

Review of the NHS Wales Shared Services Partnership

Accountability and Governance Arrangements

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Review of the NHS Wales Shared Services Partnership

Accountability and Governance Arrangements

Executive Summary

NHS Wales stakeholders expressed strong support for the provision of an agreed range of shared services on a “once for Wales” basis.

No framework for governance and accountability is absolute. All such frameworks involve managing ambiguity and risk. The key is to design arrangements which give the greatest possible opportunity to identify risks together with effective processes for mitigating these risks. This is true for all organisational systems and is perhaps even more important for systems of governance across partnerships.

This review has looked at the framework of shared services governance and accountability both in theory and in action because governance systems and processes alone are insufficient. They must be fully and consistently implemented to provide the assurance and risk management they were designed to deliver.

This reviewer has concluded that the **framework** for governance and accountability for the SSPC/NWSSP is fundamentally sound, although it would benefit from some adjustments and strengthening as identified in this report and its recommendations. This is particularly the case in respect of resolving differing interpretations of the framework.

Governance and accountability **in practice** requires strengthening to ensure that the framework delivers the levels of assurance intended. This requires all the organisations involved in the partnership to ensure that they:

- effectively deliver their own internal governance responsibilities in respect of shared services, and
- fully discharge their duties and responsibilities for the SSPC/NWSSP as set out in the current governance and accountability framework and any amendments made following this review.

The governance and accountability framework only provides a starting point. How it is implemented in practice will determine whether the stated aims of the arrangements are achieved and effective governance and accountability are delivered.

Any more radical options for change should be considered within the context of a fundamental review of the structure and governance of the whole system within NHS Wales rather than in isolation. This is outside the scope of the present review.

Introduction

Scope of the Review

The Welsh Government has commissioned a review of the accountability and governance arrangements of the NHS Wales Shared Services Partnership (NWSSP). The full Terms of Reference (ToR) are at Appendix A. The scope of the review as set out in the ToR is:

“A review of NWSSP’s current accountability and governance arrangements will be commissioned. The review will:

- *Confirm the current functions of NWSSP.*
- *Describe the current governance arrangements and interface between the NWSSP, local health boards and NHS trusts via the Partnership Committee.*
- *Set out the key relationships.*
- *Review the application and compliance of current governance arrangements as appropriate with the relevant evidence.*
- *Consider if there is sufficient clarity on all aspects of the current governance arrangements including clinical governance, legal status, and employment & hosting arrangements.*
- *Review the regulations, standing orders and hosting arrangements.*
- *Set out the role of host, including responsibilities under legal and other accountability frameworks.*
- *Highlight any mitigating action or improvement required in order to address any gaps or weaknesses identified in the current arrangements.*
- *Explore in that context whether any alternative options to the current hosting arrangements may be more suitable or sustainable prospectively.*
- *Make recommendations on a preferred way forward.”*

Key Principles

The ToR set out key principles on which the review was to be based:

“The review recommendations will be founded on the following principles:

- *Clarifying and minimising risk in the accountability and governance arrangements for NWSSP and Velindre University NHS Trust.*
- *Clarifying respective roles, accountabilities and responsibilities in relation to NWSSP (e.g. NWSSP Managing Director, NWSSP Chair, Partnership Committee, NWSSP Senior Management Team, Velindre CEO, Velindre Chair, Velindre Executive Team and that of Velindre as the host organisation)*
- *Clarifying any terminology and definitions that may be helpful in this, and other hosted contexts.*
- *Consider learning from other recent reviews of hosted bodies. In turn, the learning and recommendations from this review will also be considered in the context of other existing NHS Wales hosting arrangements.*
- *Improving value to the NHS system in Wales*
- *Strengthening associated decision making*
- *Building on evidence of good practice*
- *Supporting the development of shared services expertise within the NHS in Wales*

- *Maximisation of national capacity and capabilities*
- *Minimal disruption to the system*
- *Minimal disruption to the existing workforce within NWSSP and Velindre University NHS Trust.*
- *Consider whether any alternative governance and accountability arrangements may be more suitable in the future to support the delivery of any/all of the functions currently undertaken by NWSSP*
- *Any changes to be implemented will maximise the value delivered by current arrangements and exploit where possible economies of scale.”*

Review Process

The review was undertaken over approximately 20 days between May and July 2025. The methodology included a review of documentation provided by Welsh Government; discussions with key stakeholders; a request for comments on the governance and accountability arrangements from all NHS bodies; and specific information on the operation of the current governance and accountability arrangements from Welsh Government, Velindre University NHS Trust (Velindre) and the NWSSP.

Recommendations are set out in boxes throughout this report.

Details of the reviewer can be found at Appendix 4.

Terminology

The following terminology is used throughout this report except where different terminology is used in official documents:

SSPC – the Shared Services Partnership Committee which brings together the NHS partner organisations and is responsible for the setting of policy and strategy and the management and provision of shared services to the NHS partners.

NWSSP – the delivery function of the SSPC responsible for the delivery of the shared services and accountable to the SSPC in this respect and to Velindre University NHS Trust as host.

Velindre – Velindre University NHS Trust.

The NHS Wales Shared Services Committee and NWSSP

The NHS Wales Shared Services Partnership was set up on 1 April 2011 to deliver a wide range of professional, technical and administrative services on behalf of all local health boards and trusts in NHS Wales. In June 2012, Velindre was given the statutory function to host the Shared Services Committee and its delivery organisation (the NWSSP). The Shared Services Committee was established to ensure the views of all NHS organisations were taken into account.

NWSSP supports NHS Wales by providing dedicated shared services, which:

- provide a “once for Wales” approach
- share common operating standards in line with best practice
- have sufficient scale to optimise economies of scale and purchasing power and improve quality
- consolidate expertise in specialist areas.

NWSSP acts in support of the statutory NHS organisations in Wales (local health boards, NHS trusts and special health authorities), so that they may, in turn, focus on more effective local delivery of front-line services. NWSSP also provides support services to Llais, a non-departmental body of the Welsh Government established in 2022 to promote patients interests to the NHS and social care in Wales.

NWSSP provides some professional advice and support to Welsh Government. For example, professional advice is provided by the NWSSP legal team on the Infected Blood Inquiry, and by the NWSSP estates team on specialist estates issues. Welsh Government has observer status on the SSPC.

Services are commissioned by NHS bodies and directly by Welsh Government. NWSSP’s Integrated Medium Term Plan 2025-2028 (IMTP) lists its current services/ functions as shown in the following figure.



The range and scale of services provided by NWSSP has increased significantly in the years since its creation. In recent years this has included some clinical support services and

sub-hosting arrangements for NHS Employers and the NHS Finance Academy. Support services are provided to Llais, a non-Departmental body of Welsh Government.

Resources are provided to the SSPC/NWSSP under three broad headings:

1. Directly from Welsh Government in the updated version of the original top-slice from health bodies when NWSSP was created
2. From health bodies to commission specific services for their local populations
3. Additional resources provided by Welsh Government for new services such as the Medical Examiner Service or for national functions such as the Welsh Risk Pool.

The budget for shared services in 2024/25 was £686m. They had 2502 members of staff. In addition, they managed payments of £207m through the Welsh Risk Pool and were responsible for a further 3555 staff at a cost of £321m under the Single Lead Employer for trainees.

Velindre's' core budget in 2024/25 was £262m and they had 1497 members of staff.

Governance and Accountability Framework for the NHS Wales Shared Services Partnership (NWSSP)

The Governance and Accountability Framework for the NHS Wales Shared Services Partnership is set out in a suite of documents:

1. The Velindre National Health Services Trust Shared Services Committee (Wales) Regulations 2012 (Welsh Statutory Instruments 2012 No.1261 (W.156))
2. Standing Orders for the Operation of the Shared Services Partnership Committee (updated August 2024)
3. Memorandum of Co-operation, Shared Services Partnership Committee (June 2012)
4. Hosting Agreement – Shared Services Partnership Committee (June 2012)
5. Accountability Agreement between the Chair of the Shared Services Partnership Committee and the Director of Shared Services (May 2012)
6. Interface Agreement between the Chief Executive and Accountable Officer of Velindre NHS Trust and the Director of Shared Services and Accountable Officer for Shared Services.

