongoing development of its governance arrangements, including its structures and processes;
  - Its Committee Development Programme, as part of an overall Organisation Development framework; and
  - Inform each LHBs report of its alignment with the Welsh Government's Citizen Centred Governance Principles, completed as part of its ongoing review and reporting arrangements.

## **8.4 External Assurance**

- 8.4.1 The Joint Committee shall ensure it develops effective working arrangements and relationships with those bodies that have a role in providing independent, external assurance to the public and others on the Joint Committee's operations, e.g. the Wales Audit Office and Healthcare Inspectorate Wales.
- 8.4.2 The Joint Committee may be assured, from the work carried out by external audit and others, on the adequacy of its own assurance framework, but that external assurance activity shall not form part of, or replace its own internal assurance arrangements, except in relation to any additional work that the Joint Committee itself may commission specifically for that purpose.
- 8.4.3 The Joint Committee shall keep under review and ensure that, where appropriate, the Joint Committee implements any recommendations relevant to its business made by the National Assembly for Wales's Audit Committee, the Public Accounts Committee or other appropriate bodies.
- 8.4.4 The Joint Committee shall provide the Auditor General for Wales with assistance, information and explanation which the Auditor General thinks necessary for the discharge of their statutory powers and responsibilities under section 145 of and paragraph 17 to Schedule 8 to the Government of Wales Act 2006 (C.42).

## **9. DEMONSTRATING ACCOUNTABILITY**

### **9.1 General**

9.1.1 Taking account of the arrangements set out within these WHSSC SOs, the Joint Committee shall demonstrate to the LHBs jointly, citizens and other stakeholders and to the Welsh Ministers a clear framework of accountability within which it:

- Conducts its business internally;
- Works collaboratively with NHS colleagues, partners, service providers and others; and
- Responds to the views and representations made by those who represent the interests of the citizens it serves, its Officers and healthcare professionals.

9.1.2 The Joint Committee shall also facilitate effective scrutiny of its operations through the publication of regular reports on activity and performance, including publication of an Annual Report.

9.1.3 The Joint Committee shall ensure that within the WHSST, individuals at all levels are supported in their roles, and held to account for their personal performance through effective performance management arrangements.

### **9.2 Support to the Joint Committee**

9.2.1 The Committee Secretary, on behalf of the Joint Committee Chair, will ensure that the Joint Committee is properly equipped to carry out its role by:

- Overseeing the process of nomination and appointment to the Joint Committee;
- Co-ordinating and facilitating appropriate induction and organisational development activity;
- Ensuring the provision of governance advice and support to the Joint Committee Chair on the conduct of its business and its relationship with LHBs, the host LHB and others;
- Ensuring the provision of secretariat support for Joint Committee meetings;
- Ensuring that the Joint Committee receives the information it needs on a timely basis;
- Ensuring strong links to communities/groups;

- Ensuring an effective relationship between the Joint Committee and its host LHB; and
- Facilitating effective reporting to each LHB.

This will enable each LHB Board to gain assurance on the conduct of business carried out by Joint Committee on its behalf.

## **10. REVIEW OF STANDING ORDERS**

- 10.1 These WHSSC SOs shall be reviewed annually by the Joint Committee, which shall report any proposed amendments to the LHBs jointly for consideration. The requirement for review extends to all documents having the effect as if incorporated in WHSSC SOs, including the equality impact assessment.

## **Annex (i) - Glossary of Terms**

*This Glossary of Terms should be used in conjunction with the Local Health Board's Standing Orders and Standing Financial Instructions; and also with the Welsh Health Specialised Services Committee's Standing Orders and Standing Financial Instructions*

<b>Accountable Officer</b>	The officer formally designated as the LHB's 'Accountable Officer' by the Chief Executive, NHS Wales. In LHBs, the Chief Executive must be the designated Accountable Officer, and this is a condition of their appointment to the role. The essence of the role of Accountable Officer is the designation of personal responsibility for the propriety and regularity of the public finances for which the AO is answerable.
<b>Accounting Officer</b>	The person holding the post of Director General, Department for Health and Social Services and Chief Executive, NHS Wales who has been formally designated the Welsh Government's Accounting Officer for Health and Social Services.
<b>Advisory Group</b>	A Group, created and appointed by the LHB Board to provide advice in the exercise of its functions. The LHB's advisory groups include a Stakeholder Reference Group, Healthcare Professionals' Forum, and Local Partnership Forum.
<b>Welsh Government</b>	The Welsh Ministers or any person whose authority emanates from the Welsh Ministers.

<b>Associate Member</b>	<p><i>For LHB:</i> A board member who has been appointed to bring a particular perspective to the Board and to participate in Board debate and discussions, but who does not have voting rights.</p> <p><i>For WHSSC:</i> The Chief Executives of Velindre NHS Trust, the Welsh Ambulance Services NHS Trust and the Public Health Wales NHS Trust who has been appointed to bring a particular perspective to the Joint Committee and to participate in Joint Committee debate and discussions but do not have voting rights.</p>
<b>Audit Committee</b>	<i>For WHSSC:</i> The Audit Committee of the host organisation
<b>Board</b>	<i>For LHBs:</i> The corporate, decision making body of the LHB. Its role is to set its strategic direction; establish and uphold its governance and accountability framework, including its values and standards of behaviour; and to ensure delivery of its aims and objectives through effective challenge and scrutiny of performance across all areas of activity.
<b>Board members</b>	<i>For LHBs:</i> All members of the Board, including the Chair, Vice Chair, officer members (known as Executive Directors), non officer members (collectively with the Chair and Vice Chair known as Independent Members) and Associate (non voting) members.
<b>Board Secretary</b>	<i>For LHBs:</i> The person appointed by the Board as its principal advisor on all aspects of governance.

<b>Chair</b>	<p><u>For LHB:</u> The LHB Chair or Chair of the Board (or LHB), means the person appointed by the Minister to lead the Board and to ensure it successfully discharges its overall responsibility for the LHB as a whole.</p> <p><u>For WHSSC:</u> The WHSSC or Joint Committee Chair or Chair of the WHSSC (or Joint Committee), means the person appointed by the Minister to lead the Joint Committee and to ensure it successfully discharges its overall responsibility for the Joint Committee as a whole.</p>
<b>Chief Executive</b>	<p><u>For LHB:</u> The Chief Officer of the LHB.</p> <p><u>For WHSSC:</u> The Chief Executive of the host LHB.</p>
<b>Chief Executive, NHS Wales</b>	The person holding the post of Director General, Health and Social Services, Welsh Government, and Chief Executive, NHS Wales .
<b>Committee</b>	A Committee or sub-Committee, created and appointed by the LHB or, in the case of a joint-Committee or joint sub-Committee created and appointed by the LHB or by another organisation and approved by the LHB.
<b>Committee Members</b>	<p><u>For LHB:</u> Those persons formally appointed by the Board to sit on or to chair specific Committees.</p> <p><u>For WHSSC:</u> The LHB Chief Executives together with the Joint Committee Chair appointed by the Minister and two Non-Officer Members appointed by the Joint Committee from existing Non-Officer Members of a LHB (and one of whom will be the Vice-Chair) and Associate (non voting ) members.</p>
<b>Committee Secretary</b>	<u>For WHSSC:</u> The person appointed by the Joint Committee as its principal advisor on all aspects of governance. The Committee Secretary will be supported by the Corporate Governance Manager.

<b>Constitution Regulations</b>	The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 (2009/779 (W.67))
<b>Director General, Health and Social Services</b>	The person holding the post of the Welsh Government's Director General, responsible for the Health and Social Services Directorate General and Chief Executive, NHS Wales.
<b>Director of Finance</b>	<i>For LHB:</i> The chief financial officer of the LHB. <i>For WHSSC:</i> The Director of Finance of Specialised and Tertiary Services.
<b>Executive Director(s)</b>	<i>For LHBs:</i> Officer member(s) of the Board. There are nine Executive Directors (including the Chief Officer) with responsibility for the following areas: Medical; Finance; Nursing; Primary Care, Community and Mental Health Services; Strategic and Operational Planning; Workforce and Organisational Development; Public Health; Therapies and Health Science. <i>For WHSSC:</i> See WHSSC Directors
<b>Functions</b>	<i>For LHB:</i> Those functions defined in the Local Health Boards (Directed Functions) (Wales) Regulations 2009 (2009/1511 (W.147)) and in other legislation. <i>For WHSSC:</i> Those functions listed in Annex (i) of the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and subject to any variations to those functions agreed from time to time by the Joint Committee.
<b>Funds held on trust</b>	Those funds which the LHB holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under Section 163 of the National Health Service (Wales) Act 2006 (C.42). Such funds may or may not be charitable.
<b>Host LHB</b>	<i>For WHSSC:</i> Cwm Taf LHB.
<b>Joint Committee</b>	The Welsh Health Specialised Services Committee established pursuant to the Welsh Health Specialised Services

	Committee (Wales) Directions 2009 (2009/35).
<b>Joint Committee Audit Committee</b>	<i>For WHSSC:</i> The Audit Committee of the host organisation.
<b>Lead Director</b>	<i>For WHSSC:</i> The Managing Director of Specialised and Tertiary Services Commissioning.
<b>LHBs</b>	Local Health Boards
<b>Ministers or Minister</b>	Either, collectively Welsh Ministers, or separately the Minister or the Deputy Minister for Health and Social Services for Wales.
<b>National Assembly</b>	The National Assembly for Wales, or any person whose authority emanates from the National Assembly for Wales.
<b>NHS</b>	The National Health Service.
<b>NHS Act 2006</b>	The National Health Service Act 2006 (C.41).
<b>NHS (Wales) Act 2006</b>	The National Health Service (Wales) Act 2006 (C.42).
<b>Nominated Officer</b>	An officer charged with the responsibility for discharging specific tasks within these Standing Orders and related Standing Financial Instructions.
<b>Non Officer Members (NOMs)</b>	<i>For LHBs:</i> There are nine non-officer members, who must include: a local authority member; a voluntary organisation (or third sector) member; a trade union member; and a person who holds a post in a university that is related to health. <i>For WHSSC:</i> There are three non-officer members of the Joint Committee. The Chair will be independent to the Local Health Boards. All other non-officer members will be drawn from the Local Health Board Non-Officer Members.
<b>Officer</b>	<i>For LHB:</i> An employee of the LHB. In certain circumstances, the term officer may include a person who is employed by another LHB or by a third party contracted to the LHB who carries out functions on

	<p>behalf of the LHB.</p> <p><i>For WHSSC:</i> An employee of the host LHB who provides administrative support for the running of the Joint Committee.</p>
<b>Officer Members</b>	See Executive Director(s).
<b>Relevant Services</b>	<i>For WHSSC:</i> The planning and securing of specialised and tertiary services consisting of those functions and services listed in Annex (i) of the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and subject to any variations to those functions agreed from time to time by the Joint Committee.
<b>SFIs</b>	Standing Financial Instructions.
<b>SOs</b>	Standing Orders.
<b>Values and Standards of Behaviour Framework</b>	The Values and Standards of Behaviour Framework, incorporating NHS Codes of Conduct.
<b>Vice-Chair</b>	The non officer member appointed by the Minister who shall have particular responsibility for primary care, community and mental health services; and to take on the Chair's duties if the Chair is absent for any reason.
<b>WHSSC</b>	The Welsh Health Specialised Services Committee ("the Joint Committee").
<b>WHSSC Directions</b>	The Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35).
<b>WHSSC Regulations</b>	The Welsh Health Specialised Services Committee (Wales) Regulations 2009 (2009/3097 (W.270)).
<b>WHSSC SFIs</b>	<i>For WHSSC:</i> The Welsh Health Specialised Services Committee Standing Financial Instructions.
<b>WHSSC SOs</b>	<i>For WHSSC:</i> The Welsh Health Specialised Services Committee Standing Orders.
<b>WHSST</b>	<i>For WHSSC:</i> The Welsh Health Specialised Services Team established to run the day to day business of the Joint Committee.
<b>WHSST Directors</b>	<i>For WHSSC:</i> Those persons appointed by the Joint Committee, employed by the host

	<p>LHB, and consist of the Managing Director of Specialised and Tertiary Services Commissioning, the Director of Finance of Specialised and Tertiary Services, the Medical Director of Specialised and Tertiary Services and the Director of Nursing and Quality of Specialised and Tertiary Services. Collectively, the WHSST Directors make up the Joint Committee's Management Team.</p>
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# Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

## Contents

1. Budget delegation and virements
2. Banking arrangements
3. Income, fees and charges
4. Procurement and contracts for good and services
5. Contracts for Health Care Services
6. Pay expenditure
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8. Losses and special payments
9. IM&T
10. Retention of Records

# Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

## 1. Budget delegation and virements

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	Delegation of the management of a budget to permit the performance of a defined range of activities	6.2.1	Lead Director	Director of Finance
B	All budget holders are required to sign up to their allocated budgets at the start of the financial year.	6.1.4	Budget holders	All budget holders
C	Delegation to include the authority to exercise virement and budget transfers	6.2.1	Lead Director	See C1below

		Delegated to:	Signed off by:
A1	Delegation of the management of defined Revenue budgets to budget holders:  i. Direct Running Costs	i. Committee Secretary	i. Committee Secretary to £20,000 ii. Director of Finance to £50,000

### *C1-Approval of variation of budgets, including authority to vire*

Delegated Authority	Between budget lines	Capital to revenue & vice versa
Between directorates	Director of Finance	
Budget transfers between Reserves and Delegated budgets	Director of Finance	Not allowed

# Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

## 2. Banking arrangements

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
A	<p>The Director of Finance of the Host LHB will prepare detailed instructions on the operation of bank accounts which must include:</p> <ul style="list-style-type: none"> <li>i. The conditions under which bank accounts is to be operated</li> <li>ii. Those authorised to sign cheques or other orders drawn on the LHB accounts</li> </ul>	9.1.1	Director of Finance of the Host LHB	As per Host LHB SFI's

## 3. Income, fees and charges.

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority Delegated to
A	<b>Fees and Charges-</b> The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges , other than those determined by the Welsh ministers or by statute	10.1.2	Director of Finance	Financial Accountant
B	<b>Debt recovery-</b> The Director of Finance is responsible for the appropriate recovery action on all outstanding	10.1.4	Director of Finance	Financial Accountant

	<b>Fees and Charges:</b>	<b>Authority Delegated to</b>
A1	<p><b>Risk Sharing Funding</b></p> <ul style="list-style-type: none"> <li>i. Approval and Signing of the Risk Sharing Agreements and Annual Financial Plan</li> </ul>	<ul style="list-style-type: none"> <li>i. Joint Committee</li> <li>ii. WHSSC Management Group</li> </ul>

## Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

### 4. Procurement and contracts for good and services

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	Maintaining detailed policies and procedures for procurement, tendering and contracting	11.1.4	Host LHB	As per Host LHB SFI's

### 5. Contracts for Health Care Services

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority Delegated to
A	The Lead Director is responsible for ensuring the LHB enters into suitable Health Care Agreements or individual patient commissioning agreements where appropriate.	12.1.1	Lead Director on behalf of the Joint Committee	Director of Finance
B	The Lead Director will need to ensure that regular reports are provided to the Joint Committee detailing performance and associated financial implications of all health care agreements	12.3.1	Lead Director	Director of Finance

	Agreements for the purchase of services	Authority delegated to
A1	<b>Long Term Agreements with other NHS bodies</b> <ul style="list-style-type: none"> <li>i. Approval and Signing of the Long Term Agreement</li> <li>ii. Variations to the Agreement</li> </ul>	Level 1 – Lead Director – Unlimited in accordance with delegated authority Level 2 – Director of Finance – Unlimited in accordance with delegated authority

## Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

A4	<b>Individual NHS patient treatment charges outside of LTAs and SLAs</b>  Agreement to fund treatment: <ul style="list-style-type: none"> <li>i. Individual Patient Packages</li> <li>ii. Lifetime Costs</li> </ul>	>£1,000,000 – Joint Committee >£300,000 Level 1 – Lead Director <£300,000 Level 2 and Level 3 Directors  >£1,000,000 – Joint Committee >£300,000 Level 1 – Lead Director <£300,000 Level 2 and Level 3 Directors
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### 6. Pay expenditure

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	All appointments or recruitments	13.1.2	Host LHB	Committee Secretary

### 7. Non Pay expenditure

Ref	SFI requirement	SFI Ref.	SFI responsibility	Authority Delegated to
A	The Lead Director will approve the level of non pay expenditure and operational scheme of delegation and authorisation to budget holders the scheme of delegation	SFI 14.1.0	Lead Director	Director of Finance Committee Secretary
B	The Director of Finance will advise the board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders should be	14.3.1	Director of Finance	Financial Accountan t

# Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

## 8. Losses and special payments

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
B	<b>Losses and Special payments</b>			
	<ul style="list-style-type: none"> <li>Ensuring procedural instructions on the recording of and accounting for losses and special payments are in place; and that all losses and special payments cases are properly managed in accordance with the guidance set out in the Assembly Government's Manual for Accounts.</li> </ul>	<b>16.1.2</b>	Director of Finance	Financial Accountant
	<ul style="list-style-type: none"> <li>Ensure all financial aspects of losses and special payments cases are properly registered and maintained on the centralised Losses and Special Payments Register and that</li> </ul>	<b>16.1.6</b>	Director of Finance	Financial Accountant
	<ul style="list-style-type: none"> <li>'case write off' action is recorded on the system.</li> </ul>	<b>16.1.7</b>	Audit committee	See Below
	<ul style="list-style-type: none"> <li>The Audit Committee shall approve the writing off of losses or the making of special payments within delegated limits determined by Welsh Ministers and as</li> </ul>	<b>16.1.11</b>	Director of Finance	Financial Accountant

## Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

B1	<p><b>Approve losses, write-offs and compensation payments due to:</b></p> <ul style="list-style-type: none"> <li>i. losses of cash (theft, fraud, etc)</li> <li>ii. damage to buildings, fittings, furniture and equipment and property in stores and in use due to culpable cause (theft, fraud, arson)</li> <li>iii. extra contractual payments to contractors;</li> <li>iv. ex-gratia payments to patients and staff for loss of personal effects</li> <li>v. fruitless payments including abandoned capital schemes</li> <li>vi. ex-gratia payments - voluntary release payments to staff</li> <li>vii. bad debts and claims abandoned</li> </ul> <ul style="list-style-type: none"> <li>- &lt;£10,000</li> <li>- £10,000 to £50,000</li> </ul>	<ul style="list-style-type: none"> <li>i to iv Lead Director (within delegated limits issued by Welsh Government - £50,000)</li> <li>v. Lead Director (delegated limits - £250,000)</li> <li>vi. Remuneration Committee (within delegated limits issued by Welsh Government - £50,000)</li> <li>vii. Director of Finance (to £10,000) and Lead Director (£10,000 to £50,000).</li> </ul>
B2	<p><b>Approve compensation payments made under legal obligation:</b></p> <ul style="list-style-type: none"> <li>• Personal injury claims</li> </ul> <ul style="list-style-type: none"> <li>i. up to £20,000</li> <li>ii. £20,000 to £50,000</li> <li>iii. Over £50,000</li> </ul> <ul style="list-style-type: none"> <li>• Employment matters</li> </ul>	<ul style="list-style-type: none"> <li>• Personal injury- On receipt of legal advice to pay <ul style="list-style-type: none"> <li>i. Committee Secretary</li> <li>ii. Director of Finance</li> <li>iii. Lead Director (within delegated limits issued by Welsh Government - £1million)</li> </ul> </li> <li>• Employment matters Lead Director (with advice from Committee)</li> </ul>

B3	<b>Approve compensation payments made without legal obligation</b>	<ul style="list-style-type: none"> <li>• Lead Director (within delegated limits issued by Welsh Government - £50,000)</li> </ul>
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## Welsh Health Specialised Services - Additional Delegations Linked to the SFI's

### 9. IM&T

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
A	The Director of IM&T has specific responsibilities within this Section which need to be reviewed to determine if any formal delegation is required.	17.1.1	Host LHB	As per Host LHB SFI

### 10. Retention of Records

Ref	SFI requirement	SFI Ref	SFI responsibility	Authority delegated to
A	The Lead Director shall be responsible for maintaining archives for all records required to be retained in accordance with Welsh Ministers guidance.	18.1.1	Lead Director	<ul style="list-style-type: none"> <li>Committee Secretary</li> </ul>

## **Annex (iii) Key Guidance, Instructions and Other Related Documents**

**This Annex forms part of, and shall have effect as if incorporated in the Welsh Health Specialised Services Committee Standing Orders**

### **1. Joint Committee framework**

1.1 The Joint Committee's Governance and Accountability Framework comprises these WHSSC SOs, incorporating schedules of Powers reserved for the Joint Committee and Delegation to others, together with the following documents agreed by the Joint Committee:

- *WHSSC SFIs*
- *Standards of Behaviour Policy (including Gifts and Hospitality)*
- *Protocol for Dealing with Concerns, Under the National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011, which relate to Specialised Services within Wales*
- *Risk and Assurance Framework*
- *Memorandum of Agreement*
- *Hosting Agreement.*

These documents must be read in conjunction with the WHSSC SOs and will have the same effect as if the details within them were incorporated within the WHSSC SOs themselves.

