

(COVER)

**Velindre National Health Service Trust (Establishment)
(Amendment) Order 2012, and**

**Velindre National Health Service Trust Shared
Services Committee (Wales) Regulations 2012**

Consultation Response Report

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PART 1: BACKGROUND

Background to Velindre National Health Service Trust (Establishment) (Amendment) Order 2012 and Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012

1. In 2011 the NHS bodies in Wales, together with the Welsh Assembly Government (as it then was) decided to bring together various support service functions across the NHS in Wales under a single management team as a “virtual” shared services entity.
2. In September 2011 the Minister gave authority to proceed with the transfer of responsibility for the provision of Shared Services from the current virtual model to a body hosted within the NHS Wales.
3. Following an invitation to all NHS bodies to express an interest in becoming the host organisation, Velindre NHS Trust was confirmed as the host organisation on 22 November 2011.
4. It is proposed that from 1 June 2012 the function of managing and providing shared services to the health service in Wales will be given to Velindre NHS Trust. Velindre NHS Trust’s Establishment Order needs to be amended to reflect the fact that this function has been conferred on it.
5. It is further proposed that Velindre NHS Trust be required to establish a shared services committee of Velindre which will be responsible for exercising Velindre’s shared services functions. The Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 require Velindre to establish a shared services committee. The regulations prescribe the membership of the committee in order to ensure that all Local Health Boards and NHS Trusts in Wales have a member on the committee. This is to ensure that the views of all the NHS organisations in Wales are taken into account when making decisions in respect of shared services activities.
6. The new arrangements will also necessitate putting in place a new co-operation agreement and a hosting agreement between all Local Health Boards and NHS Trusts in Wales setting out the obligations of the NHS bodies to participate in the shared services committee and to take collective responsibility for the delivery of the services. It is considered important to ensure that responsibility for the exercise of the shared services functions will not rest with the Board of Velindre NHS Trust but will be a shared responsibility of all NHS bodies in Wales in order to ensure that notwithstanding the fact that Velindre NHS Trust is providing the legal framework for the exercise of the shared services functions, responsibility for setting the policy for and

delivery of shared services to the health service in Wales remains a collective responsibility of the NHS in Wales.

7. The consultation process sought responses on the changes to Velindre's Establishment Order and the changes to the Regulations which establish the Shared Services Committee

PART 2: THE CONSULTATION

Consultation process

12. The Welsh Government published a consultation document and the associated Draft Velindre National Health Service Trust (Establishment) (Amendment) Order 2012 and Draft Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 on its website on 15 February 2012. The consultation ran until 11 April 2012.
13. Respondents were invited to consider (1) the Order that would amend the Establishment Order of Velindre NHS Trust to give Velindre the function of managing and providing shared services to the health service in Wales with effect from 1 June 2012, and (2) the draft Regulations that require Velindre NHS Trust to establish a shared services committee of the Trust to manage the provision of shared services to the NHS in Wales and sets the constitution and membership requirements for that committee.
14. Letters were sent to Chairs and Chief Executives of NHS Trusts and Local Health Boards in Wales as well as Community Health Councils in Wales.
15. The consultation documents can be accessed from this link:

<http://wales.gov.uk/consultations/healthsocialcare/services/?lang=en&status=closed>

Responses received

16. A total of 8 written responses were received from a variety of stakeholders, including Local Health Boards, Trusts, Community Health Councils and the NHS Wales Shared Services Partnership itself.

Findings from the consultation exercise

17. The Welsh Government's response to the consultation responses that were received is set out in the following pages.

PART 3: RESPONSES TO CONSULTATION

18. Overall, respondents were very supportive of the proposed changes. They welcomed the transfer of shared services functions to Velindre NHS Trust and felt that a number of positive benefits would flow from the new arrangements.
19. The consultation document sought general views on the proposed changes and did not invite specific questions. The responses that were received can be usefully categorised into a number of similar themes and these together with the Welsh Government's response are shown below.

(i) Accountable Officer Status

In order to ensure that there was clarity of accountability it was suggested that the role of the Accountable Officer for NHS Wales Shared Services Partnership (NWSSP) should be the Chief Officer of Velindre NHS Trust.

Welsh Government response:

The Board of Velindre NHS Trust will not be primarily accountable for the planning and provision of shared services. The Director of Shared Services, an employee of Velindre, will be designated as an accountable officer for Shared Services by the Chief Executive of NHS Wales. The working relationship and respective responsibilities of the chief executive and accountable officer for Velindre NHS Trust and the Director of Shared Services as the accountable officer for Shared Services will be embedded in a formal interface agreement between the two positions. . The Hosting agreement and the co-operation agreement that will be signed by all NHS organisations In Wales will also ensure that responsibility for setting the policy for and delivery of shared services will remains a collective responsibility of the NHS in Wales

(ii) Definition of Shared Services:

Further clarity was welcomed on the definition of Shared Services as there was concern that there needed to be clarity in the process for Shared Services acquiring or growing its business in the future and that any change in service would require the agreement of each partner organisation and that no change can be imposed on individual organisations.

