



**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 March 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Report of the Chair
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Miss Maria Battle, Chairman
SWYDDOG ADRODD: REPORTING OFFICER:	Miss Maria Battle, Chairman

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

To provide an update to the Board on relevant matters undertaken by the Chair of Hywel Dda University Health Board (the Health Board) since the previous Board meeting.

Cefndir / Background

This overarching report highlights the key areas of activity and strategic issues engaged in by the Chair and also details topical areas of interest to the Board.

Asesiad / Assessment

Betsi Cadwaladr University Health Board (BCUHB) – Review of Board Effectiveness

Concerns about working relationships at the most senior level in BCUHB have led the Auditor General to undertake an urgent review of board effectiveness.

We have considered the finding and I would like to reassure our population that the UHB has been committed to Independent Member, Executive and joint Board Development since 2017. Our approach was commended by Audit Wales in their Structured Assessment process for 2022, where they reported that our Board continues to be stable and has a robust approach to learning, development, and continuous improvement, through effective use of the results arising from annual Board and committee self-assessments.

Audit Wales also commended the effectiveness of the working relationship of the Board, stating that ‘the Board is cohesive and there are good working relationships between Independent Members and the Executive Team’. As a Board, we remain vigilant of concerns that are identified by Welsh Government, auditors and regulators across NHS Wales. When these concerns come to light, we review our own processes and systems to provide the Board with assurance of the effectiveness of our own system of internal control. We recognise that this is an area that we must constantly remain vigilant and learn lessons. We will be taking the opportunity to review our position at our Board Seminar on 20 April

2023, alongside this year's Board Effectiveness Assessment and our proposed Board Development Programme.

UHB Awarded Funding for Research and Innovation Projects

We have been awarded over £435,000 funding from UK Research and Innovation (UKRI) for two projects aimed at developing and improving systems to support healthcare and planning on a local and national level in Wales. The UKRI's Horizon Europe Guarantee competition is providing the funding of £168,268 as part of the Horizon Europe project DYNAMO and £266,860 as part of the Horizon Europe project Invest4Health. We are delighted to be involved in these projects and working with partners across Europe to enable collaborative and efficient working, leading to improved health for Wales.

New Diabetes Prevention Programme

Following excellent outcomes from a pilot run in north Ceredigion, our new Diabetes Prevention Programme is now available for those most at risk of developing type 2 diabetes living across Carmarthenshire, Ceredigion and Pembrokeshire. The aim of the prevention programme is to help people identified by their GP as at risk of developing type 2 diabetes to reduce their risk factors through education and support, in partnership with the National Exercise Referral Scheme. The Diabetes Prevention Programme will help reduce the risk of people developing type 2 diabetes by providing rapid access to a professional, a healthy lifestyle assessment and ongoing support to make sustainable behavioural changes. The programme is run by seven health and wellbeing facilitators working across the health board, a clinical lead dietitian and the Education Programme for Patients team in partnership with the National Exercise Referral Scheme.

Robot-Enabled Hip and Knee Surgery Clinical Trial

Since February 2023, state-of-the-art surgeon guided robots have had their surgical skills put to the test as researchers are trialling their use in hip and knee replacement surgery for the first time in the Health Board. The clinical trial is funded through the National Institute for Health and Care Research and delivered in partnership. Joint replacement surgery is one of the most common operations performed by the NHS. The aim of the trial is to determine whether using robots results in better outcomes for patients. Robot-assisted surgery is used with great success in many procedures and can bring numerous advantages when compared to standard surgery. It is a big achievement for the team to be at the forefront of a world-leading multi-centre study like this.

Deaths in Service

I am very sad to report the deaths of respected colleagues and wish to express my sincere condolences on behalf of the Board and the organisation to their family, friends and colleagues.

Alison Terry

Alison Terry passed away on 4 March 2023 and worked for the Health Board for 14 years. As a Psychological Wellbeing Practitioner /Counsellor based in Glangwili Hospital (GGH), Alison was an integral member of the Staff Psychological Wellbeing Team and worked with great integrity and compassion.

Reverend Roger Hart

Reverend Roger Hart passed away in January 2023 and worked in our Chaplaincy Service for 22 years supporting staff and patients in South Pembrokeshire Hospital.

Chair's Action

There may be circumstances where decisions which would normally be made by the Board need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Board. In these circumstances the Chair, supported by the Director of Corporate Governance as appropriate, may deal with these matters on behalf of the Board.

There has been one such action to report since the previous meeting of the Board (attached as Appendices 1, 2 and 3), which relate to the approval of the proposed approach to Energy procurement governance arrangements in Wales.

Board Seminar 2 February 2023

Annual Plan - Underpinning Financial & Workforce Plans

Members received an update on progress regarding our Annual Plan, specifically the proposed new Planning Objectives, Workforce and Financial Planning. Since the previous update to Board Seminar in December 2022, detailed discussions have taken place at Executive Team meetings in order to agree the six priority areas for inclusion in the Annual Plan. Members welcomed the progress to date; however, in recognition of the further work required, an additional Board Seminar meeting was held on 1 March 2023 to present the updated Annual Plan.

Care Home Update

Members received a Care Home Capacity and Fragility Report, highlighting the challenges experienced by the sector. A further report is on today's agenda.

Waiting List Support Service

Members received a Waiting List Support Service update, noting that the service commenced in 2021 as a result of Planning Objective 1E: *To establish a process to maintain personalised contact for elective care patients*. A small pilot undertaken during April – May 2021 tested processes and ways to contact patients with an offer of support, the resulting learning informed the roll out of the service across patients waiting for treatment in all surgical specialities. Members heard that a significant number of patients contacted the team to discuss their care and support in the community and, whilst recognising the patient experience benefits, suggested that robust evidence is required to demonstrate a benefit elsewhere in the system.

Paediatric Consultation

Members received a report regarding proposals on how urgent and emergency paediatric services at Withybush Hospital (WGH) and GGH will be delivered between now and the establishment of the new hospital network. The 12-week consultation period will commence in May 2023, with the output report being presented to the Board in November 2023.

