

Evidence Statement for the Public Accounts Committee
Monday, 25 September 2017 14:30
Auditor General for Wales' Report of Cardiff and Vale University Health
Board's Contractual Relationships with
RKC Associates Ltd and its Owner

Introduction

1. Cardiff and Wales University Health Board (the UHB) has received the report of the Auditor General for Wales (the report) dated July 2017, relating to the UHB's contractual relationships with RKC Associates Ltd and its Owner.
2. The UHB is deeply disappointed at the findings of the Auditor General for Wales. We have taken much learning from the report, and from the work that has taken place within the UHB following its publication. The UHB, in conjunction with its colleagues in Procurement and Human Resources / Workforce, has developed a comprehensive action plan to make the necessary further improvements to ensure no similar incidents of this kind occur in the future. This statement seeks to provide the Committee with the assurance that the UHB has learned fully from this incident and taken definite steps to avoid this happening again.
3. The report was discussed openly at the meeting of the UHB's Board on 27 July 2017. It has also been raised at meetings of the UHB Management Executive, Health Systems Management Board, Local Partnership Forum and discussed with Senior Trade Union / Staff Side representatives.
4. Following publication of the report, the UHB's Chair and Chief Executive briefed local and regional Assembly members in July 2017. An update was provided to the Wales Audit Office at a meeting on 2 August 2017 informing it of actions already progressed.
5. The UHB action plan is attached to this statement as Appendix 1. It will be presented to the UHB Board on 28 September 2017 and its Audit Committee on 26 September 2017; the papers for these meetings have already been published and are available to the public. The action plan will thereafter be monitored by the Audit Committee. The action plan has also been shared with the Wales Audit Office.

Background

6. On 1 October 2014, the UHB's Director of Workforce and Organisational Development (WOD) was seconded at short notice to the Wales Ambulance Services Trust as Interim Chief Executive. This was to assist the Wales Ambulance Services Trust as the UHB's Director of WOD had the skills

urgently required by it, and was a developmental opportunity for the individual who aspired to a Chief Executive role.

7. This secondment resulted in a shortfall in the HR leadership capacity. In order to address this, the UHB entered into three contracts with a private company between 1 December 2014 and 31 March 2016 for the provision of HR consultancy services. The owner and sole director of this private company, Ms Chana, was subsequently appointed as the UHB's Director of WOD in April 2016 and left the UHB in November 2016.
8. Three main areas have been called into question within the report: the awarding of the consultancy contracts; the management of the recruitment process to appoint the replacement Director of WOD; and the way in which information was relayed to the UHB Board, its Remuneration and Terms of Service Committee and the Chief Executive of NHS Wales, Dr Andrew Goodall.

Awarding of the Consultancy Contracts

9. Two of the three contracts awarded for the private provision of HR consultancy services, were done so without competitive tendering. The UHB fully accepts that the way in which it procured and managed the consultancy contracts in question was not of the high standard it aspires to, and is rightly expected of it.
10. As acknowledged by the Wales Audit Office, the UHB has a number of detailed policies and procedures covering this area. These are developed to standardise processes based on best procurement practice and set out the governing principles for public procurement, for example, the Scheme of Delegation, Standing Orders, Standing Financial Instructions and Financial Control Procedures. The UHB's Standing Financial Instructions clearly state that, 'procurement of all works, goods and services in excess of £25,000 exclusive of VAT is to be by competitive tendering'.
11. Although the public procurement regulations are complex, Senior UHB officers are expected to be aware of the need for compliance with the rules, and to seek advice if they are unsure as to their applicability. It is clear that services should have been properly procured by competitive tendering. Regrettably our policies were not followed on this occasion, and there was no reference to the UHB's Head of Procurement as provided for in our Scheme of Delegation.
12. Unfortunately it is not fully known why policy was not followed on these occasions. It is clear however that the UHB needs to reinforce the rules, and its officer's roles and responsibilities and must ensure that the organisation fully learns the lessons from this one incident. As a result, the Chair, Chief Executive and Senior Management have critically looked at UHB systems and processes to improve upon them wherever possible.

