



Report Title	WHSSC Governance and Accountability Framework	Agenda Item	3.1.4		
Meeting Title	Health Boards	Meeting Date	25/05/2023		
FOI Status	Open				
Author (Job title)	Committee Secretary				
Executive Lead (Job title)	Committee Secretary & Director of Finance				
Purpose of the Report	The purpose of this report is to provide an update on the WHSSC Governance and Accountability Framework.				
Specific Action Required	RATIFY <input type="checkbox"/>	APPROVE <input checked="" type="checkbox"/>	SUPPORT <input type="checkbox"/>	ASSURE <input checked="" type="checkbox"/>	INFORM <input checked="" type="checkbox"/>
Recommendation(s):					
Members are asked to: <ul style="list-style-type: none">• Note the report,• Approve the proposed changes to the Standing Orders (SOs) and include as schedule 4.1 within the respective HB SO's,• Approve the proposed changes of the Memorandum of Agreement (MoA) and Hosting Agreement in place with CTMUHB, and include as schedule 4.1 within the respective HB SO's; and• Approve the proposed changes to the financial scheme of delegation and financial authorisation matrix updating the Standing Financial Instructions (SFIs).					

WHSSC GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

1.0 SITUATION

The purpose of this report is to provide an update on the WHSSC Governance and Accountability Framework.

2.0 BACKGROUND

2.1 Model Standing Orders and Standing Financial Instructions

In accordance with the WHSSC Regulations 2009, each Local Health Board (LHB) in Wales must agree Standing Orders (SOs) for the regulation of the Joint Committee proceedings and business. These Joint Committee standing orders form a schedule to each LHB's own standing orders, and have effect as if incorporated within them. Together with the adoption of the Scheme of Decisions Reserved to the Joint Committee; the Scheme of Delegations to Officers and Others; and the 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 setting out the governance arrangements for the seven LHBs and a Hosting Agreement between the Joint Committee and Cwm Taf Morgannwg University Health Board (as the Host LHB), form the basis upon which the Joint Committee's Governance and Accountability Framework is developed.

Updated Model Standing Orders and Model Standing Financial Instructions were issued by the Minister for Health and Social Services in correspondence received on the 7 April 2021.

To ensure effective governance and to comply with the provisions of the WHSSC Standing Orders (SOs) it is important that the SOs and Standing Financial Instructions (SFIs) are kept up to date to comply with the need for:

- The Joint Committee to take appropriate action to assure itself that all matters delegated are effectively carried out, and that
- The framework of delegation is kept under active review and, where appropriate, is revised to take account of organisational developments, review findings or other changes.

The revised Governance and Accountability Framework documents, including the SOs and SFIs, for WHSCC were approved by the Joint Committee on 14 March 2023, and are now being presented to individual HBs for approval for inclusion as schedule 4.1 within their respective LHB SOs.

3.0 CHANGES TO THE GOVERNANCE & ACCOUNTABILITY FRAMEWORK

3.1 Financial Limits and Reporting

On the 10 January 2022 the Joint Committee approved that the increased financial delegation limits introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19 pandemic could be adopted as new permanent limits, and approved the updated process for the current SFI requirement for Joint Committee "approval" of non-contract cases above defined limits for annual and anticipated lifetime cost, to be replaced by an assurance report to Joint Committee and the CTMUHB Audit & Risk Committee (ARC) notifying of all approvals above the defined limit and Chairs action to reflect the need for timely approval action, subject to further discussion with the HB Board Secretaries.

