

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 March 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Regional Pathology Operational Delivery Network (ODN) – Update on Development of ODN and Capital Development of Laboratory Services
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Director of Operations
SWYDDOG ADRODD: REPORTING OFFICER:	Neil Miles, A Regional Collaboration for Health (ARCH) Pathology Programme Director

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

This report is provided to update the Board on the development of the Regional Pathology Operational Delivery Network (ODN) between Hywel Dda University Health Board (HDdUHB) and Swansea Bay University Health Board (SBUHB) and the related capital development of a Laboratory Centre of Excellence on the Morrison site and local laboratory refurbishments for the region.

At its May 2024 meeting, the Board approved the adoption of the Transitional Memorandum of Understanding (MOU) to support the development of the Regional Pathology Operational Delivery Network (ODN) between SBUHB and HDdUHB.

The Pathology ODN group was asked to return to Boards in March 2025 to update on progress and, if applicable, seek approval to move to a final agreement.

In parallel, the Health Boards have been developing capital proposals via the Welsh Government Business Case process (SOC approved and OBC development supported) for the construction of a Centre of Excellence Laboratory for the region on the Morrison Hospital site alongside local Laboratory refurbishments across the network.

In summary:

1. The ODN development is not yet ready to move to full adoption and Board is asked to support the existing Transitional ODN agreement that will be completed shortly.
2. Welsh Government have stated that further development of the Outline Business Case (OBC) for the Pathology Centre of Excellence will not be supported and therefore no capital solution for a fit for purpose laboratory network service is currently available

This report will explore these two issues further and seek support for further development of the Pathology ODN alongside an alternative option for the development of the laboratories in the region.

Cefndir / 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.

Chronology:

2012	Regional Cellular Pathology Board was set up to discuss and progress a plan for regional working.
2014	All Wales Cellular Pathology Project was launched and tasked with considering options and delivering change
2015	Option appraisal was completed re Cellular Pathology 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.
2016	Implementation of proposed models passed to Health Boards
2019	Strategic Outline Case for Regional Pathology in South West Wales submitted to Welsh Government for capital funding
2021	SBUHB and HDdUHB agreed the need to create a Regional Pathology service model. This approach, new for NHS Wales but not across the United Kingdom would enable joint recruitment, collaborative development of service plans, standardisation of approach, equipment and facilities and the benefits of consolidation. 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 were considered.
2022	A Regional Pathology Task and Finish (T&F) Group chaired by Andrew Carruthers COO HDdUHB, and supported by Christine Morrell as SRO for the ARCH Regional Pathology Transformation Programme. considered their options for the management model and undertook an appraisal and sought advice from NHS Wales Legal and Risk services.
2022	November public Boards considered options and approved a preferred way forward for the formation of a Regional Pathology service in South West Wales. The conclusion was the development of an Operational Delivery Network (ODN) for Pathology services with an aim to be operational by Q4 2022/23,
2022	Strategic Outline Case approved for development of Hub Laboratory on Morriston Hospital site and local laboratory refurbishments.
2023	Appointment of Supply Chain Partners (Kier Healthcare) to develop the Outline Business Case (OBC) for the formation of the Hub Laboratory and local Laboratory refurbishments.
2023-24	ARCH Pathology Team recruited to develop and delivery programme of change across the formation of the Network and development of the OBC in collaboration with the Supply Chain Partners

Operational Delivery Network – ODN

The Operational Delivery Network Transitional MOU (approved May 2024) provided a governance framework to enable the organisations to work together on the detail of delivering a Regional Pathology service.

The Transitional MOU submitted to Board in May 2024 provides that the termination date is 31 March 2025 or on completion of the Project whichever is the latest, so this can continue until such time as the ODN is established fully. In that time, a final MOU will be drafted that will be in place at the start of the ODN.

