



Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board



Meeting Date	02 November 2022	Agenda Item	
Report Title	<b>South West Wales Regional Pathology Services</b>		
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Presented by	Christine Morrell, Director of Therapies and Health Science, Swansea Bay University Health Board		
Freedom of Information	Closed – Legal Professional Privilege		
Purpose of the Report	To propose and recommend a management model for South West Regional Pathology Services.		
Key Issues	<p>The regional pathology programme brings together three organisations - Swansea Bay and Hywel Dda UHBs and Public Health Wales' laboratory based services under one roof. This investment will facilitate delivery of a new regionalised and co-located service model, supported by integrated management and joint health board workforce.</p> <p>This laboratory will incorporate regional services for Cellular Pathology, Mortuary, Immunology, Microbiology and also Blood Sciences (where feasible). In addition, there will be refurbishment of laboratories in satellite hospitals to modernise and create fit for purpose pathology services, particularly Blood Sciences, where an essential and responsive local service is required.</p> <p>Major aspects of the case for change to develop a regional pathology service in its entirety are based on workforce fragility (which has now reached a critical phase), future proofing, financial efficiencies and estates that are not fit for purpose to deliver modern laboratory services.</p> <p>This paper proposes a model by which a joint service could be managed. This proposal is specifically for immediate action to progress for Cellular Pathology, Mortuary and Immunology. Further discussions are ongoing related to Pathology Management in its entirety, incorporating Blood Sciences/ Laboratory Medicine and possible consideration regarding Microbiology at Worthybush General</p>		

	Hospital (WGH) to enable pathology to operate as a regional network of laboratories within the management structure.			
<b>Specific Action Required</b> <i>(please choose one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>	<b>Approval</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	x
<b>Recommendations</b>	<p><b>Members are asked to consider and approve the following recommendations:</b></p> <ul style="list-style-type: none"> <li>• <b>Consider and approve</b> this proposal to take forward development of an Operational Delivery Network management model to manage a regional pathology service;</li> <li>• <b>Agree</b> to create a South West Wales Pathology Network Board to establish the Operational Delivery Network. This will be reviewed at implementation (consisting of planning and delivery phases) and before the Network is operational by Q4 2022/2023 (indicative);</li> <li>• <b>Agree</b> SBUHB future responsibilities based on the ODN by Q1/Q2 2023/4 (indicative);</li> <li>• <b>Agree</b> to work with HDUHB to develop the future arrangements for Blood Sciences Management by Q2/Q3 2023/4 (indicative);</li> <li>• <b>Agree</b> to develop an implementation plan that sets-out the process that will be undertaken to achieve the regional model along with the indicative timeline.</li> </ul>			

## **Mid and South West Wales Regional Centre of Excellence Pathology Laboratories**

### **1. INTRODUCTION**

In November 2020, a Strategic Outline Case (SOC) (£77m) to support the development of A Regional Collaboration for Health (ARCH) Mid and South West Wales Regional Centre of Excellence Cellular Pathology Laboratory, Regional Diagnostic Immunology Laboratory Facility and local Swansea Bay University Health Board (SBUHB) Regional Medical Microbiology facility was submitted to Welsh Government and approved. Morriston Hospital has been identified as the location for the new regional build and the organisations (SBUHB and Hywel Dda University Health Board (H DUHB) are jointly developing an Outline Business Case (OBC). along with Public Health Wales (PHW) who provide Microbiology Services (excluding WGH) for the Health Board populations.

### **2. BACKGROUND**

Pathology services across South West Wales have been severely challenged due to a number of factors, including critical workforce shortages, poor estates and health and safety concerns. In 2012 to meet these challenges, a Regional Cellular Pathology Board was set up to discuss and progress a plan for regional working. However, this was superseded in 2014 due to a recognition nationally of the crisis faced and that the consolidation of pathology services was considered essential. An all Wales Cellular Pathology Project was launched and tasked with considering options and delivering change; in 2015, an option appraisal was completed and recommended that two sites in South Wales were needed and these should be at Morriston and Cardiff. A similar work stream recommended consolidation of Immunology services into two regional services. This recommendation was then passed back to Health Boards with the additional expectation that all laboratories in Wales should be externally accredited. This led to the regional development of the business case submitted to Welsh Government.