Board Seminar 1 March 2023

Annual Plan 2023/24

Members received the updated Annual Plan 2023/24 outlining the core philosophy in order to provide stabilisation and lay the foundations for a medium-term recovery plan, aligned to our strategy. Members noted that the majority of plans are based upon existing resources (workforce and funding) with the nursing workforce stabilisation programme the main exception to this. The plan is a continuation of the organisation's journey to date, consistent with the strategy and building on the strategic objectives, planning objectives, Board Assurance Framework (BAF) methodology, with fewer planning objectives than during 2022/23. Following discussion, Members requested further clarity on a number of areas including the projected efficiency savings as part of the choices emanating from benchmarking and whether

deliverability and comprehensiveness of the underpinning plan aligns from a financial perspective. Members noted the Health Board's intentions for the latest version of the plan to be taken to the Public Board meeting at the end of March 2023.

Key Meetings

I have attended the following meetings:

- Meeting with Minister for Health and Social Services
- Chair Peer Group
- Meeting with Audit Wales
- Targeted Intervention Peer Review Interview
- Partnership Council for Wales Meeting
- Dyfed Powys Local Medical Committee Meeting
- Hywel Dda Community Health Council (CHC)

Visits/Event

I visited the following areas across the Health Board and thanked all staff who continue to work hard to offer a service to their patients.

- Engagement Housekeeping Visit WGH
- Welsh Community Care Information System (WCCIS) Staff Experience Visit, Cardigan Integrated Care Centre (ICC)
- Bronglais Hospital (BGH) A&E Engagement Visit
- Community Councils Pembrokeshire

Board Member Patient Safety Walkabouts

Historically, Board Members have undertaken formal and informal visits to both acute and primary care teams across Hywel Dda. These visits are really important to listen to staff and understand the current challenges and successes. However, due to restrictions during the COVID-19 pandemic, all visits were paused. In May 2022, formal patient safety visits re-started across Hywel Dda and since the Board was last updated the following areas have been visited:

- BGH Theatres and Emergency and Urgent Care Department (EUCC)
- Prince Philip Hospital (PPH) Minor Injuries Unit (MIU), Same Day Emergency Care (SDEC), Acute Medical Assessment Unit (AMAU), Critical Care & high dependency unit (HDU)

Celebrating Success/Awards

Hywel Dda Nutrition and Dietetics Service

For the second year running, the Health Boards Nutrition and Dietetics Service, in collaboration with the Quality Improvement and Practice development teams, has received high praise for its work during the recent Malnutrition Awareness Week. Malnutrition Awareness Week (MAW) is an annual UK initiative led by the British Association for Parenteral and Enteral Nutrition (BAPEN). As part of a national annual survey undertaken during the week, members of the Health Board's Nutrition & Dietetic team organised the screening survey on hospital wards and in some community settings. Having collected the highest number of surveys, the Carmarthenshire team was also named top screener in Wales by BAPEN. As well as contributing to a significant UK wide survey, we also now have meaningful local data which will be used to improve our services with the aim of preventing malnutrition and helping to detect and address malnutrition problems early.

Green Teams Awards

Hywel Dda University Health Board and Swansea Bay University Health Board have become the first NHS Wales organisations to participate in the Green Teams competition, an award-winning programme that supports NHS staff to improve the sustainability of their service. A showcase event was held at the National Waterfront Museum in Swansea in February 2023. Six teams from each organisation undertook a ten-week programme and were supported by the Centre of Sustainable Healthcare, a registered charity that develops knowledge and resources to support health services to reach net zero carbon and wider sustainability, to implement their projects and measure emissions reductions, financial costs and savings, social impacts and clinical impacts. The Procurement Team, led by Lewis Wells and supported by Gemma Deverill and Miles Thomas were named as the Health Board winner making them the first ever non-clinical winner of the Green Teams competition. As a Board we are very proud of what has been achieved by taking part in the Green Teams competition. As a large public sector body, we have a collective responsibility to do what is needed to embed sustainability and decarbonisation at the core of our operations and business to support the wider public sector ambition to address the climate emergency.

Chartered Institute of Personnel & Development (CIPD) Awards

Organisations and businesses from across Wales were recognised for their high standards of Human Resourcing (HR) and people development practices. CIPD Wales, the professional body for HR and the people development, celebrated the best of the best of individuals and organisations in HR and the people profession across Wales at its annual awards ceremony at Cardiff's City Hall on 3 March 2023. At the awards ceremony the Health Board won the Best Apprenticeship Scheme 2023, which is testament to the work undertaken since the inception of the Apprenticeship Academy in 2019.

The UHB were also shortlisted in the following categories:

- Best Diversity and Inclusion Initiative
- Best Learning and Development/Organisation Development Initiative

On behalf of the Board, I wish to congratulate all the winners and those shortlisted.

Long Service Awards

In 2019, we introduced the Long Service Awards in recognition of staff who have given the most hours, days and years to serving the local NHS across different professions across Carmarthenshire, Ceredigion and Pembrokeshire. We wanted to celebrate staff who have reached milestones working within the NHS. I and other Independent Members have been privileged to meet them personally to present them with their award, listen to their experiences during their 40 years of service, to their advice and to thank them on behalf of the Board.

Employee	Position/Location
Phillip Flear	Head of Decontamination, PPH
Beverley Phillips	Healthcare Support Worker, WGH
Jane James	Registered Nurse - WGH
Jaqueline Thompson	Clinical Site Manager, GGH
Cynthia Thomas	Clinical Site Manager, GGH
Janice McKenny	Clinical Site Manager, GGH
Dawn Tapp	Ward Sister, GGH
Pauline Richmond	Junior Sister, Chemotherapy Day Unit, PPH
Michelle Thomson	Upper GI Macmillan Cancer Nurse Specialist, GGH
Jayne Griffiths	Clinical Coder, PPH

Huw Thomas	Service Manager, GGH
Sonia Hay	General Manager Community & Primary Care, South Pembrokeshire Hospital
Mindy Hawkings	Locality Nurse Intermediate Care, WGH
Thomas Hefin Jones	Plaster Room Manager, GGH
Eileen Davies	Medical Secretary, PPH
Judith Bowen	Corporate Nursing, WGH
Deborah Bonner	Healthcare Support Worker, BGH
Kevin Elsom	Orthopaedic Technician, GGH
John Meirion Williams	Operating department practitioner, GGH
Terry Vaughan	Orthopaedic Practitioner, A&E, GGH
Emyr Evans	Orthopaedic Technician, GGH

Chairs Commendation Awards

The Chair's Commendation Awards aim to celebrate the outstanding dedication of our colleagues. There will be one winner for each award chosen by an impartial panel of staff members each month. If you have witnessed a colleague or team go beyond the requirements of their role to demonstrate our values to an exemplary level then please nominate them for a Commendation Award. The awards event took place on 15 February 2023, with the following awards presented:

Compassion Award

For an individual who has demonstrated compassion to an exemplary level and worked above and beyond the normal requirements of their role to ensure that people are at the heart of everything they do.