It will facilitate the organisations to:

- Share information
- Develop a joint management structure
- Outline considerations for staff working across the region
- Undertake joint procurement
- Develop regional leadership arrangements and governance

To date the following developments have been agreed:

1. Development and agreement of regional Mortuary service. Appointment of a regional mortuary team, joint training processes and rotations. A single Designated Individual (DI) for the regional mortuary service following the retirement of the HDdUHB post holder
2. Baseline assessment of performance, resources, quality/accreditation, compliance and workforce for the region
3. Review of existing logistics and transport arrangements
4. Staff engagement in all laboratories in the region to develop the identity and culture of the regional service and understand the current strengths and challenges on each individual site.
5. Development of proposals for investment in Digital Cellular Pathology in both Health Boards
6. LIMS 2.0 roll out regionally. To ensure that the region has a consistent pathology digital system with replicable supporting processes in both health boards

However, since approval, the Regional Pathology Transition Group has not completed the following required tasks:

1. Development of the Service Specification for the Pathology ODN
2. Development of Commissioning arrangements including quality management and assurance
3. Implemented the leadership team for the regional service
4. Information and data sharing of staff information and clinical service information

There are a number of factors contributing to this position, including lack of clarity of overall Regional structures and processes but also the wait for an outcome and now changing position on the Hub Laboratory building. The associated reduction in capital funding and activity in relation to the Hub building has slowed progress on the ODN also as the dedicated Pathology support team has disbanded due to lack of funding stream.

Further, due to retirements and resignations, there are no Clinical Leadership post holders in Pathology or Cellular Pathology in either Health Board.

However, the findings of the Internal Audit report into the Regional Mortuary Services (limited assurance) and the establishment of the Regional Joint Committee between the Health Boards provide both the need and opportunity to strengthen regional governance in the Pathology service. Also, further changes to estate suitability, workforce challenges, performance challenges and the overall financial position of the Health Boards remain clear indications of the opportunities that a regional pathology solution could bring.

Therefore, there is a request to continue with the Transitional MOU until such time as the ODN is established. The aims within this year will be to:

Quarter 1	<p>Agree financial and commissioning framework and draft budget and budget management arrangements</p> <p>Commence collaboration on cross regional staff training and recruitment</p> <p>Utilise joint commissioning opportunities for contract replacements</p> <p>Agree regional management structure</p> <p>Develop Regional Cellular Pathology estate options</p>
Quarter 2	<p>Advertise and appoint Regional Pathology Management and Clinical Leadership roles</p> <p>Implement Regional pathology laboratory information system (LIMS 2.0)</p> <p>Agree Cellular Pathology estates plan and develop implementation options to include business case and procurement opportunities</p>
Quarter 3	<p>Commence 'shadow' Regional Management structure</p>
Quarter 4	<p>Implement regional Cellular Pathology Management Structure</p> <p>Commence implementation of agreed Cellular Pathology estates solution</p>

The Regionalisation of other discipline structures should continue through 2026/27 i.e. Blood Sciences/Laboratory medicine.

It is felt that the additional time will be more productive due to the renewed commitment of the two Health Boards to work regionally on a much broader scale than has been considered to date through the establishment of the Regional Joint Committee. Also, additional oversight has been allocated to the Pathology Programme via the two Health Board Vice-Chairs

This refreshed impetus to the programme, despite the disappointment of the outcome of capital discussions with Welsh Government, will support both organisations in prioritising the required work in Q1 and beyond to really progress the development of the joint structure.

Hub Laboratory Centre of Excellence - Outline Business Case

The May 2024 Board paper outlined the history of the development of the Hub Laboratory via the Welsh Government capital business case route.

At the time of writing (May 2024) an outcome was awaited from the Welsh Government capital prioritisation process to support the fee for the redeveloped Outline Business Case for the revised scheme.

As was reported at January 2025 Board meetings, Welsh Government had confirmed to both Health Boards that they were not able to support the development of the Outline Business Case for Regional Priority given the size of the scheme and the lack of available capital funds. However, dialogue continues between SBUHB Capital and Finance teams and Welsh Government on whether alternative options are available to consider the requirement to at least provide improved Cellular Pathology facilities in the region, if not a fully integrated Hub Laboratory.

A small group of teams in capital, finance, and the pathology service from both Health Boards are meeting to consider the implications of this position and what alternative options are required to sustain laboratory services in the region in the immediate and short term. Options will be reported back to the ODN Transitional Group for consideration.

It is important to note that this fee also supported the internal costs and direct appointments of staff to deliver the Pathology Regional scheme (capital and ODN) and without this, momentum has slowed as post holders secured jobs elsewhere or were deployed onto other priorities.

Asesiad / Assessment

The development of the ODN aims to provide stability and sustainability to pathology service across the region that is mutually beneficial to both Health Boards. Developing critical mass of service delivery, joint training and quality management systems, single digital information systems and collective recruitment too hard to recruit to roles will all contribute to decreasing risk with current service delivery methods.

The balance of risk between the organisations does need to be considered as part of the establishment of the network and arrangements with regard, for example, facilities risks.