1.2 These documents may be accessed by emailing [whssc.generalenquiries@wales.nhs.uk](mailto:whssc.generalenquiries@wales.nhs.uk) or through the WHSSC website [www.whssc.wales.nhs.uk](http://www.whssc.wales.nhs.uk).

### **2. NHS Wales framework**

2.1 Full, up to date details of the guidance, instructions and other documents that together make up the framework of governance, accountability and assurance for the NHS in Wales are published on the NHS Wales Governance e-Manual which can be accessed at [www.NHSWalesGovernance.com](http://www.NHSWalesGovernance.com). Directions or guidance on specific

aspects of Joint Committee business are also issued in hard copy, usually under cover of a Ministerial Letter.

# Standing Financial Instructions Welsh Health Specialised Services Committee

November 2015

Llywodraethu da.....calon iechyd da  
Good governance.....at the heart of good health care

## Foreword

Each Local Health Board (LHB) in Wales must agree Standing Financial Instructions (SFIs) for the regulation of the Welsh Health Specialised Services Committee's (the "WHSSC" or the "Joint Committee") financial proceedings and business. These WHSSC Standing Financial instructions (WHSSC SFIs) are an annex to the WHSSC Standing Orders (WHSSC SO's), which form a schedule to each LHB's own Standing Orders, and have effect as if incorporated within them. They are designed to achieve probity, accuracy, economy, efficiency, effectiveness and sustainability in the conduct of business, they translate statutory and Welsh Government financial requirements for the NHS in Wales into day to day operating practice. Together with the adoption of a scheme of decisions reserved to the Joint Committee; a scheme of delegations to officers and others; and WHSSC Standing Orders (SOs), they provide the regulatory framework for the business conduct of the WHSSC.

These documents, together with a written Memorandum of Agreement defining the respective roles of the seven LHB Accountable Officers and a hosting agreement between the Joint Committee and Cwm Taf LHB ("the Host LHB"), form the basis upon which the WHSSC's governance and accountability framework is developed. Together with the adoption of a Values

and Standards of Behaviour framework this is designed to ensure the achievement of the standards of good governance set for the NHS in Wales.

All Joint Committee members, Welsh Health Specialised Services Team (WHSST) staff must be made aware of these WHSSC Standing Financial Instructions and, where appropriate, should be familiar with their detailed content. WHSSC's Committee Secretary will be able to provide further advice and guidance on any aspect of the Standing Financial Instructions or the wider governance arrangements for WHSSC. Further information on governance in the NHS in Wales may be accessed at [www.NHSWalesGovernance.com](http://www.NHSWalesGovernance.com)

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# Welsh Health Specialised Services Committee

## 1. INTRODUCTION

### 1.1 General

- 1.1.1 These model Welsh Health Specialised Services Committee Standing Financial Instructions (SFIs) are issued in accordance with the Directions on Financial Management in Wales issued by the Welsh Ministers which require that each LHB shall agree Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. The Directions on Financial Management shall apply equally to members, officers and Sub Committees of the Joint Committee.
- 1.1.2 **These Standing Financial Instructions shall have effect as if incorporated in the Welsh Health Specialised Services Committee Standing Orders and both should be used in conjunction with the Host LHB Standing Orders, the Host LHB Standing Financial Instructions, the Schedule of decisions reserved for the Joint committee and the Scheme of Delegation adopted by WHSSC.**
- 1.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Joint Committee, including its sub-committees, staff of the Host LHB and staff of WHSST. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance and Audit Committee.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Committee Secretary or Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the WHSSC Standing Orders

## **1.2 Overriding Standing Financial Instructions**

1.2.1 Full details of any non compliance with these Standing Financial Instructions, including an explanation of the reasons and circumstances must be reported in the first instance to the Director of Finance and the Committee Secretary, who will ask the Audit Committee to formally consider the matter and make proposals to the Joint Committee on any action to be taken. All Joint Committee members, members of joint sub-committees, Host LHB staff and WHSST staff have a duty to report any non compliance to the Director of Finance and the Committee Secretary as soon as they are aware of any circumstance that has not previously been reported.

**1.2.2 Ultimately, the failure to comply with Standing Financial Instructions and Standing Orders is a disciplinary matter that could result in an individual's dismissal from employment or removal from the Joint Committee.**

## **1.3 Financial duties and resource limits of the Joint Committee**

1.3.1 The financial duties and resource limit duties for LHBs are set out under Sections 175 and 176 of the NHS (Wales) Act 2006 (C.42). The Joint Committee exists for the purpose of jointly exercising those functions relating to the planning and securing of certain specialised and tertiary services on a national All-Wales basis, on behalf of each of the seven LHB's in Wales. Each LHB shall be bound by the decisions of the Joint Committee in the exercise of its delegated functions. The Joint Committee must agree an appropriate level of funding for the provision of these services and determine the contribution from each LHB to allow the Joint Committee to plan and secure those services, including the running costs of WHSST. The Joint Committee will prepare an annual plan which shall outline the funding requirements in relation to the Relevant Services. The Joint Committee will also be responsible for developing a risk sharing framework which sets out the basis on which each LHB will contribute to any variation from the agreed annual plan.

## **2. RESPONSIBILITIES AND DELEGATION**

### **2.1 The Joint Committee**

2.1.1 The Joint Committee via WHSST exercises financial supervision and

control by:

- a) Formulating the Medium Term Financial Plan as part of the Medium Term Plan;;
- b) Requiring the submission and approval of budgets within approved allocations/overall income;
- c) Defining and approving essential features in respect of important policies and financial systems (including the need to obtain value for money and sustainability); and
- d) Defining specific responsibilities placed on members of the Joint Committee and employees as indicated in the Scheme of Delegation document.

2.1.2 The Joint Committee has adopted the WHSSC Standing Orders and has resolved that certain powers and decisions may only be exercised by the Joint Committee in formal session. These are set out in the 'Schedule of matters reserved to the Joint Committee' section of the WHSSC Standing Orders. All other powers have been delegated in accordance with the 'Scheme of Delegation' schedules in the WHSSC Standing Orders.

## **2.2 The Lead Director and Director of Finance**

2.2.1 The Lead Director and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

2.2.2 Within the Standing Financial Instructions, it is acknowledged that the Lead Director is ultimately accountable to the Joint Committee in relation to those functions delegated to them by the Joint Committee; and is also accountable to the Chief Executive of the Host LHB in respect of the administrative arrangements supporting the operation of the WHSSC by ensuring that the Joint Committee meets its obligation to perform its functions within the available financial resources. The Lead Director has overall executive responsibility for WHSST's activities; is responsible to the Chair and the Joint Committee for ensuring that financial obligations and targets are met;

and, reporting to the Chief Executive of the Host LHB, has overall responsibility for the WHSST's system of internal control.

As WHSSC is not a legal entity in its own right, legal responsibility for WHSSC, its officers and its system of internal control, remains with the Chief Executive of the host LHB in accordance with the Accountable Officers Memorandum.

- 2.2.3 It is a duty of the Director to ensure that Members of the Joint Committee, employees and all new appointees are notified of, and put in a position to understand their responsibilities within these Standing Financial Instructions.
- 2.2.4 The Lead Director shall prepare a monthly report to the Joint Committee which outlines the performance of the Joint Committee, highlighting any variances from the original annual plan.

## **2.3 The Director of Finance**

- 2.3.1 The Director of Finance is responsible for:
  - a) implementing the Joint Committee's financial policies and for co-coordinating any corrective action necessary to further these policies;
  - b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
  - c) ensuring that sufficient records are maintained to show and explain the Joint Committee's transactions, in order to disclose, with reasonable accuracy, the financial position of the Joint Committee at any time; and
  - d) without prejudice to any other functions of the Joint Committee, and employees of the Host LHB and WHSST, the duties of the Director of Finance include:
    - (i) the provision of financial advice to other members of the Joint Committee, Advisory Groups and

officials;

of (ii) the design, implementation and supervision of systems internal financial control; and

(iii) the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Joint Committee may require for the purpose of carrying out its duties.

2.3.2 The Director of Finance is responsible for ensuring an ongoing training and communication programme is in place to affect these Standing Financial Instructions.

## **2.4 Joint Committee Members, Joint Sub-Committees, and Employees**

2.4.1 All members of the Joint Committee, its joint sub-committees, employees of the Host LHB (including those employed to perform WHSST functions), severally and collectively, are responsible for:

- a) The security of the property of the Joint Committee and Host LHB;
- b) Avoiding loss;
- c) Exercising economy, efficiency and sustainability in the use of resources; and
- d) Conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

2.4.2 For all members of the Joint Committee, joint sub-committees and employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Joint Committee, joint sub-committee and employees discharge their duties must be to the satisfaction of the Director of Finance.

## **2.5 Contractors and their employees**

- 2.5.1 Any contractor or employee of a contractor who is empowered by the Host LHB to commit the Joint Committee to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Lead Director to ensure that such persons are made aware of this.

## **3. AUDIT, FRAUD AND CORRUPTION, AND SECURITY MANAGEMENT**

### **3.1 Audit Committee**

- 3.1.1 An independent Audit Committee is a central means by which the Joint Committee ensures effective internal control arrangements are in place. In addition, an Audit Committee provides a form of independent check upon the executive arm of the Joint Committee.
- 3.1.2 The Audit Committee of the host LHB will provide assurance to the Joint Committee of the effectiveness of its arrangements. Detailed terms of reference and operating arrangements are set out in the Host LHB Standing Orders. This Audit Committee will follow the guidance set out in the NHS Wales Audit Committee Handbook.

### **3.2 Chief Executive**

- 3.2.1 As Chief Executive of the Host LHB, the Chief Executive is responsible for:
- a) ensuring there are arrangements in place to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
  - b) ensuring that the Internal Audit function meets the NHS mandatory audit standards in accordance with the Internal Audit Manual and provides sufficient independent and objective assurance to the Audit Committee and the Accountable Officer;
  - c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or

corruption;

- d) ensuring that an annual Internal Audit report is prepared for the consideration of the Audit Committee and the Joint Committee. The report must cover:

- a clear opinion on the effectiveness of internal control in accordance with guidance issued by the Welsh Ministers including for example compliance with control criteria and the *Doing Well, Doing Better: Standards for Health Services in Wales* (formerly the Healthcare Standards);
- major internal financial control weaknesses discovered;
- progress on the implementation of Internal Audit recommendations;
- progress against plan over the previous year;
- a strategic audit plan covering the coming three years;
- a detailed plan for the coming year.

3.2.2 The designated internal and external audit representatives are entitled (subject to provisions in the Data Protection Act 1998 (C.29)) without necessarily giving prior notice to require and receive:

- a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- b) access at all reasonable times to any land or property owned or leased by the LHB;
- c) access at all reasonable times to members of the Joint Committee and employees of the Host LHB and WHSST;
- d) the production of any cash, stores or other property of the Host LHB under a member of the Joint Committee or an employee's control; and
- e) explanations concerning any matter under investigation.

### **3.3 Internal Audit**

- 3.3.1 The Accountable Officer Memorandum requires the Chief Executive to have an internal audit function that operates in accordance with the standards and framework set for the provision of Internal Audit in the NHS in Wales. This framework is defined within an Internal Audit Charter that incorporates a definition of internal audit, a code of ethics and Internal Audit Standards. Standing Order 9.1 of the Host LHB's Standing Order's details the role of the Head of Internal Audit. The role of the Audit Committee in relation to Internal Audit is set out within its Terms of Reference, incorporated in the Host LHB's Standing Order's and the Audit Committee Handbook.

The Chief Executive shall ensure that the annual plan of the Internal Auditor gives due regard to the activities of the Joint Committee in order to inform the audit opinion and the overall internal control system

### **3.4 External Audit**

- 3.4.1 The Joint Committee is not itself a statutory body but is hosted by the Host LHB on behalf of the seven LHBs in Wales.
- 3.4.2 The financial results of the Joint Committee will be separately identified when consolidated into the financial statements of the Host LHB and therefore the Host LHB must ensure that the external audit services employed, give due regard to the transactions and financial affairs of the Joint Committee, in its plan.
- 3.4.3 More detailed information about the purpose and responsibilities of external audit can be found in section 3.4 of the Host LHB's Standing Financial Instructions.

### **3.5 Fraud and Corruption**

- 3.5.1 In line with their responsibilities, the Lead Director and Director of Finance shall monitor and ensure compliance with Directions issued by the Welsh Ministers on fraud and corruption.
- 3.5.2 The Lead Director shall report to the Joint Committee and the Host LHB's Local Counter Fraud Specialist any matters relating to

suspected fraud or corruption.

3.5.3 The Host LHB's Local Counter Fraud Specialist will provide a written report to the Director of Finance and Audit Committee, at least annually, on counter fraud work within WHSST.

3.5.4 Reference is made to section 3.5 of the Host LHB's Standing Financial Instructions.

### **3.6 Security Management**

3.6.1 Security matters are the responsibility of the Chief Executive of the Host LHB but the Lead Director will ensure that adequate processes are in place to comply with the requirements.

## **4. ALLOCATIONS AND RESOURCE LIMIT**

4.0.1 In accordance with the WHSSC Standing Orders, the Joint Committee must agree the appropriate level of funding required from each LHB to fulfil its obligations. This will include the running costs of WHSST and will be separately identifiable.

4.0.2 Each LHB will be required to make available to the Joint Committee the level of funds outlined in the annual plan which shall be drawn down in cash on a monthly basis from each of the LHB's as proposed by the Director of Finance and agreed by the Joint Committee.

4.0.3 The Chief Executive of the Host LHB is not responsible for the outturn of WHSSC but is instead the responsibility of the Joint Committee. Any variations to the financial plan must be managed by the Joint Committee in accordance with the approved risk sharing framework. Each LHB will be responsible for its share under this risk sharing framework.

4.0.4 The Director of Finance will:

- a) prior to the start of each financial year submit to the Joint Committee for approval a report showing the total funding to be received, including assumed in-year adjustments and their proposed distribution including any sums to be held in reserve;

- b) be responsible for the development and operation of the risk sharing framework for any in year variations from the financial plan. The Director of Finance will also provide monthly reports to the Joint Committee explaining any variations from the annual plan and the contributions from each of the LHB under this framework. In cases where the performance report highlights an adverse variance to the annual plan or where the report anticipates future unfunded cost pressures, the Joint Committee will be required to put in place contingency measures to ensure that a break-even position is maintained. In cases where the performance report highlights a favourable variance to the annual plan, the Joint Committee shall be required to return the funding to each LHB in accordance with the risk sharing agreement.
- c) ensure that any ring-fenced or non-discretionary allocations are disbursed in accordance with Welsh Ministers requirements;
- d) periodically review any assumed in-year allocations to ensure that these are reasonable and realistic; and
- e) regularly update the Joint Committee on significant changes to the initial allocation and the application of such funds.

## **5. INTEGRATED PLANNING**

### **5.1 Integrated Medium Term Plan**

5.1.1 The Joint Committee will prepare a Integrated Medium Term Plan. The Integrated Medium Term Plan must reflect longer-term planning and commissioning objectives for the ongoing development of specialised and tertiary services in Wales, in conjunction with the Welsh Ministers. The Integrated Medium Term Plan should be continually reviewed based on latest Welsh Government policy and national and local priority requirements. The Integrated Medium Term Plan will be, at a minimum, 3 year rolling plans. In particular the Integrated Medium Term Plan must reflect the Welsh Ministers' commitments on

- a) delivering Together for Health
- b) sustainable development as set out in *One Wales: One Planet*.

5.1.2 Integrated Medium Term Plans will be based on a reasonable expectation of future service changes, performance improvements, workforce changes, demographic changes,, quality, funding, expenditure, cost pressures and savings plans to ensure that the Integrated Medium Term Plan is balanced and sustainable and supports the safe and sustainable commissioning of patient centred quality services. The Integrated Medium Term Plan will be the overarching planning document enveloping provider component plans and provider service delivery plans. The Integrated Medium Term Plan will incorporate the balanced Medium Term Financial Plan and will incorporate the Joint Committee's response to commissioning the

- a) Integrated Planning Framework,
- b) Quality Delivery Plan and
- c) Outcomes Framework

5.1.3 The Joint Committee will:

- a) Identify and evaluate existing, new and emerging treatments and services and advise on the designation of such services;
- b) Develop national policies for the equitable access to safe and sustainable, high quality specialised and tertiary healthcare services across Wales, whether planned, funded and secured at national, regional or local level; and
- c) Agree annually those services that should be planned on a national basis and those that should be planned locally.

5.1.4 The Lead Director Executive will compile and submit to the Committee, on an annual basis, the rolling 3 year Integrated Medium Term Plan. The Committee approved Integrated Medium Term Plan will be submitted to Local Health Boards and Welsh Government in line with the requirements set out in the Integrated Planning Framework.

## **5.2 Plan details and approval**

5.2.1 The Integrated Medium Term Plan will be developed in line with the Integrated Planning Framework and include:

- a) A statement of significant strategies and assumptions on which the plans are based;
- b) Working in conjunction with providers, Details of major changes in activity, service delivery, service and performance improvements, workforce, and resources required to achieve the plans; and
- c) Profiled activity, service, quality, workforce and financial schedules in line with individual provider plans
- d) Detailed plans to commission the Planning Framework and Quality Delivery Plan requirements and outcome measures;

#### 5.2.2 The Joint Committee will:

- a) Approve the Integrated Medium Term Plan prior to the beginning of the financial year of implementation. Following Committee approval the Plan will be submitted to Welsh Government prior to the beginning of the financial year of implementation.
- b) Approve a balanced Medium Term Financial Plan as part of the Integrated Medium Term Plan, which meets all probity and value for money requirements;
- c) Agree the appropriate level of funding for the provision of specialised and tertiary services at a national level, and determining the contribution from each LHB for those services (which will include the running costs of the Joint Committee and the WHSST) in accordance with any specific directions set by the Welsh Ministers.
- d) Prepare and agree with the Local health Boards and Welsh Government a robust and sustainable recovery plan in accordance with Welsh Ministers' guidance where the Committee plan is not in place or in balance.

## **6. BUDGETARY CONTROL**

### **6.1 Budget Setting**

- 6.1.1 Prior to the start of the financial year the Director of Finance will, on behalf of the Lead Director, prepare and submit budgets for approval and delegation by the Joint Committee. Such budgets will:

- a) Be in accordance with the aims and objectives set out in Integrated Medium Term Plan and Medium Term Financial Plan, and focussed on commissioning of safe quality patient centred quality services;
- b) Accord with Commissioning, Activity, Service, Quality, Performance, and workforce plans;
- c) Be produced following discussion with appropriate budget holders;
- d) Be prepared within the limits of available funds;
- e) Take account of ring-fenced or specified funding allocations;
- f) Take account of the principles of sustainable development; and
- g) Identify potential risks.

6.1.2 The Director of Finance shall monitor financial performance against budget and plans and report the current and forecast position on a monthly basis and at every Joint Committee meeting. Any significant variances should be reported to Joint Committee members as soon as they come to light and the Joint Committee shall be advised on any action to be taken in respect of such variances.

6.1.3 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled and managed appropriately.

6.1.4 All budget holders will sign up to their allocated budgets at the commencement of the financial year

6.1.5 The Director of Finance has a responsibility to ensure that appropriate and timely financial information is provided to budget holders and that adequate training is delivered on an on-going basis to assist budget holders managing their budgets successfully.

## **6.2 Budgetary Delegation**

- 6.2.1 The Lead Director may delegate, via the Director of Finance, the management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements under Regulations made in accordance with Section 33 of the NHS (Wales) Act 2006 (C.42). This delegation must be in writing and be accompanied by a clear definition of:
- a) the amount of the budget;
  - b) the purpose(s) of each budget heading;
  - c) individual or committee responsibilities;
  - d) arrangements during periods of absence;
  - e) authority to exercise virement;
  - f) achievement of planned levels of service; and
  - g) the provision of regular reports.
- 6.2.2 The Lead Director, Director of Finance, and delegated budget holders must not exceed the budgetary total or virement limits set by the Joint Committee.
- 6.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Lead Director, subject to any authorised use of virement.
- 6.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Lead Director, as advised by the Director of Finance.

### **6.3 Budgetary Control and Reporting**

- 6.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:
- a) financial reports to the Joint Committee in a form approved by the Joint Committee containing as a minimum:
    - income and expenditure to date showing trends and forecast year-end position
    - movements in working capital;
    - movements in cash;
    - capital expenditure and projected outturn against plan;
    - explanations of any material variances from plan;
    - details of any corrective action being taken as advised by

- and/or Director of Finance's view of whether such actions are sufficient to correct the situation;
  - details of variations from the financial plan showing the contributions to be made by each LHB under the risk sharing framework;
- b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
  - c) investigation and reporting of variances from financial, activity and workforce budgets;
  - d) monitoring of management action to correct variances;
  - e) arrangements for the authorisation of budget transfers.