October 2022	November 2022	December 2022
Compassion Award Winner – Sandra Miles	Compassion Award Winner – Alison Mann	Compassion Award Winner - OSCE Training Team
Compassion Award Highly Commended - Emma Ackermann and Specialist Older People Mental Health Team	Compassion Award Highly Commended - David Noot, Eirian Gravell and Rhian Prys Jones.	Compassion Award Highly Commended - Jason Hewson and PICU and LSU Nursing and Occupational Therapy Team at Cwm Seren.

Collaboration Award

For an individual who has demonstrated an exceptional ability to foster collaboration, communication and co-operation among partners, colleagues and stakeholders.

October 2022	November 2022	December 2022
Collaboration Award Winner - Rebecca Jones	Collaboration Award Winner - Rebecca Richards	Collaboration Award Winner - Audiology Department
Collaboration Award Highly Commended - Judith Harries and Sandie Phillips and Sian Azjan	Collaboration Award Highly Commended – Carol Ritchie	Collaboration Award Highly Commended - Elisha Bennett and Carmarthenshire Acute and Community Nutrition and Dietetics Teams.

Innovation Award

For an individual who has significantly improved a work process or system / has significantly increased the efficiency of an operation, department or team unit.

December 2022
Innovation Award Winner - Helen Marks and Andrew Hopkins
Innovation Award Highly Commended - IBD Team

Independent Board Member Update

It is with real regret that we see the departure of Mr Paul Newman as an Independent Member of the Board at the end of this month. Paul has been an Independent Member since 2017, and has brought a depth of knowledge, skills and expertise to the Board. As the Chair of our Audit and Risk Assurance Committee, he has reformed how the Committee operates and significantly strengthened and improved the assurance that the Board receives on its internal control framework. I would like to sincerely thank Paul for his service, wise counsel and dedication in his role as a Board, Committee Member and to NHS Wales and wish him well for the future.

Chairs Retirement

As we wish Paul well, I also feel it is timely to share that my tenure as Chair will come to an end in August this year. To ensure continuity of the role as I step into retirement, I have, in discussion with the Minister, agreed that I will stay in post as Chair until October 2023 while we recruit to the position. It has been an honour to serve as Chair of the Health Board, and work alongside our dedicated staff and Board Members who work tirelessly every day to ensure the health and care of our patients and population and to deliver our ambitious strategy. I am sure that in the coming months there will be plenty of opportunity to meet and thank individuals who have supported me in this time. I encourage individuals who are interested in supporting the future ambitions of our Health Board to apply for the position of Chair when it is advertised by Welsh Government, and will work with the new appointee to ensure a smooth transition in leadership.

Argymhelliad / Recommendation

The Board is asked to:

- **SUPPORT** the work engaged in by the Chair since the previous meeting and note the topical areas of interest;
- **RATIFY** the action undertaken by the Chair on behalf of the Board, detailed in Appendices 1, 2 and 3.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability

Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	6. Contribute to global well-being through developing international networks and sharing of expertise 8. Transform our communities through collaboration with people, communities and partners

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Chairman's Diary & Correspondence
Rhestr Termiau: Glossary of Terms:	Included within the body of the Report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Chairman

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	No impact
Ansawdd / Gofal Claf: Quality / Patient Care:	Ensuring the Board and its Committees make fully informed decisions is dependent upon the quality and accuracy of the information presented and considered by those making decisions. Informed decisions are more likely to impact favourably on the quality, safety and experience of patients and staff.
Gweithlu: Workforce:	No impact
Risg: Risk:	No impact
Cyfreithiol: Legal:	No impact
Enw Da: Reputational:	No impact
Gyfrinachedd: Privacy:	No impact
Cydraddoldeb: Equality:	No EqIA is considered necessary for a paper of this type.

Appendix 1 - Register of Chairman's Actions 2022/23

Serial No.	Requesting Department	Details of Request	Cost, where applicable	Date Issued	Date Signed by Chair
130	Finance Directorate	To approve the proposed approach to Energy procurement governance arrangements.	N/A	10.02.2023	30.03.2023

Chairs Action Meeting 28.02.23

Present:

Maria Battle
Maynard Davies
Paul Newman

In attendance

Joanne Wilson
Huw Thomas
Karen Richardson
Emma Cavanagh (part)

NWSSP Procurement Services Energy Contract

Referring to *Appendix 3 NWSSP Procurement Services Contract Ratification Paper*, Mr Paul Newman requested clarity on the “baskets” available to the Health Board (locked or variable contracts), given that all Health Boards will have different levels of consumption per year. Mr Huw Thomas understood that the intention would be to fix for 6 months and to adopt the same risk appetite across Wales. However, recognising the differences in consumption across Wales, there could be an option for a smaller organisation to fix for a different term. For assurance, the costs will be reviewed by the new Wales Energy Group (WEG) and a Wales Energy Operational Group (WEOG) as a subgroup to the WEG, which will report to the NWSSP Board. If required, amendments would then be presented to each Health Board for approval.

In response to a query from Mr Newman relating to the benchmarking of Crown Commercial Services (CCS) baskets outlined within Appendix 3, Mr Thomas advised that he is not aware of available data from alternative energy providers. The assumption is that being part of a larger consortium will enable the Health Board to have access to lower energy prices.

Mr Maynard Davies queried whether there is a conflict of interest due to CCS working with NWSSP in reviewing the options. Whilst NWSSP rely on CCS for a number of services, Mr Thomas provided assurance that CCS have been only been supporting the process not formally advising, therefore there is no conflict of interest. Mr Thomas added that since 2014, Health Boards in Wales have been reliant on an individual from Swansea Bay University Health Board monitoring energy markets, which is unsustainable with the current market conditions, therefore a risk based approach has been proposed going forward. Further the support of CCS will reduce fragility and being part of the overall public sector working across the UK, should provide assurance. Mr Newman supported the proposed approach, however requested assurance that the Health Board could leave the contract if the outcome was not as expected.

Mr Thomas invited Ms Emma Cavanagh (NWSSP Procurement Sourcing) to join the meeting to respond to specific queries relating to the “baskets” and contracts.