Action Taken

13. Following the report it has been particularly important to gain assurance that there are no further instances of poor practices. To this end we have engaged with Internal Audit to carry out a review of procurement focusing on contracts that have been let. We are awaiting the outcome of that Audit. In addition we have also carried out an internal review of all manual payments made to Consultants or individuals in the period 2014-17, with an invoice value greater than £5k. A total of 227 contractors / suppliers have been reviewed.
14. Ten contracts of the 227 have been commissioned without procurement oversight over the last 3 years. We have engaged with all of the Lead Officers involved reminding them of the procurement rules and of their responsibility to ensure that these rules are adhered to. Two of these contracts have been referred to NHS Counter Fraud Service Wales.
15. Transparency with UHB staff is crucial, and we are mindful that confidence needs to be regained. The Chief Executive has issued an amnesty, encouraging staff to come forward to him with any other concerns they may have and has provided assurance that anything raised will be explored to further identify lessons to be learned.
16. Our senior staff from the Health Systems Management Board have also been asked to surface any issues whereby there are perceptions that contracts were not let in accordance with procurement rules. Three external Consultancy Contracts were highlighted during this process and each have been looked into. It was found that in all three cases the procurement rules were observed. Two contracts were Direct Awards however in both cases they were taken from the appropriate Framework Agreement, and the Single Supplier justifications to support the Direct Award were approved. The third contract was conducted as a mini-competition via an appropriate Framework Agreement. This mini-competition is also a recognised and valid procurement process.
17. Despite the All Wales policies and procedures, it is clear that additional safeguards are required to ensure compliance. Prior to the report, a review of our processes was already in train in response to changes to the IR35 legislation¹ relating to off-payroll working in the public sector. New process guidance for off-payroll working (attached to this statement as Appendix 2) has been cascaded throughout the UHB following approval by its Management Executive on 14 August 2017.

¹ Her Majesty's Revenue and Customs (HMRC) introduced the 'intermediaries legislation' commonly known as IR35 or off-payroll rules in April 2000. This legislation is intended to combat tax abuse by an individual who would be treated as an employee were it not for the fact that they provide their services via their own company, called 'disguised employees' by HMRC. From April 2017, where a public sector organisation engages an off-payroll worker through their own limited company, that organisation will become responsible for determining whether the rules should apply, and, if so, for paying the right tax and National Insurance Contributions.

18. The process around requesting approval of contracts has been changed with a procurement checklist (attached to this statement as Appendix 3) having been implemented. This checklist sets out a defined approval hierarchy to ensure compliance with Standing Orders and EC Regulations and requires more than one signatory, the Board Secretary signs to confirm process has been complied with together with the Finance Director, and the Chief Executive and Chair will also sign depending on the contract value.
19. A no purchase order, no payment system will be implemented, which will prevent the processing of manual payments. By implementing this policy, the risk of non-compliance with procurement processes is significantly reduced as manual payments will not be processed.
20. All external Consultancy contracts are now signed off by the Chief Executive. We are committed to utilising temporary employment contracts rather than consultancy contracts wherever possible.
21. The current Terms of Reference for the Remuneration and Terms of Service Committee do not provide for the reporting of Consultant appointments. A review of these Terms of Reference will include a requirement to report any Executive level secondments and Consultancy appointments for approval to this Committee.
22. Training on the law, rules and regulations relating to employment and procurement was provided to all Board members at the Board Development Day in August 2017. This training will be provided to the new Independent Board members who are commencing on 1 October 2017. This training is being cascaded at Clinical Board senior management teams and throughout the organisation to Directorate Management level. In addition, a procurement flowchart has been developed for Board and Senior Managers.
23. The Procurement Guide for Staff (Appendix 4), which was developed in conjunction with NHS Wales Shared Services Partnership Procurement Services, and approved through the All Wales Directors of Finance Sub Group, is provided to UHB staff as part of the training delivered by the UHB Procurement Department. This has been reviewed, provided to the Management Executive Team meeting for cascading to Clinical Boards and Corporate Departments and published across the UHB.
24. Even though a procurement process was applied for the third contract, this was deeply flawed. Areas for improvement have been highlighted in relation to maintaining adequate and accurate documentation and strengthening the contract approval process within the UHB. The Chair and Chief Executive have written to those that submitted tenders for this contract to notify them of the findings of the report and apologise for the procurement process falling short of what would be expected.
25. An enhanced training programme for procurement staff, focusing on the conclusions of the Wales Audit Office report, is being delivered. Existing audit

processes within the Procurement Department have been enhanced to verify compliance with contract procedure, 30 audits have been completed to date with no significant issues highlighted. The Procurement Department has also applied for quality management accreditation in respect of its tendering processes.