The Committee Secretary at WHSSC shared the report and discussed the proposed changes with the NHS Wales HB Board Secretaries on 3 February 2023, and requested views on the proposal. Two queries were received as outlined in **Table 1** below:

Table 1 – Queries Received on the Proposed Changes

Query	Response
<p>What is the process of Chairs action?</p>	<p>Section 3.1 of the WHSSC SO's state:</p> <p>3.1 Chair's action on urgent matters</p> <p><i>3.1.1 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 Independent 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.</i></p> <p>The process is the same as the process adopted by HB's.</p> <p>Also, any chairs action undertaken is always shared with the Joint Committee in writing via a letter being issued to JC members sent via email, and it is also ratified by the Joint Committee under the Chairs report at the next available meeting with a specific recommendation to ratify the decision. This is captured in minutes etc.</p>

Query	Response
Financial thresholds – appear higher than those in place in other NHS bodies	<p>Advanced Medicinal Therapeutic Products (ATMPs) are commissioned by WHSSC and the Blueteq system is used to procure, prescribe and manage the ever increasing complexities associated with high cost therapies.</p> <p>The scale of the ATMP’s has increased with an average minimum of £25k per annum up to £500,000 per annum for high cost drugs and potentially up to £2m for one-off new ATMPs all of which are NICE approved. Therefore, the financial thresholds are set reflect this.</p>

The proposed changes were also discussed with the Head of NHS Board Governance on the 14 February 2023 and with the Board Secretary at CTMUHB on 17 February to provide assurance on the changes being made and an assurance was given that the changes did not deviate from the model SO’s and SFI’s in place, and any changes were in relation to bespoke changes for WHSSC’s scheme of delegation, financial authorisation matrix and MoA with CTMUHB.

3.2 Welsh Renal Clinical Network (WRCN) – Governance Review

Further to the recent governance review undertaken on the Welsh Renal Clinical Network (WRCN) to evaluate and determine the adequacy of the systems and controls in place within WHSSC, the scheme of delegation has been updated in response to the recommendations made concerning:

- Delegated authority for the network board including which matters are reserved to itself to include executive officer responsibilities and financial delegation limits; and
- Delegated financial limits within the Standing Financial Instructions.

3.3 Memorandum of Agreement – Designation of Audit & Finance Lead Independent Member (IM)

On the 18 January 2022, the Joint Committee approved that the existing arrangements for appointing a CTM audit lead IM, could transition to advertising for an Audit/Finance IM through a fair and open selection process through advertising the vacancy through the HB Chairs and the Board Secretaries, with eligibility confined to existing HB IMs. Section 7.3 of the MoA has been updated to reflect this.

4.0 SUMMARY OF PROPOSED CHANGES

The updated SOs, MoA, Hosting Agreement, and SFIs are presented at **Appendices 1-3** for information. Note no changes have been made to the Welsh Government model guidance element of the SO’s or the SFI’s, and that the proposed changes only relate to the bespoke elements required for WHSSC.

For assurance, a summary of the updates made is outlined in **table 2** below:

Table 2 - Summary of Proposed Changes to the WHSSC Governance and Accountability Framework

Standing Orders – see Appendix 1	
Page 52 -	<p>Delegation of Powers to Sub-Committees and Others</p> <p>Amendment from “Audit Committee”, to “Audit and Risk Committee” (ARC) to reflect the correct title of the CTM ARC for hosted bodies.</p> <p>Amendment from “Welsh Renal Clinical Network”, to the “Welsh Kidney Network”, to reflect the name change agreed by the Joint Committee on 12 July 2022.</p>
Page 54	<p>Scheme of Delegation to WHSST Directors and Officers</p> <p>Addition of Welsh Kidney Network (WKN) and Programme Director, Executive Lead to comply with the following recommendations from the WKN governance review:</p> <ul style="list-style-type: none"> • <i>The Joint Committee should agree a scheme of delegation for the Network Board and agree which matters it wishes to reserve to itself to include executive officer responsibilities and financial delegation limits. This should explicitly include staff and non-staff costs; and</i> • <i>The role of the executive lead should be clearly set out and referenced in the individual’s job description and personal objectives, as well as in the schemes off delegation within Standing Orders. This should include accountability arrangements.</i>
Page 56	<p>Annexe 3 – Joint Committee Sub-Committee Arrangements</p> <p>Amendment from “Welsh Renal Clinical Network”, to the “Welsh Kidney Network”, to reflect the name change agreed by the Joint Committee on 12 July 2022.</p>
Memorandum of Agreement & Hosting Agreement – see appendix 2	
Page 12	<p>Appointment and Role of Non-Officer Members</p> <p>Section 7.3 Audit Lead Independent Member</p> <p>Section 7.3 states that: <i>“7.3 One non-officer member will be selected from the Host LHB. This non-officer member will act as the Audit Lead”</i></p> <p>On the 18 January 2022, the Joint Committee approved that the existing arrangements for appointing a CTM audit lead IM, could transition to advertising for an Audit/Finance IM through a fair and open selection process through advertising the vacancy through the HB Chairs and the Board Secretaries, with eligibility confined to existing HB IMs. Therefore section 7.3 will be amended to:</p>