Taken together, these documents describe the way in which the governance arrangements for the Shared Services Partnership Committee (SSPC) and the NWSSP as its delivery function should operate, including the duties, powers and responsibilities of the various bodies and individuals involved in leading and managing the partnership. The documents set out to encapsulate the relationships between the parties in a way which is clear, unambiguous, respectful of the roles and responsibilities of each party and capable of implementation in practice.

It is important to note that this governance and accountability framework governs the relationships between the SSPC/NWSSP and NHS bodies. It does not describe governance and accountability arrangements with Welsh Government for the services which Welsh Government commissions directly from NWSSP. The SSPC cannot held accountable for these services as they have no part to play in the policy, strategy or planning of them.

Key points from a review of these documents include:

Regulations

1. The Regulations require Velindre to establish a committee to exercise Velindre's functions in relation to shared services, including the setting of policy and strategy and the management and provision of shared services to LHBs and NHS Trusts (Regulations para 4)
2. The SSPC membership comprises a chair appointed by the SSPC; the chief officers of the NHS bodies involved in the Partnership or their nominated representatives who should be an Executive Director; the Accountable Officer for shared services who is the person designated as an additional accounting officer in accordance with the Government of Wales Act 2006 (Regulations para 5 and SOs section B 1.2)
3. Velindre must agree Standing Orders for the regulation of the meetings and proceedings of the SSPC (Regulations para 11).

Standing Orders

4. The Standing Orders for the Shared Services Partnership Committee form an Annex to Velindre's own SOs and have effect as if incorporated within them (Standing Orders section A xxv)
5. The Standing Orders set out in detail the purpose, role, responsibilities and delegated functions of the SSPC
6. Each Health Board, Trust and Special Health Authority shall be bound by the decisions of the SSPC in the exercise of its roles. If the SSPC is unable to reach agreement in relation to the funding levels to be provided by each NHS body, the matter shall be escalated to Welsh Government for resolution ultimately by Welsh Ministers (SOs section b 1.1.5)
7. The chair of the SSPC is accountable to the SSPC in relation to the delivery of the functions exercised by the SSPC on its behalf and, through Velindre's Chair, as the hosting organisation, for the conduct of business in accordance with the defined governance and operating framework (SOs section B 1.3.6)
8. The Managing Director of NWSSP reports to the Chair of the SSPC and is responsible for the overall performance of NWSSP. The Managing Director of NWSSP is the designated Accountable Officer for NSWSP and is accountable to the SSPC in relation to those functions delegated to them by the SSPC. The Managing Director is also accountable to the Chief Executive of Velindre in respect of the hosting arrangements supporting operation of the NWSSP (SOs section B 1.3.9)
9. The Standing Orders for the SSPC refer to the appointment of staff: "NWSSP staff shall be appointed by Velindre. The appointments process shall be in line with the workforce policies and procedures of Velindre and any directions made by the Welsh Ministers." The process for appointing the Managing Director and other very senior staff is not specified (SOs 1.6.1)
10. The Chief Executive of Velindre is the Accountable Officer for the Trust. As the host organisation, the Chief Executive of Velindre (and the Trust Board) has a legitimate interest in the activities of NWSSP and has certain statutory responsibilities as the legal entity hosting NWSSP (SOs section B 1.3.10)
11. Both Accountable Officers are responsible for meeting all the responsibilities of their roles, and shall co-operate with each other so as to ensure that full accountability for the

activities of the NWSSP and Velindre is afforded to the Welsh Ministers whilst minimising duplication (SOs section B 1.3.11)

12. The SSPC is not a separate legal entity from each of the Health Boards, Trusts and Special Health Authorities. It shall report to each Health Board, Trust and Special Health Authority on its activities, to which it is formally accountable in respect of the Shared Services functions carried out on their behalf. Velindre's Trust Board will not be responsible or accountable for exercising Velindre's functions in relation to NWSSP, including the setting of policy and strategy and the management and provision of Shared Services to each Health Board, Trust, and Special Health Authority. Velindre's Board, as the host organisation, shall be responsible for ensuring that NWSSP staff act in accordance with the administrative policies and procedures agreed between Velindre and the SSPC (SOs section B 1.7.1).

Memorandum of Co-operation

13. Sets out the obligations of NHS bodies to participate in the SSPC and to take collective responsibility for the delivery of those services. Responsibility for the exercise of the shared services functions does not rest with the Board of Velindre but is a shared responsibility of all NHS bodies in Wales in order to ensure that notwithstanding the fact that Velindre 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 (Memorandum of Co-operation para D)
14. Includes a Risk Sharing process which clarifies the responsibilities of the partnership organisation and Velindre as host for any risks associated with delivery of the financial/business plan (section 13)
15. Includes a Dispute Resolution Process (section 14).

Hosting Agreement

16. Provides for the terms on which Velindre will host the Shared Services, and makes provision for the autonomy of the shared service function, whilst respecting the need for Velindre to be protected from any undue risks (page 4 G)
17. Provides for a Support Service Level Agreement (SLA) between Velindre and the SSPC setting out the support service and service levels required as agreed from time to time
18. Sets out the responsibilities of Velindre and includes the statement that "*Velindre will not be responsible or accountable for the planning, funding and operational management or delivery of the Shared Services save as partner under the Memorandum of Co-operation*" (para 2.7)
19. States that the SSPC will be subject to Velindre's Committee arrangements to assist it in discharging its governance responsibilities (clause 5.1)
20. Requires that the Director of Shared Services will provide reports from the SSPC to the Velindre Board to enable the Velindre Board to assure itself that appropriate control measures are in place in accordance with the requirements of the Annual Governance Statement (clause 5.4)
21. Restates the approach to risk sharing set out in the Memorandum of Co-operation (section 7)
22. Includes a section on Liability and Indemnity (clause 8). This states that "*as regards liabilities to third parties, Velindre shall as the responsible legal entity meet any liabilities, losses, costs, expenses, claims or proceedings incurred by the SSPC, its officers,*

employees, and/or agents but shall be entitled to charge such liability etc to the Shared Service Budget. “(clause 8.1)

- 23. Clause 8.4 of the Hosting Agreement states *“Nothing in this clause 8 shall operate so as to restrict or exclude the liability of any party in relation to death or personal injury caused by the negligence of that party or its servants, agents or employees or to restrict or exclude any other liability of either party which cannot be so restricted or excluded in law.”*
- 24. Includes a procedure for resolving disputes (section 19)
- 25. Includes a procedure in the event that either the Velindre Trust Board or the SSPC determine that the performance by Velindre Trust or SSPC of its obligations under this Agreement is having a detrimental or prejudicial effect on the Velindre Trust or the SSPCs’ ability to fulfil its core functions (clauses 20.4 to 20.6).

Accountability Agreement between the Chair of the SSPC and the Director of Shared Services

- 26. Sets out the accountabilities of the Director to the Chair. It also refers to the requirement for the Director to report to the CEO of Velindre on a day-to-day basis in accordance with the Interface Agreement (page 2).

Interface Agreement between the CEO and Accountable Officer of Velindre and the Director and Accountable Officer for Shared Services

- 27. Describes the relationship between the two roles. It defines their respective responsibilities for the activities of their organisations and restates that as Accountable Officers (AOs) they are required to discharge the required internal control and accountabilities for the stewardship of resources and the operation of governance within their respective areas of responsibility (see Appendix 4)
- 28. Recognises that because of the relationship between Shared Services and Velindre, and in particular between the two Accountable Officers, the Accountable Officer of Velindre has a legitimate interest in being properly informed as to the activities of the Shared Services partnership and being assured that the Shared Services Partnership is being managed effectively and in accordance with NHS Standards
- 29. Sets out a number of requirements with which the Director of Shared Services must comply. These include acting at all times within the corporate governance framework of the Trust (clause a); ensuring that any information reasonably required by the CEO of the Trust is provided (clause c); acting within the scheme of delegations (clause f); and ensuring that any reasonable request for information or assurance from the CEO of Velindre is answered promptly and fully (clause x)
- 30. States that the Chief Executive of Velindre must ensure that Shared Services is allowed autonomy in line with the Memorandum of Co-operation and that the day-to-day involvement of Velindre is in accordance with the Hosting Agreement between Velindre and the Shared Services (page 4 final paragraph).