In response to a query from Mr Newman regarding the contract length, Ms Emma Cavanagh advised that from her understanding each basket has a specific contract and termination length, adding that CCS has been contacted to confirm this is correct. Ms Cavanagh further advised that currently only one basket is available that starts in October 2023, which would be 12 month rolling contract, until the Health Board issues notice to leave. Other basket options are expected, however these are not available at this time.

Mr Newman enquired whether once a basket ends could the Health Board move to another provider. For clarity, Ms Cavanagh advised that there may be an option to join multi baskets to provide energy to different Health Board sites and that these could have different timeframes. There could also be an option to lock in a basket up to 6 months ahead of start date, however the specific details are awaited.

For clarity Ms Cavanagh advised that the team are reviewing the Terms of Reference for WEG and WEOG to establish whether there is an option to join more than one basket, however reiterated that this would need to be all Wales approach. In terms of KPI's, CCS have provided a high level overview statement which they monitor against, which could be shared with Members.

Mrs Maria Battle queried that were the service provided by the energy supplier not meeting the requirements of the Health Board, could there be an option to leave under the supply of goods act. Ms Cavanagh believed that this would need to be checked against the access agreement and agreed to confirm. In response, Mr Thomas commented that if enacted, it would take 6 months to go through such a process.

In terms of benchmarking against other frameworks, Ms Cavanagh advised this it is only benchmarked with CCS and CCS benchmark themselves against BEISS industry prices. Mr Thomas added that two suppliers have been identified, one for gas and one for electric, although the names are not yet known.

Mr Newman and Mr Maynard requested further clarity on CCS benchmarking and whether multiple baskets will be an option before they could be in a position to approve Chairs Action.

Recommendation

On the basis that further information as noted above is required, it was agreed to hold a further Chairs Action meeting to approve the NWSSP Procurement Services Energy Contract before 15 March 2023.

Follow up meeting 10.03.2023

Present:

Maria Battle
Maynard Davies
Paul Newman

In attendance

Charlotte Beare
 Huw Thomas
 Karen Richardson

Mr Thomas advised that the ratification report to Board includes a response to the queries raised at the meeting on 28.02.23 (extracted below). Further proposed that we reserve the right to cancel the contract if Board does not approve the process at its meeting on 30 March 2023 and agreed to highlight this to Board.

Following discussion at the Chairs Action meeting on the 28.02.2023 clarifications were sought from NWSSP around Exit Clauses. The following information was clarified.

Firstly, with regards to exit points, there are set dates for notice to be given (to join or to exit if already signed up to the basket choice) and this will be dependent on the choice of basket/s that NHS Wales join. As advised in the NWSSP subsequent meeting, purchasing commences 6-30 months ahead of supply (dependent on the basket choice) and the stipulated minimum period to be included in a basket is 12 months. Unless notice is given (determined by the incumbent basket notice period) the contract will continue to roll. Currently we await confirmation from CCS regarding the basket choices which will be available to NHS Wales, and it is our understanding that any approach to basket selection will be taken on an AW approach with uniform criteria (should multiple baskets be selected). Below is an example of an indicative basket timeline (please note confirmation of basket choices and dates available to NHS Wales has not yet been received therefore this should not be taken as a precise representation):

Basket	Join Deadline	Join Date (Supply Commences)	Termination / Join Deadline	Supply Ends*	Termination Notice Period	Supply Commences **
October Locked 6	10 Working days before 1 April	1 October (6 months after April)	15-Mar 23	30-Sep-23	6 months	01-Oct-23
Variable 30	10 working days before 1 October	1 April (30 months after October)	15-Sep-23	21-Mar-26	30 months	01-Apr-26

*Only applicable if **EXITING** basket

Only applicable if **JOINING basket

Secondly, on the choice of CCS, at the time of market research, the public sector framework organisations available to us were LASER, NEPO and YPO. However, when these smaller organisations are combined their total public sector spend is no more than 30% of CCS spend. Therefore, NHS Wales spend was benchmarked with the CCS framework in view that the organisation can leverage their buying power on behalf of the public sector. Moreover, belonging to a wider family as CCS will ensure continuity of supply during times of market volatility and any unforeseen shortage of supply can be mitigated by the intervention of the UK government.

The transfer of purchasing arrangements is expected to take approximately 6 months to allow for a termination of the BGB contract and the new establishment of the CCS contract.

Mr Newman and Mr Davies confirmed that following clarification they were happy to proceed and approve Chairs Action.



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 March 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	NWSSP Procurement Services Energy Contract Ratification Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Katharine Fletcher, Deputy Head of Operational Procurement, NWSSP Procurement

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The NHS Wales Shared Services Partnership (NWSSP) Procurement Services Energy Contract Ratification Report is being presented to the Sustainable Resources Committee to discuss and consider the proposed approach to Energy procurement governance arrangements, prior to approval at a Chair's Action meeting on 28 February 2023 and ratification by the Board at its meeting scheduled to be held on 30 March 2023. This report outlines a proposed and recommended approach to revising the All-Wales NHS Energy Governance and Procurement management arrangements for 2023/24.

The current global energy price crisis has driven significant volatility in the marketplace with price increases not previously experienced. The All Wales Directors of Finance (AWDoFs) group has considered the need to review and revise the current governance and procurement arrangements considering the issues currently being experienced.

Given the historical long standing Energy management arrangements via the Energy Price Risk Management Group (EPRMG), there is a recognised need to ensure future governance arrangements are appropriate and the operational management and procurement arrangements are aligned to explicit delegated responsibilities of the current NHS bodies in Wales. Additionally, a resilient and sustainable solution is required which must be less onerous and time consuming and less reliant on a few experts to make the process more manageable.

Cefndir / Background

The NHS Wales procurement arrangements for purchasing Energy (Gas & Electric) have been in place since 2005 and pre-dates the current NHS organisational structure.

Given the exceptional energy price increases and volatility experienced during 2022/23, there was a review undertaken by the AWDoFs to consider current arrangements and how they may be strengthened and made more sustainable for the future.

The current situation has been assessed, options have been considered and benefits identified to support the recommended approach.

In addition, the current Energy provider British Gas Business (BGB) has confirmed they will be exiting the industrial and commercial market in the future and will not be offering a renewed contract option. As such, a new provider has been sought and Crown Commercial Services are judged to offer the best option for NHS Wales.

The proposal recommended in this paper aims to:

- Continue with the All Wales 'Once for Wales' approach
- Establish a revised compliant procurement arrangement with Crown Commercial Services for NHS Wales – managed through NWSSP
- Establish a new Wales Energy Group (WEG) and a Wales Energy Operational Group (WEOG) as a subgroup to the WEG, which will report to the NWSSP Board. The Terms of Reference for the Group's to be established is in Appendix A.

