

September 2021

SBAR– Glangwili Laundry Transfer

Situation

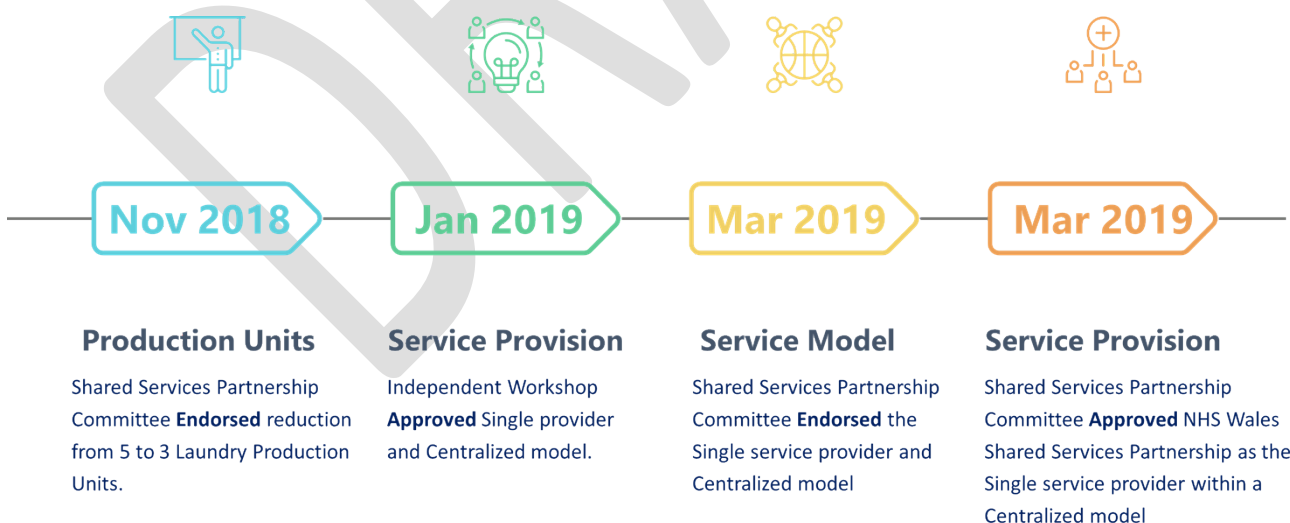
This document outlines the guiding principles and critical success factors against which the agreed transfer of the All Wales Laundry Service will be completed.

Background

The All Wales Laundry Review formally commenced in May 2016, with the NHS Wales Shared Services Partnership Committee (SSPC) approving the programme initiation and subsequent review of the Laundry production units within NHS Wales.

Throughout the last four years, a number of significant milestones have been achieved and a number of key decisions have been made to support the continual development of the All Wales Laundry Programme Business case.

The key milestones and decision points already approved include decisions by the Shared Services Partnership Committee, whereby approval or endorsement was given to the following:



It is **important** to note throughout the process items that have been previously approved or Endorsed remain unchanged:

- The **preferred option** - Three LPUs (Laundry Production Units) to provide the future service, **endorsed** by SSPC Nov 2018.
- A Single Service Provider, **endorsed** by SSPC March 2019
- Centralised and Single Management of the Service, **approved** by the SSPC in March 2019 as the NHS Wales Shared Services Partnership Committee.

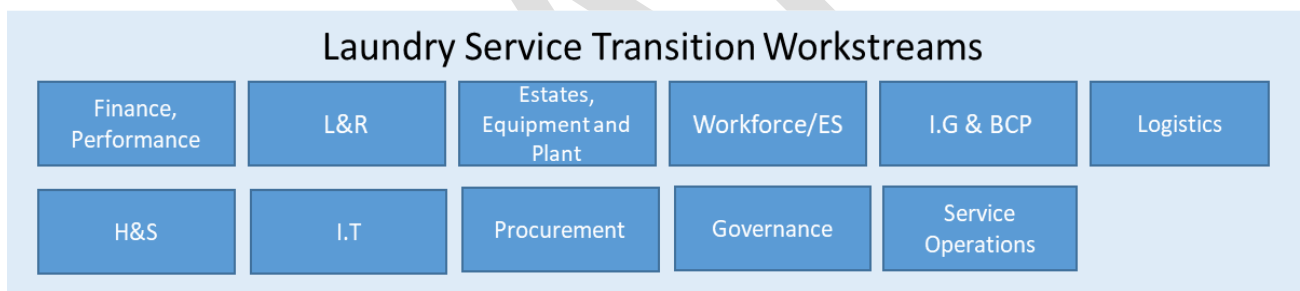
These decisions act as the basis for the next planned steps, which the Laundry Transfer Project running in parallel to the ongoing programme business case development will seek to execute to conclude the transfer to NWSSP (NHS Wales Shared Services Partnership) of the existing Laundry Production Units into NWSSP by October 2021.