It is noteworthy that there appears to be little specific reference to clinical governance in any of these documents. At its inception the SSPC and NWSSP did not provide clinical services. Several services now provided by NWSSP on behalf of either the NHS bodies which make up the partnership or in some cases Welsh Government have important clinical components and bring with them particular requirements for effective clinical governance

arrangements which are not addressed in any documents made available to this reviewer. This topic is considered further later in this report.

Accountability of the SSPC Chair and the Managing Director of NWSSP

The SSPC Chair is chair of a committee of Velindre which is the statutory body responsible for the provision of the shared services. They are not the chair of a statutory organisation. Their role is to ensure the effective conduct of committee business. The SSPC Chair is appointed by a panel drawn from the SSPC and the NWSSP Director of Workforce. The SSPC Chair is shown as being accountable to the SSPC in relation to the delivery of the functions exercised by the NSWSP on its behalf and, through Velindre's Chair, as the hosting organisation, for the conduct of business in accordance with the defined governance and operating framework (Standing Orders 1.3.6).

The Velindre Chair is not involved in the appointment of the Chair of the SSPC or their formal performance review despite the SSPC being a Committee of Velindre.

Recommendation 1: The Velindre Chair should have a role as a member of the appointment panel for the SSPC Chair, together with a formal process for performance management specifically in relation to the effective management of the business of the SSPC as required under Standing Orders.

The Managing Director of NWSSP is shown as being accountable to the Chair of the SSPC with day-to-day reporting to the Velindre CEO. It is noted that the SSPC Chair has a limited role as chair of a Committee of Velindre. The Velindre Board and the CEO/AO are accountable for all the responsibilities of the Trust including the shared services even though the SSPC/NWSSP are expected to operate with a high degree of autonomy. The governance and accountability framework therefore requires an effective relationship between the Trust CEO and the NWSSP Managing Director which recognises the statutory responsibilities of the Velindre CEO and the Trust Board including for the shared services.

The governance and accountability framework states the formal accountability of the Managing Director of the NWSSP to the CEO/AO of Velindre and the expectation that the two AOs operate within both the spirit and the letter of the governance framework which aims to provide the SSPC/NWSSP with the greatest possible autonomy within the context of the overall accountability of Velindre for the responsibilities placed on it by Regulations. This includes accountability as the statutory body for legal, regulatory, compliance and employment matters.

The governance framework documents, in particular the Interface Agreement, set out the nature of this accountability arrangement.

Both the CEO of Velindre and the Managing Director of NWSSP are formally designated as Accountable Officers (AOs) by Welsh Government, with important responsibilities for the management of public money. The AO role is not synonymous with the role of a CEO. The question was raised by several contributors to this review whether the designation of two AOs within a single statutory organisation might cause confusion and a lack of role clarity. This reviewer is of the opinion that designating the Managing Director of the NWSSP as an AO is helpful in recognising their level of responsibility and accountability (including to Welsh Government and the Public Accounts Committee) and that clarifying the governance

framework as recommended by this review should avoid any confusion with the AO role of the Velindre CEO.

It is not clear to this reviewer whether there are agreed policies and procedures in place for the appointment of senior staff of the NWSSP, including the Managing Director. The reviewer has seen national documents which refer to the processes for appointment of Executive Directors to NHS bodies. Similar principles should be applied to recruitment of senior staff in hosted bodies who are not Executive Directors. These policies and procedures should recognise appropriately the responsibilities of Velindre as the statutory employing organisation. All members of staff working in shared services should be aware that their contracts of employment are with Velindre.

Recommendation 2: Welsh Government should ensure that there are clear appointment processes in place which operate within national guidance and the recruitment policies of Velindre as the employing organisation, including the full involvement of its Remuneration Committee.

Governance and Accountability in Practice

The Governance and Accountability Framework described above has been in place for nearly 14 years with some revisions. The next section of this review considers how the Framework operates in practice.

Governance and Accountability Arrangements in Practice

The SSPC delegates responsibilities and powers, via the Chair, to the Managing Director of the NWSSP who leads the delivery functions of shared services. An Accountability Agreement between the Chair and the Managing Director describes their relationship (see above). Accountability operates in the reverse direction, that is from the Managing Director to the Chair and the SSPC.

NWSSP is required to operate under the policies and procedures of Velindre as its host and the organisation which is legally responsible and liable for the shared services. Any policies and procedures specific to the operation of the SSPC/NWSSP should be consistent with the overall governance framework of Velindre. The Managing Director of NWSSP is accountable to the CEO of Velindre within the parameters of the Interface Agreement (see above).

NWSSP produces an Integrated Medium Term Plan (IMTP) which sets out its strategic objectives, how it plans to achieve them and how it will measure progress. The current IMTP covers the period 2025/2028. This IMTP is discussed and approved by the SSPC which includes senior representatives of each health body.

The IMTP is approved by the SSPC before submission to Welsh Government for final approval. There appeared to be a lack of clarity about the requirements for approval despite the SSPC Standing Orders stating that “the SSPC will make decisions subject to a 2/3 majority of voting.” (clause 6.6.25). This clause applies to all decisions of the SSPC apart from those relating to the overall funding contribution of each health body.

Recommendation 3: The requirements for approval of the IMTP should be clearly set out. This should include formal endorsement by all NHS Boards following approval by the SSPC.

A key test of the deliverability of the NWSSP IMTP is the capacity and capability of the NWSSP to deliver the commitments in the IMTP. As the host statutory body, Velindre has a particular responsibility to be satisfied that the IMTP is deliverable within the Trusts policies and procedures. This does not give Velindre a power of veto over the IMTP but recognises that the SSPC/NWSSP is operating under the legal framework of the Trust.

Recommendation 4: As the SSPC is discharging functions of Velindre set out in Regulations, Velindre should specifically consider the IMTP in terms of its compliance with the Trusts policies and procedures including risk management and control.

The IMTP includes a range of Key Performance Metrics which provide detailed measures against which delivery performance can be tested. There are 66 such measures covering the range of services provided by NWSSP for the NHS. Examples include:

| KPI | Frequency | 2025-26 |
|--|-----------|---------|
| Public Sector Pay Performance non-NHS | monthly | 95% |
| Laundry orders dispatched meeting customer SLA | monthly | 95% |
| Medical Examiner scrutiny within 24 hours of receiving notes | monthly | 100% |

In addition, the IMTP describes several common outcome measures developed by the NWSSP Performance & Outcomes Group. These aim to identify common overarching outcome measures and the sharing and learning of performance reporting.

The Outcome Measures cover three domains with a number of measures in each domain.

| Domain | No. of measures | Examples |
|--------------|-----------------|--|
| Our People | 21 | I have had a PDR in the last 12 months that has supported my development |
| Our Services | 7 | Number of innovative ideas generated by employees |
| Our Value | 9 | EV vehicles mileage |

The intention is to understand and report on both outcomes and processes to provide a more holistic view of NWSSP's performance.

Within NWSSP, quarterly review meetings are held by senior management with the Divisions to discuss performance. Monthly reports are prepared for the NWSSP Senior Leadership Group.

The performance reporting process outside the NWSSP includes:

- Progress reports sent bi-monthly to the SSPC and discussed at the meetings of the SSPC
- Post-SSPC meeting updates sent by the SSPC Chair and the NWSSP Managing Director to the partnership bodies
- Bi-annual meetings between NWSSP and each NHS body with representatives including the Director of Finance and the Director of People & OD.