Both Health Boards have laboratories with substandard facilities in terms of space, equipment and environment (i.e. backlog maintenance outstanding) and are severely limited in terms of development and modernisation opportunities to streamline process and efficiency and utilise the most modern equipment. In turn, this contributes to the challenge of recruiting, training and retaining staff for this critical service. This varies by hospital site and discipline but is most acute in cellular pathology located in Singleton and Glangwili Hospitals.

Cellular Pathology was a key area of the proposed Hub building by providing a single laboratory for the region, replacing the two existing ones and forming the core of the network. Without the Hub building, there is additional risk to the formation of the network and to both Health Boards individually as they might have to find alternatives to Welsh Government funding to improve vital laboratory services.

One of the key aims of the network is to ensure consistency of service delivery to the regional population regardless of their location. This will be achieved through the implementation of digital pathology solutions where possible, the development of a robust regional transport and logistics network and the timely analysis and reporting of investigations.

Developing consistent service models and equipment and processes in all laboratories will also shore up business continuity through the movement of samples in the event of any laboratory down time in any site.

Therefore, the implementation of Digital Cellular Pathology (DCP) technology and the overall Pathology Information System (LIMS 2.0) across both Health Boards are key enablers to development of a seamless regional service ensuring the flow of information, reporting and samples across laboratory sites and creating consistency of processes and standards across the region.

The resources to support the Regional Pathology Programme have principally been provided via Welsh Government Capital funding. In addition to the support of the Design Team and Supply Chain Partners through the OBC development (building, design, cost advise, mechanical and electrical engineering, transport planning and healthcare planning) the capital funding was also supporting a dedicated Pathology Regional project team of internal staff to lead and implement the programme. This included funds for clinical sessions to ensure clinical leadership and involvement in the development of the network and the laboratory facilities.

This funding effectively ceased in April 2024 while a decision on the revised OBC was awaited from Welsh Government. Whilst some resource remains (Programme Director), other appointments reached the end of their fixed term contracts and found employment elsewhere in the NHS. Internal resources from SBUHB capital teams who were working on the project were redeployed elsewhere in the SBUHB capital portfolio.

The funding for the Programme Director role will cease in October 2025. Without any additional dedicated resource identified the risk of embarking on such as extensive programme of work is significant.

However, as outlined, the joint commitment of both Health Boards through the Regional Joint Committee to developing regional solutions to challenges will provide renewed impetus to establish the Pathology Network in 2025/26.

Argymhelliad / Recommendation

The Board is asked to:

- **CONSIDER** the implications of the delayed development of the delayed Regional Pathology Operational Delivery Network (ODN) and decision by Welsh Government to not support the further development of the Outline Business Case to develop the Hub Pathology Centre of Excellence
- **APPROVE** the extension of the Transitional Memorandum of Understanding to recommit the Health Boards to develop an alternative Pathology solution at pace
- **APPROVE** the continued development of the Regional Pathology ODN via the leadership of the Regional Pathology Transition Group
- **ACCEPT** the need to review the resource to support the delivery of the regional pathology programme
- **AGREE** to receive an update of the development of options to provide fit for purpose cellular pathology services in the region at its September 2025 Board meeting

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1930 – risk score 20 1807 – risk score 16 1526 – risk score 20 1309 - risk score 20 1554 – risk score 16 1310 – risk score 10 1701 – risk score 9 1745 – risk score 15
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable

Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Contained within the body of the report
Rhestr Termiau: Glossary of Terms:	Contained 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:	HDdUHB Executive Team SBUHB Management Board Regional Pathology Task and Finish (T&F) Group

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	<p>The resources to support the Regional Pathology Programme have principally been provided via Welsh Government Capital funding. In addition to the support of the Design Team and Supply Chain Partners through the OBC development (building, design, cost advise, mechanical and electrical engineering, transport planning and healthcare planning) the capital funding was also supporting a dedicated Pathology Regional project team of internal staff to lead and implement the programme. This included funds for clinical sessions to ensure clinical leadership and involvement in the development of the network and the laboratory facilities.</p> <p>This funding effectively ceased in April 2024 whilst a decision on the revised OBC was awaited from Welsh Government. Whilst some resource remains (Programme Director) other appointments reached the end of their fixed term contracts and found employment elsewhere in the NHS. Internal resources from SBUHB capital teams who were working on the project were redeployed elsewhere in the SBUHB capital portfolio.</p> <p>The financial implications of developing the Transitional MOU relate to the fees associated with the advice and input from NHS Wales Shared Services Legal and Risk teams. This is estimated to be in the region of £2500 (final figure dependent on hours on input required from</p>