#### **2.1. Programme Update**

There has been significant delay in progress since the SOC approval due to the pandemic and lack of project resource, but in late 2021/22 work recommenced. The following actions are now underway:

- The resource schedule for the programme has been agreed with Welsh Government and this is being implemented;
- Formal agreement by Health Boards that the laboratory will be located on the Morriston Hospital site;
- Supply chain partners have been appointed and a launch event took place on the 6<sup>th</sup> October 2022;
- Service re-designs of pathology services are underway and had sight of early building illustrations; and
- Recommendations from the Gateway Review have been actioned and completed including the appointment of a Programme Director.

During the prolonged period since the project was initiated, the issues related to the case for change have not improved (and in some areas are now worse). Workforce shortages are causing a worsening situation, which impacts on other disciplines of pathology, including blood sciences/laboratory medicine. However, there are a number of other significant changes that will affect planning within the Outline Business Case. These include the

boundary change (affecting Swansea and Cwm Taf Morgannwg arrangements), learning from the pandemic, and changes in technology particularly related to digital developments and advances in genomics, and thus there is a need to refresh the thinking for the OBC.

To progress the transformation plan, the Health Boards agreed the need to create a Regional Pathology service model to enable joint recruitment, collaborative development of service plans, standardisation and the benefits of consolidation, which form the basis of the business case for these disciplines. There are a number of possible options of how a regional management model could operate that would be underpinned by a strong governance framework and an agreed set of principles.

A Joint Executive meeting between SBUHB and HDUHB was held on 24<sup>th</sup> November 2021; these points were discussed and a subsequent visioning workshop was held on 29<sup>th</sup> November 2021, chaired by Mark Hackett CEO, Swansea Bay UHB.

The consensus of the discussion was:

- A recommendation to progress with pace a discussion on a model for management of cellular pathology and immunology services, with the principles presented to be used as a starting point for this discussion;
- A task and finish (T&F) group be convened to develop this and to make recommendations to implement and take forward wider service discussions; and
- To meet with the time scales for preparation of the OBC it was planned to develop this proposal to seek Board agreements for management for Cellular Pathology and subsequently develop the way forward for Blood Sciences.

The ARCH Regional Recovery Group on 17<sup>th</sup> June 2022 agreed to:

- Endorse establishing a Blood Sciences/Laboratory Medicine work stream in the Transforming Pathology Programme;
- Endorse including Blood Sciences/Laboratory Medicine in the options analysis and modelling for developing the Regional Pathology and Genomics Centre of Excellence OBC;
- Note that the final inclusion Blood Sciences/Laboratory Medicine in the final business case will be subject to affordability and not impacting on the overall delivery timeline; and
- Agree to include Blood Sciences/Laboratory Medicine in ongoing exploration regarding development of regional Pathology services, building on planned development for Regional Cellular Pathology, Mortuary and Immunology.

## **2.2. Regional Pathology Task and Finish Group**

The Task and Finish (T&F) Group convened in 2022, chaired by Andrew Carruthers COO HDUHB, and supported by Christine Morrell as SRO for the ARCH Regional Pathology Transformation Programme. The group agreed that the preferred structure would deliver against the following set of principles:

1. The service will deliver pathology services to the Swansea Bay and Hywel Dda University Health Boards.
2. The service will provide equity of access for patients across the region.

3. Focus will be on Cellular Pathology, Mortuary and Immunology initially, with further planning work to be carried out in Laboratory Medicine.
4. The service will have a single management team, a single consultant lead and laboratory service staffing hosted by Swansea Bay University Health Board.
5. The management team will be established with clear accountability arrangements for the operational delivery of services.
6. There will be a joint mechanism in place to oversee the strategic direction, annual planning and performance delivery of the regional service.
7. The regional service will have a single budget set against an agreed specification agreed by the two Health Boards.
8. There will be investment in the service by each partner and joint investment in the capital infrastructure where necessary.
9. The assets for the service will remain on each Health Board balance sheet.
10. As the host organisation for the service, Swansea Bay University Health Board will provide central facilities including financial management, IM&T, HR &OD planning support.
11. The quality and safety and finance and performance committees of each Health Board will review, at least annually, a report for the joint service on its quality and safety performance and its operational and financial performance. Escalation of this reporting will be more frequent should it be necessary.
12. Services will be accredited to meet regulatory standards. In particular, the Human Tissue Authority (HTA) regulations to ensure human tissue is used safely and ethically, and with proper consent.
13. The Lead Director will be responsible for the quality governance for the service across the region.
14. A digital first approach will be taken to the development of the regional service delivery model.
15. The service model will enhance the resilience and sustainability of the services.