	<i>"7.3 the audit lead non-officer member role will be recruited through a fair and open recruitment process. To enable the WHSSC Independent Member Remuneration appointment arrangements to be consistent with the other two HB IM roles, with an emphasis on the skills required to participate in the Audit & Risk Committee (ARC). The audit lead IM will be required to attend the CTMUHB part 2 ARC meetings which WHSSC attends to discharge its audit and accountability requirements"</i>
P16	13. Accountability & Audit Committee Amendment from "Audit Committee", to "Audit and Risk Committee" to reflect the correct title of the CTM ARC for hosted bodies.
Pages 22 & 23	27.Review Amendments made to reflect the names of the newly appointed Chief Executive Officers (CEOs).
Page 24	Annex (i) to MoA Services delegated from LHBs to WHSSC for planning and funding The list has been updated to reflect the full list of services for 2023-2024.
Pages 40 & 41	Annex (ii) to MoA – Hosting Agreement Amendments made to reflect the names of the newly appointed Chief Executive Officers (CEOs).
Page 66	Annex (iv) to MoA – Clinical Networks Amendment from "Welsh Renal Clinical Network", to the "Welsh Kidney Network", to reflect the name change agreed by the Joint Committee on 12 July 2022.
Standing Financial Instructions (SFI's) – Scheme of Delegation – see Appendix 3a	
Page 2	Budget delegation and virements Section A1 Delegation of the management of defined Revenue budgets to budget holders Updated to reflect the following recommendations from the WKN governance review: <ul style="list-style-type: none"> <i>The Joint Committee should agree a scheme of delegation for the Network Board and agree which matters it wishes to reserve to itself to include executive officer responsibilities and financial delegation limits. This should explicitly include staff and non-staff costs.</i> <i>The role of the executive lead should be clearly set out and referenced in the individual's job description and personal objectives, as well as in the schemes off delegation within Standing Orders</i>

Page 2	<p>Budget delegation and virements Section A1 Delegation of the management of defined Revenue budgets to budget holders Updated to reflect budget holder status for Traumatic Stress Wales (TSW).</p>
Page 4	<p>A1 Long Term Agreements with other NHS bodies Wording updated to describe “In accordance with delegated authority within the Standing Financial Instructions”.</p>
Page 5	<p>A4 Individual NHS patient treatment charges outside of LTAs and SLAs Updated to include reference to the updated process for the current SFI requirement for Joint Committee “approval” of non-contract cases above defined limits for annual and anticipated lifetime cost, to be replaced by an assurance report to Joint Committee and the CTMUHB Audit & Risk Committee (ARC) notifying of all approvals above the defined limit and Chairs action to reflect the need for timely approval action.</p>
<p>Standing Financial Instructions (SFI’s) – Financial Authorisation Matrix – see Appendix 3b</p>	
Column R	<p>Updated to reflect the following recommendations from the WKN governance review:</p> <ul style="list-style-type: none"> • <i>The Joint Committee should agree a scheme of delegation for the Network Board and agree which matters it wishes to reserve to itself to include executive officer responsibilities and financial delegation limits. This should explicitly include staff and non-staff costs.</i> • <i>The role of the executive lead should be clearly set out and referenced in the individual’s job description and personal objectives, as well as in the schemes off delegation within Standing Orders. This should include accountability arrangements.</i>
All	<p>Updated to include the increased financial delegation limits introduced in March 2020 to enable effective financial governance as a consequence of the COVID-19, approved by the Joint Committee on 10 January 2023.</p>
Column Q	<p>Updated to reflect Traumatic Stress Wales</p>