Originally, the intention was to complete the transfer in October 2020 but due to the pandemic and winter pressures, this was delayed until April 2021. To support this transfer the establishment of a project board is taking place with focus on drafting a set of guiding principles and a number of supporting workstreams. It was set that three laundry units Swansea, North Wales and Greenvale facilities were to be transferred April 2021 and the remaining two, Glangwili and Cwm Taff to be transferred by October 2021.

The **guiding principles** seek to propose high-level objectives across:

- Land & buildings
- Equipment & plant
- Finance (Transfer of expenditure to provide service, based on costs **baseline** April 19 - March 20)
- Transport and logistics (Drivers & fleet)
- Products & equipment to provide the service (cages, linen & detergents etc)
- Workforce/resource to manage, operate, maintain and deliver the service¹
- Continuation of existing service provision processes, procedures and contracts

Workstreams to support this activity:



Critical Success Factors:

The elements identified as critical to enable the transfer are

- **Finance** – Identification and agreement of a baseline covering both pay and non-pay expenditure within an agreed timeframe that excludes the pandemic influence or variation. This is key to ensuring NWSSP is able to maintain service provision and cover all expected costs based on agreed time range in scope for the baseline currently set at 2019/20.
- **Workforce** – as per the workforce principles agreed with WODs, it is proposed that the laundry unit staff will remain employees of the health board whereby they would be governed under the HB’s management and their policies and Procedures however, it is foreseen that they will also liaise with NWSSP management on key changes, risks and issues. The intended approach would be to work with Shared Services for the duration of the period until the decommissioning occurs. During the decommissioning period the Health Board will actively seek redeployment opportunities for the staff concerned. At the conclusion of this period the Health Board will afford the identified staff with prior consideration for HB vacancies. This will allow the ability to consider the wishes of individuals, taking into consideration

¹ Within known existing demarcation points in line with the scope of the laundry project i.e. excluding linen rooms for example.

their geographical and personal preferences and constraints, and entering into a dialogue over their preferred options.

- **Customers** - Existing customers identified to enable continuation of existing arrangements and appropriate communication in relation to the change of ownership and management.
- **Transport** – The Transport Staff and Vehicles are to stay with Hywel Dda UHB at this stage and whilst the All Wales Laundry Programme progresses, there are no subsequent changes envisaged and arrangements and structure will remain “as is”. Budgets for Transport will be agreed and transferred as part of the wider laundry service finance agreement and then HDUHB will call off the service as part of the Operations SLA agreement and then recharge on a quarterly basis. Hywel Dda UHB will thus continue to manage the transport service, maintain its legal compliance as ‘business as usual’ . The Operational SLA will be managed through monthly reports submitted from the HDUHB Laundry Management to NWSSP.
- **Product & stock** – Ensuring the availability of existing stock/linen and products required to continue the service operation, product and delivery of linen.
- **Support Services** – Continuation of externally provided support services for the laundry such as engineering, maintenance, or other critical services deemed essential to support day to day laundry operation
- **Health & Safety** – This will remain the responsibility of HDUHB.

Assessment

In relation to **Glangwili Laundry**, the objective is to maintain the provision of laundry services “as is” but to complete a number of actions to allow the seamless transfer and ongoing provision of services to existing customers.

The intention remains to maintain the service within its **current model**, with anticipated variation in terms **not** anticipated until the commissioning of the new Laundry Production Unit as stipulated by the ongoing All Wales Laundry Programme Business Case currently estimated in 2024.²

It is proposed that all applicable assets and liabilities will transfer from Hywel Dda to NWSSP (NHS Wales Shared Services) with effect from the October 1st 2021. It is not envisaged that land and buildings will transfer.

Land & Buildings on/in which house the Laundry

Property Location: Glangwili

Transfer objective

It is envisaged that Hywel Dda will retain ownership

Continue use of the existing laundry to allow ongoing provision of currently provided services

² Estimated and subject to change based on the business case process

Constraints &/or Dependencies

- None Identified as not being transferred.

Transport

Transfer objective

Service remains "as is" and managed by HDUHB.

Constraints &/or Dependencies

- Continuation of driver resources when required.
- Finance captured within the finance pay & non-pay baseline.

Finance to provide the service

With the support of the Health Board finance colleagues, the Laundry costs established are based on a review of the pre COVID baseline year of 2019/20 and these costs will be discussed with the Director of Finance and the costs would be subject to a final review by the Health Board before sign off.

Overriding Principles

- There should be no detrimental financial impact on the health board and NWSSP as a result of the transfer.
- The 2019/20 pre Covid actual non pay costs will be used as the financial baseline for 2021/22 once adjusted for inflation.
- Any unexpected significant costs or liabilities that come to light post transfer including Covid impact will be subject to further discussion.