It was also suggested that as a hosted body within the Velindre Legal Framework NHS Wales Shared Services Partnership (NWSSP) would still wish to be known by this name.

Welsh Government response:

Shared Services means professional, administrative and technical services provided to the health service in Wales. All NHS organisations will be party to a co-operation agreement and any changes to the future activities or functions of Shared Services will need to have the agreement of the signatories to the co-operation agreement. However, Welsh Ministers also have the power to direct, should they so choose, that additional activities be brought within the ambit of shared services.

The legal name of the Committee is “the Velindre NHS Trust Shared Services Committee”. It is a matter for the NHS whether, operationally, they wish the Committee to be known by another name.

(iii) Membership and status of the Committee:

(a) Nomination of alternative Members

Clarity was required on the entitlement of an LHB Chief Officer to nominate an alternative to be a member of the Committee. The Regulations suggest that the individual nominated is an Officer Member of the Board which may not be appropriate in all circumstances.

Welsh Government response:

Any individual nominated by a Chief Officer to take his or her place as a member of the Committee should have the authority and be of sufficient seniority and experience to properly discharge their duties on the Committee. It is therefore considered appropriate that the nominated individual should be an officer member of his or her Local Health Board and in relation to a NHS Trust an executive director of his or her Trust.

(b) Hosting body status and role of Director of Shared Services on the Committee.

Respondents asked if consideration could be given to identifying the Chief Executive or nominated representative from Velindre Trust separately as the hosting body.

Respondents also suggested that it should be made clear that the nomination of an employee of Velindre to be a member of the Committee is the Director of Shared Services.

It was further proposed that the relationship between the Vice-Chair and the Director of Shared Services in the absence of the Chair is worthy of further consideration as this will be an officer to officer relationship.

Welsh Government response:

All NHS organisations will be of equal standing as members of the Committee and a separate hosting agreement will be drawn up to reflect the specific responsibilities of Velindre as the host organisation. It is therefore not necessary to identify representation from the host organisation separately.

The regulations have been changed to provide clarity that the person who has been designated as the accountable officer for Shared Services will be a member of the Committee.

The appointment of the Vice- Chair will be from among the Chief Officers or their nominated representatives and will only preside over the Committee's proceedings on a temporary basis in the absence of the Chair. No relationship issues with the Director of Shared Services are envisaged to result from this arrangement.

(c) Welsh Government Representative on the Committee

It was viewed as beneficial to have Welsh Government representation on the Committee if only in an observer capacity.

Welsh Government response:

The Committee will invite attendees as they see appropriate.

(d) Role and Status of the Committee

In respect of the role of the Committee it was viewed that it should be made clear from the outset that the proposed changes were to enable the Trust to provide the legal framework for a hosting arrangement on behalf of the NHS in Wales and that the primary accountability for strategy and delivery was shared across the NHS in Wales.

Furthermore the proposed Regulations indicate that Shared Services would be the only hosted service with a statutory committee.

Welsh Government response:

Whilst the Committee will be a formal committee of Velindre NHS Trust's Board, the Director of Shared Services who will, from 1 June 2012, be an employee of Velindre NHS Trust will be designated as the accountable officer for shared services. An interface agreement

between the Director of Shared Services and the Chief Executive of Velindre NHS Trust will make it clear where the lines of responsibility are drawn between the two responsible officers. The Hosting agreement and the co-operation agreement that will be signed by all NHS organisations In Wales will also ensure that responsibility for setting the policy for and delivery of shared services will remain a collective responsibility of the NHS in Wales.

It was considered appropriate, in this instance, to have a committee that is established by Regulations as it is key to the policy proposal that (i) the shared services functions of Velindre NHS Trust are exercised on Velindre's behalf by the Committee and (ii) all NHS bodies in Wales are represented on the Committee. The decision to establish a Committee using Regulations in this instance has no implications for the status of other "non statutory" committees that are already in existence.

(iv) Appointment / Removal and period of office of the Chair

Clarification was required in relation to the appointment and removal process for the Chair and vice chair and the role Velindre, as the host organisation should have in this process.

Furthermore a number of respondents were concerned that the Chair of the Shared Services Committee would be appointed from amongst the non-officer members of the Health Boards or the non-executive directors of the Trusts. It was felt that this should be reconsidered in view of the commitment this would entail and that non-officer and non-executive director's core focus should primarily be on front line delivery. Also it is important that the appointment of a Chair is seen to be independent.