Recommendation 5: The SSPC and its constituent organisations should assure themselves that the performance reporting process is operating as intended, and that assurance is provided to each NHS Board.

Joint Executive Team (JET) meetings are held twice a year between NWSSP and the Welsh Government Health Department Executive Team. As the NWSSP is discharging the statutory responsibilities of Velindre in relation to the shared services, Welsh Government should consider how to involve Velindre appropriately in these meetings.

Recommendation 6: Welsh Government should consider how to involve Velindre as host organisation in the JET meetings with the NWSSP.

Clinical Governance

As noted in Section 3, some services now provided by NWSSP seem to be clinical in nature. These include services such as the Transforming Access to Medicines Service, radiopharmacy and the Medical Examiners Service. The provision of services with clinical components requires clear and effective clinical governance arrangements to be in place with strong links to the clinical governance processes of the relevant NHS bodies.

This reviewer has seen limited references in supplied documentation to the role of the Velindre Quality, Safety and Performance Committee and to internal processes within NWSSP for compliance with regulatory requirements. It is noted that clinical governance arrangements were raised by some stakeholder contributors to this review as a matter where further assurance was required.

Recommendation 7: Welsh Government, the SSPC and its constituent bodies should satisfy themselves that appropriate clinical governance processes are in place including links to their own internal processes and Board assurance where relevant.

Recommendation 8: Velindre and the SSPC/NWSSP should satisfy themselves that the clinical governance processes of the SSPC/NWSSP are consistent with the clinical governance framework of Velindre as the host statutory organisation.

SSPC Meeting Attendance

The SSPC is the key decision-making body for the shared services partnership. It has significant responsibilities as set out in the governance framework for setting policy,

strategy and overseeing delivery of a wide range of services which are of crucial importance to the NHS in Wales. Consistent and appropriate engagement from all the partner organisations is a central prerequisite for effective governance and leadership.

The committee comprises 14 voting members plus additional attendees. The members are the Chair, the CEO or nominated Executive Director of each of the 12 NHS bodies and the Managing Director of the NWSSP or nominated representative. The quorum for a meeting is 6 of whom at least 4 must be from the NHS plus one of either the SSPC Chair or the Vice-Chair. If the Director of NWSSP or a nominated deputy is not present, no formal business may be transacted.

The NWSSP Annual Governance Statements for 2023/24 and 2024/25 show that in each year only one of the NHS voting members of the committee was a CEO. 7 were Finance Directors and 3 were Directors of Workforce & OD. The remaining NHS organisation was represented by their Board Secretary who was not a voting member of the committee.

The table below sets out attendance by voting members at meetings in 2023/24 and 2024/25.

| Meeting number | 1 | 2 | 3 | 4 | 5 | 6 |
|--------------------------------|----------|----------|----------|----------|----------|----------|
| Voting members present 2023/24 | 7 | 8 | 8 | 9 | 9 | 8 |
| Voting members present 2024/25 | 6 | 10 | 10 | 7 | 10 | 7 |

The table below shows voting member attendance by organisation for the same period. The number on the left in each column is for 2023/24 and on the right is for 2024/25.

| Number of meetings | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------------|-----|-----|-----|-----|-----|---|-----|
| NHS bodies excluding Velindre | 1 2 | 1 3 | 3 1 | 3 5 | 1 1 | | |
| Velindre | | | | | 1 1 | | |
| SSPC Chair and NWSSP Director | | | | | | | 2 2 |

Whilst all the meetings were quorate, attendance was consistently below a level commensurate with effective partnership governance. Attendance by voting members across NHS organisations was unacceptably variable. It is important that all NHS organisations engage effectively in the planning and performance management of the services which the SSPC and the NWSSP deliver on their collective behalf.

Recommendation 9: The quorum of voting members of the SSPC should be increased from the current 6 to at least 9 out of 14.

Recommendation 10: All NHS bodies should review their participation in the SSPC and increase attendance at SSPC meetings to ensure effective governance including the representation of their organisations' interests at the SSPC and the provision of assurance to their Boards.

During interviews, it was accepted that partner organisations needed to review their engagement with the work of the SSPC and particularly CEO-level engagement. It was suggested that one way to achieve this whilst maintaining the important work undertaken by current members of the SSPC would be to change the arrangements for the SSPC.

Recommendation 11: Welsh Government should consider reconstituting the SSPC with a CEO-level membership meeting 3 or 4 times a year to discuss overarching policy and strategy, supported by a group meeting bi-monthly with the current membership of the SSPC to oversee detailed planning, operational management and delivery including performance reporting.

Governance and Accountability in Practice between Velindre NHS Trust and NWSSP

The reviewer held interviews with the Chair and CEO of Velindre and with the SSPC Chair and Managing Director of the NWSSP. Information on the governance arrangements in practice was provided by both parties to inform the review.

Interviewees were asked for their comments on:

- The governance and accountability framework
- Governance and accountability arrangements in practice
- The service portfolio of the SSPC and the NWSSP
- Any other comments they wished to make.

Both Velindre and the SSPC Chair/NWSSP expressed support for the provision of an agreed range of shared services to the NHS in Wales. They recognised the importance of providing a range of services on a “once for Wales” basis in terms of efficiency, consistency and the development of national expertise and capacity.

The Interface Agreement is an important document which describes the agreed relationship between the CEO of Velindre and the Managing Director of the NWSSP. Any such relationship has both elements which can be clearly defined and broader requirements which can become the subject of interpretation. The Interface Agreement contains general statements about the nature of their relationship and specific requirements on the Director

of Shared Services. The document states that the two Accountable Officers are required to co-operate together to ensure the success of the hosting arrangement in the interest of both the NHS in Wales and the local interests of Velindre within the framework described in the Interface Agreement.

It became clear during the course of this review that there were significant differences of opinion between Velindre and the NWSSP about the interpretation of the governance and accountability framework and whether the current practical arrangements were appropriate and consistent with both the letter and the spirit of the framework.

These differences of opinion covered a wide range of areas:

- Definitions and the use of language in the documentation
- An apparent lack of agreement on the responsibilities which cannot legally be delegated from Velindre to the NWSSP, including some procurement or regulatory matters
- Interpretation of the “legitimate interest” of Velindre as host and “undue interference” in the autonomy of the NWSSP
- The boundaries between the responsibilities and roles of Velindre as host organisation and the NWSSP as the hosted body
- Differences of opinion about required levels of compliance with the Trusts’ governance procedures
- Differing views about how the relationship between Velindre and NWSSP was presented to the wider NHS
- The levels of risk in the governance arrangements in action because of the points above.

The reviewer noted that section 20 of the Hosting Agreement sets out a process for resolution of significant concerns about performance under the Agreement:

“20.4 In the event of either the Velindre Trust’s Board or the SSPC determining (acting reasonably) that the performance by Velindre Trust or SSPC of its obligations under this Agreement is having a detrimental or prejudicial effect on the Velindre Trust’s or the SSPC ability to fulfil its core functions, Velindre Trust’s Board or the SSPC may instruct the Director of Shared Services and the Chief Executive of Velindre to review the operation of this Agreement.

20.5 In carrying out a review of this Agreement further to clause 20.4, the Director of Shared Services and the Chief Executive of Velindre shall consider the source and manner of any detriment identified by Velindre Trust’s Board or the SSPC further to clause 20.4 and shall put forward such amendments and variations to this Agreement and the associated governance arrangements between the SSPC and Velindre Trust as they may consider appropriate.

20.6 Velindre Board or the SSPC shall consider the recommendations made further to clause 20.5 and may recommend to the SSPC and the Chief Executive of Velindre that this Hosting Agreement and the associated governance arrangements are amended accordingly.”

This process has not been formally invoked by either Velindre or NWSSP to resolve the differences between them. Whilst this reviewer understands that some discussions have taken place, it is noteworthy that the very clear process set out in the framework has not been used. This is an example of a disconnect between the framework and its practical implementation. The whole point of defining governance frameworks and processes is so that they are there to be used should the need arise.