The T&F Group procured support from NHS Wales Shared Services Partnership: Legal & Risk to provide an accurate and factual assessment of different models, along with informed recommendations for an organisational management model, based on the agreed principles to progress the regional service model ambition.

### **2.3. Options for Management Model**

The advice sought from Legal & Risk (L&R) supported the T&F Group members through the options appraisal process. The advice provided also looked at other management models utilised elsewhere and discarded them at this point. The detail of these models were

discarded due to governance arrangements which did not easily meet Health Board Governance arrangements and there were not comparable arrangements in NHS Wales. A paper was then prepared for the Regional Pathology T&F Group (11<sup>th</sup> October 2022) on the preferred three management model options:

- 1. Operational Delivery Network,**
- 2. Managed Clinical Network**
- 3. Memorandum of Understanding**

The Options Paper was largely set out in generic terms and covered the legal aspects of three proposed management models. It was not possible to present what may be a sensible governance structure for a particular management model because there is insufficient detail as to what groups, stakeholders etc. will be impacted at this stage.

The paper highlighted the 'risks/implications of each management model for accountability, transparency, scrutiny, user/community, staff/trade union involvement in planning, policy and provision' and therefore considered the legal, governance, accountability, contract, procurement, internal approvals and employment law issues relevant to each of the three initially proposed management options. Details of all management models considered is provided at Appendix C.

The paper scrutinised each of the preferred Three Management Options, identifying the basic characteristics, advantages, disadvantages, risks, governance, accountability, contract documents, procurement, standing orders/standing financial instructions and employment law issues associated with each model as they apply to the 'Accountability, governance and participation' criterion. Furthermore it provided general advice on the 'Local/regional economy and community wellbeing', 'Ability to address social justice and inequalities', 'organisational arrangements' and 'corporate impact' criteria along with a conclusion and recommendations.

The T&F Group proposed the three models referred to above initially, as these were tried and tested in NHS Wales. As part of their advice, L&R had also identified seven other models that could be considered for the Regional Pathology Service; some of these models had been adopted by NHS England but were untested in Wales.

The three preferred options were taken through a scoring process using the same framework we sought advice on (See Appendix A) during a T&F group workshop session (24<sup>th</sup> October 2022). Financial assessment was difficult at this stage, as detailed costings of the three models have not been considered. The output of the scoring activity was captured in a table (See Appendix B) and the Operational Delivery Network (ODN) emerged as the highest scored option based on the criteria set. A 'cooling off' review period was put in place between 24<sup>th</sup> October 2022 to 28<sup>th</sup> October 2022 that allowed the T&F group members to review their scores in their own time and reflect on their rationale for scoring – any changes to the scoring during this period have been incorporated into the final scoring matrix.

The other two options were discarded on the basis of the scoring activity undertaken and they did not give the same levels of assurance around governance, shared decision making, consistent and equitable service realisation and were less able to meet the initial principles which were set to inform the project.

### **Highest scored & preferred option - Operational Delivery Network (ODN)**

The following provides an oversight of the ODN in general terms. More specific advice can be tailored to a Pathology Services ODN when more detailed information is available on precisely what the re-design will look like in detail.

## 4.1 Characteristics

ODNs are generally non-statutory networks and are not legal entities; as such, an ODN will be hosted by a health body e.g. a Health Board and will usually be led by a Network Director (or Chair) with a Project Team or Project Board that has accountability for decision-making.

ODNs are recognised as being an effective model of delivering health care for defined services, which are commissioned, and are designed to deliver a collaborative model of care to improve services based on regional or local needs. They cover specialised services, which span geographical areas where patient pathways often flow across a number of organisations. ODNs focus on coordinating these pathways between providers to ensure consistent, equitable access to specialist resources and expertise. ODNs rely on the engagement, interaction and commitment of stakeholders and member organisations to deliver expected outcomes and work across a range of services, in accordance with the Specification drafted for a particular patient pathway.