5.0 GOVERNANCE & RISK

To ensure effective governance the WHSSC Governance and Accountability Framework is reviewed annually, and the Integrated Governance Committee were informed of proposed changes to the Framework on 14 February 2023, prior to the Joint Committee formally approving them on the 14 March 2023.

In accordance with the WHSSC governance framework once the Joint Committee approve the updated governance and accountability framework they must be taken forward for approval by the Boards of the seven HBs for inclusion as schedule 4.1 within their respective HB SOs. Thereafter, a report will be taken to the CTMUHB ARC for hosted bodies for assurance.

6.0 RECOMMENDATIONS

Members are asked to:

-
- **Note** the report,
- **Approve** the proposed changes to the Standing Orders (SOs), and include as schedule 4.1 within their respective HB SOs,
- **Approve** the proposed changes of the Memorandum of Agreement (MoA) and Hosting Agreement in place with CTMUHB, and include as schedule 4.1 within their respective HB SOs; and
- **Approve** the proposed changes to the financial scheme of delegation and financial authorisation matrix updating the Standing Financial Instructions (SFIs).

Governance and Assurance	
Link to Strategic Objectives	
Strategic Objective(s)	Governance and Assurance Choose an item. Choose an item.
Link to Integrated Commissioning Plan	Yes
Health and Care Standards	Governance, Leadership and Accountability Choose an item. Choose an item.
Principles of Prudent Healthcare	Reduce inappropriate variation Choose an item. Choose an item.
NHS Delivery Framework Quadruple Aim	People in Wales have improved health and well-being with better prevention and self-management Choose an item. Choose an item. Choose an item.
Organisational Implications	
Quality, Safety & Patient Experience	A strong financial governance framework is essential to ensuring patients experience the greatest possible levels of safety and quality in the services commissioned by WHSSC Informed decisions within the environment of a clear financial governance framework are more likely to impact favourably on the quality, safety and experience of patients and staff.
Finance/Resource Implications	The WHSSC Standing Financial Instructions (SFI's) outline the financial scheme of delegation, non-pay expenditure limits and accountability arrangements.
Population Health	There are no specific population health implications related to the activity outlined in this report.
Legal Implications (including equality & diversity, socio economic duty etc)	The Model Standing Orders, Reservations and Delegation of Powers (SO's) were last issued by Welsh Government in September 2019 for Local Health Boards, Trusts, the Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC). They were reviewed by officials in association with representatives of the NHS Wales Board Secretaries and the NHS Wales Directors of Finance group. The revised model documents are issued in accordance the Ministerial direction contained within sections 12(3) (for Local Health Boards) and 19(1) (for NHS Trusts) and 23(1) (Special Health Authorities) of the National Health Service (Wales) Act 2006.

Long Term Implications (incl WBFG Act 2015)	WHSSC is committed to considering the long-term impact of its decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.
Report History (Meeting/Date/ Summary of Outcome)	14 March 2023 – Approved by the WHSSC Joint Committee 14 February 2023 – Integrated Governance Committee – update on progress 10 January 2023 – JC approved the financial limits and financial reporting report.
Appendices	Appendix 1 – Updated Standing Orders (SOs) Appendix 2 – Updated Memorandum of Agreement and Hosting Agreement Appendix 3 - Updated Standing Financial Instructions (SFIs) Appendix 3a – Updated Financial Scheme of Delegation Appendix 3b – Updated Financial Authorisation Matrix