6.3.2 Each Budget Holder is responsible for ensuring that:

- a) any likely overspending or reduction of income that cannot be met by virement is not incurred without the prior consent of the Lead Director subject to the Joint Committee's scheme of delegation;
- b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;
- c) no permanent employees are appointed without the approval of the Lead Director other than those provided for within available resources and workforce establishment as approved by the Joint Committee.

6.3.3 The Director is responsible for identifying and implementing cost and efficiency improvements and income generation initiatives in accordance with the requirements of the Medium Term Financial Plans.

## **6.4 Capital Expenditure**

6.4.1 The general rules applying to delegation and reporting shall also apply

to capital expenditure subject to any specific reporting requirements required by the Welsh Ministers.

## **6.5 Monitoring Returns**

- 6.5.1 The Lead Director is responsible for ensuring that the appropriate monitoring returns are submitted to the Welsh Ministers in accordance with published guidance and timescales.
- 6.5.2 All monitoring returns must be supported by a detailed commentary signed by the Director of Finance and the Lead Director. This commentary should highlight and quantify any significant risks with an assessment of the impact and likelihood of these risks maturing.
- 6.5.3 All information made available to the Welsh Ministers should also be made available to the Joint Committee. There must be consistency between the Medium Term Financial Plan, budgets, expenditure, forecast position and risks as reported in the monitoring returns and monthly Joint Committee reports

## **7. ANNUAL ACCOUNTS AND REPORTS**

- 7.1.1 The Joint Committee is not a corporate body and does not therefore have a statutory duty to prepare annual accounts and reports.
- 7.1.2 However, the Joint Committee is hosted by the Host LHB and therefore the Chief Executive is required to ensure that the financial results of the Joint Committee are consolidated into its own financial statements and disclosed as appropriate.
- 7.1.3 The Lead Director and Director of Finance shall be required to provide all relevant information, financial and non-financial, to the Chief Executive as he or she requires and in the prescribed format to enable the Chief Executive to fulfil his or her statutory reporting responsibilities.
- 7.1.4 Financial statements prepared for the purpose of consolidation into the Host LHB statutory financial statements will be presented to the Audit Committee for approval.
- 7.1.5 While there will be no requirement for a separate Audit Opinion, the Audit Committee will receive an audit report on these financial

statements.

- 7.1.6 Once approved, these financial statements will be submitted to the Audit Committee of the Host LHB for approval to be consolidated into the Host LHB financial statements.
- 7.1.7 While the normal reporting route from the Audit Committee is direct to the Joint Committee, the presentation and agreement of these Financial Statements is a specific instance where an alternative reporting route is allowed.
- 7.1.8 The Host LHB's annual accounts must be audited by an auditor appointed by the Auditor General for Wales. The Host LHB's audited annual accounts must be adopted by the LHB Board at a public meeting and made available to the public.

## **8. SHARED AND HOSTED SERVICES ARRANGEMENTS**

- 8.1.1 Where the Joint Committee, via the Host LHB, uses a shared or hosted service provided by another NHS organisation to undertake part of its functions, these functions shall remain the ultimate responsibility of the Host LHB.
- 8.1.2 From 1<sup>st</sup> June 2012 the functions of managing and providing Shared Services to the health service in Wales will be given to Velindre NHS Trust. The Trust is required to establish a Shared Services Committee (to be known for operational purposes as the Shared Services Partnership Committee) which will be responsible for exercising the Trust's Shared Services functions. However, responsibility for the exercise of the Shared Services functions will not rest primarily with the Board of Velindre NHS Trust but will be a shared responsibility of all NHS bodies in Wales.
- 8.1.3 A Senior Management Team, led by the Director of Shared Services, will be responsible for the delivery of Shared Services in accordance with an Integrated Medium Term Plan agreed by the Shared Services Partnership Committee. The Director of Shared Services shall hold Accountable Officer status, and shall retain overall accountability in relation to the management of Shared Services.
- 8.1.4 A Memorandum of Co-operation and a Hosting Agreement must be in

obligations of NHS bodies to participate in the Shared Services Partnership Committee and to take collective responsibility for setting the policy and delivery of the Shared Services to the health service in Wales. The Hosting Agreement will provide the terms upon which Velindre NHS Trust provides the legal framework for the management and provision of Shared Services.

## **9. BANKING ARRANGEMENTS**

### **9.1 General**

- 9.1.1 The Joint Committee is legally hosted by the Host LHB and therefore all banking arrangements are the responsibility of the Host LHB. Further details of the banking arrangements can be found in section 9 of the Host LHB's Standing Financial Instructions.

## **10. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

### **10.1 General**

- 10.1.1 The Joint Committee is generally only an expenditure incurring segment of the Host LHB. Any income generated by the Joint Committee is likely to be incidental to the purchase of healthcare services. However, income generated in this way will be as a result of negotiated activity agreements and can therefore be significant in value.
- 10.1.2 The Director of Finance is responsible for designing and maintaining procedures to ensure compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 10.1.3 The Director of Finance is also responsible for ensuring that systems are in place for the prompt banking of all monies received.
- 10.1.4 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 10.1.5 Income not received should be dealt with in accordance with losses procedures.

recovery initiated.

- 10.1.7 The Lead Director and the Director of Finance are responsible for ensuring the Welsh Ministers' guidance on disputed debt arbitration is strictly adhered to.

## **10.2 Security of Cash, Cheques and other Negotiable Instruments**

- 10.2.1 The Director of Finance is responsible for:

- a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- b) Ordering and securely controlling any such stationery;
- c) The provision of adequate facilities and systems for officers whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- d) Establishing systems and procedures for handling cash and negotiable securities on behalf of the Joint Committee.

- 10.2.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

- 10.2.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance. The opening of incoming post shall be undertaken by two employees and any cheques or postal orders etc received shall be entered immediately on an appropriate form or register.

- 10.2.4 The holders of safe/cash box combinations/keys shall not accept unofficial funds for depositing in their safe/cash box unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Joint Committee is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Joint Committee from responsibility for any loss.

- 10.2.5 The opening of coin operated machines (including telephone, if applicable) and the counting and recording of takings shall be undertaken by two officers together, except as may be authorised in writing by the Director of Finance and the coin box keys shall be held by a nominated officer.
- 10.2.6 During the absence (for example, on holiday) of the holder of a safe/cash box combination/key, the officer who acts in their place shall be subject to the same controls as the normal holder of the combination/key. There shall be written discharge for the safe and/or cash box contents on the transfer of responsibilities and the discharge document must be retained for inspection.

## **11. PROCUREMENT AND CONTRACTING FOR GOODS AND SERVICES**

### **11.1 Policies and procedures**

- 11.1.4 The Host LHB shall be responsible for all aspects of the procurement process on behalf of the Joint Committee. Further details can be found in section 11 of the Host LHB's Standing Financial Instructions.
- 11.1.3 The term "procurement" embraces the complete process from sourcing to taking delivery of all works, goods and services required by WHSSC to perform its functions, and furthermore embrace all building, equipment, consumables and services including health services. Procurement further embraces contract and/or supplier management.
- 11.1.3 The main legal and governing principles guiding public procurement and which are incorporated into these SFIs are:
- a) Transparency: public bodies should ensure that there is openness and clarity on procurement processes and how they are implemented;
  - b) Non-discrimination: public bodies may not discriminate between suppliers or products on grounds of their origin;
  - c) Fair treatment: suppliers should be treated fairly and without discrimination, including in particular equality of opportunity and access to information;

- d) Legality: public bodies must conform to European Community and other legal requirements;
- e) Integrity: there should be no corruption or collusion with suppliers or others;
- f) Effectiveness and efficiency: public bodies should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement;
- g) Efficiency: procurement processes should be carried out as cost effectively as possible and secure value for money.

## **11.2 EU Directives Governing Public Procurement**

- 11.2.1 EU Directives governing public procurement and UK Regulations implementing such Directives and setting out procedures for awarding all forms of regulated contracts shall have effect as if incorporated into these SFIs.
- 11.2.2 EU Directives and UK regulations (the Public Contracts Regulations 2006 (2006/5)) exist covering the whole field of procurement, and these Directives set thresholds above which special and demanding procurement protocols and legal requirements apply. All Directors and their staff are responsible for seeing that those Directives are understood and fully implemented. The protocols set out in the EU Directives are the model upon which all formal procurement shall be based.
- 11.2.3 Specialist procurement advice should be taken in respect of EU Directives covering the procurement and tendering for health services, including primary care services, as this remains a complex area.

## **11.3 Sustainable Development**

- 11.3.1 Welsh Ministers have a duty under section 79 of the Government of Wales Act 2006 (c.32) to make a scheme setting out how they propose to promote sustainable development in the exercise of their functions. The Welsh Government's Sustainable Development Scheme, *One Wales, One Planet (2009)*, establishes sustainable development as the central organising principle of the public sector in Wales. The LHB shall take a full part in meeting the Welsh Ministers'

commitments on sustainable development, including procurement. The LHB shall adopt a Sustainable Development Strategy consistent with the NHS Wales Sustainable Development Strategy.

- 11.3.2 The LHB shall make use of the tools developed by Value Wales in implementing its Sustainable Development Strategy. The LHB shall benchmark its performance in sustainable procurement and produce annual action plans for improvement through its use of the Sustainable Procurement Assessment Framework (SPAF). For all contracts over £25,000, the LHB shall take account of social, economic and environmental issues when making procurement decisions using the Sustainable Risk Assessment Template (SRA).

#### **11.4 Equality of opportunity**

- 11.4.1 The LHB shall secure equality of opportunity in procurement through its application of the Sustainable Risk Assessment (SRA) tool developed by Value Wales for all contracts over £25,000, and its compliance with all relevant Welsh Ministers' guidance, as set out in Schedule 1 of these SFIs.

#### **11.5 Procurement Procedures**

- 11.5.1 To ensure that the LHB is fully compliant with EU Directives, UK Regulations and Welsh Ministers' guidance, the LHB shall ensure that it shall have procedures that set out:
- a) Requirements and exceptions to formal competitive tendering requirements;
  - b) Tendering processes including post tender discussions;
  - c) Requirements and exceptions to obtaining quotations;
  - d) Evaluation and scoring methodologies
  - e) Approval of firms for providing goods and services.
- 11.5.2 All procedures shall reflect the Welsh Ministers' guidance and the LHB's delegation arrangements and approval processes.
- 11.5.3 Paragraph 13(3) of Schedule 2 to the National Health Service (Wales) Act 2006 places a requirement on NHS Wales organisations to obtain the consent of the Welsh Ministers before :
- a) Acquiring and disposing of property;

- b) Entering into contracts; and
- c) Accepting gifts of property (including property to be held on trust)

11.5.4 The provision allows the Welsh Ministers to give consent, if they think fit, which may be given in general terms covering one or more descriptions of case.

11.5.5 General Consent has been granted by the Welsh Ministers for individual contracts up to the value of £1m in each case with the exception of those contracts specified in SO 11.6.7 of the Host Standing Orders. All contracts exceeding this delegated limit, all acquisitions and disposals of land of any limit, and the acceptance of gifts of property, must receive the written approval of the Welsh Ministers before being entered into.

11.5.6 The letter that updates the process for WHSSC to obtain consent to enter into contracts exceeding £1m and monitoring arrangements for contracts below £1m is at **Schedule 1**.

11.5.7 The requirement for consent does not apply to any contracts entered into pursuant to a specific statutory power, and therefore does not apply to :

- a) Contracts of employment between WHSSC and its staff;
- b) Transfers of land or contracts effected by Statutory Instrument following the creation of WHSSC;
- c) Out of Hours Contracts; and
- d) All NHS contracts, that is where one health service body contracts with another health service body.

11.5.8 The Revised General Consent does not remove the requirement for WHSSC to comply with SOs, SFIs or to obtain any other consents or approvals required by law for the transactions concerned.

## **12. CONTRACTS FOR HEALTH CARE SERVICES**

### **12.1 Health care agreements**

- 12.1.1 The Lead Director on behalf of the Joint Committee is responsible for ensuring that it enters into suitable Health Care Agreements, Individual Patient Commissioning Agreements and Contracts with service providers for health care services.

All Health Care Agreements, Individual Patient Commissioning Agreements and Contracts should aim to implement the agreed priorities contained within the Integrated Medium Term Plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Lead Director should take into account:

- a) the standards of service quality expected;
- b) the targets required by the Annual Operating Framework;
- c) the relevant national service framework (if any);
- d) the provision of reliable information on cost and volume of service; and
- e) that agreements are based on integrated care pathways.

All agreements must be in accordance with the functions delegated to WHSSC by the Welsh Ministers.

### **12.2 Statutory provisions**

The NHS (Wales) Act 2006 (C.42), sets out the responsibilities of LHB's in establishing contracts for healthcare services. As WHSSC is hosted by the Host LHB, the Joint Committee will have the same responsibilities. In particular the following sections are highlighted in relation to the statutory requirements of LHBs and therefore WHSSC for contracting with other bodies for the provision of health services:

- Section 7 which sets out the definition of an NHS contract being the arrangement between one health service body and another and the definition of such bodies;
- Section 9 which sets out arrangements to be treated as NHS contracts for ophthalmic and pharmaceutical services;
- Sections 32 and 33 in relation to services provided by or jointly with local authorities;

- Part 4 in relation to primary medical services;
- Part 5 in relation to primary dental services;
- Part 6 in relation to general ophthalmic services;
- Part 7 in relation to pharmaceutical services;
- Section 188 which sets out the arrangements with the prison services;
- Section 194 which sets out the powers to make payments towards expenditure on community services; and
- Section 195 which sets out arrangements with voluntary organisations.

### **12.3 Reports to the Joint Committee on Health Care Agreements (HCAs)**

12.3.1 The Lead Director will need to ensure that regular reports are provided to the Joint Committee detailing performance and associated financial implications of all health care agreements.

### **12.4 Tendering for supply of health care services**

12.4.1 Where the Joint Committee is required or elects to invite quotes or tenders for the supply of healthcare services, the Host LHB's Standing Financial Instructions in relation to procurement shall apply in relation to such competitive exercises.

12.4.2 The procurement arrangements surrounding the provision of healthcare services is a complex area and as such legal advice must be secured where there is doubt over the applicability or not of applying competitive processes. Further guidance is provided in the Host LHB's Standing Financial Instructions, Schedule 1

## **13. PAY EXPENDITURE**

### **13.1 Remuneration, Terms of Service Committee**

13.1.1 Appointments to the Joint Committee shall be in accordance with section 1.4 of the Joint Committee's Standing Orders

13.1.2 All other appointments or recruitments to WHSST and any remuneration or employment contract related matters shall be dealt with by the Host LHB on behalf of the Joint Committee in accordance

with the Host LHB's own Standing Orders and Standing Financial Instructions.

- 13.1.3 Further details of the Host LHB's responsibilities can be found in section 13 of the Host LHB's Standing Financial Instructions

## **14. NON-PAY EXPENDITURE**

- 14.1.0 This Standing Financial Instruction shall be read in conjunction with the Host LHB SFI 14.

### **14.1 Delegation of Authority**

- 14.1.1 The Lead Director will approve the level of non-pay expenditure and the operational scheme of delegation & authorisation to budget holders and managers within the parameters set out in the Joint Committee's scheme of delegation.

- 14.1.2 The Lead Director will set out in the operational scheme of delegation & authorisation:

- a) the list of managers who are authorised to place requisitions for the supply of goods and services; and
- b) the maximum level of each requisition and the system for authorisation above that level.

- 14.1.3 The Director of Finance is responsible for ensuring that the authorisation processes within any automated procurement system is through the provision of electronic "signatures" authorised in accordance with the access and authority controls as set out in the operational scheme of delegation & authorisation.

- 14.1.4 The Lead Director shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

### **14.2 Requisitioning**

- 14.2.1 The budget holder in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Joint Committee. In so doing, the Host LHB's approved supply catalogue shall be used. Where a required item is not included within

the catalogue, advice must be sought from the Host LHB's procurement advisor. All orders for goods and services must be accompanied by an official order number, available from the Procurement Department. In no circumstances must a requisition number be used as an order number.

### **14.3 The Director of Finance's responsibilities**

#### **14.3.1 The Director of Finance will:**

- a) advise the Joint Committee regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services;
- c) ensure systems are in place for the prompt payment of all properly authorised accounts and claims;
- d) ensure systems are in place for providing a system of verification, recording and payment of all amounts payable. The system shall provide for:
  - (i) A list of those Joint Committee members, WHSST employees or Host LHB employees (including specimens of their signatures) authorised to certify invoices.
  - (ii) Certification that:
    - goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;

- in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
- the account is arithmetically correct;
- the account is in order for payment.

(iii) for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

- e) Ensure systems are in place for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions to this are set out in the Host LHB's SFI 14.4.
- f) be responsible for ensuring compliance with the Public Sector Payment policy ensuring that a minimum of 95 percent of creditors are paid within 30 days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed.

## **14.4 Prepayments**

14.4.1 Prepayments are only permitted where either:

- a) the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to Net Present Value (NPV) using the National Loans Fund (NLF) rate plus 2%);
- b) it is the industry norm e.g. courses and conferences;
- c) there is specific Welsh Ministers' approval to do so e.g.

voluntary services compact;

14.4.2 In **exceptional** circumstances prepayments can be made subject to:

- a) The appropriate officer member must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Host LHB or Joint Committee if the supplier is at some time during the course of the prepayment agreement unable to meet his/her commitments;
- b) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold); and
- c) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

## **14.5 Official orders**

14.5.1 Official Orders must:

- a) be consecutively numbered;
- b) be in a form approved by the Director of Finance.
- c) state the Joint Committee's terms and conditions of trade; and
- d) only be issued to, and used by, those duly authorised by the Lead Director.

## **14.6 Duties of Budget Holders and Managers**

14.6.1 Budget holders and managers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

- a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;
- b) contracts above specified thresholds are advertised and awarded in accordance with EU and HM Treasury rules on public procurement;
- c) contracts above specified thresholds are approved by the Welsh Ministers prior to any commitment being made;
- d) where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Welsh Ministers and internal procedures;
- e) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Joint Committee members or employees, other than:
  - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars,
  - (ii) conventional hospitality, such as lunches in the course of working visits;

**This provision needs to be read in conjunction with Standing Order 7.5 of the Host LHB's Standing Financial Instructions.**

- f) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Lead Director;
- g) all goods, services, or works are ordered on official orders except works and services executed in accordance with a contract and purchases from petty cash;
- h) verbal orders must only be issued very exceptionally only in cases of emergency or urgent necessity and only by an employee designated by the Lead Director. These must be confirmed by an official order and clearly marked "Confirmation Order";

- i) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- j) goods are not taken on trial or loan in circumstances that could commit the LHB to a future uncompetitive purchase;
- k) changes to the list of Joint Committee members, officers and employees authorised to certify invoices are notified to the Director of Finance;
- l) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance; and
- m) petty cash records are maintained in a form as determined by the Host Director of Finance.

## **15. CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

### **15.1 General**

- 15.1.1 Any capital expenditure incurred by the Joint Committee or WHSST shall be dealt with in accordance with section 15 of the Host LHB's Standing Financial Instructions. This includes the recording and safeguarding of assets.

## **16. LOSSES AND SPECIAL PAYMENTS**

### **16.1 Losses and Special Payments**

- 16.1.1 Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for NHS Wales or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared to the generality of payments, and special notation in the accounts to draw them to the attention of the Assembly Government.
- 16.1.2 The Director of Finance is responsible for ensuring procedural instructions on the recording of and accounting for losses and special

properly managed in accordance with the guidance set out in the Welsh Government's Manual for Accounts.

- 16.1.3 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Lead Director and/or the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and / or the Lead Director.
- 16.1.4 Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the Host LHB's Local Counter Fraud Specialist (LCFS), the CFSW Team and NHS Protect in accordance with the Directions issued by the Welsh Ministers on fraud and corruption.
- 16.1.3 The Director of Finance or the Host LHB's Local Counter Fraud Specialist must notify the Joint Committee Audit Committee, the external auditor and the fraud liaison officer within the Welsh Government's Department for Health, Social Services and Children - Finance Directorate (DHSSC-FD), of all frauds.
- 16.1.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must notify:
  - a) the Audit Committee on behalf of the Joint Committee
  - b) an external audit representative
- 16.1.5 The Director of Finance shall be authorised to take any necessary steps to safeguard the Joint Committee's and the Host LHB's interests in bankruptcies and company liquidations.
- 16.1.6 The Director of Finance shall ensure all financial aspects of losses and special payments cases are properly registered and maintained on the centralised Losses and Special Payments Register and that "case write – off action is recorded on the system ( i.e. case closure date, case status etc. )

writing-off of losses or the making of special payments within delegated limits determined by the Welsh Assembly Government and as set out in Annex 3 of the WHSSC Standing Orders.