## 4.2 Advantages/Disadvantages

Advantages	Disadvantages
Improve the quality of care and outcomes for patients and improve productivity and efficiency through the stronger collaborative provision of services. Collaborative working, resulting in shared learning, experiences, knowledge, skills and best practice for the benefit of all within that specialist environment. They create a stronger collaborative provision of services and create opportunities for risk sharing between providers.	Lengthy planning and consultation process, with involvement from many stakeholder groups
Employ more accurate costing so that resources can be used more efficiently and they have an ability to adopt innovative practice quicker, with improved system resilience. ODNs can attract a discreet budget allowance within a Health Board's Funding Allocation.	There may be unease or opposition amongst staff who may have a new place of work and additional journey times.
Whole system, collaborative provision approach to ensure the delivery of safe and effective services across the patient pathway, adding value for all stakeholders, improving cross-organisational and multi-professional clinical engagement to improve pathways of care.	Require time and resources, which may be taken away from providing existing services.
Enable the development of consistent provider guidance and improved service standards, with a focus on quality and effectiveness through comparative benchmarking and the auditing of services, with the implementation of any required improvements. Thus, they provide a key role in assuring providers and commissioners in respect of quality as well as coordinating provider resources to secure the best outcomes for patients across wider geographical areas.	Drafting and approval of many internal documents e.g. SOC, OBC and Full Business Cases, together with the approval of Welsh Government.
Assist with planning and activity monitoring and with collaborative forecasting of demand and matching demand with supply.	Contract document drafting and legal advice will be required, e.g. in selecting a form of agreement(s), TUPE advice etc.
	Cost implications

#### 4.4 Risks

Risks	Mitigating Actions
<ul style="list-style-type: none"> <li>Failure to agree and implement a network arrangement, which may adversely affect clinical recruitment and retention;</li> </ul>	<p>Having a set of individuals who are dedicated to problem solving and resolving issues if things go wrong. Risk sharing agreements, ensuring risks are identified, analysed, evaluated, controlled, monitored, shared and communicated appropriately.</p>
<ul style="list-style-type: none"> <li>Staff may find it harder to deal with new ways of working and new structures and may leave or take early retirement; there may be a loss of expertise that may take time to replenish;</li> </ul>	<p>Early consultation between stakeholders, providers, employees (in particular in respect of TUPE) etc.</p>
<ul style="list-style-type: none"> <li>Failure to identify and plan inter-dependencies throughout the Regional Pathology Programme; for example, ensuring proper transport and porter services are in place, particularly where there is a move to a new site;</li> </ul>	<p>Client backfill budget to continue to plan for, support and enable service transformations until March 2024</p>
<ul style="list-style-type: none"> <li>Failure to fully capture staffing implications (including any associated costs of TUPE and if applicable, redundancy);</li> </ul>	<p>Putting staff risk management and assurance processes in place,</p>
<ul style="list-style-type: none"> <li>Potential inconsistency of data across services and hospital sites to inform service modelling and a failure to deliver informatics solutions at implementation of the re-design;</li> </ul>	<p>The efficient and creative use of IT and informatics.</p>
<ul style="list-style-type: none"> <li>Lack of clarity on commissioning arrangements.</li> </ul>	<p>Seeking advice from subject matter experts and utilising existing regional structures/governance arrangements such as the Regional Commissioning Group.</p>
<ul style="list-style-type: none"> <li>A potential lack of regional clinical consensus on the service Specification for each of the Pathology disciplines;</li> </ul>	<p>Clinically-led workstreams, early clinical input to building design, layouts &amp; flows. Shared vision workshops and providing opportunities for all staff to get involved in the discussion.</p>
<ul style="list-style-type: none"> <li>Any uncertainty regarding the service changes and a possible lack of stakeholder commitment to the re-design could cause delay;</li> </ul>	<p>Clearly set shared objectives and goals shared with all stakeholders at an early stage. Collaborative input to Terms of Reference documents to build a clear commitment from the outset.</p>
<ul style="list-style-type: none"> <li>A failure to fully capture capital and revenue implications, lack of affordability and failure to get agreement on funding flows;</li> </ul>	<p>Fully costed financial appraisals Implementing contractual agreements to ensure network compliance with Swansea Bay as the host organisation along with standing orders and standing financial instructions.</p>