Asesiad / Assessment

Current national governance arrangements for management and procurement are described below.

All Wales NHS - Energy Price Risk Management Group (EPRMG)

- Established in 2005, when energy was administered by Welsh Health Common Services Authority (WHCSA) for NHS Trusts.
- Decisions on when and how much to purchase is taken by EPRMG, chaired by an NHS Director of Finance (DoF) (NB. The same DoF has led this since its inception and is considering retirement)
- Membership from All NHS organisations and NWSSP, estates, procurement, and finance staff
- Purchasing Strategy determined by EPRMG based on Market Analysis, Current Prices, and Inherent Risk
- Traditionally meetings held 4-6 times per annum
- Currently on a weekly basis
- During periods of extreme volatility in the last year – 3 meetings a week
- Daily Monitoring of prices undertaken jointly by DoF as EPRMG chair and NWSSP which allows prices to be tracked and tranches of volumes secured when appropriate – benchmarking shows strong historical performance
- EPRMG Terms of Reference suggest that the group is established as a subgroup under the AWDOFs group and is “accountable to the Directors of Finance” in HBs and Trusts

All Wales Procurement of Energy Contracts

- Procurement for All Wales Energy contracts is undertaken by NWSSP (excludes PFI and leasehold properties)
- Gas and Electricity is supplied by BGB through two All Wales Contracts
- Power (electricity) – let 2015; extended May 2022; contract end date 31 March 2025
- Gas – commenced 1 April 2022; contract end date 31 March 2027
- Ability to purchase Energy on a Monthly or Quarterly basis through multiple tranches
- Market Experts provide 'In Person' monthly Market Analysis and daily Market Overview Briefing documents
- Contracts permit tranches of energy to be forward purchased via the British Gas trading desk

Context

The current situation, which is advocating the need to refresh management governance arrangements and the requirement to consider revised procurement arrangements, is presented below:

- Energy Market 'spiked' inexplicably in Autumn 2021
- Expected to be short lived because there were no underlying factors such as 'outages of processing' or shortage of supply
- When markets began to reduce to lower levels, Russia invaded Ukraine in Spring 2022
- When markets show sign of reducing to lower levels, flows by Gazprom reduce/stop
- Supply/demand in Europe is finely balanced due to closure of Nuclear and Coal Plants and loss of Oil and Gas supply from Russia
- UK appears sufficiently supplied but there are pipelines for both Gas and Electricity to Europe – Energy operates on a Global price Market basis
- The outlook and market direction for energy remains unpredictable

Between August 2021 and August 2022, NHS Wales energy prices rose by 670% for Gas (£44 to £281 per therm) and 484% for electricity (£40 to £218 per Mega Watt hour) – these are prior to the non-recurrent government price cap support.

Management Governance -

- EPRMG TORs states that “representatives should have delegated authority of their respective organisations” – given the establishment in 2005 it is unclear whether this is explicitly in place for current organisation structures.
- NHS Energy Management in Wales report (Wales Audit Office, Dec-2005) notes that Welsh Health Supplies had established an energy price risk management group to agree, in advance, target price thresholds with “decision-making delegated further down the management chain than is normal”.

Procurement –

- BGB announcement in Aug 2022 of withdrawal from industrial and commercial sector but will honour current contracts.
- While there is a termination period under the contract, there is an option to terminate early without penalty being discussed with BGB to allow for a new arrangement to be put in place.

Resilience & Sustainability

- Expertise is limited to a single DoF who is considering retirement
- Meetings were 4 to 6 times per year and are now up to three times per week
- A refreshed arrangement is required to manage the current volatility more sustainably.

Assessment & Proposal

The volatility of the current global economic environment, particularly impacted by Ukraine crisis, is affecting the energy market globally, with significant volatility being experienced. While the UK government is supporting costs with 'caps', this is not recurrent, and a future proofed solution is required for NHS Wales.

The key points identified above for 'context' support the need to refresh management arrangements for NHS Wales (this could potentially grow to public sector Wales, but this paper focusses on proposals for NHS Wales as a priority).

An AWDofFs Task & Finish Group was established to progress a review, consider options, and make recommendations.

Management Options

The AWDofFs considered several permutations and options including.

- Continuing with EPRMG in current form
- Retaining decisions at organisation level (no national procurement)
- Establishing a revised all Wales approach, with clear organisational Board delegation for decision making and monitoring

The preferred option is to establish a revised all Wales approach, with clear organisational Board delegation for decision making and monitoring. This includes.

- Advocating the continuation of the All Wales, 'Once for Wales' approach – i.e., single decisions for all NHS Wales procurement.
- NWSSP Board (“**NWSSPB**”) to act as the oversight Board for All Wales Energy Purchasing.
- Establish a new Wales Energy Group (“**WEG**”) - with delegated authority to agree national purchasing decisions (ToR and membership to be confirmed) and report to NWSSPB – to meet quarterly.
- Establish a new Wales Energy Operational Group (“**WEOG**”) as a sub-group to the WEG – for operational management issues (ToR and membership to be confirmed) -to meet monthly

Procurement Options

NWSSP undertook market analysis to identify alternative service providers and contractual routes to market with a view to replace BGB as the business intelligence provider and market interface for Energy procurement.

Public Sector Procurement Organisations (Energy Framework Agreements)

A number of public sector buying organisations (and associated Framework Agreements) were reviewed as follows:

- Crown Commercial Services (CCS)
- LASER Energy Services (operated by Kent County Council)
- North East Procurement Organisation (NEPO)
- Yorkshire Purchasing Organisation (YPO)

The largest, consolidated energy provision contractual arrangement has been identified as CCS. The combined expenditure of the remaining three organisational frameworks above and combined with a range of smaller public sector organisations is estimated to be 30% of the total CCS public sector energy expenditure.

Commercial Brokers

Other NHS Trusts in England utilise commercial brokers as advised by CCS. Three of the largest are Inspired Energy, Energy Information Centre, and Inenco. CCS estimate that all commercial brokers combined would not reach a third of the CCS total public sector spend.

Alternative Frameworks

In addition to the above, CCS estimate that 6-8 English NHS Trusts utilise NHS Countess of Chester Hospital framework, and some Trusts source energy themselves as per NHS Wales' current arrangements.