- 16.1.8 For any loss or special payment, the Director of Finance should consider whether any insurance claim could be made from the Welsh Risk Pool or from other commercial insurance arrangements.
- 16.1.9 No losses or special payments exceeding delegated limits shall be authorised or made without the prior approval of the Director of Finance, the Host LHB Director of Finance and the NHS Wales Director of Finance.
- 16.1.10 All novel, contentious and repercussive cases must be referred to the Welsh Assembly Government's Department for Health, Social Services and Children - Resource Directorate, irrespective of the delegated limit.
- 16.1.11 The Director of Finance shall ensure all losses and special payments are reported to the Audit Committee at every meeting.
- 16.1.12 WHSSC must obtain the DHSSC Director General's approval for special severance payments.

## **17. INFORMATION MANAGEMENT AND TECHNOLOGY**

### **17.1 Information Management & Information Technology (IM&T) Strategy**

- 17.1.1 The Joint Committee shall operate within the guidance set out in section 18 of the Host LHB's Standing Financial Instructions.

## **18. RETENTION OF RECORDS**

### **18.1 Responsibilities of the Chief Executive**

- 18.1.1 The Lead Director shall be responsible for maintaining archives for all records required to be retained in accordance with Welsh Ministers' guidance and the Data Protection Act 1998 (c29) and the Freedom of Information Act 2000 (c36).
- 18.1.2 The records held in archives shall be capable of retrieval by

authorised persons.

- 18.1.3 Records held in accordance with regulation shall only be destroyed at the express instigation of the Lead Director and Chief Executive. Details shall be maintained of records so destroyed.

## **MEMORANDUM OF AGREEMENT**

THIS MEMORANDUM OF AGREEMENT is made the 16 November 2015

BETWEEN

- (1) ABERTAWE BRO MORGANNWG UNIVERSITY LOCAL HEALTH BOARD, having headquarters at 1 Talbot Gateway, Baglan Energy Park, Baglan, Port Talbot, SA12 7BR
- (2) ANEURIN BEVAN UNIVERSITY LOCAL HEALTH BOARD, having headquarters at Mamhilad House, Mamhilad Park Estate, Pontypool, NP4 0YP
- (3) BETSI CADWALADR UNIVERSITY LOCAL HEALTH BOARD, having headquarters at Ysbyty Gwynedd, Penrhosgarnedd, Bangor, Gwynedd, LL57 2PW
- (4) CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD, having headquarters at University Hospital of Wales, Heath Park, Cardiff, CF14 4XW
- (5) CWM TAF UNIVERSITY LOCAL HEALTH BOARD, having headquarters at Ynysmeurig House, Navigation Park, Abercynon, Rhondda Cynon Taff, CF45 4SN.
- (6) HYWEL DDA UNIVERSITY LOCAL HEALTH BOARD, having headquarters at Merlin's Lane, Winch Court, Haverfordwest, Pembrokeshire, SA61 1SB
- (7) POWYS TEACHING LOCAL HEALTH BOARD, having headquarters at Mansion House, Bronllys, Brecon, Powys, LD3 0LS

WHEREAS:

- A. In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009 No.35), the LHBs are required to establish a Joint Committee for the purpose of jointly exercising its Delegated Functions and providing the Relevant Services from 1 April 2010.
- B. The Welsh Health Specialised Services Committee (Wales) Regulations 2009 (SI 2009 No 3097) make provision for the constitution of the Joint Committee including its procedures and administrative arrangements.

- C. Cwm Taf UHB has been identified as Host LHB to provide administrative support for the running of the Joint Committee and to establish the Welsh Health Specialised Services Team as per Direction 3(4) and 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.
- D. The Joint Committee has been 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. The Joint Committee therefore comprises, and is established by, all the LHBs.
- E. The LHBs have been given the financial responsibility for all of the specialised and tertiary health needs for their respective populations. Refer to Standing Order 1.1.
- F. The Directions and Regulations require that the Chief Executives of each of the 7 LHBs listed as Parties to this Agreement be members of the Joint Committee. This Agreement defines the governance arrangements for the Joint Committee and the agreed roles and responsibilities of the Chief Executives of the constituent LHBs as individual members of the Joint Committee. This is in accordance with their objective to make collective decisions as to the provision of national services as described above and in the interests of NHS Wales and the health needs of their individual populations. Refer to Standing Orders: Statutory Framework, NHS Framework and Joint Committee Framework (for governance arrangements); and to Standing Orders 1.2 and 1.3 (for membership, roles and responsibilities).

## 1. INTERPRETATION

'the Act'	the National Health Service (Wales) Act 2006 (C.42)
'Associate Members'	the Chief Executives of Public Health Wales NHS Trust, Velindre NHS Trust, Welsh Ambulance Services NHS Trust. Refer to Regulation 3(3) and Standing Order 1.2.6.
'the Directions'	the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35)
'Chair'	the person appointed by the Minister to lead the Welsh Health Specialised Services Committee and to ensure it successfully discharges its overall responsibility on behalf of the LHBs. Refer to Regulation 4(1) and Standing Orders 1.3.4 to 1.3.6.
'Chief Executives'	the Chief Executives of the constituent LHBs
'Committee Secretary'	the person appointed by the Welsh Health Specialised Services Committee as its principal advisor on all aspects of governance. Refer to Standing Orders: The Role of the Committee Secretary.
'Role of the Joint Committee'	the role ascribed to the Joint Committee ascribed to the Joint Committee in section 4 of this Agreement. Refer to Standing Order 1.1.
'Dispute Process'	the arbitration process agreed with WG.
'WHSST Directors'	the Officer Members of the Joint Committee as defined in Regulation 3(2) of the Regulations.
'Host LHB'	Cwm Taf University Local Health Board

'Joint Committee'	the Welsh Health Specialised Services Committee established in accordance with the Directions and Regulations
'LHB'	Local Health Board established in accordance with s 11(2) of the Act
'Management Group'	The purpose of the Management Group is to be the Specialised Services Commissioning operational body responsible for the implementation of the Specialised Services Strategy. It will underpin the commissioning of Specialised Services to ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales. The Membership of the Group is determined locally but as a minimum consists of LHB planning/commissioning representation and/or Finance representation.
'Management Team'	the team appointed in accordance with paragraph 10.2 of the Agreement, comprising of the Director, Medical Director, Finance Director and Nurse Director of Specialised and Tertiary Services. Refer to Regulations 3(2) and Standing Order 1.2.4.
'NHS Wales'	the comprehensive health service for Wales established by the NHS (Wales) Act 2006 (C.42)
'Provider LHB'	a LHB which provides specialised and tertiary services to the Joint Committee
'the Regulations'	the Welsh Health Specialised Services Committee (Wales) Regulations 2009 (2009/3097 (W.270))
'Relevant Services'	the planning and securing of specialised and tertiary services consisting of those functions and services listed in Annex (i) of the Welsh Health Specialised Services Committee (Wales) Directors 2009, and incorporated as Annex (i) in this Agreement, subject to any variations to those functions agreed from time to time by the Joint Committee.

'WAG'	Welsh Assembly Government as defined by Government of Wales Act 2006 (C.32).
'WG'	Welsh Government as announced by the First Minister of Wales on 12 <sup>th</sup> May 2011.
'WHSST'	the Welsh Health Specialised Services Team consisting of staff employed by the Host Board to provide the Relevant Services, including WHSST Directors.

## **2. CORPORATE IDENTITY**

- 2.1 The corporate identity for the Joint Committee will be in accordance with the Corporate Identity Guidelines issued by Welsh Government to LHBs. The Joint Committee will be referred to as the 'Welsh Health Specialised Services Committee acting on behalf of Local Health Boards' on stationary and signage.

## **3. PRINCIPLES**

- 3.1 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 Act. The LHBs are required to jointly exercise the Relevant Services. Refer to Standing Orders: Statutory Framework
- 3.2 The principle of subsidiarity will apply so that the Joint Committee will agree annually a List of Specialist Services which has approved by the Joint Committee as part of the Annual Planning process. The Joint Committee will be only responsible for the provision of those services which are identified in the List of Specialist Services. Any other service not identified in the List of Specialist Services will be the responsibility of each LHB to provide locally. Nothing in this paragraph shall prevent any LHB from exercising its discretion as to how to provide these services, either individually, or in conjunction with other LHBs or other bodies. Refer to Standing Order 1.1.2
- 3.3 Each LHB is accountable, through its statutory responsibilities, to use its resources to plan, fund, design, develop and secure the delivery of primary, community, in-hospital care services and specialised services for their population. For a number of national services, this can only be achieved by working collaboratively with all LHBs. The Joint Committee is established on this basis of a shared, national approach to the joint planning of specialised and tertiary services on behalf of each LHB, ultimately accountability to citizens and other stakeholders for the provision of specialised and tertiary services for residents within their area remains with individual LHBs. Refer to Standing Order 1.1.2.
- 3.4 In performing its role, the Joint Committee and each individual Chief Executive shall work in the wider interest of NHS Wales. In so doing, they shall work with all of the Joint

Committee's appropriate partners and stakeholders in the best interests of NHS Wales. In so doing, the Joint Committee will take account of the following key principles:

- 3.4.1 Collaboration should be designed to deliver changes in services and demonstrable population benefit;
- 3.4.2 Collaboration should ensure a more extensive and consistent use of evidence supported by a robust analysis of need;
- 3.4.3 Collaboration must not diminish clinical engagement;
- 3.4.4 Collaboration should support LHBs in working together more effectively, in an open and transparent way, for the benefit of the local population;
- 3.4.5 Collaboration must enhance resource utilisation in the planning process to reduce duplication and overlap;
- 3.4.6 Collaboration should focus upon articulating need, reviewing evidence of good practice, designing models of care and producing clear service specification;
- 3.4.7 Collaboration should promote equity in service delivery.

Refer to Standing Orders 1.1.5, 1.3.3, and 6.6.6.2

3.5 Each LHB acknowledges the following principles:

- 3.5.1 the Management Team will be held to account by the Joint Committee for the delivery of a strategy for the provision of specialised and tertiary services for Wales as well as providing assurance that the systems of control in place are robust and reliable. Refer to Standing Order 1.3.7 and 1.3.8
- 3.5.2 that any decision taken and approved by the Joint Committee in respect of the provision of the Relevant Services is binding on the constituent LHBs and may not be undermined by any subsequent decision or action taken by a constituent LHB. Refer to Standing Order 1.1.3
- 3.5.3 that each individual LHB is responsible for the people who are resident in their area. This means that the Joint Committee of which each Chief Executive is a member

is acting on behalf of the 7 LHBs in undertaking its role.  
Refer to Standing Order 1.1.2.

3.5.4 that their respective Chief Executives have an individual responsibility to contribute to the performance of the role of the Joint Committee and to share in the decision making in the interests of the wider population of NHS Wales. At the same time, they acknowledge their own Chief Executive's individual accountability to their constituent LHB and their obligation to act transparently in the performance of their functions. Refer to Standing Orders 1.1.2.

3.5.5 that each Chief Executive as a member of the Joint Committee will require the Management Team of the Joint Committee to ensure that, in the timetabling of the annual work programme, sufficient time will normally be allowed to enable each Chief Executive to consult with their own LHB and appropriate local partners and stakeholders.

3.5.6 that when an individual Chief Executive is unable to attend a meeting of the Joint Committee, he/she will appoint in advance and identify to the Committee Secretary a specific senior officer to attend as a deputy on their behalf and in accordance with the responsibilities set out in their Accountable Officer Memorandum. However, such deputy will not be entitled to vote on any issue. Refer to Standing Order 6.6.4.2 and 6.6.6.4

3.6 Each Chief Executive will agree to advise the Chair of any circumstances where it is considered that there may be a conflict of interest between the performance of the national planning functions of the Joint Committee and the effect of any such decision on the scope of the services which the constituent LHB provides. Refer to Standing Order 7: Values and Standards of Behaviour

3.6.1 where the Chair considers that the conflict is not clear he will consult with the remainder of the Committee and reach a collective view.

3.6.2 where the Chair decides that there is a clear conflict of interest the Chief Executive will be required to abstain from the discussion.

- 3.7 The Joint Committee's aim is to always achieve collective decision making in a collaborative manner through consensus. The Joint Committee will have a collective responsibility to try to resolve and minimise any local challenges or any disproportionate impact of national decisions on any one LHB or a specific geographical area.

#### **4. ROLE OF THE JOINT COMMITTEE**

- 4.1 The role of the Joint Committee as determined by the Welsh Ministers are (refer to Standing Order 1.1.2):
- 4.1.1 to determine in conjunction with the Welsh Government a long-term strategic plan for the development of the Relevant Services in Wales;
  - 4.1.2 to identify and evaluate existing, new and emerging treatments and services and advise on the designation of such services;
  - 4.1.3 to develop national policies for the equitable access to safe and sustainable, high quality Relevant Services across Wales, whether planned, funded and secured at national, regional or local level;
  - 4.1.4 to agree annually by means of a List of Specialised Services those services that should be planned on a national basis and those that should be planned locally;
  - 4.1.5 to produce an annual plan for agreement by the Joint Committee following the publication of the Annual Operating Framework by Welsh Government;
  - 4.1.6 to agree the appropriate level of funding for the provision of the Relevant Services at a national level, and determining the contribution of each LHB for those services (which will include the running costs of the Joint Committee and WHSST) in accordance with any specific directions set by Welsh Government;
  - 4.1.7 to establish mechanisms for managing the in year risks associated with the agreed service portfolio and new pressures which may arise;

4.1.8 to secure the provision of the Relevant Services planned at a national level, including those to be delivered by providers outside Wales; and

4.1.9 to establish mechanisms to monitor, evaluate and publish the outcomes of the Relevant Services and take appropriate action.

## **5. ANNUAL WORK PROGRAMME AND PLANNING**

5.1 The Joint Committee and its Management Team will adhere to the standards of good governance set for the NHS in Wales and which are based on Welsh Government's Citizen Centred Governance Principles. Refer to Standing Order: NHS Framework.

5.2 The Joint Committee will:

5.2.1 report to the individual LHBs on its activities. It is formally accountable to the individual LHBs in respect of its role carried out on their behalf. Refer to Standing Order 9 : Demonstrating Accountability.

5.2.2 lead and scrutinise the operations, functions and decision making of the Management Team. It will require the Management Team to report to it on its activities and it will hold the Management Team to account on behalf of the seven LHBs. Refer to Standing Order 1.1.4.

5.3 The Joint Committee will therefore require:

5.3.1 the Management Team to co-operate with them as members of the Joint Committee in securing agreed processes so that patients in Wales may have the equal opportunity to access new advances in treatment but in a way which ensures that services which no longer require collaborative planning are stepped down at the appropriate time to the individual LHBs as local providers.

5.3.2 the Management Team to prepare for their approval a Plan of Business for the year. They will also require the Management Team to agree with the Joint Committee an appropriate way of working. This will include submitting to the Joint Committee for discussion and

agreement (following an appropriate internal and external consultation process) a Priorities Programme, an annual List of Specialised Services to be planned nationally and identifying the services to be stepped down for local provision, national Planning Policies and a Schedule of other appropriate policies for development and review on an annual basis.

5.3.3 in developing any new or amended policy the Management Team will prepare a suggested process which will be subject to an approved corporate standard for agreement by the Joint Committee.

5.3.4 the Management Team will undertake on an annual basis a mapping exercise of the Healthcare Standards which apply to the Joint Committee. An annual return will be submitted to the LHBs for inclusion in their annual return to Welsh Government.

5.3.5 a Quality and Patient Safety Sub Committee will be established to provide evidence based and timely advice to the Joint Committee to assist it in discharging its functions and meeting its responsibilities with regard to the quality and safety of healthcare. The Quality and Patient Safety Sub Committee will also provide assurance to the Joint Committee in relation to the arrangements for safeguarding and improving the quality and safety of specialised healthcare services within the remit of the Joint Committee. The Quality and Patient Safety Sub Committee will operate in accordance with the Terms of Reference annexed to the Standing Orders. Refer to Standing Order 4.1.3.

5.3.6 the production of an Annual Report (to be prepared by the Committee Secretary) which will be agreed for publication by the 30<sup>th</sup> June of each year. Refer to Standing Order 9.1.2.

5.3.8 the Director of Finance for the Joint Committee to agree with the relevant Provider LHBs information requirements and reporting timescales to enable the Joint Committee to discharge its duties on behalf of each LHBs

5.3.9 the Management Team to act in accordance with the Welsh Language Scheme of the Host LHB in preparing

papers on behalf of the Joint Committee. Refer to Standing Order 6.1.1.

5.3.10 the Director to lead the consultation process on behalf of each LHB where the Joint Committee supports proposals which result in a major change in service provision.

## **6. ROLE OF CHAIR**

6.1 The LHBs acknowledge that the Regulations require that the Chair be appointed by the Minister for Health and Social Services as an independent appointment and in accordance with the Nolan Principles. It is further acknowledged that the Chair is accountable to the Minister for Health and Social Services and is required by the Minister to act in accordance with the terms of his/her Accountability Agreement. Refer to Standing Order.

6.2 The Chair will:

6.2.1 be accountable to the individual LHBs in relation to the delivery of the role of the Joint Committee exercised by the Committee on their behalf.

6.2.2 be required to secure consensus in the making of collective decisions in the wider interests of NHS Wales and in accordance with the individual obligations of the Chief Executives and the non officer members.

6.2.3 the Chair will work in close collaboration with the Chairs of LHBs to ensure that the strategic development of Specialised and Tertiary Services meets the needs of NHS Wales.

6.2.4 the Chair will attend the All Wales Chairs Meeting at least twice a year.

## **7. APPOINTMENT AND ROLE OF NON OFFICER MEMBERS**

7.1 Each non officer member (including the Vice-Chair) appointed to the Committee in accordance with the Regulations is individually accountable to the Chair. Refer to Standing Orders 1.3.8 and 1.3.9.

7.2 The Chair will seek nominations from the Chair of each individual LHB for the appointment of a non officer member. The Chair will determine and agree with the Chairs of the LHBs the appropriate process for the selection of the non officer member but in so doing must take account of the following requirements: Refer to Standing Orders 1.4. 2 and 1.4.3

7.2.1 A balanced knowledge and understanding amongst the membership of the needs of all geographical areas served which will include consideration as to whether the constituent LHB is regarded as a major provider of services to the Joint Committee;

7.2.2 wherever possible, the oval membership of the Joint Committee reflects the diversity of the population.

7.3 One non officer member will be selected from the host organisation. This non officer member will act as the Audit Lead.

Each non officer member will be required to acknowledge their individual responsibility to contribute to the performance of the Delegated Functions of the Joint Committee and to share in the decision making in the interests of the wider NHS Wales.

7.4 The Chair and non officer members will participate fully in the Performance Review Process as set down by the Welsh Government. Refer to the appropriate Accountability Agreements.

## **8. STATUS AND ROLE OF ASSOCIATE MEMBERS**

8.1 The LHBs acknowledge that the Associate Members will attend the Joint Committee meetings on an ex-officio basis but in accordance with the Directions will not have the right to vote in any meetings or proceedings of the Joint Committee. Refer to Standing Order 1.2.6.

8.2 Associate Members will be entitled to engage and participate in the discussions. It will be the responsibility of the Chair to secure that they may seek to influence and/or challenge the decision making by their participation during the course of the debate.

## **9. ROLE OF MANAGING DIRECTOR OF SPECIALISED AND TERTIARY SERVICES COMMISSIONING (LEAD DIRECTOR)**

### **9.1 The Lead Director will:**

9.1.1 be the head of the Management Team and will report to the Chair. In so doing the Director will be accountable to the Joint Committee in relation to its role delegated to the Management Team by the Joint Committee. Refer to Standing Order 1.3.10

9.1.2 be accountable to the Chief Executive of the Host LHB in respect of the administrative arrangements supporting the operation of the team. Refer to Standing Order 1.3.10

9.2 The Lead Director is responsible for ensuring that the Joint Committee enters into suitable Health Care Agreements and Contracts with service providers for health care services. The Lead Director will need to ensure that regular reports are provided to the Joint Committee detailing performance and associated financial implications of all health care agreements. Refer to Standing Order 3: Reservations and Delegations of Joint Committee Delegated Functions .

## **10. MANAGEMENT ARRANGEMENTS**

10.1 In accordance with the Standing Orders, the Joint Committee may delegate certain functions to the WHSST Directors. Refer to Standing Order 3: Reservations and Delegations of Joint Committee Delegated Functions

10.2 The Joint Committee will determine the nature and extent of any functions which it is appropriate to delegate to a Sub Committee and to the WHSST Directors.

10.3 The Joint Committee's approach to delegation will be set out in the Standing Orders, Standing Instructions and Scheme of Reservations and Delegation.

10.4 The delegation of any function will be subject to regular review by the Joint Committee to ensure that the distribution of functions is accurately and appropriately described and

continues to remain appropriate to respond to the requirements of the Joint Committee.