<ul style="list-style-type: none"> <li>• Inadequate communications;</li> </ul>	Communications & Engagement plan, support from Comms Teams to develop & disseminate Comms to staff.
<ul style="list-style-type: none"> <li>• Whether Commissioning for Quality and Innovation (CQUIN) payments from Welsh commissioners will be available as a source of transitional funding and whether Welsh Government will approve all requests in connection with the re-design; and</li> <li>• Procurement risk</li> </ul>	Robust consideration of and compliance with the Public Contracts Regulations 2015 (and all other relevant legislation, Codes of Practice etc.), Standing Orders and Standing Financial Instructions will help to reduce or eliminate any procurement risk. Having a Procurement Plan with a phased approach for migration & harmonisation of contracts

#### 4.5 Governance of an ODN

ODNs are hosted bodies. They typically have formal leadership and governance structures and operate with a mandate from commissioners and service providers to work on their behalf and ensure that the quality of care for all patients is consistently high. By nature of their structure, networks rely on the engagement, interaction and commitment of stakeholders and member organisations to deliver expected outcomes. However, as non-statutory hosted organisations, it is important to explain how ODNs may be governed.

In order to offer assurance to both providers and commissioners that the ODN will achieve its objectives, it should operate within a clearly defined governance framework. For example, a structure may involve a Project Team (or Project Board) with clearly defined responsibilities and accountability. Terms of Reference for all network groups will need to be developed.

In order to ensure that the ODN functions effectively in and with the host organisation, a suitable contractual agreement will need to be in place between the ODN and the host organisation (SBUHB). This should outline the decision-making arrangements of the ODN and specify clear rules of engagement with clarity of roles and responsibilities between SBUHB and the ODN.

Area/Network Teams, if adopted, could performance manage ODNs through a contractual relationship and to ensure that robust governance arrangements are in place. Area/network support teams would ensure that there is appropriate oversight and monitoring of the work of the ODN.

Notwithstanding the precise nature of the ODN's governance structure, its compilation and Terms of Reference, as Health Boards and NHS Trusts in Wales are legal entities in their own right, a new management model must not fetter its discretion as they remain responsible for the delivery of targets and meeting budgets and quality standards etc. Although there could be delegations to the host body to allow it to function effectively, in the same way as other collaborative models (ARCH), SBUHB and HDUHB would need to seek their own Board level approval to decisions to be made by the ODN.

The Services would need to meet national clinical and workforce standards in Wales. To be accredited by the United Kingdom Accreditation Service (UKAS), an organisation must be a defined legal entity. In the context of an ODN, accreditation could be held by, for example, the host, or a new legal entity created to run the ODN (such as by a joint venture). The legal entity does not need to supply all aspects of the Pathology Service but it does need a clear contractual relationship with the other members of the ODN.

## **4.6 Accountability of an ODN**

The ODN may be led by a Chair or Network Director, who will have accountability, oversight and overall responsibility for the care of all patients referred to the Regional Pathology Programme in the geographic area covered by an ODN. A Pathology Transformation Programme Director has been appointed to lead the Pathology Services re-design.

There should be a clear link to supporting the development of nationally contracting products, quality monitoring tools and involvement in developing clinical innovations, so that there is oversight and monitoring in respect of procurement, quality control and improvements to services.

The ODN will need to deliver services in line with an operation network governance model. The Network will need to agree formal mechanisms for gaining the support and commitment of all Pathology services providers, including agreed communication flows between organisations. This should include a commitment to the collection and analysis of data within relevant databases and the sharing of analysed data (i.e. agreed performance indicators).

Within an ODN model, it would be expected that commissioners will continue to be accountable for the commissioning of services and providers for the delivery of services. PHW and each Health Board would either be separately or collectively accountable for the commissioning of services. It is not clear as to whether the host authority will procure on behalf of itself, HDUHB and PHW, or whether each body will procure separately.