The process under which NWSSP will charge for Laundry Services will be quarterly in advance.

Glangwili laundry operating costs pa	
	£
Pay costs	1,109,072
Non pay costs	547,115
Total costs	1,656,187
Less income	(3,599)
Net costs	1,652,588

Key Assumptions

Staff costs

- Staff costs will transfer to NWSSP with their full budget including on costs.
- Hywel Dda will recharge NWSSP for the actual payroll costs incurred and the funding will be revised as required.
- Budgets for any vacancies will be fully funded.
- 0.2 WTE Band 6 Finance and 0.2 WTE Band 6 workforce support included

Non pay costs

- Laundry operating cost budget will transfer to NWSSP based on 2019/20 actual costs (Pre Covid) baseline adjusted for inflation.
- Operating costs will be compared to prior years and if significant variances exist individual line adjustments will be made on an exception basis.

Income

- Laundry income will be baselined against the 2019/20 actuals.
- The proposed net cost of the service to the existing laundry providers will be based on the total operating costs less the anticipated invoiced income.
- Invoices to other laundry customers will be raised using the existing methods followed by the individual laundry units.

Overheads

- Where relevant Health Boards will not charge NWSSP for occupying and using the laundry sites unless the budget has been transferred.
- Where relevant Laundry staff will continue to have access to their existing mobile phones, laptops, PCs and peripherals and the use of photocopiers/printers and IT etc.
- Where relevant if support is currently provided by the health board for the laundry but not included in the budget transferred to NWSSP that service will continue on an "as is" basis.

Workforce within the Laundry

The Glangwili Laundry workforce in scope are those that support the laundry production including support roles such as maintenance engineering.

Constraints &/or Dependencies

- Workforce scope remains those within the LPU³ Production environment
- Identification of required budgets within the finance workstream

³ LPU – Laundry Production Unit

Plant & Machinery to provide the service

The Laundry exists with full end-to-end equipment and machinery to enable the production of Linen for the health board and its customers.

Transfer Objective

Transfer ownership of the existing plant and machinery used to provide end-to-end linen service for the Glangwili LPU, novating any lease/rental agreements as necessary.

Constraints &/or Dependencies

- Provision of an asset register (5k plus Value)
- Provision of the inventory (Sub 5k value)
- Completion of an inspection report for forward risk and management purposes

Products & Equipment to provide the service

The Laundry consumes and utilise a range of products to enable day-to-day operation.

Transfer Objective

Transfer ownership of the existing linen products and consumables such as detergent and Linen stock to continue the provision of end-to-end linen services from the Glangwili LPU and its existing customers.

Constraints &/or Dependencies

- Annual Stock take required.
- Procurement adjustments, novation's and cessations.
- Budget identified for stock and product purchasing.

Existing Service provision processes, procedures and contracts

To support and underpin day-to-day operations a number of contractual arrangements exist to ensure the laundry can operate. Procurement teams are working through the respective detail to ensure continuation of all required contracts and process are managed to support the October 2021 transfer of service.

Transfer Objective

Transfer (novate) ownership of the existing, appropriate, agreements and contracts to provide end-to-end linen services for the Glangwili LPU.

Continuation of LPU specific processes e.g. Business Continuity Planning where support external to the LPU is required.

Constraints &/or Dependencies

- Dependant procurement contract novation
- Engagement with Laundry colleagues
- Dependency on Procurement teams

- Provision and Confirmation of existing agreements
- Transport evaluation
- Continuation of any externally ⁴provided maintenance or support

Service Level Agreements & Performance Data

The Laundry currently provides services to a range of customers including:

- Welsh Ambulance Services NHS Trust (WAST).

Transfer Objective

A generic Service Level Agreement (SLA) has been approved by the SSPC (Shared Services Partnership Committee). The appropriate schedules for the service provision for HDUHB will be developed and included in the SLA.

This has been developed using data identified through due diligence, engagement with LPU management and where possible utilising limited existing documentation. It is important to note this will be further developed at timely intervals as the service evolves.

The SLA will be based on a fixed price for agreed linen volumes.

Should linen volumes fluctuate outside the agreed +/- tolerances they will be subject to regular reviews and appropriate annual adjustments for the agreed variable cost/saving. The SLA is in the process of being finalised.

In further support, Quarterly Service Reviews will be established to consider all aspect of the service from both a supplier and customer perspective in relation to how the partnership is working for both parties and any reflection on the SLA and Schedules, quality of service provided.

Constraints &/or Dependencies

- Data to provide a baseline for NWSSP to develop a Service Level Agreement (SLA) which continues the existing services provided.

IT and Technology

The laundry staff currently use IT equipment, systems and hardware as required by their role. This ranges from minimal electronic staff record (ESR) usage to use of MS365 applications and relevant hardware.