- 10.5 The LHBs acknowledge that the WHSST Directors of the Committee will constitute the Management Team.
- 10.6 Any Chief Executive or other member of the Joint Committee who wishes to attend an Management Team meeting will agree their attendance with the Director of Specialised and Tertiary Services in advance.
- 10.7 The individual WHSST Directors of Committee are employed by the Host LHB but in exercising the performance of their functions they are individually accountable to the Joint Committee. Refer to Standing Orders 1.3.10 and 1.3.11.
- 10.8 The Management Group reports directly to the Joint Committee and membership includes the WHSST Directors and representation from the LHBs. The Membership of the Group is determined locally but as a minimum consists of LHB planning/commissioning representation and/or Finance representation. The purpose of the Management Group is to be the Specialised Services Commissioning operational body responsible for the implementation of the Specialised Services Strategy. It will underpin the commissioning of Specialised Services to ensure equitable access to safe, effective, sustainable and acceptable services for the people of Wales.

## **11. ROLE OF COMMITTEE SECRETARY**

- 11.1 The LHBs acknowledge that the role of the Committee Secretary is crucial to the ongoing development and maintenance of a strong governance framework within the Joint Committee, and is a key source of advice and support to the Chair and Joint Committee members. Independent of the Joint Committee, the Committee Secretary will be required to act as the guardian of good governance within the Joint Committee by: Refer to Standing Orders: The Role of the Committee Secretary and 6.3.1
  - 11.1.1 providing advice to the Joint Committee as a whole and to individual Committee members on all aspects of governance;
  - 11.1.2 facilitating the effective conduct of Joint Committee business through meetings of the Joint

Committee, its sub-committees and Advisory Groups and producing an Annual Plan of Committee Business;

11.1.3 ensuring that Joint Committee members have the right information to enable them to make informed decisions and fulfil their responsibilities in accordance with the provisions of these Standing Orders;

11.1.4 ensuring that in all its dealings, the Joint Committee acts fairly, with integrity, and without prejudice or discrimination;

11.1.5 contributing to the development of an organisational culture that embodies NHS values and standards of behaviour; and

11.1.6 monitoring the Joint Committee's compliance with the law, Joint Committee Standing Orders and the framework set by the LHB and Welsh Government.

11.2 It is agreed that the Committee Secretary is directly accountable for the conduct of his/her role to the Chair of the Joint Committee. The Committee Secretary will also be accountable to the Board Secretaries of the LHBs to ensure that robust governance arrangements are in place for the Joint Committee.

## **12. RELATIONSHIP WITH HOST**

12.1 The responsibilities of the Host LHB are:

12.1.1 to appoint and employ such officers as may be required to support the commissioning of the Relevant Services and provide all necessary corporate services and management support, to include human resources, estates, procurement, banking and accountancy services, as may be required, including the making of payments to providers of the Relevant Services;

12.1.2 to provide advice to the Joint Committee on compliance with Cwm Taf's policies, Standing Financial Instructions, Procurement Rules, Human Resource policies and other procedures;

- 12.1.3 to be the legal entity which enters into agreed tenders, procurement contracts, service level agreements and terms of engagement commissioned by the Joint Committee, and to ensure that the individuals appointed and employed to support the functions of the Joint Committee carry out those tasks which are stated in this Agreement to be the role of the Joint Committee;
- 12.1.4 to hold the management budget for the Joint Committee/Relevant Services and make payments and receive income as necessary;
- 12.1.5 to be authorised to appoint lawyers and other professional advisors (in consultation with the Host LHB's Procurement Services team), and to agree the terms and conditions of their engagement and give them instructions from time to time on behalf of the Joint Committee.
- 12.1.6 all banking arrangements are the responsibility of the host LHB.
- 12.2 The Host LHB will not be responsible or accountable for the planning, funding and securing of the Relevant Services save in respect of the residents within the area of the Host LHB. Refer to Standing Order 2.0.2
- 12.3 The Joint Committee will require the Host LHB to enter into a separate Hosting Agreement, annexed to this Agreement as Annex (ii) to record the agreed accounting arrangements and resulting responsibilities. Refer to Standing Orders: Joint Committee Framework.

### **13. ACCOUNTABILITY AND AUDIT COMMITTEE**

- 13.1 Audit Committee arrangements will be the responsibility of the host LHB.
- 13.2 The WHSSC Director of Finance and the WHSSC Committee Secretary will attend all Audit Committee meetings held by the host LHB.
- 13.4 The Audit Lead will provided reports to the Joint Committee following the host LHB Audit Committee meetings.

## **14. PROCUREMENT**

- 14.1 Each LHB will ensure that appropriate internal arrangements are made to delegate their respective functions to the Joint Committee for the procurement of the Relevant Services. The Joint Committee (acting through the Host LHB) will establish collaborative commissioning and managerial arrangements to negotiate, agree and manage all aspects of service level agreements/contracts for the Relevant Services on such terms and for such purposes as may be agreed by the Joint Committee.
- 14.2 Agreed tenders, procurement contracts, service level agreements and terms of engagement will be entered into and signed by the Host LHB on behalf of the Joint Committee in accordance with the Host LHB's procurement policy and Standing Financial Instructions.

## **15. FINANCIAL PRINCIPLES**

- 15.1 The following represent the key financial principles to be adhered to by the LHBs:
- 15.1.1 to achieve financial neutrality and stability, where possible, for LHBs;
  - 15.1.2 to adopt a fair and practical approach to the challenges of establishing the Joint Committee for and throughout 2015/17 and to the functioning of the Joint Committee;
  - 15.1.3 to ensure that funds are to be blocked back to the Joint Committee;
  - 15.1.4 to ensure that the status quo with England is maintained until further review;
  - 15.1.6 to ensure that a risk sharing methodology will be reviewed and agreed annually.

## **16. BUDGET AND FUNDING**

- 16.1 In accordance with the Joint Committee's Standing Orders, the Joint Committee must agree the total budget to plan and secure the Relevant Services delegated to it. The Joint

Committee must also agree the appropriate contribution of funding required from each LHB. Refer to Standing Order 1.1.3

- 16.2 Each year the Joint Committee will prepare an annual plan which shall outline the funding requirements in relation to the Relevant Services and be analysed by each constituent LHB as providers and purchasers. Refer to Standing Order 1.1.3
- 16.3 Each LHB will be required to make available to the Joint Committee the level of funds outlined in the annual plan and calculated in accordance with paragraph 16.1. The funds shall be drawn down in cash on a monthly basis from each of the LHB's as proposed by the Director of Finance for the Joint Committee.
- 16.4 On a monthly basis, the Director of Finance for the Joint Committee shall prepare a report to the Joint Committee which outlines the performance of the Joint Committee, highlighting any variances from the original annual plan, in total, and also broken down to each LHB commissioner level.
  - 16.4.1 in cases where the performance report highlights an adverse variance to the annual plan or where the report anticipates future unfunded cost pressures, the Joint Committee will be required to put in place contingency measures to ensure that a break-even position is maintained.
  - 16.4.2 in cases where the performance report highlights a favourable variance to the annual plan, the Joint Committee shall be required to return the funding to each LHB in accordance with the risk sharing agreement.
- 16.5 The Joint Committee will comply with all Welsh Government financial monitoring arrangements. The Director of Finance of the Joint committee is responsible for ensuring that a financial monitoring return is submitted to WG in the prescribed format and to the required deadlines.
- 16.6 Each LHB shall be bound by the decisions of the Joint Committee in the exercise of its delegated functions. Any disputes over the level of funding proposed by Joint Committee shall be referred to the Welsh Government for resolution by the Welsh Minsters.

## **17. GIFTS AND HOSPITALITY**

- 17.1 Each member of the Joint Committee is required to declare any gifts and hospitality in accordance with the Joint Committee Standing Orders to the Committee Secretary in relationship to their membership of the Joint Committee. The Committee Secretary will maintain a register of such declarations. Refer to Standing Orders: Values and Standards of Behaviour

## **18. DISPUTES AND ARBITRATION**

- 18.1 In accordance with the principles set out at paragraph 3 of this Agreement, the Local Health Boards will seek to work cooperatively with each other as constituent members of the Joint Committee, with the Joint Committee as a whole, and with the Management Team. Where there is an impasse which cannot be resolved by means of conciliation between appropriate individuals, then as a last resort the Chair will be requested to invoke the Dispute Process which is set out in the Business Framework (Annex (iii)).

## **19. CONCERNS**

- 19.1 Concerns about treatment funded through the Joint Committee arrangements

Concerns notified about care and treatment will be dealt with by the organisation providing the treatment. Concerns will be considered under The National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011. Provider organisations must, as part of the contractual agreement, advise the LHB in which the patient lives that a complaint has been made and the LHB will ensure that this is reviewed in conjunction with the Quality and Patient Safety Sub Committee.

- 19.2 About individual patient funding decisions

These concerns will be handled by the LHB in which the patient lives, in accordance with the All Wales Individual Patient Funding Request Policy agreed by the Welsh Government.

19.3 About any function of the Joint Committee, its staff or its performance

These concerns will be dealt with by the Host LHB on behalf of all LHBs in Wales, and in conjunction with the conjunction with the Quality and Patient Safety Committee where appropriate.

19.4 An Operational Agreement will be developed between the LHBs which sets out clearly operationally how concerns will be dealt with.

19.5 Financial or other Redress

When qualifying liability in tort has been determined, following an investigation of a concern, each constituent LHB is responsible for managing and funding the redress payment arising from their resident populations.

## **20. INDEPENDENT PATIENT REVIEWS**

20.1 *Pending the establishment of an independent review process for Wales, the Joint Committee will ensure that any request to review any decision as to a individual funding decision will be in accordance with the All Wales Policy on Individual Patient Funding Requests.*

## **21. COMMUNICATION**

21.1 The Committee Secretary and the Board Secretaries of the respective LHBs will develop a Communication Strategy to ensure robust communication methods are in place to support the operation of the Joint Committee.

21.2 Each LHB will ensure that they utilise appropriate mechanisms to facilitate active debate amongst stakeholders, professionals and communities served to ensure appropriate independent representation and participation on the planning of the Relevant Services.

21.3 Each LHB is responsible for responding to individual enquires concerning their individual geographical population. Where it is an issue relating to a decision made by the Joint Committee, for example, as to the planning of a service, then the Committee Secretary will be responsible for co-ordinating

the response in consultation with the Board Secretaries for the respective LHBs.

- 21.4 Each Member of the Management Team is required to work in collaboration with their colleagues in the LHBs to ensure the planning of the Relevant Services.
- 21.5 Where a request under the Freedom of Information Act is received by the Joint Committee, the request will be dealt with in accordance with the Host LHB's Freedom of Information Act procedure. Where the request is considered to be an issue relating to a specific LHB and it relates to recorded information which is held by that LHB, then the request will be forwarded to the Board Secretary of the respective LHB to respond in accordance with the Freedom of Information Act Code of Practice.

## **22. INTERFACE WITH CLINICAL NETWORKS**

- 22.1 The arrangements with the Clinical Networks are set out at Annex (iv).

## **23. MENTAL HEALTH RESPONSIBILITIES**

- 23.1 It will be the responsibility of the Lead Director to prepare a report for each meeting of the Joint Committee (where appropriate) on the conduct by the Management Team of the Committee's responsibilities to mental health patients who are detained under the Mental Health Legislation including any requirement by the Crown Court or the Mental Health Tribunal to give evidence as to appropriate placement of a patient detained under the Mental Health Legislation.

## **24. CROSS BORDER SLA ARRANGEMENTS**

- 24.1 The Director of Finance of the Joint Committee will agree appropriate contracts with a defined list of English NHS Trusts and Foundation Trusts for the purposes of delivering specialised services for the Welsh population.
- 24.2 The Director of Finance for the Joint Committee will be responsible for securing that the contracts are cost effective and achieve the delivery of services of appropriate quality.

- 24.3 In the interests of simplified patient care pathways and reducing administrative complexity these contracts may include non-specialised activity.
- 24.4 The Director of Finance of the Joint Committee will prepare performance reports on these contracts for each Joint Committee meeting.
- 24.5 The Director will ensure that NHS Wales continues to maintain and develop appropriate relationships with the counterpart specialised planning arrangements in England and Scotland. The Director will represent the LHBs in this regard and will be given the appropriate delegated authority to do so. These arrangements currently include English Specialist Commissioning Groups, the Scottish National Services Division of Scotland, the National Specialist Commissioning Groups and the National Commissioning Advisory Group or National Commissioning Group for highly specialised services.

## **25. ROLE OF PUBLIC HEALTH**

- 25.1 A Service Level Agreement will be entered into between the Host LHB and Public Health Wales describing the services which Public Health Wales will provide to the Joint Committee and the process of engagement which will take place.

## **26. EQUALITY AND DISCRIMINATION**

- 26.1 The LHBs undertake, in relation to the provision of the Relevant Services by the Joint Committee to the public or any member of the public, to exercise the role of the Joint Committee so as to have regard to the need to eliminate discrimination, and other prohibited conduct, in accordance with human rights and equality legislation.

## **27. REVIEW**

- 27.1 This Agreement will be reviewed on a bi-annual basis.

**SIGNED under hand and delivered the day and year first above written**

SIGNED and DELIVERED

by **Abertawe Bro Morgannwg University Local Health Board**  
acting by

.....  
[Mr Paul Roberts]

Chief Executive

SIGNED and DELIVERED

by **Aneurin Bevan Local Health Board**  
acting by

.....  
[Mrs Judith Paget]

Chief Executive

SIGNED and DELIVERED

by **Betsi Cadwaladr University Local Health Board**  
acting by

.....  
[Mr Simon Dean]

Chief Executive

SIGNED and DELIVERED

by **Cardiff and Vale University Local Health Board**  
acting by

.....  
[Mr Adam Cairns]

Chief Executive

SIGNED and DELIVERED

by **Cwm Taf Local Health Board**  
acting by

.....  
**[Mrs Allison Williams]**

Chief Executive

SIGNED and DELIVERED

by **Hywel Dda Local Health Board**  
acting by

.....  
**[Mr Steve Moore]**

Chief Executive

SIGNED and DELIVERED

by **Powys Teaching Local Health Board**  
acting by

.....  
**[Mrs Carol Shillabeer]**

Chief Executive

## **Annex (i) to Memorandum of Agreement**

### **Services delegated from LHBs to WHSSC for planning and funding in 2012/13**

#### **Changes for 2012/13**

##### ***Transfers to local planning***

The following services were delegated by LHBs to WHSSC in 2011/12 and transferred to local LHB planning from 1<sup>st</sup> April 2012.

Emergency transport services for the sick and injured
NHS Direct

##### ***Transfers to national planning***

The following services were delegated by LHBs to WHSSC planning with effect from 1<sup>st</sup> April 2012.

Paediatric Scoliosis
Foetal Medicine

The table below is sub-divided into 7 programme areas:

- Adult Mental Health
- Cardiothoracic
- Cancer and Haematology
- Neurosciences and Long term Conditions
- Renal
- Children's & Women's Health
- EMS, NHS Direct and other Specialist Services

<b>Adult Mental Health</b>
High secure psychiatric services
Medium secure psychiatric services
Specialised gender identity services
Specialised eating disorder services (Tier 4)
Mental health services for deaf people (Tier 4)
Perinatal services

<b>Cardiothoracic</b>
Cardiothoracic transplantation (including implantable ventricular assist devices) Pulmonary hypertension
Cardiac electrophysiology
Congenital heart disease
Invasive cardiology

<b>Cardiothoracic</b>
Cardiac Surgery
<b>Thoracic surgery</b>
Surgery on the lungs and thoracic cavity and walls excluding cardiac surgery.
<b>Cystic fibrosis</b>
All services including outreach and shared care.
<b>Bariatric Surgery</b>
<b>Hyperbaric Oxygen Therapy</b>

<b>Cancer and Haematology</b>
Sarcoma
Brain and CNS
BMT
Liver cancer surgery
Low dose Brachytherapy
Cryotherapy
PET scanning
Extra corporeal photopheresis
Neuroendocrine tumours
Children and Young people's
Lymphoma Panel
Pseudomyxoma Peritonei
Cutaneous Lymphoma
Proton Beam Therapy
Radionuclide therapy
Stereotactic radiosurgery
Complex testicular and penile
Pituitary tumours
Endocrine
Cancer genetic testing
Skin cancer (including melanoma)
<b>Haematology</b>
Haemophilia, rare bleeding and thrombotic disorders
Welsh Blood Services
<b>Burns and Plastic Surgery</b>
Plastic surgery
Burns care
Cleft lip and palate

<b>Neurosciences and Long Term Conditions</b>
Neurosurgery Emergency and elective neurosurgery (including stereotactic radiosurgery)
Neuroradiology (diagnostic and interventional undertaken by neuroradiologists)
Neurorehabilitation

<b>Neurosciences and Long Term Conditions</b>
Spinal rehabilitation
Neuropsychiatry
<b>Artificial Limbs and Appliances Service</b>
Wheelchair and special seating, prosthetics, orbital prosthetics, electronic assistive technology
<b>Intestinal Failure and Home Parenteral Nutrition</b>
<b>Immunology homecare packages for patients under the care of a clinical immunologist</b>
<b>Long term invasive ventilation in the community</b> (provision of equipment and consultant support)

<b>Children's services</b>
Neonatal intensive care and high dependency services
Paediatric intensive care and retrieval
Paediatric cardiology and cardiothoracic surgery
Paediatric nephrology, including renal replacement therapy
Paediatric gastroenterology/ hepatology/ nutritional support
Paediatric respiratory services including cystic fibrosis
Paediatric oncology
Paediatric haematology
Paediatric immunological disorder/infectious disease/allergy
Paediatric pathology
Paediatric neurosciences (including neurosurgery, complex disability and rehabilitation)
Paediatric metabolic disorders
Paediatric endocrinology and diabetes
Paediatric rheumatology
Paediatric specialised dermatology
Paediatric surgery
Paediatric orthopaedics
Paediatric spinal Services
Paediatric scoliosis
Paediatric ophthalmology
Paediatric ear, nose and throat surgery
Paediatric oral and maxillofacial surgery
Paediatric burns & plastic surgery
Paediatric urology
Complex child and adolescent gynaecology
CAMHS (Child and Adolescent Mental Health Services) Tier 4 only
<b>Enzyme Replacement Therapy</b>
<b>Medical genetics</b>
Clinical genetics
Laboratory genetics

<b>Children's services</b>
Cytogenetics
Molecular genetics
Metabolic biochemistry
<b>Women's Health</b>
Pre- implantation genetic diagnosis
Specialist infertility services involving in-vitro techniques
Foetal Medicine ( <i>from April 2012</i> )
<b>Cochlear Implants</b>

<b>Renal</b>
Haemodialysis
Home Haemodialysis
Home Peritoneal Dialysis
Transplantation
Dialysis Transport
Vascular Access

<b>EMS, NHS Direct and other Specialist Services</b>
Neonatal transport
Renal transport

**Annex(ii) to Memorandum of Agreement**

**HOSTING AGREEMENT**

THIS MEMORANDUM OF AGREEMENT is made the twenty ninth day of January 2013

BETWEEN

(1) CWM TAF LOCAL HEALTH BOARD ("Cwm Taf")

and

(2) ABERTAWE BRO MORGANNWG UNIVERSITY LOCAL HEALTH BOARD, having headquarters at 1 Talbot Gateway, Baglan Energy Park, Baglan, Port Talbot, SA12 7BR,

ANEURIN BEVAN LOCAL HEALTH BOARD, having headquarters at Mamhilad House, Mamhilad Park Estate, Pontypool, NP4 0YP,

BETSI CADWALADR UNIVERSITY LOCAL HEALTH BOARD, having headquarters at Ysbyty Gwynedd, Penrhosgarnedd, Bangor, Gwynedd, LL57 2PW,

CARDIFF AND VALE UNIVERSITY LOCAL HEALTH BOARD, having headquarters at Whitchurch Road, Park Road, Whitchurch, Cardiff, CF14 7XB,

CWM TAF LOCAL HEALTH BOARD, having headquarters at Ynysmeurig House, Navigation Park, Abercynon, Rhondda Cynon Taff, CF45 4SN,

HYWEL DDA LOCAL HEALTH BOARD, having headquarters at Merlin's Lane, Winch Court, Haverfordwest, Pembrokeshire, SA61 1SB,

POWYS TEACHING LOCAL HEALTH BOARD, having headquarters at Mansion House, Bronllys, Brecon, Powys, LD3 0LS,

Collectively established as the Joint Committee of WELSH HEALTH SPECIALISED SERVICES COMMITTEE ("Joint Committee").

WHEREAS:

(1) In accordance with the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009 No.35), the seven Local Health Boards are required to establish the WHSSC for

the purpose of jointly exercising its Delegated Functions and providing the services from 1 April 2010.