There should be sufficient monitoring and reporting of the ODN's annual objectives via annual reports including the agreed annual network outcomes and outputs included in the commissioning Service specifications, network activities, objectives and achievements. Key performance indicators should be identified linked to local, regional and national standards and quality assurance processes undertaken to ensure consistency of standards and quality of care across the network. ODN audit structures and reporting and monitoring processes should be agreed and implemented ensuring transparency of information and ODN standardised operating policies and procedures should be developed and implemented.

## **4.7 Contract Documents, Procurement and Standing Orders/Financial Standing Instructions**

**4.7.1** An ODN may utilise the following contract documents – not all will be required, depending on the nature of an ODN:

- MoU between HDUHB, SBUHB and PHW, setting out the roles and responsibilities of the parties (and potentially MoUs between Area/Network Teams and any other groups within the management structure). It should be noted that pursuant to section 7(5) of the National Health Services (Wales) Act 2006, an 'NHS Contract' (i.e. an arrangement under which one health service body arranges for the provision to it by another health service body(s) of goods or services which it reasonably requires for the purposes of its functions) must not be regarded for any purpose as giving rise to contractual rights or liabilities.
- An MOU may be required with C&VUHB in relation to services provided by the All Wales Genomics Service
- Contract(s) for services to be provided by the provider(s) - if services are to be procured and provided by a private contractor. It is noted that the appointment of a supply chain partner is complete for the Pathology service re-design.

- All relevant providers will have a service Specification requiring networked pathways through an ODN approach.
- Building contract(s) and associated documents (e.g. Collateral Warranties and performance bonds/PCGs) if existing buildings need to be reconfigured or new buildings require construction - Pathology Services has highlighted that there are benefits to be gained by considering a wider approach to regional Pathology Services to achieve further financial benefits of consolidation and address the service risks as well as to best utilise the new building at Morriston Hospital and the refurbishments in other Hospital laboratories. If this approach is to be considered it will need to be looked at in context of the capital building programme for sites without derailing or inappropriately impacting on scope of the Programme.

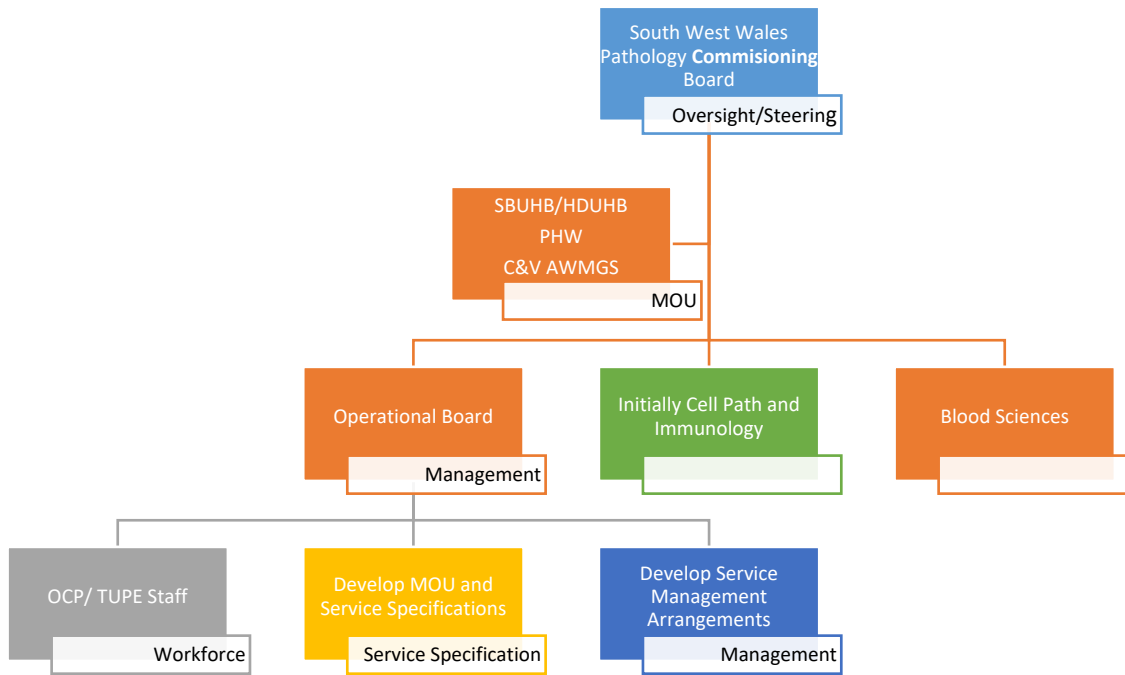
**4.7.2** Consideration should be given to any existing contracts for goods, services or works in place and the contractual consequences should they need to be terminated or novated as part of the re-design (damages may be payable and potential loss of goodwill).