Energy Consultancy

At present, no such consultancy is available within the market outside of the energy brokerage and procurement organisation options stated above. Consequently, the recommendation is that the WEG will be established with delegated authority to make purchasing decisions for energy. The key decisions will be around "basket selection" and are therefore anticipated to be less frequent than the current process with commitments for periods of 6 months through to 30 months dependent on type of basket selected.

Contract Proposal

The current Energy market landscape has highlighted exposure to risk of utilities supply. This has been demonstrated by a few suppliers who have dissolved over the past 12 months. Additionally, the reduced number of participants within the larger industrial and commercial supply market means procurement exercises will be subject to reduced or no competition.

In addition to aggregation benefits that the CCS RM6011 framework can offer, the benefit of collaborating with other public sector organisations within the CCS family (customer base) in this time of huge energy market uncertainty will enable NHS Wales to have a protected market supply whereby the UK government can intervene in case of emergencies/force majeure. Therefore, the option to join the CCS framework should be considered.

CCS have the largest aggregated public sector energy spend in the UK with 1104 customers for supply period FY 22/23. This is made up of 34% Central Government, 35% NHS, and 31% wider public sector. For FY 21/22 approximately 60% of NHS England Trusts utilised the framework. The scale of the CCS energy team of circa thirty-six (36) colleagues would offer NHS Wales security that the sourcing of energy would be handled appropriately by a team of energy experts and analysts. CCS have indicated that their independent risk management strategy group would welcome NHS Wales colleague/s to participate in their risk strategy governance.

CCS offers several baskets which are either locked (prices are secured prior to delivery period) or variable (purchasing continues into the delivery period). Variable 30 is the most comparable basket compared to NHS Wales' current flexible trading arrangement. However, further information and data analysis can be provided by CCS to aid and inform the decision of basket(s) that NHS Wales may consider utilising. CCS confirmed that it is possible for different NHS sites to utilise different basket options to manage the portfolio across NHS Wales appropriately.

In addition to the basket options, there are also bespoke baskets for consideration. CCS has indicated that they would not be willing at this stage to consider creating a new bespoke basket for NHS Wales, but that the option to join existing bespoke baskets may be available.

CCS has confirmed that fees for utilising the framework are charged at meter level and are based on an annual fixed fee which is paid monthly within non-commodity charges. They estimate based on NHS Wales portfolio that the annual fee would be circa. £100k.

Consideration should be taken for the reduced resource and time requirements of NHS Wales

staff across the EPRMG, Energy team and finance team who are involved in purchasing strategy and currently meet weekly. This has increased to as frequent as 3-times per week at the start of the Ukraine conflict. Interaction and communication between the Energy team and BGB trading desk takes place several times per day.

Following Discussion at the Sustainable Resources Committee (“SRC”) on the 28th February 2023 clarifications we sought from NWSSP around Exit Clauses. The following information was clarified.

Firstly, with regards to exit points, there are set dates for notice to be given (to join or to exit if already signed up to the basket choice) and this will be dependent on the choice of basket/s that NHS Wales join. As advised in the NWSSP subsequent meeting, purchasing commences 6-30 months ahead of supply (dependent on the basket choice) and the stipulated minimum period to be included in a basket is 12 months. Unless notice is given (determined by the incumbent basket notice period) the contract will continue to roll. Currently we await confirmation from CCS regarding the basket choices which will be available to NHS Wales, and it is our understanding that any approach to basket selection will be taken on an AW approach with uniform criteria (should multiple baskets be selected). Below is an *example* of an indicative basket timeline (please note confirmation of basket choices and dates available to NHS Wales has not yet been received therefore this should not be taken as a precise representation):

Basket	Join Deadline	Join Date (Supply Commences)	Termination / Join Deadline	Supply Ends*	Termination Notice Period	Supply Commences **
October Locked 6	10 Working days before 1 April	1 October (6 months after April)	15-Mar 23	30-Sep-23	6 months	01-Oct-23
Variable 30	10 working days before 1 October	1 April (30 months after October)	15-Sep-23	21-Mar-26	30 months	01-Apr-26

*Only applicable if **EXITING** basket

Only applicable if **JOINING basket

Secondly, on the choice of CCS, at the time of market research, the public sector framework organisations available to us were LASER, NEPO and YPO. However, when these smaller organisations are combined their total public sector spend is no more than 30% of CCS spend. Therefore, NHS Wales spend was benchmarked with the CCS framework in view that the organisation can leverage their buying power on behalf of the public sector. Moreover, belonging to a wider family as CCS will ensure continuity of supply during times of market volatility and any unforeseen shortage of supply can be mitigated by the intervention of the UK government.

The transfer of purchasing arrangements is expected to take approximately 6 months to allow for a termination of the BGB contract and the new establishment of the CCS contract.

Recommendation

It is recommended that NHS Wales commences negotiation with BGB to discuss the early exit of both contracts NMD-OJEU-36871 Supply of Natural Gas, and AW3642 Supply of Electricity and progresses the process of joining CCS framework RM6011 Supply of Energy and Ancillary

Services for both Gas and Electricity by no later than the **15 March 2023** deadline. Consideration and insight should be given to which basket choices would be most suitable for NHS Wales' portfolio.

Benefits

The proposed changes will create a more sustainable arrangement for Energy purchasing for NHS Wales which will:

- Re-align and make explicit management governance and delegated decision making with current NHS Wales organisational structures.
- Provide clarity on the future of Energy procurement arrangements for NHS Wales
- Improve resilience in future decision making and monitoring

Conclusion

The proposal recommended in this paper aims to:

- Continue with the All Wales 'Once for Wales' approach
- Establish a revised compliant procurement arrangement with Crown Commercial Services for NHS Wales – managed through NWSSP
- Establish a new WEG, and WEOG as a subgroup to the WEG, which will report to the NWSSP Board.

Argymhelliad / Recommendation

The Board is requested to ratify that the above paper was discussed and additional clarification sought from NWSSP around exit clauses on the proposed approach to Energy procurement governance arrangements. This was undertaken prior to approval at a 'Chairs Action' meeting arranged for the 10 March 2023 and ratification by the Board at this meeting held on 30 March 2023, including:

- The revised governance group arrangements, and
- The proposed new Energy procurement contractual arrangements with Crown Commercial Services including Exit Clauses

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.6 Regularly review contractual performance with key delivery partners.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	6. Sustainable use of resources

Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termau: Glossary of Terms:	Included within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Energy Price Risk Management Group All Wales Directors of Finance.