- (2) The Welsh Health Specialised Services Committee (Wales) Regulations 2009 (SI 2009 No 3097) makes provision for the constitution of the Joint Committee including its procedures and administrative arrangements.
- (3) Cwm Taf Local Health Board has been identified as the Host LHB to provide administrative and management support as further described in section 2 for the running of the WHSSC and to establish the Welsh Health Specialised Services Team (WHSST).
- (4) This Agreement should be read in conjunction with the Memorandum of Agreement made between the 7 Local Health Board themselves which defines the governance arrangements for the Joint Committee and the agreed roles and responsibilities of the Chief Executives of the constituent LHBs as individual members of the Joint Committee.
- (5) The purpose of this Agreement is to outline what the accountability arrangements and resulting responsibilities will mean, both for Cwm Taf and for the Joint Committee.

## **AGREEMENT**

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## **1. INTERPRETATION**

'the Act'	the National Health Service (Wales) Act 2006
'Delegated Functions'	those functions ascribed to the Joint Committee in section 4 of the Memorandum of Agreement and reproduced at Annex (i) 1.
'the Directions'	the Welsh Health Specialised Services Committee (Wales) Directions 2009
'Director'	the Director of Specialised and Tertiary Services appointed in accordance with regulation 3 (2) of the Regulations
'Joint Committee'	the Welsh Health Specialised Services Committee established in accordance with the Directions and Regulations
'LHB'	Local Health Board established in accordance with s 11(2) of the Act
'Management Team'	the team appointed in accordance with paragraph 10.2 of the Memorandum of Agreement. Refer to Standing Order 1.2.4.
'Memorandum of Agreement'	the agreement dated 1 April 2010 between the 7 LHBs and described at paragraph (4) of the recital
'NHS Wales'	the comprehensive health service for Wales established by the NHS (Wales) Act 2006
'the Regulations'	the Welsh Health Specialised Services Committee (Wales) Regulations 2009
'Relevant Services'	the planning and securing of specialised and tertiary services consisting of those functions and services listed in Annex (i) of the Memorandum of Agreement, subject to any variations to those functions and services agreed from time to time by the Joint Committee.
'WAG'	Welsh Assembly Government as defined by Government of Wales Act 2006.

‘WG’

Welsh Government as announced by the First Minister of Wales on 12<sup>th</sup> May 2011.

‘WHSST’

the Welsh Health Specialised Services Team consisting of staff employed by the Host Board to provide the Relevant Services

## **2. ROLE OF CWM TAF LOCAL HEALTH BOARD**

The responsibilities of Cwm Taf are:

- 2.1 To appoint and employ such officers as may be required to support the commissioning of the Relevant Services and provide all necessary corporate services and management support, to include human resources, estates, procurement, banking and accountancy services, as may be required, including the processing of orders and the making of payments to providers of the Relevant Services, with such officers being members of the WHSST;
- 2.2 To provide advice to the Joint Committee on compliance with Cwm Taf’s policies, Standing Financial Instructions, Procurement Rules, Human Resource policies and other procedures;
- 2.3 To be the legal entity which enters into agreed procurement arrangements to include, but not restricted to, quotations, tenders, procurement contracts, service level agreements and terms of engagement commissioned by the Joint Committee and to ensure that the individuals appointed and employed to support the functions of the Joint Committee carry out those tasks which are stated in Annex (i) to be the role of the Joint Committee;
- 2.4 To have in place such appropriate governance arrangements and Schemes of Delegation as may be necessary and required on the part of Cwm Taf to enable the Joint Committee’s role to be carried out;
- 2.5 To hold the management budget for the Joint Committee/Relevant Services and make payments and receive income as necessary;
- 2.6 To be authorised to appoint lawyers and other professional advisors (in consultation with Cwm Taf’s Procurement

Services team), and to agree the terms and conditions of their engagement and give them instructions from time to time on behalf of the Joint Committee.

- 2.7 Cwm Taf will not be responsible or accountable for the planning, funding and securing of the Relevant Services save in respect of the residents within the geographical area of responsibility of Cwm Taf. Refer to Standing Order 2.0.2
- 2.8 In fulfilling its obligations and responsibilities under this Agreement, Cwm Taf shall not be required to do or not do and shall not do or omit to do anything which does not comply with Cwm Taf's statutory powers and duties, Standing Orders and Standing Financial Instructions, corporate governance requirements generally, procurement requirements or any legal obligations not covered by the foregoing.

### **3. EMPLOYMENT OF STAFF**

- 3.2 New Officers who are appointed to work with the Joint Committee from the 1 April 2010 will be employed by Cwm Taf.
- 3.3 The Officers working with the Joint Committee, and comprising the Management Team and WHSST, will therefore be employees of Cwm Taf. They will be required to abide by Cwm Taf's Policies, Procedures and Guidance and will be entitled to be treated as any other employee of Cwm Taf and have the benefit of all applicable policies and procedures.
- 3.4 The Officers will also be accountable for their performance to the Joint Committee.
- 3.5 The human resource services which will be provided are identified at **Appendix B**.

### **4. PROCEDURES FOR TENDERS & PROCUREMENT**

- 4.1 Cwm Taf will provide all the support services to the Joint Committee as described at **Appendix C**.
- 4.2 Agreed procurement arrangements via quotations, tenders, procurement contracts, service level agreements and terms of engagement will be entered into and signed by Cwm Taf on

behalf of the Joint Committee in accordance with Cwm Taf's procurement policy and Standing Financial Instructions.

- 4.3 Cwm Taf shall not execute or, through performance create, any third party contract in respect of the Joint Committee unless authorised to do so by the Director.
- 4.4 The Joint Committee will provide sufficient funds and other relevant resources to meet the requirements of all third party contracts entered into by Cwm Taf in pursuance of paragraph 4.3.
- 4.5 Cwm Taf shall provide the Lead Director with drafts of all third party contracts and the Lead Director and/or the Joint Committee shall be entitled to require Cwm Taf to use its reasonable endeavours to negotiate such amendments to the terms of such contract as the Lead Director and/or the Joint Committee reasonably see fit.

## **5. GOVERNANCE ARRANGEMENTS**

- 5.1 The Joint Committee will utilise Cwm Taf's Committee arrangements to assist it in discharging its governance responsibilities.
- 5.2 Where the Joint Committee utilises Cwm Taf's sub committee arrangements such as the Corporate Risk Committee , Cwm Taf will ensure that the appropriate responsibilities are afforded to the Joint Committee and the agenda is constructed to ensure relevant issues are to be properly managed to allow the Joint Committee to satisfy itself from a risk management and controls assurance perspective.
- 5.3 The Joint Committee will adopt the risk assessing mechanisms of the host subject to appropriate adaptation to take into account the specific functions WHSSC.
- 5.5 The Lead Director will provide reports from the Joint Committee to Cwm Taf's Board in line with Cwm Taf's scheme of delegation to enable Cwm Taf to assure itself that appropriate control measures are in place in accordance with the requirements of the Statement of Internal Control.

## **6. BUDGET AND FUNDING**

- 6.1 The Joint Committee will transfer funds to Cwm Taf on a quarterly basis in advance to allow Cwm Taf to perform its functions on behalf of the Joint Committee, provided that the Joint Committee may attach conditions to the expenditure of such funds.
- 6.2 The Joint Committee will meet Cwm Taf's overhead costs reasonably incurred in the support of the Joint Committee as may be agreed by the Joint Committee acting reasonably at all times.
- 6.3 The Director of Finance for the Joint Committee will authorise the transfer of funds to Cwm Taf in line with agreed funding levels, which funds shall be accounted for by Cwm Taf as income to the Joint Committee.
- 6.4 Cwm Taf will set up and manage an Income and Expenditure Account for the Joint Committee, namely a Joint Committee Account. This includes all the income for the Joint Committee received from the LHBs and all other Joint Committee expenditure. This account shall be separate from all other Cwm Taf funds. The Director of Finance for the Joint Committee shall make decisions relating to expenditure from this account provided that Cwm Taf shall not at any time be obligated to operate the Joint Committee Account in deficit.
- 6.5 The Director of Finance for the Joint Committee is responsible for ensuring that all relevant reports, financial information and commentary are provided to the Host LHB so that the appropriate monitoring return can be prepared.

## **7. OWNERSHIP OF ASSETS**

- 7.1 All assets (including intellectual property rights) acquired by Cwm Taf in connection with the Joint Committee shall belong to Cwm Taf but be held upon trust for the Joint Committee.
- 7.2 Cwm Taf shall, to the extent it is legally entitled to do so, transfer ownership and any other rights in such assets to such party or body as the Joint Committee shall require and within such timescales as are reasonably required.

- 7.3 In the event that any income is derived from such assets or from their disposal, such revenues shall be regarded as part of the Joint Committee income and accounted for accordingly.

## **8. ACCOUNTABILITY ARRANGEMENTS**

- 8.1 The accountability arrangements of the Management Team and their relationship with Cwm Taf are set out in Appendix D
- 8.2 The constituent LHBs will delegate to the Chief Executive of Cwm Taf and the Chair of the Joint Committee their responsibility for performance appraisal and all employment related issues of the Lead Director. In exercising those responsibilities, the Chief Executive of Cwm Taf is required to liaise with the Chief Executives of the constituent LHBs as members the Joint Committee and the Chair of the Joint Committee.
- 8.3 The constituent LHBs will delegate to the Lead Director the performance appraisal of the individual members of the Management Team. In exercising those responsibilities, the Director is required to liaise with the Chief Executives of the constituent LHBs as members of the Joint Committee and the Chair of the Joint Committee.

## **9. DUTY OF CARE**

- 9.1 Cwm Taf shall be responsible for ensuring that all reasonable skill, care and diligence are exercised in carrying out those services which it is required to performed under this Agreement properly and efficiently in accordance with this Agreement and the Memorandum of Agreement and its overall responsibilities under the Act and all other appropriate legislation. Cwm Taf shall keep the Joint Committee informed of any foreseeable or actual changes in circumstances which are likely to affect its ability to comply with the terms of this Agreement as the Host LHB.

## **10. CWM TAF ORGANISATION**

- 10.1 Cwm Taf shall provide and maintain an organisation having the necessary facilities, equipment and employees of appropriate experience, to undertake the specific functions and provide all the services identified in this Agreement

- 10.2 All personnel deployed on work relating to the Agreement must have appropriate skills and competence.

## **11. LEGISLATION**

- 11.1 Cwm Taf shall ensure that it, and its employees and agents, shall in the course of this agreement comply with all relevant legislation, Welsh Government Directions and Guidance and procedures.

## **12. AUDIT**

- 12.1 Cwm Taf LHB, through the Shared Services arrangements, will provide an effective independent internal audit function as a key source of its internal assurance arrangements, in accordance with NHS Wales Internal Auditing Standards and any others requirements determined by the Welsh Government. Refer to Standing Order 8.1.1
- 12.2 Cwm Taf LHB will ensure that relevant external audit arrangements are place which give due regard to the functions of the Joint Committee. Refer to Standing Order 8.3. External Assurance

## **13. MANAGEMENT OF CONCERNS (INCLUDING INCIDENTS, COMPLAINTS & CLAIMS)**

- 13.1 Paragraph 19 of the Memorandum of Agreement sets out the procedures to be followed for the management of concerns relating to the Joint Committee.
- 13.2 Where a matter is regarded as an individual concern, Cwm Taf will only be responsible for the management of those concerns where qualifying liability in Tort is established, which relate to its geographical area of responsibility. In such circumstances, the Chief Executive of Cwm Taf will be responsible for investigating and responding to the concern in accordance with The National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011. .
- 13.3 Individual concerns relating to patients resident outside Cwm Taf's geographical area of responsibility will be referred to the

Chief Executive of the LHB in the appropriate geographical area.

- 13.4 Where a matter is regarded as a concerns and where qualifying liability in Tort has been established, Cwm Taf will only be responsible for managing the arrangements for redress arising from its own resident population.
- 13.5 Where a matter is considered to be a review of funding decisions it will be dealt with in accordance with the Review Process set out in All Wales Policy for Making Decisions on Individual Patient Funding Requests (IPFR).

#### **14. MANAGEMENT OF FOIA / DPA REQUESTS**

- 14.1 Where a request under the Freedom of Information Act or Data Protection Act is received by the Joint Committee, the request will be dealt with in accordance with Cwm Taf's procedures. Where the request is considered to be an issue relating to a specific LHB, other than Cwm Taf, and it relates to recorded information which is held by that other LHB, then the request will be forwarded to the Board Secretary of the respective LHB to respond in accordance with the Freedom of Information Act Code of Practice.

#### **15. NOTICES**

- 15.1 Any notices served in respect of matters covered by this Agreement shall be sent to the Chief Executive of Cwm Taf on behalf of Cwm Taf and the Lead Director on behalf of the Joint Committee.

#### **16. DISPUTE**

- 16.1 In the event of any dispute between Cwm Taf and those involved in the Joint Committee, such dispute shall be escalated in line the Business Framework.
- 16.2 If such dispute cannot be resolved in accordance with the provisions of paragraph 16.1 it shall be referred to the Joint Committee and the Chief Executive of Cwm Taf.
- 16.3 If such a dispute cannot be resolved in accordance with the provisions of paragraph 16.2, it shall be referred to Welsh

Government's Minister for Health and Social Services for resolution.

## **17. GENERAL**

- 17.1 This agreement shall be capable of being varied only by a written instrument signed by a duly authorised officer or other representative of each of the parties.
- 17.2 No third party shall have any right under the Contracts (Rights of Third Parties) Act 1999 in connection with this Agreement.
- 17.3 This Agreement shall be governed and construed in accordance with the laws of England and Wales. Subject to paragraph 16, the parties hereby irrevocably submit to the exclusive jurisdiction of the Courts of England and Wales.
- 17.4 In the event of Cwm Taf's Board determining (acting reasonably) that the performance by Cwm Taf of its obligations under this Agreement is having a detrimental or prejudicial effect on the Cwm Taf's ability to fulfil its core functions, Cwm Taf's Board may instruct the Lead Director and Cwm Taf's Chief Executive to review the operation of this Agreement further to clause 16.
- 17.5 In carrying out a review of this Agreement further to clause 17.4, the Lead Director and Cwm Taf's Chief Executive shall consider the source and manner of any detriment identified by Cwm Taf's Board further to clause 17.4 and shall put forward such amendments and variations to this Agreement and the associated governance arrangements between the Joint Committee and Cwm Taf as they may consider appropriate.
- 17.6 Cwm Taf's Board shall consider the recommendations made further to clause 16.5 and may recommend to the Joint Committee and the Chief Executive of Cwm Taf that this Agreement and the associated governance arrangements are amended accordingly.

**SIGNED under hand and delivered the day and year first above written**

SIGNED and DELIVERED  
by **Cwm Taf Local Health Board**  
acting by

.....  
**[Mrs Allison Williams]**  
Chief Executive

SIGNED and DELIVERED  
by **Abertawe Bro Morgannwg University Local Health Board**  
acting by

.....  
**[Mr Paul Roberts]**  
Chief Executive

SIGNED and DELIVERED  
by **Aneurin Bevan Local Health Board**  
acting by

.....  
**[Dr Andrew Goodall]**  
Chief Executive

SIGNED and DELIVERED  
by **Betsi Cadwaladr University Local Health Board**  
acting by

.....  
**[Mrs Mary Burrows]**  
Chief Executive

SIGNED and DELIVERED  
by **Cardiff and Vale University Local Health Board**  
acting by

.....  
**[Mr Adam Cairns]**

Chief Executive

SIGNED and DELIVERED

by **Hywel Dda Local Health Board**  
acting by

.....  
**[Mr Trevor Purt ]**

Chief Executive

SIGNED and DELIVERED

by **Powys Teaching Local Health Board**  
acting by

.....  
**[Mr Andrew Cottom]**

Chief Executive

## **APPENDIX A**

### **Role of the Joint Committee**

The Joint Committees role is : (refer to Standing Order 1.1.3):

1. to determine in conjunction with the Welsh Government a long-term strategic plan for the development of the Relevant Services in Wales;
2. to identify and evaluate existing, new and emerging treatments and services and advise on the designation of such services;
3. to develop national policies for the equitable access to safe and sustainable, high quality Relevant Services across Wales, whether planned, funded and secured at national, regional or local level;
4. to agree annually by means of a List of Specialised Services those services that should be planned on a national basis and those that should be planned locally;
5. to produce an annual plan for agreement by the Joint Committee following the publication of the Annual Operating Framework by Welsh Government;
6. to agree the appropriate level of funding for the provision of the Relevant Services at a national level, and determining the contribution of each LHB for those services (which will include the running costs of the Joint Committee and WHSST) in accordance with any specific directions set by WAG;
7. to establish mechanisms for managing the in year risks associated with the agreed service portfolio and new pressures which may arise;
8. to secure the provision of the Relevant Services planned at a national level, including those to be delivered by providers outside Wales; and
9. to establish mechanisms to monitor, evaluate and publish the outcomes of the Relevant Services and take appropriate action.

## APPENDIX B

### EMPLOYMENT OF STAFF

#### Identified human resources services

Service	Description
<i>Recruitment and Selection</i>	<ul style="list-style-type: none"><li>• To provide a comprehensive recruitment and selection service which complies with employment legislation and standards of good practice as directed by the Welsh Government.</li></ul>
<i>Employee Relations</i>	<ul style="list-style-type: none"><li>• To provide support to the Welsh Health Specialised Services Team in the management of sensitive issues relating to all employment policies including discipline, grievance, collective disputes, performance and capability, allegations of bullying and harassment whistle blowing and sickness absence etc.</li></ul>
<i>Policy Development</i>	<ul style="list-style-type: none"><li>• To develop, implement and advise on employment policies and procedures which comply with employment legislation and NHS guidance; and</li><li>• To provide training to WHSST Managers in the interpretation and use of policies and procedures.</li></ul>
<i>Remuneration and Payroll</i>	<ul style="list-style-type: none"><li>• To provide advice on pay (including assimilation to new A4C bands) and associated terms and conditions of employment;</li><li>• To provide a comprehensive payroll service; and</li><li>• To undertake the matching and evaluation of all new and revised roles.</li></ul>
<i>Training and Development</i>	<ul style="list-style-type: none"><li>• To provide appropriate training and development to WHSST.</li></ul>
<i>HR administration</i>	<ul style="list-style-type: none"><li>• To maintain securely employment records for WHSST and provide accurate workforce data and information as required.</li></ul>
<i>Occupational health</i>	<ul style="list-style-type: none"><li>• To provide a comprehensive Occupational health service to employees of WHSSC</li></ul>

## APPENDIX C

### 3.1 Procedures for Tenders & Procurement

Service	Description
Procurement (Tendering and ordering goods and services)	<ul style="list-style-type: none"><li>• Tendering for goods &amp; services in accordance with SOs and SFIs</li><li>• Entering into procurement contracts and agreements</li><li>• Raise orders for properly approved requisitions</li></ul>
Creditor Payments (Payment of suppliers, contractors and service providers)	<ul style="list-style-type: none"><li>• Pay all duly authorised invoices</li><li>• Deal with supplier queries etc</li><li>• Provide management information on payment performance in accordance with WAG requirements</li></ul>
Systems maintenance and administration (ORACLE)	<ul style="list-style-type: none"><li>• Process feeders into WHSSC ledger and maintain financial management system</li><li>• Maintain passwords and hierarchies (cost centre and approval)</li><li>• Oracle training as and when required including external training if required</li><li>• Access to help desk facility</li><li>• Undertake testing of upgrades</li><li>• Liaise with Oracle Central Team and All Wales groups</li></ul>
Accounting Services (bank accounts, annual accounts consolidation, VAT)	<ul style="list-style-type: none"><li>• Provision of bank accounts and petty cash facilities</li><li>• Consolidation of Annual Accounts and other returns as required by WAG</li><li>• Provide VAT advice and consolidate VAT returns, including access to contracted out VAT advisory services</li><li>• Payment of Tax, National Insurance and</li></ul>

Financial Governance (internal and external audit, counter fraud, audit committee)	<p>Superannuation to appropriate authorities</p> <ul style="list-style-type: none"> <li>• Reconciliation of all accounts due against the payroll system</li> <li>• Responsible for the securing of internal audit service via external contract</li> <li>• Access to Local Counter Fraud Specialist</li> <li>• Advice on financial procedures and other issues of governance</li> <li>• Ensure appropriate external audit provision in place</li> <li>•</li> </ul>
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### 3.2 Estates, Facilities and IT Support

Service	Description
<i>Estates Maintenance</i>	<ul style="list-style-type: none"> <li>• To provide an efficient service in response to all aspects of estates maintenance in the running of the WHSSC offices.</li> </ul>
<i>Fire Safety</i>	<ul style="list-style-type: none"> <li>• To provide professional advice and support in relation to all aspects of Fire Safety ensuring compliance with legislation and guidance issued by the Welsh Government; and</li> <li>• To provide appropriate training to WHSST.</li> </ul>
<i>Health and Safety</i>	<ul style="list-style-type: none"> <li>• To provide a Health and Safety Policy statement as and when required. The Policy must comply with the requirements of the Health and Safety at Work Act. All other relevant rules and regulations must be observed at all times;</li> <li>• To be responsible for the testing, where appropriate, labelling and recording of all portable appliances in their ownership under the Electricity at Work Act 1989;</li> </ul>

- To provide advice and support on the operational delivery of health and safety arrangements in WHSST in accordance with Cwm Taf Health Boards policies and procedures; and
- To provide appropriate training to WHSST.