**4.7.3** Where the commissioner (in respect of the Pathology Services re-design, this is assumed to be SBUHB) procures goods, services or works, it will need to comply with its Standing Orders and Standing Financial Instructions i.e. procurement methods must be in accordance with the thresholds set out in Standing Financial Instructions and all appropriate internal approvals should be sought (together with any approvals required from Welsh Government).

In addition to the requirements set out in Standing Orders and Standing Financial Instructions, the Public Contracts Regulations 2015 (PCR 2015) may apply where goods, services or works are procured and are above the relevant financial thresholds. Any failure to comply with PCR 2015 (where a contract is caught by PCR 2015) can lead to a challenge from any aggrieved bidder who lost the contracting opportunity, whereby, damages, civil penalties, a contract being brought to an end and/or other remedies being available depending upon the circumstances. There may also be reputational damage if a procurement challenge is successful and widely publicised.

**4.7.4** The PCR 2015 would not apply to a procurement in the following circumstances (relevant to the Pathology Services re-design):

- Genuine cooperation among the contracting authorities in the carrying out public functions (PCR 2015 regulation 12(7));
- Informal joint-working (i.e. under an MoU);
- Joint appointments/employments; and
- Any other exemption listed under PCR 2015.



#### 4.8 Employment Law Implications

The referenced appendices provide an oversight of the employment implications of the ODN model described above. The advice is provided in general terms and based on a potential restructure and transfer of services to a host organisation.

More specific advice can be tailored to a Pathology Services ODN if this is the chosen management model and when more information is available on precisely where responsibility for services will rest, what the re-design will look like and a comparison of any new structure and current provision.

Based on the above, implications may arise in respect of TUPE (the application and impact of which is considered at (Appendix D) and any resultant restructure (the effects of which are considered in (Appendix E)). In respect of each of these, it is important that consideration is given to the NHS Wales Organisational Change policy (Appendix F) and the need for effective consultation.

#### Do nothing

4.9 Doing nothing risks not being able to deliver a future proofed and sustainable pathology service that will be able to recruit the appropriate clinical workforce. There is the risk that the Pathology service may not be able to meet national quality standards and this will directly impact on the ability to deliver a safe and affective pathology service. Doing nothing may hinder the pathology service being recognised as a core clinical service in relation to its impact on the patient's journey and as part of an integrated health care system.

### 5. General Advice Relating to 'Local/Regional Economy and Community Wellbeing', 'Ability to Address Social Justice and Inequalities', 'Organisational Arrangements' and 'Corporate Impact' Criteria

#### 5.1 Local/Regional Economy and Community Wellbeing & Well-being of Future Generations (Wales) Act 2015 (WBFGA)

SBUHB, HDUHB and PHW are all subject to the WBFGA and must consider the long-term impact of their decisions, how to work better with people and communities and each other through collaboration to prevent persistent inequalities such as poverty and health inequalities; they must look to prevent problems and take a more joined-up approach.

The WBFGA places an obligation on public bodies to improve social, cultural, environmental and economic well-being. The most relevant well-being goals in the context of this Options Paper are:

- A healthier Wales - a society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood; and
- A more equal Wales – a society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic background and circumstances).

In determining the Pathology Services re-design, the requirements of the WBFGA should be considered in relation to the planning, staffing and delivery of Pathology Services. The WBFGA should encourage Pathology Services that are co-ordinated and delivered regionally; one that is managed through collaborations between health organisations and partners, by those directly responsible for their respective populations.