In respect of the period of office of a Chair or Vice Chair consideration should be given to extending this from two years as this allowed little time for them to fully understand and contribute to a complex area.

Welsh Government response:

The Committee will be responsible for the appointment, removal and suspension of the Chair and vice chair in accordance with its Standing Orders.

In view of the respondents' concerns and recognising the additional time commitment placed upon a non-officer or non-executive director and that their extra duties as a Chair of the Shared Services Committee will have to be balanced against their existing Board duties, It is considered appropriate to amend the Regulations to expand the pool of potential candidates to include any other person that the

Committee determines has the necessary skills and experience to perform the duties of the Chair.

In view of the consultation responses it was considered appropriate to amend the Regulations to extend the appointment period for both the chair and vice chair for a period of up to 4 years. Consequently, it was also considered appropriate to make a consequential change to the Regulations to allow a chair or vice chair to serve for a maximum period of 8 years.

In addition, in response to comments received it is considered appropriate to amend the Regulations to allow Velindre NHS Trust to appoint the first chair of the Committee for a period of six months. This is to allow for a functional chair to be in post from the time the Committee is established and to give the Committee time to embed before it starts the process of recruiting a chair.

(v) Committee's Standing Orders

It was considered unclear as to why a Committee of a Statutory Body required separate Standing Orders as there was a risk this would create unnecessary bureaucracy. It was felt that consideration should be given to providing the Committee with robust Terms of Reference which indicated which elements of the Velindre Trust Standing Orders applied to the Committee and what delegated powers the Committee has.

Welsh Government response:

The general functions of Velindre NHS Trust and the delivery of the Shared Services functions are to operate separately for the reasons outlined above. It is therefore important that the Shared Services Committee conducts its business in accordance with its own transparent and specific operating arrangements. Consequently it is considered appropriate that the Shared Services Committee should operate under its own Standing Orders.

Next Steps

20. The Welsh Government would like to thank those individuals and organisations who took the time to respond to the consultation. The Welsh Government will seek to;

(1) make the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012 so that it comes into force on 1 June 2012. No amendments are to be made following the consultation: and

(2) make and lay before the National Assembly for Wales the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 by 11 May 2012 so that the Regulations come into force on 1 June 2012. The Regulations as made will reflect the following amendments that have been made following consultation:

- Amendment to regulation 5(1)(c) to make it clear that the person who is a member of the committee is the person who has been designated as accountable officer for shared services
- Addition of a new regulation 6(2) to allow Velindre NHS Trust to appoint the first chair of the committee for a period of six months.
- Amendment to regulation 6 to remove the restriction that the chair of the committee may only be appointed from amongst existing non officer members of Local Health Boards or non executive directors of NHS Trusts in Wales.
- Amendment to regulation 8(3) to allow a chair and vice chair to be appointed for a term of up to 4 years and an amendment to regulation 8(5) to allow a person to serve a maximum of 8 years as a chair or vice chair.
- Amendments to regulations 9 and 10 to allow the Committee (as it appoints the chair and vice chair) to remove or suspend the chair or vice chair.
- Amendment to Regulation 9 to remove the requirement to advise the Welsh Ministers before removing a chair or vice chair and amendment to regulation 10 to remove the requirement to advise Welsh Ministers when the committee decides to suspend a chair or vice chair. The reason for these amendments is to reflect the fact that Welsh Ministers do not have any role in appointing the chair or vice chair of the committee.
- Addition of a new regulation 8(6) to make it clear that even though a chair of the Committee may not serve consecutive periods of appointment, this restriction does not apply to the first chair of the Committee appointed by Velindre NHS Trust for a period of 6 months who may, if successful in the appointments process run by the committee, be appointed by the committee as chair after the expiration of their 6 month tenure.

Annex A – List of Respondents

Grace Lewis-Parry, Director of Governance & Communications, Betsi Cadwaladr University Health Board

Shirley Evans, Deputy Chief Officer (Scutiny), Aneurin Bevan Community Health Council

Steve Combe, Board Secretary, Abertawe Bro Morgannwg University Health Board

Mrs Cally Hamblyn, Legal Services & Governance Manager, Velindre NHS Trust on behalf of Simon Dean, Chief Executive for Velindre NHS Trust

Neil Frow, Director, NHS Wales Shared Services Partnership

Alun Lloyd, Director of Finance, Cardiff & Vale University Health Board in consultation with both the University Health Board Finance Sub Committee (involving independent Members) and also the University Health Board Management Executive

Stuart Fletcher, Chairman, Welsh Ambulance NHS Trust

Mr John Collins, Chair, NHS Wales Shared Services Partnership

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