Management of the Recruitment Process to appoint the replacement Director of WOD

26. On 30 September 2015, the seconded Director of WOD left the employment of the UHB. The UHB commenced a process to appoint a new Director of WOD but despite a national advertisement campaign and using a recruitment agency to undertake a rigorous recruitment process, the interest shown in the position was very limited with only eight people applying. The recruitment agency informed the UHB that the field of potential experienced candidates was very small across the UK and the UHB was not deemed competitive on salary rates for this role within the UK. Three candidates were shortlisted and two subsequently withdrew from the process for different reasons. It was decided to interview the sole remaining applicant.
27. At the same time, Ms Chana was encouraged by Professor Cairns to apply for the post which she did in January 2016. Unfortunately in January 2016 the recruitment agency informed the UHB that the other applicant had also withdrawn meaning Ms Chana became the sole candidate for consideration. It was unfortunate that there was only one remaining applicant for the post however Ms Chana came to the interview with a very good track record of delivery within the organisation that she had secured over the previous 14 months. This was evidenced in the reports to the People Performance and Delivery Committee on 12 May 2015 and 10 November 2015. The report on 10 November 2015 set out the data showing reduction in vacancies and reduction in turnover of staff, increase in statutory and mandatory training and performance and development reviews and reduction in sickness absence, the latter identifying a £600,000 direct cost reduction since January 2015.
28. Ms Chana had been tasked with taking this recruitment process forward. Once she became a candidate, this should have been accounted for in the interview questions and presentation topic. Unfortunately this was not the case and they remained unchanged.
29. The Recruitment Panel unanimously agreed to appoint Ms Chana on a one year fixed term contract. In making this decision it took into account her performance at interview, her track record, her request for some remote working and the mixed views of the panel. This would also allow the UHB to test the market in a year's time.
30. The Remuneration and Terms of Service Committee received a report from the Chief Executive on 2 February 2016 seeking approval for an uplift of salary to £150,000 for a 12 month fixed term contract. The Committee was advised that this was considerably less than the costs attached to the

previous arrangement, that Ms Chana was an experienced interim, that there had been a lack of quality candidates and the recruitment agency had advised that the remuneration offered for the post was not competitive within the overall UK market and relocation expenses would not be incurred. The Committee ratified the salary arrangements to be offered to Ms Chana subject to Welsh Government approval.

31. High level appointments are often challenging to recruit due to small numbers of applicants with the relevant skills and experience. Despite this rarity and pressurized situation, the recruitment process should remain wholly transparent and objective and the report illustrates that the process in this instance should have been better managed which we completely agree with.

Action Taken

32. The UHB has looked at how these senior appointment processes are conducted and how the office of the Chief Executive and Director of Workforce and Organisational Development can work better together to ensure compliance with processes and that satisfactory documentation is maintained.
33. A full review of the procedures used to recruit Executive Directors and other Senior Managers has been undertaken. This has resulted in a revision of the Executive recruitment process to include a clear defined role for the Director of Workforce and Organisational Development, which can be delegated to their Deputy or Director of Corporate Governance if circumstances require or a conflict arises. This change in process was used for the recruitment of the substantive Director of Workforce and Organisational Development in August 2017.

Relaying of Information to the UHB Board and its Committee

34. The UHB fully accepts that information should have been better and more accurately relayed to its Board, Remuneration and Terms of Service Committee and Audit Committee. The Board recognises that it can better support its Independent Board Members in relation to their Committee roles, to equip them to confidently scrutinise decisions and hold the Board to account.
35. The UHB also recognises that it can strengthen the compliance reports provided to its Audit Committee to improve oversight.

Action Taken

36. Training for Independent Board Members, including those sitting on the Remuneration and Terms of Service Committee, covering their roles and responsibilities was delivered in August 2017. Legal and governance training for all Board members on their roles and responsibilities will also be provided at the October 2017 Board Development Day and will be included in the

induction for new Board members. The quality of information and its presentation to the Remuneration and Terms of Service Committee is also under review.