A full examination of these differences of opinion requires significantly more time and a greater range of expertise than was available to the current review. It is however crucially important to understand why these differences exist and to take action to develop a common understanding of respective roles and responsibilities. It will be impossible to operate effective governance and accountability arrangements without starting from an agreed base in which ambiguity and the scope for interpretation is minimised as far as possible.

Recommendation 12: Welsh Government should initiate a detailed review of the current documents setting out the governance and accountability framework to ensure that they are clear, internally consistent and reflect both good governance principles and agreed practice for the SSPC/NWSSP within a hosted relationship with Velindre.

In reviewing the current framework, there would be benefit in undertaking a detailed review of the framework documents recently agreed for the Joint Commissioning Committee and the NHS Executive and identify any transferable learning. A detailed review of the documentation is outside the resourcing available to this current review.

Recommendation 13: Welsh Government should consider whether there is any learning from the governance framework for the Joint Commissioning Committee or any other national body which should be applied to the Velindre and SSPC/NWSSP framework.

Recommendation 14: Following the completion of recommendations 12 and 13, Welsh Government should work with Velindre and the NWSSP to review the practical arrangements they have in place to discharge their governance and accountability responsibilities to each other and adjust them as necessary to ensure effective implementation of the Hosting Agreement and the Interface Agreement.

During the course of this review, it was suggested that there were some occasions on which appropriate governance processes had not been followed in practice. A detailed examination of such claims was not possible within the scope of this review.

Recommendation 15: Welsh Government should work with Velindre and the NWSSP to identify any instances in which the correct governance processes have not been followed in practice. Any lessons learnt should be reflected as appropriate in a strengthened governance framework and applied consistently in practice.

The importance of resolving these differences of view cannot be overstated. Ensuring that there is an updated and agreed governance and accountability framework in place together with robust practical arrangements between Velindre and the SSPC/NWSSP should be actioned as a priority. Without this solid foundation, current tensions will persist. Any considerations of potential wider changes should only be pursued once the base has been stabilised.

Identity

The reviewer was told that there was some confusion in the wider NHS as to whether NWSSP was a separate organisation or a part of Velindre.

It is clear that the intent when establishing the SSPC and the NWSSP was for them to have the greatest possible autonomy for planning and delivery whilst operating under the legal framework of Velindre. The arrangements were seen as a shared endeavour on behalf of NHS Wales as a whole which had to be established under the legal framework of a statutory NHS body to provide a vehicle for operation.

A balance must be struck between the need to recognise the legal position of Velindre as the formal statutory body and the benefits of creating an operational identity for the NWSSP as an organisation within the dictionary definition of “*a group of people who work together in an organised way for a shared purpose*” (Cambridge dictionary).

Provided that there is agreement on the governance framework including those responsibilities for which the SSPC/NWSSP cannot be given autonomy (for example certain employment, contractual and regulatory matters), and the SSPC/NWSSP does not describe itself as a statutory body, this reviewer is of the opinion that it is reasonable for the NWSSP to refer to itself as an organisation.

External Scrutiny

The NWSSP is responsible for spending a significant amount of public money each year on behalf of the NHS in Wales. An audit of the NWSSP accounts is undertaken by Audit Wales as part of the overall audit of the Velindre accounts. This includes scrutinising payments made for example by the Welsh Risk Pool for clinical negligence claims. The materiality threshold is based on the size of the total Velindre account.

In addition, high-level assurance on financial transactions is provided to the audit teams working with the other statutory NHS bodies in Wales to support their statutory audit work.

The Auditor General's annual performance audit work at Velindre focusses on core activities within the Trust in line with his statutory duties and the performance audit work he undertakes at other statutory NHS bodies in Wales. This means that the Auditor General does not undertake an annual programme of performance audit work (incorporating a full Structured Assessment and thematic audit work) at NWSSP as would be the case if it was a statutory NHS body.

Audit Wales is not required to provide a “true and fair” opinion or a regularity opinion based on a full programme of audit work specifically in respect of NWSSP. Both opinions are provided on the whole Velindre account. A separate set of accounts is not produced for

NWSSP and placed in the public domain. As a hosted body, some of the disclosures normally included in a set of financial statements such as senior NWSSP staff remuneration are not required to be disclosed in the Velindre accounts. It should be noted that if the NWSSP produced a set of accounts that were subject to a standalone audit, the materiality threshold would be lower than it currently is for the combined Velindre and NWSSP accounts.

Recommendation 16: Welsh Government should consider whether greater external scrutiny and visibility of the detailed accounts of NWSSP would improve governance and public transparency and whether suitable arrangements can be put in place under the current governance model.

The SSPC/NWSSP Service Portfolio

The portfolio of services provided by NWSSP has grown significantly over time. Stakeholders raised some questions about the process by which services were added to the portfolio, and the extent to which some services were provided as direct commissions from Welsh Government rather than under the auspices of the SSPC.

The Service Portfolio

It is clearly important for good governance to ensure that there are agreed processes for approving the addition of services to the portfolio. These should include ensuring that the services are appropriate for provision by the SSPC/NWSSP, and that the NWSSP has the capacity and capability to take on responsibility for providing them.

Recommendation 17: Welsh Government and the SSPC should ensure that a clear process is in place for adding new services to the shared services portfolio. The SSPC should agree any changes where it would be accountable for the planning and delivery of those services.

Recommendation 18: Velindre as the host statutory body should be assured that changes to the service portfolio are compliant with its legal and governance responsibilities in respect of the SSPC/NWSSP.

It was noted that other national organisations provide services which closely link to some of the services provided by NWSSP, particularly in the workforce domain.

Recommendation 19: Welsh Government and the SSPC should consider the links between any related services provided by NWSSP and other national NHS bodies and whether they should be brought together under one or other body.

The NWSSP itself hosts at least two services. There is no reference to the governance of these arrangements in any documentation seen by this reviewer.

Recommendation 20: The arrangements for hosting services by NWSSP should be reviewed to ensure that appropriate governance is in place.

Governance and Accountability Relationship between Welsh Government and NWSSP for services commissioned/funded directly by Welsh Government

As noted earlier in this report, some services appear to be commissioned or funded directly from NWSSP by Welsh Government. Examples may include:

- Welsh Infected Blood Interim Compensation payments
- Transforming Access to Medicines (TRAMS) service
- International Recruitment Programme
- Aspects of Health Emergency Planning including pandemic countermeasures
- Specialist estates advice
- Foundation Economy team
- NHS Employers (hosted by NWSSP)
- Finance Academy (hosted by NWSSP)
- Support to Llais.

The reviewer is not clear how the governance of these services is organised. In one example of a relatively new service, governance for the Medical Examiners Service is through Ministerial Directions to Velindre adding the service to the shared services portfolio managed through the SSPC. In others the reviewer has seen Service Level Agreements (SLAs) but is not clear who the parties to the SLAs are. It is noted that the SSPC/NWSSP is not a body corporate and has limited ability to enter into contractual arrangements.

Recommendation 21: Welsh Government should ensure that appropriate governance and accountability arrangements are in place where services are commissioned directly from the NWSSP, and that the NWSSP has the capacity and capability necessary to take on the additional responsibilities. Arrangements should be consistent with the governance relationship between the NWSSP and Velindre as the host statutory body.

Stakeholder Responses

The views of NHS bodies involved in the shared services partnership arrangements and of Welsh Government are clearly important in identifying any challenges and missed opportunities with the current arrangements. The questionnaire and interviews with key stakeholders described earlier in this report provided an opportunity to identify any issues and the scale of any changes required to address them.

Appendix 3 provides the key themes from the stakeholder interviews and consultation responses. These show that there was strong support for the provision of an agreed range of supporting services by NWSSP under the auspices of the SSPC on behalf of the NHS. The benefits of providing shared services were seen as very positive in providing expertise, critical mass and a focus on service quality in support of the wider NHS.