	<p>the legal team). SBU and HDUHB Legal and Risk teams have agreed to a 50/50 split of these costs.</p>
<p>Ansawdd / Gofal Claf: Quality / Patient Care:</p>	<p>One of the key aims of the network is to ensure consistency of service delivery to the regional population regardless of their location. This will be achieved through the implementation of digital pathology solutions where possible, the development of a robust regional transport and logistics network and the timely analysis and reporting of investigations. Developing consistent service models and equipment and processes in all laboratories will also shore up business continuity through the movement of samples in the event of any laboratory down time in any site.</p>
<p>Gweithlu: Workforce:</p>	<p>The ODN will involve the creation of a single management team for Pathology across the region. Work is underway to determine the extent by which existing staff are eligible for consideration to appointment to these roles or they will be 'new'. Development of these roles will continue through the ODN Transition phase with appointments to be made towards the conclusion of the phase as the Network prepares to go live.</p> <p>The ODN will be hosted by SBUHB and all staff will work for the Pathology Network regardless of the location of their role. Therefore the Transitional ODN Board will oversee the transfer of existing Hywel Dda staff and vacancies into Swansea Bay employment. Initial engagement has taken place to this effect with staff side groups in both organisations.</p> <p>Additionally, the Pathology team have completed two rounds of face to face engagement with pathology staff on all 8 laboratory sites in the network, to share the detail and progress of the ODN and OBC and to develop a strengths and challenges matrix for the existing service model and provision. This engagement is being extended to 'users' of the pathology service in secondary and primary care in coming months.</p>
<p>Risg: Risk:</p>	<p>The development of the ODN aims to provide stability and sustainability to pathology service across the region. Developing critical mass of service delivery, joint training and quality management systems, single digital information systems and collective recruitment for hard to recruit to roles will all contribute to decreasing risk with current service delivery methods. The balance of risk between the organisations does need to be considered as part of the establishment of the network and arrangements with regard for example capital investment in retained local laboratory services outside of any investment secured by the capital process will need to be considered i.e. significant backlog maintenance to existing buildings.</p> <p>One of the key aims of the network is to ensure consistency of service delivery to the regional population regardless of their location. This will be achieved through the implementation of digital pathology solutions where</p>

	<p>possible, the development of a robust regional transport and logistics network and the timely analysis and reporting of investigations. Developing consistent service models and equipment and processes in all laboratories will also shore up business continuity through the movement of samples in the event of any laboratory down time in any site.</p>
<p>Cyfreithiol: Legal:</p>	<p>The development of the ODN will require due consideration and legal sign off by both Health Boards prior to commencement. This will be a key activity of the ODN Board during the Transition period. The work of the Transition Board will be supported by a Memorandum of Understanding that will require approval by both Boards. This will consider the structure of the ODN Board and the use of delegated responsibilities of Executive Directors of both Boards.</p> <p>The development of the Transitional ODN MOU and final ODN MOU is being developed by legal and governance representatives from both Health Boards and legal advisors from NHS Wales Shared Services.</p> <p>The Transitional MOU proposes Quality reporting mechanisms through Health Board committee's during the transitional period (every other month) and that a view will need to be taken by those committee's in advance of the formal launch or how assurance should be provided on a recurrent basis.</p> <p>It is also proposed that an update be provided through the Transitional period to committee's focussed on Finance and Performance issues and approval is sought for commissioning and contracting issues through these mechanisms in the transition period.</p>
<p>Enw Da: Reputational:</p>	<p>The Pathology network and capital improvements to laboratories in the region will improve and sustain pathology as a modern, flexible, high quality diagnostics service for the region. This will ensure equity of access, performance improvements in turnaround times, recruitment and retention of staff and integration of pathology services with other parts of the clinical pathway to optimise patient care.</p>
<p>Gyfrinachedd: Privacy:</p>	<p>The Transitional MOU includes the development of Information Governance and Data Sharing agreements between both Health Boards. This will be essential to workforce change and the sharing of activity information for pathology services to assist in the planning of the delivery of the networked service.</p>
<p>Cydraddoldeb: Equality:</p>	<p>Equality Impact Assessments (EIAs) should 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,</p>

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.