37. The statutory compliance report provided at each Audit Committee has been enhanced to include our compliance with and exceptions to recruitment requirements, Standing Orders and Standing Financial Instructions.
38. A review of our Internal Audit Programme has also been undertaken and appropriate Internal Audit days identified for 2018 to include audits relevant to the issues highlighted in this report, such as procurement practice both retrospective and on-going to test compliance with new processes. The results of these audits will be presented to the Audit Committee and any irregularities pursued with the relevant staff.

Additional Improvements

39. The UHB recognises that policies / procedures and training, whilst the foundation of good practice, are part of a bigger picture that includes a culture of sound behaviours and values, adherence to the rules at all levels of the organization, and an environment that enables individuals to confidently highlight departure from any rules no matter how senior those involved.
40. The UHB introduced a "Safety Valve" system to encourage staff to raise concerns directly with the Chair about patient safety. This has been successful and has developed into a 24/7 telephone line for staff to report concerns, guidance for staff on how to raise concerns and or managers on how to consider concerns. In relation to procurement / governance, the UHB is raising the current Procedure for NHS Staff to Raise Concerns (which includes whistleblowing) at the Directors of Workforce and Organisational Development Group to ensure it adequately provides for staff to raise all concerns, including those referred to in the report regarding non-compliance.
41. An internal protocol is also being developed to provide a system for senior leaders to raise concerns, with clear lines of reporting should a concern relate to the Chair, Vice Chair or Chief Executive. This includes identifying an Independent Member lead.
42. A bulletin will be circulated to the UHB Board and throughout the UHB reinforcing the Nolan principles of Good Governance, duties of probity / candour and the Values and Standards of Behaviour Framework, including Declaration of Interest duties.
43. The UHB is committed to communicating openly and transparently with its staff and all stakeholders about the findings of this report, the actions being taken by the UHB and their progress. This will be achieved via public meetings of the Board / Audit Committee and Local Partnership Forum,

communication bulletins and publishing of the action plan on the UHB intranet and internet for access by all staff and stakeholders. The learning gained from the report will also be beneficial to our wider NHS colleagues and therefore we will openly share our experience and systems developed with other Health Boards and Trusts throughout Wales.

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Action Plan in Response to the Wales Audit Office Report in Respect of Cardiff and Vale University Health Board's Contractual Relationships with RKC Associates Ltd and its Owner

Conclusion 1 - The way in which the Cardiff and Vale University Health Board (UHB) procured and managed HR consultancy contracts awarded to RKC Associates fell well short of the standard that the public has a right to expect of a public body

- a) The UHB failed to comply with its own procurement procedures when it awarded consultancy contracts to RKC Associates in November 2014 and June 2015 and in consequence both the contracts and payments made under them are potentially unlawful.
- b) The award of consultancy contracts to RKC Associates breached public procurement rules.
- c) The UHB failed to undertake due diligence checks of RKC Associates resulting in the UHB being exposed unnecessarily to financial and reputational risk.
- d) The UHB was in breach of its own Standing Financial Instructions when it agreed contracts with RKC Associates which had been drafted by the owner of RKC Associates.
- e) The UHB appointed the owner of RKC Associates to deliver consultancy projects, but the UHB utilised her as a senior member of staff and, in consequence, has potentially over-claimed VAT amounting to £58,162.
- f) As the Officer who signed the contracts with RKC Associates in November 2014 and June 2015, the UHB's Chief Operating Officer had a duty to ensure proper process had been followed. The failure to do so has cast doubt on whether the decisions to award these contracts were based entirely on valid considerations.
- g) The UHB did not exercise effective financial monitoring of its contracts with RKC Associates, with payments exceeding the contracted value and contractual expenses not being verified.

UHB Response to Conclusion 1

Following publication of the Wales Audit Office report, a full report was received at the UHB's Board meeting on 27 July 2017 and discussion conducted in the public session of that meeting. In addition, the report has been raised at the meetings of our Management Executive (ME) and Health Systems Management Board (HSMB), and discussed with Senior Trade Union / Staff Side representatives and at our Local Partnership Forum (LPF).

As acknowledged by the Wales Audit Office, the UHB has a number of detailed policies and procedures covering this area. These have been developed to standardise processes based on best procurement practice and set out the governing principles for public procurement, for example, the Scheme of Delegation, Standing Orders, Standing Financial Instructions and Financial Control Procedures. Regrettably, these processes were not followed on this occasion, and there was no reference to the UHB's Head of Procurement as provided for in our Scheme of Delegation.