#### *IT Support*

- To provide a comprehensive IT support service including :
  - User registration;
  - Resolution of faults reporting via the Helpdesk;
  - Purchase and set up new IT equipment;
  - Supply of printing consumables
- To provide support in relation to the management of files and databases;
- To ensure the secure storage of data, back up, restore and recovery

### 3.3 Others

#### **Service**

Corporate Support

#### **Description**

- To provide access to the Board Secretary for advice and support on Corporate Governance matters as required.

Welsh Language

- Offer advice and information about the Welsh Language
- Promote and encourage the use of Welsh within the workplace
- Encourage the use of bilingual aids within the workplace such as signage, stationery etc
- Provide Welsh Language taster lessons for staff
- Give bilingual front-line telephone training
- Translate small in-house, day-to-day, translations
- Help co-ordinate the translation of larger documents
- Attend public meetings to provide a Welsh Language service for Welsh speakers.

Equality and Diversity	<ul style="list-style-type: none"> <li>• To provide advice and information to the Welsh Health Specialised Services Committee;</li> <li>• To ensure the business of WHSSC is included within plans and policies of the Host LHB;</li> <li>• To develop a work plan and meet quarterly to review progress against the plan;</li> <li>• To ensure that relevant training is provided to the WHSST in relation to awareness raising and impact assessment;</li> <li>• To provide an assurance mechanism on behalf of the LHBs that robust processes are in place to meet the Equality and Diversity agenda</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• To provide advice and information on all areas of Risk Management to the Welsh Health Specialised Services Committee;</li> <li>• To support the development of a Risk Assurance Framework for WHSSC</li> <li>• To provide support (structure and advice) for the use of DATIX to facilitate the management of risk within WHSSC</li> <li>• To develop a work plan and meet quarterly to review progress against the plan</li> </ul>
Concerns	<ul style="list-style-type: none"> <li>• To provide training and awareness for all staff in relation to the management of concerns;</li> <li>• To provide advice and support in relation to the concerns process;</li> <li>• To provide support (structure and advice) for the use of DATIX to facilitate the management of concerns within WHSSC To be responsible for all claims relating to staff and services commissioned which relate to Cwm Taf Residents</li> </ul>
Information Governance	<ul style="list-style-type: none"> <li>• To provide timely advice to all information governance related enquires;</li> <li>• To support the WHSSC Information Governance Group providing relevant advice as required;</li> <li>• To provide training and awareness for all staff in all areas of Information Governance</li> </ul>

## **APPENDIX D**

### **Accountability Arrangements**

1. The Directions state that the LHBs will jointly exercise the Delegated Functions from 1 April 2010.
2. This means that the Delegated Functions are those of the individual constituent LHBs and not Cwm Taf.
3. The Directions state that Cwm Taf will exercise its functions so as to provide administrative support for the running of the Joint Committee and establish the WHSST.
4. The membership of the Joint Committee consists of the Chief Executives and the Chair, who is appointed by the Minister.
5. The Chair is directly accountable to the Minister.
6. The Director of Specialised and Tertiary Services is appointed as an Officer member of the Joint Committee to have such responsibilities as may be prescribed by the Joint Committee.
7. For the performance of the Delegated Functions on behalf of the Joint Committee and each constituent LHB, the Director can only be accountable to the Chief Executives of the constituent LHBs.
8. The Chief Executives of the Constituent LHBs are individually accountable to the Director General and Chief Executive of the NHS in Wales.
9. The Chief Executive of Cwm Taf is only accountable to the Director General and Chief Executive of the NHS in Wales insofar as her functions relate to administrative support.
10. The Director of Specialised and Tertiary Services is jointly accountable to the Joint Committee and Chief Executive of Cwm Taf.
11. The Finance Director of Cwm Taf is only accountable to the Director of Finance for the NHS in Wales insofar as his functions relate to administrative support.
12. The Finance Director of the Joint Committee has a dual responsibility to the Joint Committee and to the Finance Director of Cwm Taf.

13. The Audit Committee of the host LHB is the central means by which the Joint Committee ensures effective internal control arrangements are in place.

14. MEMORANDUM OF AGREEMENT

BETWEEN

(1) CWM TAF LOCAL HEALTH BOARD ("Cwm Taf")

and

(2) ABERTAWE BRO MORGANNWG UNIVERSITY LOCAL HEALTH BOARD, having headquarters at 1 Talbot Gateway, Baglan Energy Park, Baglan, Port Talbot, SA12 7BR,

at ANEURIN BEVAN LOCAL HEALTH BOARD, having headquarters Mamhilad House, Mamhilad Park Estate, Pontypool, NP4 0YP,

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Collectively established as the Joint Committee of WELSH HEALTH SPECIALISED SERVICES COMMITTEE ("WHSSC").

**Annex (iii) to Memorandum of Agreement**



**JOINT COMMITTEE  
BUSINESS FRAMEWORK**

**September 2012**

## **1. INTRODUCTION**

- 1.1 WHSSC in the exercise of its statutory duties is expected to maintain public confidence in a process which is free of actual conflict.
- 1.2 LHBs, who are constituent members of WHSSC, have differing or conflicting local priorities and objectives which may impede collaboration. Different priorities may arise from the immediate need to support local health services. Yet WHSSC is required to commission specialist services to the benefit of NHS Wales as a whole and acting in accordance with its statutory obligations.
- 1.3 WHSSC through each constituent member remains accountable for the commissioning decisions it makes and for ensuring that conflicts between the exercise of the commissioning and provider functions are managed appropriately.
- 1.4 The Chief Executive of each constituent LHB is personally accountable to NHS Wales for the good governance and accountability of WHSSC. This includes ensuring that WHSSC manages transparently any potential conflict of interest.
- 1.5 The purpose of this document is to set out a framework so that Members of the Joint Committee and sub committees/sub groups have a clear understanding of the decision making processes.

## **2. KEY PRINCIPLES**

The Joint Committee will:

- 2.1 Support Members in striving to reduce the inequalities in access to and delivery of services for the populations the Members serve;
- 2.2 Support the cost effective utilisation of the funds made available by Members to commission specialised services;
- 2.3 In commissioning and procuring services, comply with all applicable statutory duties;
- 2.4 Establish Management Group which will ensure provider issues are dealt with at a local level.

- 2.5 At all times demonstrate value for money and an effective and efficient commissioning programme;
- 2.6 Ensure that the financial risks to individual Members of unforeseen/unplanned activity are minimised, and that inequalities in access to and delivery of services are reduced;
- 2.7 Review, plan, develop and monitor the Services in partnership with clinicians, providers and service users; and
- 2.8 Use, where practically possible, other mechanisms to keep Members updated in terms of progress rather than the formal Joint Committee meetings.

The following additional key principles will also apply:

- 2.9 Commitments made by the Joint Committee in accordance with the delegated powers will be binding on all Members until the Joint Committee agrees otherwise;
- 2.10 Whilst agreement on the proposed way forward can be discussed and agreed at other forums (eg. CEO Peer Group) all decisions will be taken at Joint Committee meetings unless otherwise delegated; and
- 2.11 A standard facilitation/arbitration procedure will apply.

### **3. BUSINESS PROCESSES**

- 3.1. The Joint Committee's key business processes and products will be delivered through a clear and consistent annual business cycle. Each product that will be developed and implemented through appropriate structures that already exist and include:
  - 3.1.1 Chief Executive Peer Group
  - 3.1.2 Executive Directors Peer Groups
  - 3.1.3 Programme Teams
  - 3.1.4 Existing Governance structures

### **4. MEETINGS OF THE JOINT COMMITTEE**

#### **4.1 General Principles**

- 4.1.1 The dates of Joint Committee meetings will be agreed in advance with the membership for a rolling period of one year.
- 4.1.2 It is expected that the Joint Committee will meet up to five times each year.

- 4.1.3 All reports will be concise and clear. The body (introduction to conclusion) of the report will be a maximum of six A4 pages in length, where reasonably practical.
- 4.1.4 The Annual Plan for Specialised Services will be agreed annually. Any requests for additional funding outside of the agreed annual planning business cycle will need to demonstrate exceptionality. (*Refer to the All Wales Policy on Dealing with Individual Funding Requests for guidance*).
- 4.1.5 All reports prepared for meetings of the Joint Committee will include a summary which will be no longer than one A4 page in length. This summary should include the title of the report, its purpose and the name of the responsible Executive Director. It should also clearly state what is required from the Joint Committee and outline the potential and/or likely implications of the decision.
- 4.1.6 All reports will be agreed by the Management Group before consideration by the Joint Committee.
- 4.1.7 The Joint Committee will not normally consider reports for information during the meetings. These will be circulated outside of the meetings. This will ensure that time is maximised during Joint Committee Meetings. Where further discussion and agreement is required on specific items this will be undertaken through the Management Group and the decision will be taken at the Joint Committee in accordance with the Governance and Accountability Framework.
- 4.1.8 All papers will be sent electronically to Joint Committee Members, Directors of Finance and Directors of Planning (see *WHSSC Standing Orders* reference 6.5.3). Copies of the agenda and papers will also be available on the WHSSC website <http://www.whssc.wales.nhs.uk/>
- 4.1.9 On the occasions when the Chief Executive of the LHB is unable to attend the meeting, an Executive Director must be nominated to attend the Joint Committee meetings. The nomination must be approved by the Chair of the Joint Committee before the meeting (please refer to *WHSSC Standing Orders* reference 6.6.11). However, Joint Committee Members' voting rights

cannot be delegated so the nominated deputy may not vote or be counted towards the quorum. On the occasions where the Chief Executive is represented by a nominated Officer, the views of the representative will be that of the Chief Executive and where required, decisions will be circulated for ratification within two working days of the meeting.

4.1.10 On the occasions where the Joint Committee meeting is not quorate (please refer to *WHSSC Standing Orders* reference 6.6.10), the Chair may seek the views of those Members present and request that the Committee Secretary writes to each Member of the Joint Committee to support the decisions.

4.1.11 In dealing with such issues requiring an urgent decision, and if timescales allow, the Chair may call a meeting of the Joint Committee using video or telephone conferencing facilities. Emails may also be used to gather views and/or reach a consensus. All such decisions will be ratified by the Joint Committee at its next formal meeting.

## **4.2 Confidential Agenda**

The Joint Committee will discuss items in confidence that would be exempt under the Freedom of Information Act 2000. Such items would generally be considered to be personal and confidential in nature or their disclosure would be otherwise prejudicial to the public interest.

## **4.3 Declaration of Interests**

Please refer to *WHSSC Standing Orders* reference 7.1.

## **4.4 Managing Conflict**

4.4.1 The Joint Committee must exercise its functions in a way which ensures that any conflicts of interest and local and prejudicial interests are dealt with as a preliminary to the decision making.

4.4.2 At each meeting any specific conflicts pertinent to an issue on the agenda must be declared at the start and then recorded in the Minutes. In each meeting the Chair will ask Members to agree as preliminary whether the conflicted LHB should remain in the meeting and/or be able to participate in the discussion and to what degree.

## **4.5 Decision Making**

4.5.1 The Joint Committee will always seek to make decisions by consensus. However the Joint Committee recognises that there is a need for every question at a meeting to be determined by a majority of votes. Refer to *WHSSC Standing Orders* reference 6.6.23 to 6.6.26.

4.5.2 On reaching a Joint Committee decision, all members will support that decision and its consequences in every respect.

## **4.6 Additional Items of Business**

The Chair will be notified in advance of any items of other business to be raised for discussion at a meeting of the Joint Committee (see *WHSSC Standing Orders* reference 6.5.2). Where this is not possible or in exceptional circumstances, items of other business may be raised by a member at the appropriate point on the agenda. Acceptance of items of other business is at the discretion of the Chair.

## **4.7 Chair's Ruling**

The decision of the Chair of the Joint Committee on questions of order, relevancy and regularity and the Chair's interpretation of the Business Framework and the Governance and Accountability Framework shall be final. In this interpretation the Chair shall be advised by the Director of Specialised and Tertiary Services and the Committee Secretary.

## **5. MINUTES AND ACTIONS**

### **5.1 Minutes**

- 5.1.1 The proceedings of each meeting of the Joint Committee will be formally recorded. The Committee Secretary will be responsible for the production of these minutes.
- 5.1.2 The Chair will be responsible for summarising action points and decisions after each item of business during the meeting.
- 5.1.3 The Director of Specialised and Tertiary Services will write out to all Joint Committee Members with a summary of the discussions and actions following the meetings.
- 5.1.4 Following a meeting of the Joint Committee, the Director of Specialised and Tertiary Services will review the accuracy of the unconfirmed minutes with the Committee Secretary, prior to submission to the Chair for approval.
- 5.1.5 Once reviewed and approved by the Chair, the unconfirmed minutes will be circulated to Joint Committee Members and the Board Secretary of each LHB.
- 5.1.6 At the next meeting of the Joint Committee, all members will review the minutes and confirm that they are an accurate record. If any changes are required, the amendments will be discussed and agreed at the meeting.
- 5.1.7 The Chair will sign a copy of the minutes when agreed as an accurate record. This creates an official record of the meeting.

### **5.2 Actions**

- 5.2.1 Actions resulting from the Joint Committee meetings will be summarised in tabular form which clearly indicates who is responsible and the agreed timescales.

5.2.2 The summary of actions should be circulated with the papers of the next Joint Committee meeting.

### **5.3. Decision Log**

5.3.1 A decision will be distributed within 48 hours of the Joint Committee. This will be considered as a standing item at each meeting.

## **6. DISPUTE RESOLUTION**

6.1 In accordance with the Governance and Accountability Framework the Health Boards will seek to work cooperatively with each other as constituent Members of the Joint Committee. Where there is an impasse which cannot be reached by means of conciliation between appropriate individuals, then the dispute process set out in Annex (iii) of the Governance and Accountability Framework will be followed.

6.2 Disputes relating to the Hosting Agreement between Cwm Taf Health Board and the Health Boards will be dealt with in accordance with Section 16 of the Hosting Agreement.

6.3 Most disputes arising between the Commissioners and Providers should be managed and resolved locally. Where there is need for escalation, the objectives of the Welsh Health Specialised Services Committee (WHSSC) ("Joint Committee") Dispute Resolution Process are:

6.3.1 To resolve disputes promptly, transparently, fairly and consistently;

6.3.2 To provide confidence to parties that the process is fair and transparent;

6.3.3 To mitigate risks and protect the reputation of the NHS in Wales;

6.2.1 To prevent where possible legal challenge or other external referral processes.

6.4 Facilitation and/or arbitration (Stage 1 and Stage 2) of disputes may be required in the following circumstances:

6.4.1 The Chair or any Member of the Joint Committee requests facilitation because an impasse has been reached between Members of the Committee.

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6.5 Formal dispute resolution may be required in the following circumstances but shall not be limited to:

6.5.1 Any Provider dispute concerning the contractual agreement between WHSSC and the Provider which has not been able to be resolved with Officers of WHSSC;

6.5.2 Any dispute concerning the contractual agreement between the Provider and WHSSC which has not been able to be resolved with Officers of the Provider organisation;

6.6 This document should be read in conjunction with the Governance and Accountability Framework *Disputed Debts within the NHS in Wales Arbitration Process* (see Annex (i)).

6.6.1 There is no formal arbitration process between England and Wales, however in the past disputes have been resolved through intervention by Welsh Government and DoH representatives.

6.6.2 The final decision made by the route followed is final and on completion the dispute cannot be taken through the alternative route.

## **6.7 Definitions**

6.7.1 *Locally*, within this section, means amongst the individuals raising the dispute.

6.7.2 *NHS Wales* refers to all Local Health Boards and NHS Trusts

6.7.3 *Member*, within this section, refers to both Voting Members, Officer Members and Associate Members of the Joint Committee.

## **6.8. Raising a Dispute**

6.8.1 In the case of any dispute arising out of or in connection with the Commissioning of Specialised Services for NHS Wales, the parties involved will make every reasonable effort to communicate and co-operate with each other with a view to resolving the dispute, before formally referring the dispute for local resolution.

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- 6.8.2 In the event of a dispute arising between two or more parties which cannot be resolved between "WHSSC" the Commissioner and the Provider, the parties should refer to section 6.6.6.
- 6.8.3 Disputes may arise over any aspect of a Heads of Agreement, or Service Level Agreement including that is deemed to be fair and reasonable, the management of performance variations and the imposition of penalties.
- 6.8.4 Where any conflicts are identified between the requirements of the Heads of Agreement and any national directives and circulars, the requirements of the latter shall take precedence.
- 6.8.5 All parties recognise that it is in the best interests of patients, the organisations themselves, and the services they provide, for any disputes to be resolved locally.

#### Local Dispute Resolution

- 6.8.6 The first level of resolution should be:
  - For WHSSC: Mr. Stuart Davies, Director of Finance or nominated Officer.
  - For Provider: Director of Finance or nominated Officer.
- 6.8.7 The second resolution shall be:
  - For WHSSC: The Director of Specialised & Tertiary Services
  - For the Provider: The Chief Executive

#### Formal Dispute Resolution

- 6.8.8 In the event that the dispute is not resolved at the local resolution stage one or more parties may submit a formal request for dispute resolution.

The request for formal dispute should be addressed to:

*Committee Secretary  
Welsh Health Specialised Services Committee  
Unit 3a, Caerphilly Business Park,  
Van Road,  
Caerphilly,  
CF83 3ED*

- 6.8.8.1 The names of the parties to the dispute;
  - 6.8.8.2 A brief statement describing the nature of the circumstances of the dispute and outlining the reasons why the commissioner/providers are in disagreement; and
  - 6.8.8.3 What has been done to try and resolve matters.
- 6.8.9 On receipt of formal referral for review of case, the request will be acknowledged within five working days.
- 6.8.10 The decision shall be so referred immediately upon receipt of such notice and the effect of that decision shall be suspended until the conclusion of dispute resolution.
- 6.8.11 A decision not required to be referred to dispute resolution within the time specified shall be binding on all Members.
- 6.8.12 A record of all disputes (formal and informal) will be maintained and will be made available to Members and the Chief Executive of NHS Wales (and their Executive team) on request.

## **6.9 Process for Dispute Resolution**

### **6.9.1 Stage 1 – Facilitation**

- 6.9.1.1 All parties involved in the dispute must try to reach an agreement. This will involve meeting to discuss and try to resolve the issues. All reasonable efforts must have been made (local resolution level 1 and 2).
- 6.9.1.2 A meeting is held which includes the following:
  - a representative of the Chief Executive Officer for the LHB area of the Member(s) in dispute;
  - an appropriate Director from the NHS organisation(s) in dispute; and
  - a representative of WHSSC
- 6.9.1.3 The meeting will be chaired by the Chair of WHSSC or Vice Chair and involve expert advice (clinical/commissioning/financial) where appropriate.

6.9.1.4 If resolution is reached, the process will conclude at this stage.

#### **6.9.2 Stage 2 – Arbitration**

6.9.2.1 Both the party raising the dispute and the Director of Specialised and Tertiary Services or deputy (acting on behalf of the Joint Committee) will produce a joint statement of facts as well as a separate report setting out their positions and submit them to the Chair of the Dispute Resolution Panel.

6.9.2.2 The Chair of the Dispute Resolution Panel may invite the Director of Specialised and Tertiary Services or deputy (acting on behalf of the Joint Committee) and the Member bringing their dispute to present their positions or they may choose to decide on the basis of the information submitted.

6.9.2.3 Each Member of the Panel hereby recognises and agrees the role and responsibility of the Dispute Resolution Panel in relation to dispute resolution both as part of any initial Facilitation process and, further, as part of any Arbitration process. In resolving any such dispute the Panel shall have regard to ensuring each Member is fulfilling its statutory responsibilities and ensuring the highest clinical standards and patient safety issues are upheld.

6.9.2.4 The decision of the arbitration process will be binding.

### **6.10 Dispute Resolution Panel**

6.10.1 Each formal dispute will be conducted by a panel appointed by the Chair of the Joint Committee. The panel will have a minimum of three members, including one member with commissioner and one member with provider experience. The panel may call on expert advice at its discretion. None of the panel will have strong prior relationships with the key staff involved in the adjudication.

- 6.10.2 The exact make up of the panel and advice to be taken by it will be decided by the Chair and one Independent Member once Stage 1 (level 1 and 2) of the process has been completed and there has not been any resolution.
- 6.10.3 Disputes will be heard by the panel (where possible given the criteria outlined in 6.9) within 8 weeks of the dispute being raised formally.
- 6.10.4 The panel will make decisions based on a simple majority vote.