## **5.2 Ability to Address Social Justice and Inequalities**

Equality Impact Assessments (EIAs) could be developed to help promote fair and equal treatment in the delivery of the Pathology Services. EIAs would aim to identify and eliminate detrimental treatment caused by the adverse impact of health service policies upon groups and individuals for reasons of race, gender reassignment, disability, sex, sexual orientation, age, religion and belief, marriage and civil partnership, pregnancy and maternity and language (Welsh).

Obligations on SBUHB, HDUHB and PHW in respect of the well-being goal of 'A more equal Wales' under WBFGA could also assist in addressing social injustice and inequalities.

## **6. Conclusion**

Demand is rising steeply each year, budgets remain tight and there is a need to make services more responsive to the needs and wishes of patients and users, with greater choice available. The Pathology Service needs to adapt to these challenges and strike a balance between the imperative to deliver against short-term priorities and delivering the transformation that is necessary to ensure the long-term viability of pathology.

Following consideration of the legal advice and options scoring activity (Appendix B), the T&F Group's preferred option is the ODN model and the T&F Group consider the Memorandum of Understanding and a Managed Clinical Network to be unsuitable.

A Memorandum of Understanding is not an appropriate long-term solution and works as an 'intention' to honour obligations within the MoU document; they are generally non-binding in nature. As a contractual document, MoUs are not sophisticated enough to act as the operative document for a significant shared service relationship between two or more public bodies and for example, where TUPE is likely to apply.

The MCN is the current model in place for the Welsh Renal Network; however, this model is currently undergoing a review due to the complexity of the governance arrangements. MCNs generally function on good will through collaborative working across organisational boundaries but without having dedicated funding. Responsibility sharing between individuals might be resisted, as it may be seen to undermine a clinician's capacity to treat patients or meet professional goals; consequently, it may be difficult to sell the benefits. Different individuals from different areas may have different ideas on how to bring about a good outcome and it may be challenging to get individuals to agree on what constitutes a good outcome. There may be increased costs and increased complexity in respect of the staff function, coordination, administration and legal fees.

The ODN would appear to be the most favourable management model to take forward and deliver the Regional Pathology Service principles set out in section 2.2. The ODN is a tried and tested model in NHS Wales and considered to be an effective model to bring together the two HB's services. Furthermore, one Health Board hosting the regional service would allow for more consistency in approach, standardisation, equity of service and reduce the administrative functions – enabling a better use of resources for both organisations whilst enhancing service sustainability.

## 7. Recommendation

### Members are asked to:

- **Consider and approve** the Options Appraisal process and progress the development of an Operational Delivery Network management model to manage a regional pathology service;
- **Agree** to create a South West Wales Pathology Network Board to establish the Operational Delivery Network. This will be reviewed at implementation (consisting of planning and delivery phases) and before the Network is operational by Q4 2022/2023 (indicative);
- **Agree** SBUHB future responsibilities based on the ODN by Q1/Q2 2023/4 (indicative);
- **Agree** to work with HDUHB to develop the future arrangements for Blood Sciences Management by Q2/Q3 2023/4 (indicative);
- **Agree** to develop an implementation plan that sets-out the process that will be undertaken to achieve the regional model along with the indicative timeline.

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	Best Value Outcomes and High Quality Care	<input type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>	
<b>Health and Care Standards</b>		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input type="checkbox"/>
<b>Quality, Safety and Patient Experience</b>		
Explain in no more than [5] lines the quality, safety and patient experience implications of the proposal. Once again, this should take the form of an executive summary approach.		
<b>Financial Implications</b>		
Explain in no more than [10] lines the financial implications of the proposal. Once again, this should take the form of an executive summary approach. This section might include comments on whether the expenditure is budgeted or unbudgeted, the proposed timing of the expenditure and cash flow implications. If a detailed business case has been prepared for a proposal, the major financial points of the case should be summarised here. Preparation of this section should follow Financial Guidance Note xx and be cleared by the relevant Unit Financial Business Partner or Assistant Director of Finance.		
<b>Legal Implications (including equality and diversity assessment)</b>		
Set out in paper content above		
<b>Staffing Implications</b>		
See Appendix D		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
See section 5.1 above		
<b>Report History</b>	N/A	
<b>Appendices</b>	Appendices A,B & C	