The Procurement Guide for Staff which was developed in conjunction with NHS Wales Shared Services Partnership Procurement Services, and approved through the All Wales Directors of Finance Sub Group in 2015, is provided to UHB staff as part of the training delivered by the UHB Procurement Department and will be further reinforced throughout the UHB.

Prior to the Wales Audit Office report, a review of our processes was already in train in response to changes to the IR35 legislation¹ relating to off-payroll working in the public sector. In addition, the process around requesting approval of contracts has been changed, a procurement checklist that sets out a defined approval hierarchy has been implemented to ensure compliance with Standing Orders and EC Regulations and that more than one signatory is obtained. All external Consultancy contracts are now signed off by the CEO.

The UHB, in conjunction with its colleagues in Procurement and Human Resources / Workforce, has developed this action plan to make the necessary further improvements to ensure no similar incidents of this kind occur in the future. The Action Plan will be presented to the UHB Board on 28 September 2017 and its Audit Committee on 26 September 2017 and will thereafter be monitored by the Audit Committee. The Action Plan has also been shared with Wales Audit Office.

¹ Her Majesty's Revenue and Customs (HMRC) introduced the 'intermediaries legislation' commonly known as IR35 or off-payroll rules in April 2000. This legislation is intended to combat tax abuse by an individual who would be treated as an employee were it not for the fact that they provide their services via their own company, called 'disguised employees' by HMRC. From April 2017, where a public sector organisation engages an off-payroll worker through their own limited company, that organisation will become responsible for determining whether the rules should apply, and, if so, for paying the right tax and National Insurance Contributions.

Conclusion 1 Action Plan	Lead	Completion	Update
Training			
1. Provide training for all Board members on the law, rules and regulations relating to employment and procurement at the August Board Development Day.	Director of Corporate Governance	August 2017	Complete Training delivered on 31 August 2017.
2. Cascade the training provided at Clinical Board senior management teams and throughout the organisation to Directorate Management level.	Executive and Clinical Board Directors	October 2017	Discussed at ME on 4 September 2017.
Review			
3. Undertake review of external consultancy categories in the purchase to pay system for period 2014-2017 to ensure compliance with procurement rules.	Head of Procurement	August 2017	Complete Reports received by CEO and Director of Finance.
4. Review the Procurement Guide for Staff and revise to reflect process changes connected with the IR35 legislation.	Head of Procurement	September 2017	Complete
Process			
5. Provide the Procurement Guide for Staff to the Management Executive Team meeting for cascading to Clinical Boards, and Corporate Departments.	Director of Finance	September 2017	To be presented to ME on 22 September 2017.
6. Publish the Procurement Guide for Staff across the UHB and place on intranet and internet for ease of staff access.	Director of Corporate Governance	October 2017	
7. Implement a no purchase order, no payment system to prevent the processing of manual payments.	Head of Procurement	March 2018	Phased implementation, commencing September 2017, full implementation by March 2018.
8. Develop and cascade process guidance for off-payroll working.	Head of Procurement	August 2017	Complete Approved by ME on 14 August 2017, taken to HSMB on 17 August 2017 for cascading by Clinical Board Directors.

Conclusion 2 - The way in which an HR consultancy contract was awarded to RKC Associates in February 2016, along with the actions of key decision-makers, compromised the integrity of the procurement process

- a) The UHB embarked upon a procurement process for a contract and invited and evaluated tenders for that contract, despite the fact that RKC Associates had been engaged in advance of the tender process.
- b) The robustness and integrity of the advertised procurement process was compromised in several key respects and the UHB's Chief Operating Officer participated in the process despite knowing that RKC Associates had already been engaged in advance of the procurement process commencing.
- c) The Procurement Department failed to keep adequate documentation of the procurement process.
- d) The UHB delayed seeking formal written approval for the fixed-term appointment of a new Director of Workforce and Organisational Development, resulting in the UHB incurring unnecessary expenditure on a consultancy contract.

UHB Response to Conclusion 2

The UHB has taken steps to strengthen its existing processes and extend training at all levels to reinforce the requirements in relation to these areas.

We recognise however that policies / procedures and training, whilst the foundation of good practice, are part of a bigger picture that includes a culture of sound behaviours and values, adherence to the rules at all levels of the organization, checks to ensure this is happening and an environment that enables individuals to confidently highlight departure from any rules no matter how senior those involved. As part of the communication with the UHB following receipt of this report, the CEO has asked staff to share any concerns they may have with him and provided assurance that anything raised will be explored to provide reassurance regarding our systems / processes and decisions made.