### **6.11 Dispute Resolution Panel Acceptance Criteria**

The panel will only accept disputes that meet the following criteria:

- 6.11.1 Stage 1 of the process has been completed but there is no resolution;
- 6.11.2 There must have been a full and frank disclosure of all relevant and applicable information. (This does not preclude the panel from asking for further information as it requires);
- 6.11.3 Individuals connected to the dispute should be able to make themselves available to provide further evidence as required;
- 6.11.4 There must be evidence that the party bringing the dispute has made reasonable effort to have this resolved at NHS Wales level, or can demonstrate that this was inappropriate, and that all other attempts at resolution have been completed;
- 6.11.5 All disputes must be formally lodged with the Dispute Resolution Panel within 3 weeks of the date the issue arose, otherwise the dispute will be invalid;
- 6.11.6 The dispute must not be not trivial, vexatious or an abuse of the Joint Committee Governance and Accountability Framework;
- 6.11.7 There must be adequate time to hear the dispute.

### 6.12 Timescales for Dispute Resolution

The maximum timescales for action in relation to resolution of disputes is outlined below:

<b>Age of Dispute (weeks)</b>	<b>Action</b>
0 – 3	Referral of a dispute to resolution Local agreement sought
3 - 5	Escalation of dispute to formal stage of dispute resolution
5	Preparation for Panel (Stage 2)
6	Case Submission
7	Final Submission Deadline
8	Panel held and decision made

## **Disputed Debts within the NHS in Wales - Arbitration Process**

### ***Summary***

1. This guidance is intended to replace the Debtors Arbitration Welsh Health Circular (2007) 031 dated 31<sup>st</sup> March 2007. Following the reconfiguration of the NHS and the dissolution of the Regional Office's in April 2010, there is a need to review and update the arbitration process for all debts between the NHS bodies in Wales.
2. The implementation timetable has been designed to ensure that, by the end of January 2011 there will be no debts between Welsh NHS bodies which are over 22 weeks old. There is no minimal invoice value, for which arbitration cases can be submitted. The arbitration process should be seen as a last resort, it is therefore expected that invoices with immaterial values, should be resolved between parties within the 22 week period. If organisations fail to reach an agreement, and require WAG intervention, then cases should be submitted, irrespective of the value.

### ***Scope***

3. This procedure will apply to all NHS Trusts and Local Health Boards in Wales. In addition, Welsh Health Specialist Services Commissioner's, will also be included within this process and the procedure will equally apply.

### ***Background***

4. This revised procedure addresses concerns that the previous process was an administrative burden on the Directors of Finance and Chief Executives. The involvement of the Board has now been removed, and the role of the Director of Finance can now be delegated to a nominated officer; however the Director of Finance must approve the submission of the arbitration case before forwarding to WAG. The Chief Executive continues to have a role at the escalated negotiation stage. It is therefore assumed that those staff whose role it is to manage, resolve and process payments, in accordance with the timescales laid out in this document, have the systems, procedures and support mechanisms embedded within the organisations, to efficiently and effectively fulfil this requirement.
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5. Although the WHC process has been followed up to 31<sup>st</sup> March 2010; from April 2010 onwards, the penalties for failing to submit an arbitration case by the 22 week deadline have not been enforced. This has provided a nine month period of leniency, for NHS Wales to overcome organisational, ledger and personnel issues resulting from the restructuring. An informal Agreement of Balances exercise took place at month 6, with the aim that overdue invoices are either paid or cancelled. A formal Agreement of Balances Exercise took place at month 8.
6. The revised procedure reiterates the following principles, which should now be rooted within your processes, following implementation of the original WHC :
  - a. The responsibility for settlement of invoices lies with the Director of Finance of the organisations involved.
  - b. Organisations should not raise invoices which they know will give rise to a dispute. This is particularly the case around the year end.
  - c. All valid invoices should be settled promptly, within the timescale set down in the CBI's prompt payment guidance.
  - d. Disputed invoices imply, merely by their existence, a breakdown in communication between organisations. Should any debts need to progress to arbitration, this will be viewed as a failure of Directors of Finance to deal with the matter locally in a prompt and professional manner.
  - e. Arbitration should be seen as the very last resort in dispute resolution.
  - f. Arbitration will not result in the apportionment of liability. This is to prevent organisations seeking arbitration speculatively in order to achieve a part settlement.

### ***Procedure & Implementation***

7. Arbitrations will be decided by the Head of NHS Financial Management, WAG DHSS Resources Department. This is irrespective of whom the dispute is between in NHS Wales, and includes WHSCC.
  8. The timetable for action in relation to disputed debts is outlined below:
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<b>Age of Debt (weeks)</b>	<b>Action</b>	<b>Responsibility</b>
0-12	Routine follow-up	Sales/Purchase Ledger Staff
12-18	Escalation/Negotiation	Directors of Finance or nominated Deputy, escalated to Chief Executive
18-19	Arbitration Preparation	Directors of Finance or nominated Deputy, signed off by Director of Finance. If applicable, WAG informs non submitting organisation that a case has been received.
21	Debtor & Creditor Case Submission	
22	Final Submission Deadline	
22-26	Decision/Award	Head of NHS Financial Management (WAG)

9. The timetable outlined above assumes the age of the debt begins on the issue date of the invoice.

10. Due to the timing of this revised guidance, organisations have until 11th February to either pay or cancel any unpaid invoices which exceed 22 weeks. Arbitration will be offered for any disputed invoices exceeding the 22 weeks and organisations have until the 17<sup>th</sup> February to submit an arbitration case. As this issue is Debtor led, where a case is not submitted by the Debtor organisation (invoice issuer), it will be automatically assumed that the invoice is not valid, and they will therefore be instructed to issue a credit note within fourteen days. However, if a Debtor case is received and a case is not submitted by the Creditor, it will be assumed that the organisation is not disputing payment and will therefore be instructed to settle the invoice within fourteen days.

11. The above timetable will be enforced from 17<sup>th</sup> February, for all unpaid invoices which do not exceed 22 weeks at this time.

### ***Routine Follow-up***

12. The period between 0 and 12 weeks is for organisations to settle invoices using their own follow up procedures. The overwhelming majority of invoices should be settled within this period. This timescale provides sufficient time to review statements, request and receive copy invoices, obtain

payment authorisation within the organisation, resolve simple disputes, provide supplementary information to explain the basis of charges, raise credit notes and make part payments where part liability is agreed etc.

13. Organisations must submit a list of aged Debtors relating to Welsh inter -NHS invoices as part of the Monthly Monitoring Return submission. As a minimum the following information should be provided in ascending date order. Debtor Name, Invoice number, Invoice Date, Invoice Amount, Reason for non payment/Latest Invoice position. This will enable WAG NHS Financial Management to monitor progress, identify issues early in the process and to assess the performance of organisations to meet their obligations. The outstanding debts should be presented to the relevant Audit Committees for awareness.

### ***Escalation/Negotiation***

14. At this stage an invoice has remained unpaid for over 12 weeks. The invoice should be escalated to the level of Director of Finance or nominated Deputy, who should enter into negotiation with the other party in order to gain resolution of the situation. During this timeframe, failure to gain resolution should result in the negotiations escalating to Chief Executive level. Each organisation is required to confirm the contact details of their nominated lead at this level, to WAG NHS Financial Management, who will circulate the details to all organisations. It is the organisations responsibility to ensure that WAG NHS Financial management is informed of any changes to lead personnel. All written correspondence during this period should be clearly addressed to these individuals.
15. Organisations should also take this opportunity to review their processes, to identify the cause of not resolving the issue within the 12 week routine follow up stage, taking remedial action where necessary.
16. WAG NHS Financial Management will be monitoring the 12-18 week stage and will be raising concerns via the monthly Monitoring Return process in order to gain confirmation that every possible action is being undertaken to resolve the dispute.

### ***Arbitration Preparation***

17. Should any invoice be outstanding for 18 weeks, it is assumed that discussions and negotiations between both organisations at Director of Finance or nominated Deputy, and Chief Executive level, have failed and the invoice must now be arbitrated.
18. The Directors of Finance or nominated Deputy of each organisation should prepare cases for submission to the WAG Head of NHS Financial Management, outlining why the payment is/is not due. A proforma has been included within Annex 1 which should be completed for all submissions. This includes a summary of the main points which must not exceed 2 sides of A4. Backing documentation will also be accepted in support of the case.
19. The documentation should include evidence that verbal discussions, for example notes of meetings or telephone conversations, have taken place between the parties. Evidence must also be provided of written communication between Chief Executives.
20. The Directors of Finance will be required to sign the arbitration case documentation before submission.
21. The Debtor and Creditor cases should be submitted by the time the invoice reaches 21 weeks old. If only one organisations case is submitted, WAG will inform the other party within two days that an arbitration case has been submitted. The organisational name, invoice number and amount will be communicated; however it will be for that organisation to obtain copies of the invoice, if required. The outstanding case must be submitted before the invoice has passed 22 weeks old. The timetable will not be extended under any circumstances. It is expected that organisations have robust systems to ensure the case is prepared and authorised irrespective of personnel availability.

### ***Decision/Award***

22. The WAG Head of NHS Financial Management will make a decision in relation to the arbitration, and will issue the decision to the Directors of Finance of the disputing organisations with 4 weeks of the submission.
23. The decision will allow no apportionment of an invoice (or disputed portion of an invoice) in any circumstance. The decision is final and there will be no avenue of appeal, and

there will be no further communication regarding the decision after this point.

24. As this process is Debtor led, where a case is not submitted by the Debtor organisation (invoice issuer), it will be automatically assumed that the invoice is not valid, and will therefore be instructed to issue a credit note within fourteen days. However, if a Debtor case is received and a case is not submitted by the Creditor, it will be assumed that the organisation is not disputing payment and will therefore be instructed to settle the invoice within fourteen days.
25. The Head of NHS Financial Management is not required to justify the decision taken in any way. Organisations must recognise that arbitration is never the best way to resolve disputes and should therefore make use of their best efforts to ensure that issues never reach this stage.
26. The decision awarded does not set a precedent for any future decisions.

### ***Year End Issues***

27. The accurate agreement of balances between Welsh NHS bodies is an essential element in the production of the WG's core accounts and the summarised accounts of NHS Wales.
28. The arbitration process timeline outlined above must therefore be revised at the year end to ensure that Debtors and Creditors recorded in the Accounts are either agreed or arbitrated before the Annual Accounts are signed off.
29. Organisations are required to agree balances at the year end. All outstanding Debtors and Creditors will therefore fall into one of three categories:
  - a. Agreed. This means that the organisation has agreed to pay the invoice in full without question. The organisations involved will place a corresponding accrual in its Accounts.
  - b. Agreed for Accounting Purposes. This means that the agreeing organisation recognises that the invoice is valid in principle, but requires further information in order to satisfy itself that the quantum of the invoice is accurate. The organisation involved will place a

corresponding accrual in its Accounts. However, the 22 week deadline still applies. Therefore, if the debt remains unpaid at the 18 week stage, irrespective of the agreement for accounting purposes, an arbitration case is to be submitted. The decision scenarios relating to submission and non submission of cases will apply.

- c. Disputed. This means that the agreeing organisation disputes the content of the invoice and does not believe that it is liable to pay the invoice at all.

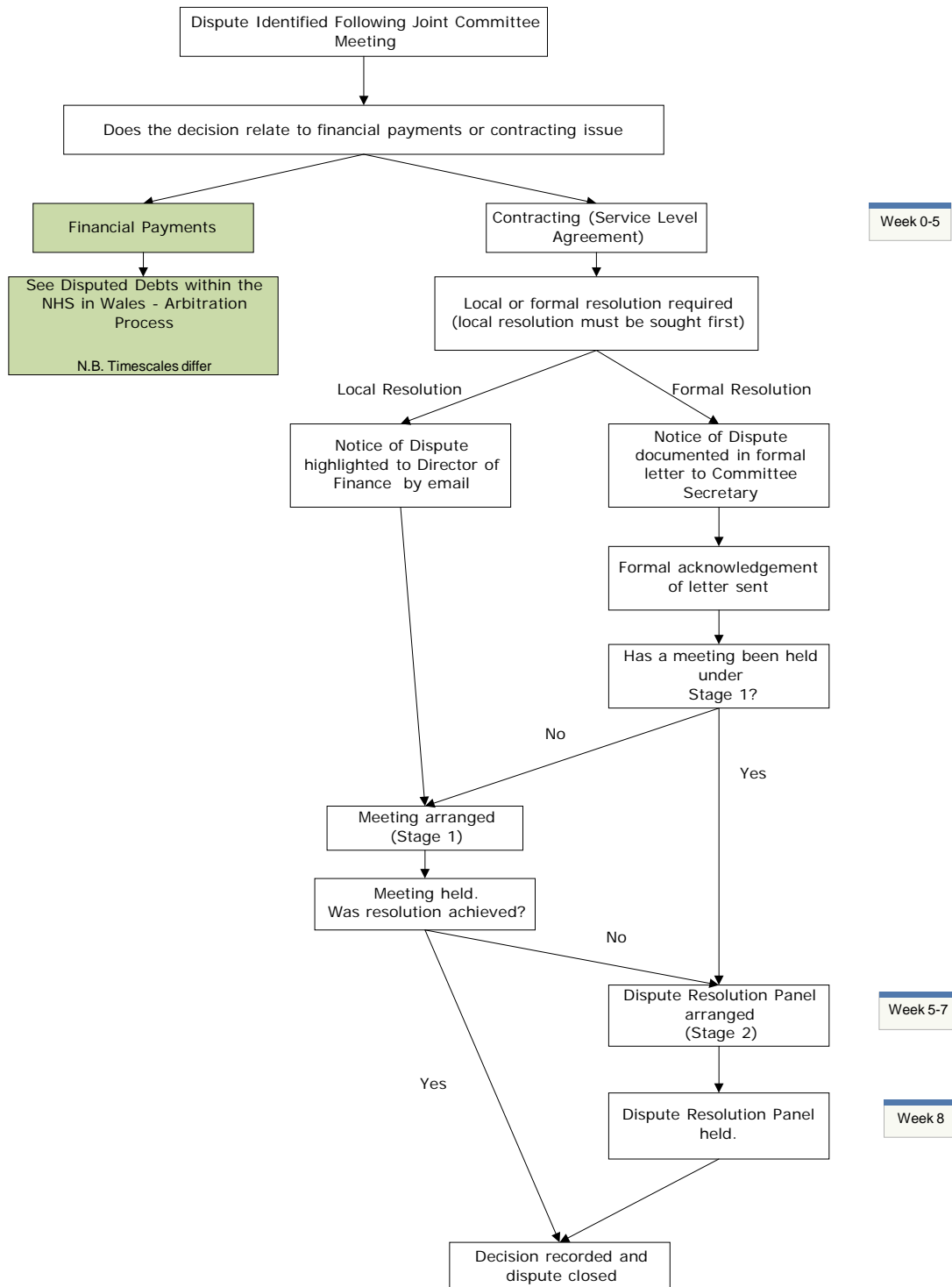
30. Where an invoice is disputed at the time of an organisation's Draft Accounts are submitted, no matter what the age of the invoice, the Director of Finance must ensure their staff prepares a case regarding the disputed debt for arbitration. The case should be submitted to the WAG Head of NHS Financial Management no more than one week after submission of the Draft Accounts to the WAG DHSS Resources Directorate.

31. Organisations should be aware of the dates for submission, and if both parties agree, an arbitration case can be submitted before the deadline. A decision may then be accommodated before the submission of the draft accounts, however both parties must agree to the early submission date, and this must be agreed by the Head of NHS Financial Management.

32. A decision will be taken on the disputed invoice and communicated to the disputing organisations no less than one week before final Audited Accounts are due to be submitted to DHSS Resources Directorate.

33. Organisations must then make the necessary adjustments to their Accounts in order to reflect the decision taken.

## Flow Chart for Dispute Resolution



## **Annex (iv) to Memorandum of Agreement**

### **CLINICAL NETWORKS**

#### **Welsh Clinical Renal Network**

The Welsh Clinical Renal Network is established as a Sub Committee of the Welsh Health Specialised Services Committee. This arrangement will be reviewed on a regular basis as part of the Governance and Accountability Framework for the Joint Committee.

The Chair of the Welsh Clinical Renal Network will be accountable to the Chair and will be an Associate Member of the Joint Committee.

The Welsh Clinical Renal Network will provide a national focus for planning and performance management of all renal services, work closely with each LHB to support service improvement, local planning, and resource management. It will be the focal point to inform the LHBs and WAG on the effectiveness and efficiency of adult renal services in Wales as well as the strategic implementation of the Renal National Service Framework and performance against the Annual Operating Framework and the associated Local Delivery Plans.

The Welsh Clinical Renal Network Chair / Lead Clinical Advisor will be directly accountable to the Chair of the Joint Committee but will also provide advice to WAG through the Director of Strategy and Planning and the NHS Medical Director and Chief Medical Officer on an agreed sessional basis.

The Renal Network Manager will be managerially responsible to the Director of Finance and accountable to the Network Chair / Lead Clinical Advisor for the development and delivery of the Network objectives and work plan as appropriate to this role.

#### **Wales Neonatal Network**

The Wales Neonatal Network Steering Group is an advisory group to the Welsh Health Specialised Services Committee. This arrangement will be reviewed on a regular basis as part of the Governance and Accountability Framework for the Joint Committee.

The Wales Neonatal Network Steering Group will provide evidence-based and timely advice to the Minister for Health and Social Services and Local Health Boards, through the Welsh Health Specialised Services Committee, to assist them in discharging their

functions and meeting their responsibilities with regards to neonatal services. It will help develop and monitor plans, but the ultimate responsibility will remain with the LHBs.

The Chair of the Neonatal Network will be accountable to the Director of Specialised & Tertiary Services.

The Lead Clinician for the Wales Neonatal Network will report to the Lead Director but remain accountable Medical Director, of their employing LHB.

The Neonatal Network Manager will be managerially responsible to the Director of Planning and accountable to the Network Chair / Lead Clinician for the development and delivery of the Network objectives and work.

**MEMORANDUM OF AGREEMENT**

**RELATING TO**

**WELSH HEALTH SPECIALISED SERVICES COMMITTEE**

**(WALES) DIRECTIONS 2009**

## **Annex (iv) Joint Committee Sub-Committee and Advisory Group Arrangements**

**This Annex forms part of, and shall have effect as if incorporated in the Welsh Health Specialised Services Committee Standing Orders**

The Joint Committee has established the following Sub-Committees:

- Management Group
- Audit Committee (of the host organisation)
- Quality and Patient Safety Committee
- Individual Patient Funding Request (IPFR) Panel (WHSSC)
- Integrated Governance Committee
- Welsh Renal Clinical Network

It has also established the following Advisory Groups:

- All Wales Gender Dysphoria Partnership Board
- All Wales Posture and Mobility Service Partnership Board
- Emergency Medical Retrieval Transfer Service (EMRTS) Delivery Assurance Group (as of 1<sup>st</sup> April 2016 the responsibility for this advisory group will pass to the Emergency Ambulance Services Committee)
- Wales Child and Adolescent Mental Health Services (CAMHS) and Eating Disorders (ED) Planning Network Steering Group
- Wales Mental Health and Learning Disabilities Collaborative Commissioning Group (formally the Secure Services Delivery Assurance Group)
- Wales Neonatal Network Steering Group.



**All Wales Gender Dysphoria Partnership Board**

**Welsh Health  
Boards**

**All Wales Mental Health and Learning Disability  
Collaborative Commissioning Group**

**All Wales Posture and Mobility Service Partnership  
Board**

**Cwm Taf UHB  
Corporate Risk  
Committee**

**Emergency Medical Retrieval and Treatment Service  
Delivery Assurance Group**

**WHSSC  
Joint Committee**

**Wales CAMHS and Eating Disorders (ED) Planning  
Network Steering Group**

**Cwm Taf UHB  
Audit  
Committee**

**Wales Neonatal Network Steering Group**

**Integrated  
Governance  
Committee**

**Quality and  
Patient Safety  
Committee**

**All Wales  
Individual  
Patient  
Funding  
Request Panel**

**Welsh Renal  
Clinical  
Network**

**Management  
Group**

**WHSS  
Corporate  
Directors  
Group**

Standing Orders, Reservation and Delegation of Powers for LHBs  
Annex (iv) Terms of Reference for Sub Committees

## **EMERGENCY AMBULANCE SERVICES COMMITTEE (EASC)**

### **TERMS OF REFERENCE**

To consider the structural options for the future delivery of the emergency response service and the further development of care pathways and protocols across the unscheduled care system;

- Determine a long-term strategic plan for the planning and securing of emergency ambulance services for the sick and injured;
- Agree an integrated commissioning plan for agreement by the Committee;
- Agree the appropriate level of funding for the provision of emergency ambulance services for the sick and injured, and determining the contribution from each LHB for those services (which will include the running costs of the Joint Committee and the Welsh Health Ambulance Services Team (WHAST)) in accordance with any specific directions set by the Welsh Government;
- Establish mechanisms for managing the in year risks associated with the agreed service portfolio and new pressures that may arise;
- To consider national co-ordination and benchmarking of emergency transport services;
- To develop intelligent targets, standards and data flows which: work across the unscheduled care system; place greater emphasis on patient outcomes and experience; and
- Establish mechanisms to monitor, evaluate and performance manage the delivery of emergency ambulance services and take appropriate action.