There were however questions about how that range of services has grown since the inception of the SSPC/NWSSP in 2011. These apply particularly to the provision of clinical services and their attendant clinical governance requirements. The question was raised as to whether clinical services should be provided by an organisation or organisations whose primary role is the provision of such services as they would have the necessary expertise and infrastructure to effectively discharge the clinical governance responsibilities.

Concerns were raised about how well the governance and accountability arrangements were being applied in practice. These related particularly to the operation of the Hosting Agreement and the Interface Agreement between Velindre and the NWSSP, and whether all their requirements were fully being met. Questions were also raised as to whether the partners in the SSPC were fully meeting their obligations under the Memorandum of Co-operation.

There was a lack of clarity about the role of Welsh Government and how its commissioning/funding of some services directly from NWSSP rather than through the SSPC (of which it is not a member) related to the published governance and accountability framework.

Questions became apparent about the relationship in practice between NWSSP and Velindre as the statutory body hosting the SSPC and NWSSP within the context of the Interface Agreement and the Hosting Agreement. There appeared to be some tension in practice between the stated aim for the SSPC/NWSSP to have a high degree of autonomy without undue interference from Velindre and the need for Velindre to exercise proper governance and accountability as the statutory organisation which held responsibility for the SSPC and the shared services portfolio under Regulations.

The designation of two separate Accountable Officers (AOs) within one statutory organisation was felt by some to cause confusion as to roles and accountabilities which may contribute to different interpretations about practical governance requirements.

While contributors to this review acknowledged the need to strengthen both the framework and how it was implemented in practice, caution was expressed about the need for, or the wider systems' ability to cope with, the disruption of major change at a time when the NHS faced a range of pressing priorities which required its full attention. Many contributors considered that the framework could quickly be strengthened in both theory and application by relatively minor changes, and that more radical solutions should only be pursued within a review of the whole operating model of the NHS in Wales.

Options for the Future

This review has identified several areas in which existing governance and accountability arrangements require strengthening, either in terms of the framework itself or how it is implemented in practice by the partner organisations. The review also highlights some questions which require further clarification by Welsh Government.

The central question for this review was:

- Do the governance and accountability arrangements for shared services need strengthening, and if so, how can this best be achieved?

Most of the challenges with the current governance and accountability arrangements appear to relate to how they are being implemented in practice rather than to the framework itself. There are however some changes which should be considered to the current framework and portfolio of shared services now as described in this report. The priority should be to address these matters first, before considering more significant structural

changes. These matters are considered earlier in this report together with recommendations.

Options

This reviewer has identified an illustrative range of options for future arrangements which the Welsh Government may wish to consider. It is strongly suggested that these should only be considered after the necessary action has been taken to address the pressing matters identified in this report.

Several options for potential future arrangements for shared services are described in the table below, tested against the principles set out by Welsh Government in the Terms of Reference (see Key Principles in section 1 and the Terms of Reference at Appendix A) and the views expressed by stakeholders during the course of the review. They range from the status quo to options which would significantly change current arrangements.

These potential options are offered here to indicate some possibilities which the Welsh Government may wish to consider should it decide that implementation of the recommendations of this review is insufficient to ensure an appropriate level of governance and accountability for shared services in Wales.

Welsh Government will wish to consider the implications of the various options in terms of the powers which they would offer the NWSSP in practice. This reviewer understands for example that there are significant differences in the powers available under the NHS (Wales) Act 2006 and associated Regulations made under the Act for NHS Trusts and those for LHBs. The impact of the different regimes on the ability of the NWSSP to operate effectively would be an important consideration.

The options in the Table are intended to be illustrative, and a full options appraisal would be required of all potential options should more radical change be considered necessary.

| Option | Minimising risk for NWSSP and Velindre | Clarifying Roles in relation to NWSSP | Improving value to the NHS system | Strengthening decision making | Developing shared services expertise | Maximise national capacity and capability | Minimal disruption to the system | Minimal disruption to workforce in NWSSP and Velindre |
|---|--|--|--|-------------------------------|--------------------------------------|---|----------------------------------|---|
| 1. Revert to pre 2011 structure | No NSWWP, no risk to Velindre | No role for NWSSP | No | No | Expertise significantly diluted | Capacity and capability significantly diluted | Significant disruption | Significant disruption |
| 2. As now adjusted as required | Risk managed through governance arrangements as now adjusted | Roles clear in the governance framework with amendments | neutral | neutral | neutral | neutral | No or minimal disruption | No or minimal disruption |
| 3. Move SSPC/NWSSP to a different host organisation | Similar governance arrangements would be required. | Roles to be made clear in the governance framework. Uncertain how this would | No obvious value benefits compared to current position | neutral | neutral | neutral | Some disruption | Some disruption |

| | | | | | | | | |
|--|--|--|--|---|---------|---------|--|---|
| | | improve current arrangements | | | | | | |
| 4. SSPC as statutory committee of all the NHS partner bodies | Governance arrangements would be required. A host body would be needed with a governance framework | Roles to be made clear in the governance framework. Uncertain how this would improve current arrangements | neutral | neutral | neutral | neutral | some disruption | Some disruption if a different host body |
| 5. Integrate fully into Velindre | Significant risk to Velindre from assuming full responsibility for shared services. Introduces risk around relationships with the wider system | New governance and accountability framework required to shape relationship between Velindre and rest of the NHS | No obvious value benefits compared to current position | Clarifies Velindre and NWSSP relationship. Partnership arrangements still required with all NHS bodies. A new version of the current arrangements would be needed | neutral | neutral | Disruption from establishing new partnership arrangements. Significant change required within Velindre | Neutral apart from senior management levels in NWSSP and Velindre |
| 6. Integrate NWSSP into another NHS body | Significant risk to the NHS body from assuming full responsibility for shared services. Introduces risk around relationships with the wider system | New governance and accountability framework required to shape relationship between Trust/LHB/SHA and rest of the NHS | No obvious value benefits compared to current position | Partnership arrangements still required with all NHS bodies. A new version of the current arrangements would be needed | neutral | neutral | Disruption from establishing new partnership arrangements. Significant change required within the lead Trust/LHB/SHA | Significant disruption to NWSSP and the new responsible body. Some disruption to Velindre in the change process |
| 7. Create a new SHA | Relationships would still be required with all other NHS bodies requiring a governance framework. Introduces risk | New governance and accountability framework required to shape relationship between new SHA and rest of the NHS | No obvious value benefits compared to current position | Partnership arrangements still required with all NHS bodies. A new version of the current arrangements would be needed | neutral | neutral | Disruption from establishing new partnership arrangements. Significant change in establishing new SHA | Significant disruption to NWSSP and establishment of a new SHA. Some disruption to Velindre in the change process |

Option 1 fails on a number of counts and does not require further consideration.

Option 2 would maintain current arrangements, with any appropriate adjustments to address issues which could be resolved within the current framework.

Option 3 would move the SSPC/NWSSP to a different host organisation. A partnership governance framework would be required as under option 2. Welsh Government would need to consider whether the different statutory regimes of NHS Trusts, LHBs and Special Health Authorities would prevent some organisations from acting as effective hosts for the SSPC/NWSSP.

Option 4 is a variant of Options 2 and 3 in which the SSPC would be created as a joint committee of all the health bodies rather than being a committee of a single NHS body. Further work would be required to determine if a joint committee of all the health bodies was permissible under the legislation and whether there was significant benefit from moving to a model where the SSPC is a statutory committee of all the health bodies with the NWSSP

continuing to be hosted by an NHS organisation. The level of disruption would also need to be assessed.

Options 5,6 and 7 are different versions of an approach which locates the SSPC/NWSSP fully within a single NHS organisation working in partnership to deliver shared services for every NHS organisation in Wales. A hosting relationship would not be required with its attendant governance arrangements. It is in the details that the options differ. Each would involve boundaries between organisations which would require management through a governance and accountability framework. Each would bring the requirement to find effective ways of making collective decisions, managing risks and resolving disputes.