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Inherent within the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable

**Welsh Energy Group (WEG)
Welsh Energy Operational Group (WEOG)**

Draft Terms of Reference – March 2023

Scope

The energy requirements of the NHS in Wales have a combined value in excess of £134m per annum. The overall portfolio comprises of over five hundred sites each requiring a supply of Gas, Electricity, Fuel Oils and/or Biomass Fuel.

Given the exceptional energy prices and volatility in the energy markets, an All Wales Directors of Finance (AWDoFs) Task & Finish Group was established in 2023 to progress a review, consider options and make recommendations in regard to the governance of energy procurement for NHS Wales. The outcome of this was the recommendation for the following groups to be formed:

- Wales Energy Group (WEG) - with delegated authority to agree national purchasing decisions & report to the NHS Wales Shared Services Partnership Committee (SSPC)
- Wales Energy Operational Group (WEOG) as a sub-group to the WEG – for operational management issues

This document's purpose is to define the Terms of Reference (ToR) for both of the above groups.

WEG

The WEG shall establish a strategy for the procurement of gas and electricity which will define basket choices from the Crown Commercial Services (CCS) framework options available to NHS Wales. The strategy shall have the aim of balancing risk limitation with cost certainty to the NHS Wales energy budget. Group members will be provided with monthly energy market analysis from CCS, in order to develop expertise of group members and aid informed decision making. The group will meet quarterly – with the option to increase frequency as market volatility dictates. The WEG shall also act as the All-Wales Programme Review Board regarding the renewal, extension and ratification of Gas and Electricity contracts made on an All-Wales Basis.

WEOG

The WEOG shall establish a common model to supplier management and best working practices across all NHS Wales utility contracts. Group members will be provided with monthly energy market analysis and insight from CCS, in order to keep members well-informed of market conditions. The group will meet monthly – with the option to increase or decrease the frequency if required.

Structure

WEG

The group will consist of Directors of Finance representatives from each of the Health Boards, Special Health Authorities, NWSSP and Trusts, or their deputies who will act with the delegated authority of their respective organisation to contribute to the collective decisions

of the Group. The group will also include representation from NWSSP Procurement Services and NWSSP Finance.

WEOG

The group will consist of representatives from each of the Health Boards, Special Health Authorities, NWSSP and Trusts, made up of colleagues from various departments such as (but not limited to) Estates, Facilities and Finance. Representatives should have the delegated authority of their respective organisations to contribute to the decisions relevant to the scope of the Group. The group will also include representation from NWSSP Procurement Services.

Membership

WEG

It is suggested that the Group consist of the following members as a minimum;

- Chair of the Group
- Vice Chair of the Group
- Health Board/ Special Health Authority /NWSSP/ Trust Directors of Finance representatives or deputies with the delegated authority of their respective organisation to contribute to the decisions of the Group
- Representative(s) from NWSSP Procurement Services and NWSSP Finance.

The Group shall Co-opt an Account Manager or Market Analyst of the framework provider (CCS) for each meeting of the WEG to provide market intelligence.

It may be necessary for separate Task & Finish group(s) to be established in order to undertake specifically defined programmes of work with clear objectives and timescales. In such instances, the WEG will determine the remit and membership of such groups and the resultant groups will report progress and deliverables to the WEG and WEOG where appropriate.

Quorum – The minimum group representation required to make any decision shall be the Chair of the Group (or the Vice Chair), the Head of Sourcing from NWSSP Procurement Services (or a deputy nominated by the same) and sufficient additional members so that there are no less than seven member organisations represented at the meeting.

WEOG

It is suggested that the Group consist of the following members as a minimum;

- Chair of the Group
- Vice Chair of the Group
- Organisation representatives from various departments such as (but not limited to) Estates, Facilities, and Finance as appropriate
- Representative(s) from NWSSP Procurement Services and NWSSP Finance.

The Group shall Co-opt an Account Manager of the framework provider (CCS) for each meeting of the WEOG to provide market intelligence and discuss matters arising in relation to the Gas and Electricity contracts. Additionally, the group shall Co-opt a commodity supplier representative on a bi-monthly basis to facilitate account management discussions.

It may be necessary for separate Task & Finish group(s) to be established in order to undertake specifically defined programmes of work with clear objectives and timescales. In such instances, the WEG will determine the remit and membership of such groups and the resultant groups will report progress and deliverables to the WEOG and WEG where appropriate.

Quorum – The minimum group representation required to make any decision shall be the Chair of the Group (or the Vice Chair), the Head of Sourcing from NWSSP Procurement Services (or a

deputy nominated by the same) and sufficient additional members so that there are no less than seven member organisations represented at the meeting.

Role of the Groups

WEG

- To ensure a consistent approach to the procurement / sourcing of Gas and Electricity throughout all aspects of the NHS in Wales.
- To input into the development of a strategic procurement model for Gas and Electricity contracts within NHS Wales.
- To provide a platform for the framework provider to share utility market intelligence with all Health Boards, Special Health Authorities, NWSSP and Trusts within NHS Wales.
- To develop, agree and manage the Purchasing Strategy for the All-Wales Gas and Electricity contracts having received market intelligence and actual price/contract performance, and agree in a timely manner national purchasing decisions (i.e., basket choice).
- To monitor contract performance with the WEOG representative/s providing an update of performance of the Gas and Electricity contracts.
- To monitor NHS Wales Gas and Electricity forecasts as provided by the supplier and supply regular financial forecasts to all member NHS organisations.
- To nominate NHS Wales member(s) as required for participation in the suppliers External Risk Management (ERM) group
- To ensure that the Terms of Reference for the WEG/WEOG are reviewed each year.

WEOG

- To ensure a consistent approach to the contract management of the supply of all utilities (including but not limited to Gas, Electricity, Fuel Oils, and Biomass) throughout all aspects of the NHS in Wales.
- To allow all parties to discuss their respective levels of satisfaction in respect of those Services provided via all Contracts managed by the WEOG and to agree any action necessary to address areas of dissatisfaction.
- To monitor and discuss the performance of supplier(s) against the terms of the All-Wales Utilities contracts and (where necessary) agree a strategy for enforcing said contractual terms, including (but not limited to) the use of performance improvement notices, financial penalties, and termination of contracts.
- To support the role of the Local Estates and Energy leads by enabling a collaborative approach to contract management.
- To agree and monitor Key Performance Indicators for All Wales Utilities contracts.
- To consider any changes required to the supply of utilities in line with national policies and strategies as they change and develop.
- To provide an update of performance of Gas and Electricity contracts to WEG, by nominated person/s.
- To nominate NHS Wales member(s) as required for participation in the suppliers Operational Improvement Group (OPIG)
- To ensure that the Terms of Reference for the WEG/WEOG are reviewed annually

Market Analysis

WEG

The framework provider will provide a market overview prior to the development of a Purchasing Strategy by WEG. The framework provider will not influence the development of the strategy and decisions will be verbally agreed by NHS Wales WEG attendees.

