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Llywodraeth Cymru
Welsh Government

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Consultation Document

NHS Wales Shared Services

Date of issue: **15 February 2012**

Action required: Responses by **11 April 2012**

Overview

This document seeks views (1) on the Order amending the Establishment Order of Velindre NHS Trust to give Velindre the function of managing and providing shared services to the health service in Wales; and (2) on the draft Regulations which require Velindre NHS Trust to establish a Shared Services Committee of the Trust to manage the performance of the shared services functions of the Trust.

How to respond

Please respond by **11 April 2012**. Responses should be sent to the contact details below.

The Consultation period is being run for less than 12 weeks as detailed consultation has already been undertaken, and continues to be undertaken, with staffs who are currently employed by NHS organisations across Wales in the delivery of shared services functions. There has also been engagement with Velindre NHS Trust about the proposed changes to its Establishment Order and the proposal to require Velindre NHS Trust to establish a Shared Services Committee.

Further information and related documents

Large print, Braille and alternate language versions of this document are available on request.

Contact details

For further information:

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Data protection

How the views and information you give us will be used.

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full.

Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government.

This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

1 Purpose of this consultation

This consultation invites comments on (1) the Order that amends 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.

Shared services are non clinical business functions that are currently provided by Local Health Boards and NHS Trusts in Wales and include:

- legal services;
- procurement services;
- employment services;
- contractor services;
- prescribing services;
- facilities; and
- internal audit and assurance services.

2 Current Arrangements

The existing management arrangements and governance model for shared services was formed on 1 April 2011.

The current arrangements operate as follows. The NHS Wales Shared Services Directions 2011 (“the Directions”) came into force on 1 April 2011. They place a duty on Local Health Boards and NHS Trusts in Wales to cooperate with each other in relation to the provision of shared services.

Local Health Boards and NHS Trusts have delegated the responsibility and accountability for the continued development, operational management and performance of shared services to the Director of Shared Services who is currently employed by Cwm Taf Local Health Board (the Director) so that he, along with his Senior Management Team, can manage the provision of shared services.

Shared services are provided by staff located within the Local Health Boards and NHS Trusts. Shared services staff and the Director are currently employed by their respective Local Health Board and NHS Trust employers. To enable this arrangement to work effectively Local Health Boards and NHS Trusts have entered into a cooperation agreement.

The Director is responsible for exercising the functions delegated to him by the Local Health Boards and NHS Trusts in accordance with the policy that is “set” by the Shared Services Partnership Committee (“the Partnership Committee”). The Partnership Committee includes chief executives or directors from each of the

Local Health Boards and NHS Trusts. It is not a statutory committee, it is in effect a sub group of the National Delivery Group (“the Group”). It makes recommendations to the Group which are ratified by the Group on behalf of Welsh Ministers. It is one of the Director’s responsibilities to implement the strategies agreed by Welsh Ministers based on the Partnership Committee’s recommendations.

Therefore, the shared services functions are currently delivered through a collaborative working arrangement between all NHS organisations in Wales.

3 Proposed changes

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 will be amended to reflect the fact that this function has been conferred on it. A copy of the Velindre National Health Service Trust (Establishment) (Amendment) Order 2012 is at Annex A.

All contracts of employment of shared services staff will transfer to Velindre from 1 June 2012. The transfer will not involve transferring the work location of any staff and the main implication for the staff transferred will be that their current NHS employment contracts are held by another NHS employer. Detailed consultation is already being undertaken with staff who work on shared services and with their trade unions. In addition, from 1 June 2012 it is proposed that funding for shared services functions be provided to Velindre and all property used in the provision of shared services be transferred to Velindre or made available as appropriate.

It is further proposed that Velindre NHS Trust be required to establish a Shared Services Committee of Velindre NHS Trust which will be responsible for exercising Velindre’s shared services functions including managing the provision of shared services to the NHS in Wales. The draft Regulations provide that the committee be comprised of the chief officers of each Local Health Board and NHS Trust in Wales (or their nominated representative) together with a chair who is to be appointed by the committee from amongst the non officer members or non executive directors of Local Health Boards and NHS Trusts in Wales, and a senior employee of Velindre NHS Trust. This is to ensure that the views of all NHS organisations are taken into account when making decisions in respect of shared services activities. A copy of the proposed Regulations is at Annex B.

The new arrangements will also necessitate putting into place a new co-operation 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.

It is anticipated that the following benefits will be realised from exercising all shared services functions through one employing organisation.

- Conferring the function of providing and managing shared services on Velindre will reduce the responsibility of the remaining Trusts and Local Health Boards in Wales for the day to day management of shared services , thereby achieving one of the key aims of establishing a shared service that is to permit health organisations to focus on delivering frontline services.
- Shared services will be seen as a 'real' credible organisation, providing staff with a sense of identity, culture and values.
- The pace of change will be facilitated due to the existence of one organisation rather than operating across numerous Health Boards with the dilution of messages, associated delays and resistances to change this can sometimes cause.
- The removal of organisational boundaries and barriers to change to enable transformational service change and development as a whole rather than reliance upon change being implemented on an individual Health Board basis. This will further enable:
 - The strategic direction for services to be implemented on a consistent All Wales basis.
 - Structural changes to be implemented, enabling processes to be streamlined and efficiencies to be achieved to permit performance indicators to align with and better industry standards.
- Information will be produced from one source, meaning the production of more timely, consistent and accurate information using the same processes and practices enabling better decision making.
- Delivering the shared services functions through one employer will improve direct control which will enable greater harmonisation and equality of procedures and processes on an all Wales basis to employ best practice.
- Consistency and more efficient Governance arrangements.
- Existence, control and access to one financial ledger, managed by shared services staff rather than a number of finance staff across Wales will ensure greater understanding of transactions and aid transparency.
- Savings will be more easily identifiable and recorded on a consistent basis.

4 Policy objectives

The Welsh Government's policy objectives in relation to shared services is to ensure an effective, efficient and value for money service for the provision of administrative, technical and professional support which will allow NHS organisations to concentrate on front line delivery without the distraction of running non clinical functions.