The biggest challenge with each of these three options is the level of disruption which they would entail. Whether establishing a new organisation as in option 7 or integrating shared services into an existing organisation as in options 5 and 6, the level of work and change required would be significant. This would range from establishing a completely new body; setting up a new governance and accountability framework; consulting with and managing staff transfers; transferring properties, contracts and all the myriad changes associated with major organisational change.

Each of the options apart from option 1 offer similar level of risks and benefits. All require governance and accountability arrangements between NHS bodies of some description. The risks are inherent to the design of any partnership governance arrangement. All add similar value to the system. All provide opportunities to develop shared services expertise and maximise national capacity and capability. Where options 5, 6 and 7 differ significantly from options 2, 3 and 4 is the level of disruption which their implementation would entail.

Appendix 1: Terms of Reference

Review of the NHS Wales Shared Services Partnership

Accountability & Governance Arrangements

Terms of Reference

Background

The seven local health boards in Wales were established in 2009 as integrated organisations responsible for planning and securing or delivering health services for their populations, from primary to specialist care and covering the full span of care along the life course.

As part of the 2009 reorganisation, the NHS Trusts which had delivered hospital services were dissolved when the seven local health boards were established. However, the Welsh Ambulance Services NHS Trust and Velindre NHS Trust remained in existence; while a new Trust, Public Health Wales, was established.

In addition, two Special Health Authorities were established more recently: Digital Health and Care Wales, and Health Education and Improvement Wales.

After the 2009 reorganisation, a number of hosted bodies were created to support health boards, and in some instances trusts, to discharge their functions where economies of scale determined that this would be done more effectively on a once for Wales basis, rather than by each individual organisation.

As such, the NHS Wales Shared Services Partnership was set up on 1 April 2011 to deliver a wide range of professional, technical and administrative services on behalf of all local health boards and trusts in NHS Wales. In June 2012, Velindre University NHS Trust was given the statutory function to host NWSSP. The NWSSP Committee was established to ensure the views of all NHS organisations were taken into account.

NWSSP supports NHS Wales by providing dedicated shared services, which:

- Provides a once for Wales approach
- Shares common operating standards in line with best practice
- Has sufficient scale to optimise economies of scale and purchasing power and improving quality
- Consolidates expertise in specialist areas

NWSSP's IMTP list's its current services/ functions as follows



NWSSP therefore acts in support of the statutory NHS organisations in Wales (local health boards, NHS trusts and special health authorities), so that they may in turn, focus on more effective local delivery of front-line services. NWSSP also provides support services to Llais.

NWSSP also provides professional advice and support to Welsh Government. For example, professional advice is provided by the NWSSP legal team on the Infected Blood Inquiry, and by the NWSSP estates team on specialist estates issues. Welsh Government has observer status on the NWSSP Committee.

NWSSP is hosted by Velindre University NHS Trust, which has the following service arms and hosted bodies:

- **The Welsh Blood Service** – responsible for the collection and production of blood and blood components for health boards and trusts to treat patients across Wales; and providing laboratory support to transplant programmes.
- **Velindre Cancer Services** – providing non-surgical tertiary oncology services to patients in southeast Wales (1.7m population), working closely with health boards to deliver services such as outpatients, systemic anti-cancer therapy and acute

oncology in local hospitals. As well as treatment services, the cancer centre is heavily involved in cancer care training and research.

- **NHS Wales Shared Services Partnership** (hosted) – provide a wide range of support services to NHS organisations, including procurement, recruitment, and back-office services.
- **Health Technology Wales** (hosted) – a national body working to improve the quality of care through technology appraisal.

Current Situation

The current arrangements for NWSSP have been in place for 14 years. During this time there have been significant changes within the NHS in Wales, including the unprecedented challenges related to the pandemic.

NWSSP has grown substantially since its creation in 2011. NWSSP had a key role in procurement and supply chain logistics during the Covid-19 pandemic. In financial terms NWSSP has greater levels of income and expenditure than its host organisation (in 2023/24, Velindre revenue was £216m and NWSSP was £535m) which can present operational and governance challenges.

NWSSP receives some finance allocations directly via Welsh Government (rather than from health boards and trusts) for the provision of some national services, such as international recruitment and the procurement of countermeasures stock, and has taken on a range of new functions, including the all-Wales laundry service and TRAMS. As such, these are directly commissioned services.

Welsh Government also obtains assurance from NWSSP in areas where a consistent and once for Wales approach is being taken, providing a mechanism and single point for Welsh Government to be informed of these national issues.

It was recognised in *A Healthier Wales* (2018) that the landscape of NHS Wales had become complex over time. An action was therefore included to:

“Review specialist advisory functions, hosted national functions (e.g. NWSSP, NWIS, WHSSC, EASC) and other national delivery programmes, with the aim of consolidating national activity and clarifying governance and accountability.”

Since that time the following progress has been made against that action:

- Digital Health and Care Wales was established as a new SHA in April 2022, replacing the NHS Wales Informatics Service as a hosted body
- The NHS Wales Executive was established in April 2023, bringing together collaborative planning, delivery and performance management activities. The Executive reports directly to the Chief Executive of NHS Wales and is hosted on behalf of Welsh Government by Public Health Wales NHS Trust.
- WHSSC and EASC were transferred into the NHS Wales Joint Commissioning Committee (NWJCC) in April 2024 as the single national commissioning function for

Wales. The NWJCC commissions specialised and ambulance services on behalf of the seven local health boards and is hosted by Cwm Taf Morgannwg University Health Board.

There has not previously been a need to review NWSSP. However, some of the work recently undertaken to establish the NWJCC highlighted a number of weaknesses in the hosted body model which require mitigation and improvement.

The recent Ministerial Advisory Group on Governance and Accountability also referenced perceived inconsistencies in the way in which hosted organisations are managed, when compared with the role and statutory function of individual boards.

We are aware that in recent months there have been a number of NHS discussions about the hosting, governance and accountability arrangements in place for NWSSP.

It is therefore felt timely and necessary to review the current accountability and governance arrangements for NWSSP to explore whether any mitigations or changes need to be made in order to both clarify and strengthen those arrangements.

Review of NWSSP

A review of NWSSP's current accountability and governance arrangements will be commissioned. The review will:

- Confirm the current functions of NWSSP.
- Describe the current governance arrangements and interface between the NWSSP, local health boards and NHS trusts via the Partnership Committee.
- Set out the key relationships.
- Review the application and compliance of current governance arrangements as appropriate with the relevant evidence.
- Consider if there is sufficient clarity on all aspects of the current governance arrangements including clinical governance, legal status, and employment & hosting arrangements.
- Review the regulations, standing orders and hosting arrangements.
- Set out the role of host, including responsibilities under legal and other accountability frameworks.
- Highlight any mitigating action or improvement required in order to address any gaps or weaknesses identified in the current arrangements.
- Explore in that context whether any alternative options to the current hosting arrangements may be more suitable or sustainable prospectively.
- Make recommendations on a preferred way forward

The review recommendations will be founded on the following principles:

- Clarifying and minimising risk in the accountability and governance arrangements for NWSSP and Velindre University NHS Trust.
- Clarifying respective roles, accountabilities and responsibilities in relation to NWSSP (e.g. NWSSP Managing Director, NWSSP Chair, Partnership Committee, NWSSP Senior Management Team, Velindre CEO, Velindre Chair, Velindre Executive Team and that of Velindre as the host organisation)

- Clarifying any terminology and definitions that may be helpful in this, and other hosted contexts.
- Consider learning from other recent reviews of hosted bodies. In turn, the learning and recommendations from this review will also be considered in the context of other existing NHS Wales hosting arrangements.
- Improving value to the NHS system in Wales
- Strengthening associated decision making
- Building on evidence of good practice
- Supporting the development of shared services expertise within the NHS in Wales
- Maximisation of national capacity and capabilities
- Minimal disruption to the system
- Minimal disruption to the existing workforce within NWSSP and Velindre University NHS Trust.
- Consider whether any alternative governance and accountability arrangements may be more suitable in the future to support the delivery of any/all of the functions currently undertaken by NWSSP
- Any changes to be implemented will maximise the value delivered by current arrangements and exploit where possible economies of scale.