The Purchasing Strategy will decide basket(s) for NHS Wales to join, and should multiple baskets be selected, define meter level criteria for basket participation.

The framework provider shall provide monthly/quarterly/annual market and basket analysis as required by NHS Wales, which will be distributed to the WEG and WEOG by NWSSP Procurement Services.

WEOG

The framework provider shall provide monthly/quarterly/annual market and basket analysis as required by NHS Wales, which will be distributed to the WEG and WEOG by NWSSP PS.

Authority and Accountability

NWSSP Procurement Services has the authority to conduct market engagement activity, on behalf of all Health Boards, Special Health Authorities, NWSSP and Trusts, in NHS Wales, from the governance divested in NHS Wales Shared Services Partnership. The Group shall be accountable to the Directors of Finance in all NHS Wales Health Boards and Trusts.

The WEG is under the authority of NHS Wales Shared Services Partnership Committee and therefore will be required to submit an update/highlight report to each meeting of the NHS Wales Shared Services Partnership Committee as instructed.

WEG

All decisions made by the WEG should ideally be via the consensus of all member organisations in attendance at the relevant WEG meeting. In the event that consensus cannot be reached, a decision will be made by means of a vote whereby each member organisation will have a single equal vote and a decision based on the view of the majority. NWSSP Procurement Services will have no vote. In the event of a tied result, the Chair of the Group will have the casting vote.

The WEG is a sub-Committee of the Shared Services Partnership Committee. The All-Wales Directors of Finance Group will be responsible for nominating a Chair and Vice Chair for the WEG from within NHS Wales once every two years or as necessitated due to the resignation of the previous Chair. The Shared Services Partnership Committee will be responsible for appointing the Chair and Vice Chair. Individuals will not be restricted from undertaking these roles for longer than two years provided that the Shared Services Partnership Committee approve, and All-Wales Directors of Finance Group is in favour of their continued tenure

WEOG

All decisions made by the WEOG should ideally be via the consensus of all member organisations in attendance at the relevant WEOG meeting. In the event that consensus cannot be reached, a decision will be made by means of a vote whereby each member organisation will have a single equal vote and a decision based on the view of the majority.

NWSSP Procurement Services will have no vote. In the event of a tied result, the Chair of the Group will have the casting vote.

The WEG will be responsible for appointing a Chair for the WEOG from within NHS Wales once every two years or as necessitated due to the resignation of the previous Chair. The WEG will also appoint a Vice Chair. Individuals will not be restricted from undertaking these roles for longer than two years provided that the WEG is in favour of their continued tenure.

The WEOG shall also have the authority to agree the award and renewal of supply agreements for other utilities contracts (Fuel Oils and/or Biomass) on behalf of the Health Boards, Special Health Authorities, NWSSP and Trusts, in NHS Wales.

Performance Monitoring and Financial Forecasting

The framework provider shall be required to produce quarterly reports outlining the overall performance of trading on behalf of NHS Wales. This will include analysis of the traded periods in comparison to the average market price for each tradable period and information provided by the Department for Energy Security and Net-Zero. This report shall evidence the overall pricing activity carried out in relation to the pure energy components of each contract only. Whilst the Group will acknowledge the impact of transmission, transportation, and other industry pass through costs, no accountability will be borne by the group in this respect. This report will be provided at each quarterly meeting of the WEG and will be distributed onwards to WEOG members by NWSSP Procurement Services.

The framework provider shall also be required to produce an annual report each financial year providing a forecast of out-turn costs for each NHS Wales organisation for that financial year. By request, they will also be required to provide forecasts of utilities costs for future years as may be required to meet IMTP planning requirements.

Frequency of meetings

The WEG shall meet on a quarterly basis as a minimum. The Group will, at its discretion, agree intermediate meetings if these are deemed to be warranted. The WEOG shall initially meet on a monthly basis and at its discretion, may amend the frequency of the meetings and agree intermediate meetings if required.

Content of meetings

Each of the WEG meetings will consist of the following activities.

- Brief internal pre meeting to enable discussion for NHS members prior to main meeting forum (The framework provider will not be at the pre meeting).
- Approve the minutes of the previous WEG meeting and review agreed actions.
- Review of the energy market activity, trends and factors which influence commodity pricing (to be provided by the framework provider).
- WEG member to provide feedback from the suppliers External Risk Management (ERM)
- Review of the performance of the WEG Purchasing(baskets) as executed by the framework provider
- Review of Gas and Electricity supplier(s) performance, including any agreed KPIs and improvement actions – with summary to be provided by nominated person/s from WEOG.
- Framework provider's report of any change to pass-through costs to enable member organisations to project total energy costs.
- Updates on specific projects and activity of any separate Task & Finish group(s).

Each of the WEOG meetings will consist of the following activities.

- Brief pre internal meeting to enable discussion for NHS members prior to main meeting forum with framework provider and supplier(s) present. (The framework provider will not be at the pre meeting)
- Approve the minutes of the previous WEOG meeting and review agreed actions.
- Review of framework providers summary market report on those factors currently affecting utility pricing.
- Supplier risk (framework provider to highlight any risk of note)
- Review of supplier performance, including any agreed KPIs and improvement actions.
- Supplier's presentation of any information requested by the Group, for example billing, Complaints etc
- Framework provider's report of any change to pass-through costs to enable member organisations to project total energy costs.
- Any potential new/deleted sites affecting volumes to be flagged
- Updates on specific projects and activity of any separate Task & Finish group(s).
- WEOG member to provide feedback on the CCS Operational Improvement Group

While it is acknowledged that the WEOG will focus on Gas and Electricity contracts, the Group's meeting agenda will also include review of other Utility contracts, such as Fuel Oils and Biomass, at least once per annum. The inclusion of such contracts as part of the agenda will be notified to the Group in advance. This will enable additional personnel as may be required to be co-opted into the Group for those specific meetings where other Utility contracts will be discussed.