Laundry plant and Equipment also can potentially utilise network and other IT infrastructure as part of the day-to-day operation.

Transfer Objective

To support the wider transfer is it requested that such services will not transfer and the continuation of existing I.T. support arrangements continue.

⁴ Externally – External to the workforce and operation within the LPU, for example HB Estates Support, Facilities support or 3rd party contractors

Constraints &/or Dependencies

- None foreseen as no transfer

High Level Timeline of Planned Events

Transfer Stage 1

Workforce – managed under the existing management and structure of HDUHB
Finance
Critical Procurement

Transfer Stage 2

Continuation of Procurement activity

To further support the establishment of regular service and finance reviews will ensure adequate budget and workforce has been transferred in line with expectations set against the baseline period of 19/20 and to allow review of any other matters that emerge post transfer and also focusing on maintaining a continuation of quality and continuity of service

To support the continuation of the services as currently provided from the Laundry to its customers, it is also requested that underpinning support services continue to be provided until suitable transfer, novation, migration activities be scheduled as listed above and appropriate projects and schemes are initiated to execute the required activity.

These services would typically include:

- Continuation of Health board provided services
- IT Support and continued system & hardware access.
- Health board provided Facilities and maintenance externally provided from the Laundry own engineering or Hywel Dda support teams.

Recommendations

The Health Board is asked to:

- **Approve** the transfer of all agreed constituent parts that allow relevant budget transfer to NWSSP and allow HDUHB to continue the running of the Glangwili laundry until the conclusion of the All Wales Laundry Programme and transformation towards the new facility as outlined within the Programme Business Case.
- **Endorse** the continuation of the underpinning support services such as Estates, IT, Transport, externally provided maintenance, or any other service provided to the Laundry by the Health board or 3rd party until suitable transfer, novation, migration activities be scheduled as listed above.
- **Note** that further transformation activity will be scheduled.

Note that the staged transfer will allow the NWSSP to run the service from October 2021 with a further stage to address elements in relation to asset transfers and other more complex elements.

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Appendix 1 Glangwili laundry

Non Pay	2019/20	Net adj	Final
30100-Dressings	3		3
30210-M&SE : Disposable	123		123
32000-Provisions	44		44
32410-Protective Clothing	1,693		1,693
32510-Cleaning Materials	3,033		3,033
32520-Laundry Equipment	11,514	6,473	17,987
32530-Laundry Materials	36,310	6,166	42,476
32540-Laundry Maintenance	15,636		15,636
32710-B&L : Non-Disposable	145,071		145,071
32810-Other General Supplies & Services	207		207
33010-Stationery	397		397
33200-Postage & Carriage	130		130
33610-Travel & Subsistence	122		122
33800-Leased Cars : Contract	5,694		5,694
34000-Vehicle Running Costs : Fuel	39,058		39,058
34010-Vehicle Running Costs : Other	494		494
34020-Vehicle Maintenance	2,687		2,687
34030-Vehicle Leases	22,474	7,890	30,364
34040-Vehicle Insurance	555		555
35000-Electricity	36,114		36,114
35020-Water	58,319		58,319
35060-Other Utility Fuels (steam)	96,822		96,822
35200-Rates	7,280		7,280
35500-Furniture & Fittings	670	2,572	3,242
35510-Office Equipment & Materials : Purchase	39		39
35570-Computer Maintenance	- 203	1,824	1,621
35820-Materials - Electrical	36		36
35830-Materials - Building	19		19
35850-B&E Maintenance	545		545
35920-Buildings Insurance	322		322
37640-Recharge : Minor Works	13,466		13,466
38190-SLA: Air Ambulance	2,270		2,270
Grand Total	519,522	6,348	525,870
Inflation uplift for 2020/21 & 2021/22			21,245
Total non pay costs after adjustments			547,115
Pay	2019/20	Net adj	Final
2K131-Admin & Clerical Band 3	46,740		46,740
2K171-Admin & Clerical Band 7	47,208		47,208
2M200-Agency - Addit Clin Services	1,476		1,476
2M811-Linen Services Band 1	449,383		449,383
2M821-Linen Services Band 2	343,060		343,060
2M831-Linen Services Band 3	64,788		64,788
2M971-Estates & Ancillary Bank	78,768		78,768
2P151-Maintainance Staff Band 5	12,123		12,123
2P900-Agency - Estates & Ancillary	5,157		5,157
Grand Total	1,011,437		1,048,704
0.2 WTE band 6 HR and 0.2 WTE Finance support			18,000
Inflation uplift for 2020/21 & 2021/22			42,368
Total pay costs after adjustments			1,109,072
Total costs	1,530,959		1,656,187
Income			
0297 WAST	(3,459)		(3,459)
Inflation uplift for 2020/21 & 2021/22			(140)
Total costs less income			1,652,588