Resource Requirements

- The review will be commissioned by the Chief Executive of NHS Wales
- The review will be led by an independent expert in the field
- The HSCEY/ NHS Wales Director of Strategic Planning will be the nominated lead official for this programme of work
- The independent reviewer will be supported by nominated Welsh Government officials who will provide expert advice and knowledge in the area
- An internal Welsh Government working group will be established to oversee the review and to consider its findings

The review will entail:

- Review of key documentation (e.g. regulations, standing orders, SFIs, Terms of Reference, MoUs, NWSSP's IMTPs)
- A review of existing reviews and reports that make recommendations that relate to hosting arrangements or to NWSSP specifically
- Review of the Accountability Framework developed to support the establishment of the NWJCC and the NHS Wales Executive.
- Discussion with the NWSSP Managing Director and NWSSP Chair
- Discussion with the CEO and Chair of Velindre NHS Trust
- Discussion with CEO of NHS Wales, Director of Finance and Director of Strategic Planning
- Discussion with a health board/ trust CEO and a health board/ trust Chair
- Discussion with Audit Wales
- Further discussions may be conducted at the discretion of the reviewer.
- Written comments will also be invited, including from members of the NWSSP Partnership Committee, CEOs and Chairs of NHS organisations.

- Production of a review report and recommendations

Accountabilities

- The review team will be accountable to the Chief Executive, NHS Wales
- The review will be overseen by the Director of Strategic Planning, WG on behalf of the Chief Executive of NHS Wales
- The review recommendations will be approved by:
 - The Chief Executive of NHS Wales
- Once approved, the outcome of the review will be shared with:
 - The NWSSP MD and NWSSP Chair
 - The CEO and Chair of Velindre University NHS Trust
 - The NWSSP Partnership Committee

Timescales

The Review will conclude by July 2025.

Appendix 2: Stakeholder Contributors

Interviewees

| Name | Title | Organisation |
|-------------------------|--|-----------------------|
| Judith Paget CBE | Director General/Chief Executive NHS Wales | Welsh Government |
| Hywel Jones | Director of Finance NHS Wales | Welsh Government |
| Samia Saeed-Edmonds MBE | Planning Director NHS Wales | Welsh Government |
| Abigail Harris | CEO | Swansea Bay UHB |
| Ann Lloyd CBE | Chair of the Board | Aneurin Bevan UHB |
| Donna Mead OBE | Chair of the Board | Velindre NHS Trust |
| David Donegan | CEO | Velindre NHS Trust |
| Matt Denham-Jones | Deputy Director of Finance | Welsh Government |
| Neil Frow OBE | Managing Director | NWSSP |
| Tracy Myhill OBE | Chair | SSPC |
| Paul Mears | CEO | Cwm Taf Morgannwg UHB |
| Dave Thomas | | Audit Wales |
| Richard Harris | | Audit Wales |
| Ann-Marie Harking | | Audit Wales |

Questionnaire Responses

| Name | Organisation |
|--------------------|-----------------------------------|
| Nicola Prygodzicz | Aneurin Bevan UHB |
| Matt Phillips | Cardiff and Vale UHB |
| Dafydd Bebb | HEIW |
| Helen Thomas | DHCW |
| Christopher Turley | WAST |
| Pete Hopgood | Powys Teaching Health Board |
| Gareth Watts | Cwm Taf Morgannwg UHB |
| No named official | Hywel Dda University Health Board |

APPENDIX 3: Stakeholder Responses

Stakeholder Interviews

The reviewer undertook interviews via Teams with a small number of stakeholders as identified in the Terms of Reference for the review (Appendix 1). These interviews lasted between 1 and 2 hours and a note of key points was taken by a member of the Welsh Government planning team who provided administrative support to the review.

A brief questionnaire was sent to NHS organisations by Welsh Government seeking views on the governance arrangements for Shared Services. Responses were requested by 6 June 2025. Whilst this is acknowledged to be a short timescale, it was felt important to offer all stakeholders in the partnership an opportunity to contribute their views.

Key points from the interviews and stakeholder responses included:

1. A shared service function has been of significant value to NHS Wales in supporting the effective delivery of NHS services.
2. Clear lines of governance and accountability are required, including clarity about the role and responsibilities of the host organisation. Can “legitimate interest” be more clearly defined?
3. The Accountable Officers of Velindre and NWSSP must be clear about their accountabilities and governance responsibilities and work together effectively to discharge them.
4. Effective accountability requires all parties to play their part fully. Both NWSSP and the NHS partners in the SSPC must engage effectively in discharging their responsibilities to each other.
5. The customer/supplier relationship should be clear, with service provision responsive to the needs of the customer. This may include regional or organisation-level responses within a national “once for Wales” framework where local needs or priorities are different, for example recruitment challenges in parts of Wales.
6. Clear outcome measures are required to form a basis for accountability.
7. Appropriate behaviours are required across the system to make the arrangements work in practice. These include engagement, openness, timeliness and responsiveness.
8. Whilst there may be some issues with the current governance arrangements in practice, they were not of a scale to warrant significant and disruptive change. The existing framework should remain in place at this time with any immediate amendments made following this review. The NHS needed to concentrate on addressing more pressing matters which bring greater risks. Any more fundamental change would be best considered as part of a review of the entire system architecture of the NHS in Wales.
9. Is the provision of a full range of corporate services by both Velindre and NWSSP appropriate? Might there be benefits in terms of efficiency and governance clarity by combining services into single functions serving both Velindre and NWSSP?
10. The portfolio of services provided by NWSSP had grown over time. It would be appropriate now to take stock and determine which are core services for the SSPC best provided by NWSSP, and whether there are any services which should be provided “once for Wales” but which might better be managed in a different organisational structure. This could include services with a clinical component where

particular governance arrangements were required which could best be discharged by an organisation whose primary purpose was the provision of clinical services.

11. Clarity was required about the governance of any services commissioned by bodies who are not full members of the SSPC (for example Welsh Government) which it is not appropriate to expect the SSPC to oversee and take responsibility for.
12. The process by which any services might be added to the NWSSP portfolio required clarification. The SSPC should have a role in agreeing any expansion of the portfolio given its governance and accountability responsibilities.
13. Has NWSSP outgrown the current hosting model? It was noted that the SSPC/NWSSP spends significantly more than Velindre on its core functions, and employs a much greater number of staff than Velindre. Some stakeholders thought that this should be taken into account in any future consideration of the most appropriate model for the provision of shared services.
14. How can public transparency about the use of significant sums of public money be improved?

Appendix 4: Reviewers Biography

Simon Dean retired from the post of Deputy Chief Executive, NHS Wales in December 2021.

His NHS career started in 1983 at a Regional Health Authority in London. He then held hospital management posts in Essex before becoming the Director of Operations for a Family Health Services Authority in Bristol in 1990. He subsequently worked in commissioning roles with Avon District Health Authority and became Director of Commissioning in 1997. When District Health Authorities were replaced by Strategic Health Authorities in 2002 he became the Director of Business Management for Avon, Gloucestershire and Wiltshire SHA.

Simon began working in NHS Wales in January 2004, initially leading a national project to reduce long waiting times for elective surgery. He then became CEO of Health Commission Wales in 2006, followed by two years as Director of Performance Management in the Health Department of Welsh Government. In 2010 he was appointed as CEO of Velindre NHS Trust, a post he held until 2014 when he was asked to become interim Director General/ Chief Executive of NHS Wales. Following the appointment of a new Director General he became Deputy Chief Executive of NHS Wales, a post he held until his retirement. During this period Simon was twice asked to act as interim CEO for Betsi Cadwaladr Health Board, in 2015 and 2020.