Procurement compliance reports are already presented to the UHB's Audit Committee outlining for example Contract Extensions and Single Quotation or Single Tender Actions. Steps are also being taken to put in place more vigorous checks around our processes to flag potential issues and to achieve more robust oversight and business scrutiny by our Management Executive Team, Board and its Committees.

We are committed to utilising temporary employment contracts rather than consultancy contracts wherever possible.

Conclusion 2 Action Plan	Lead	Completion	Update
Training			
1. Develop and deliver an enhanced training programme for procurement staff focusing on the conclusions of the Wales Audit Office report.	Head of Procurement	September 2017	Training underway
2. Obtain quality management accreditation for the Procurement Department in respect of its tendering processes.	Head of Procurement	November 2017	Applied for accreditation, assessment taking place in October 2017.
3. Develop a Procurement flowchart for use by Board and Senior Managers.	Head of Procurement	October 2017	Draft developed, for presentation to ME.
Audit			
4. Enhance existing audit processes within the Procurement Department to verify compliance with contract procedure.	Head of Procurement	September 2017	Frontline Audit Review Guidance produced, 30 audits completed to date with no significant issues highlighted.
5. Review Internal Audit Programme to include audits relevant to the issues highlighted in this report and to test compliance with new processes.	Director of Finance	September 2017	Appropriate Internal Audit days identified in programme for 2018.
Assurance			
6. Enhance the statutory compliance report provided at each Audit Committee to include our compliance with and exceptions to recruitment requirements, Standing Orders and Standing Financial Instructions.	Directors of Finance and Workforce and Organisational Development	September 2017	Report to be presented to September Audit Committee and further developed.
7. Review the Terms of Reference for the Remuneration and Terms of Service Committee to include a requirement to report any Executive level secondments and Consultancy appointments for approval to this Committee.	Director of Corporate Governance	October 2017	

Conclusion 3 - The process followed by the UHB that led to the appointment of the owner of RKC Associates to the position of Director of Workforce and Organisational Development in April 2016 was fundamentally compromised, lacked transparency and was poorly documented.

- a) It is unclear why the UHB decided to proceed with a recruitment process for a Board level position with only a single candidate who had not applied for the position when it was originally advertised.
- b) The recruitment process was poorly documented and, as a consequence, it is not clear when the person who had been overseeing the recruitment exercise became a candidate.
- c) The integrity of the recruitment process was compromised because the sole candidate had access to some of the assessment questions in advance of being interviewed for the position.
- d) The information provided to the Board and its Remuneration and Terms of Service Committee regarding the appointment was inaccurate, incomplete and inconsistent.

UHB Response to Conclusion 3

High level appointments are not as frequent as other positions within the UHB and are often challenging to recruit due to small numbers of applicants with the relevant skills and experience.

As a result of this report, the UHB has looked at how these senior appointment processes are conducted and how the office of the Chief Executive and Director of Workforce and Organisational Development can work better together to ensure compliance with processes and that satisfactory documentation is maintained.

We also recognise that we can better support our Independent Board Members in relation to their Committee roles, to equip them to confidently scrutinise decisions and hold us to account.

Conclusion 3 Action Plan	Lead	Completion	Update
<p>Review</p> <ol style="list-style-type: none"> 1. Review the procedures used to recruit Executive Directors and other Senior Managers. 2. Review the quality of information and its presentation to the Remuneration and Terms of Service Committee. <p>Process</p> <ol style="list-style-type: none"> 3. Revise the Executive recruitment process to include a clear defined role for the Director of Workforce and Organisational Development which can be delegated to their Deputy or Director of Corporate Governance if circumstances require or a conflict arises. <p>Training</p> <ol style="list-style-type: none"> 4. Arrange training for Independent Board Members, including those sitting on the Remuneration and Terms of Service Committee, covering their roles and responsibilities. This should also provide them with example questions they may wish to ask and the minimum information they may require to assist them in discharging their role. 5. Provide legal and governance training for all Board members on their roles and responsibilities at the October Board Development Day. 	<p>Assistant Director of Workforce and Organisational Development</p> <p>Chair and Director of Corporate Governance</p> <p>Chief Executive</p> <p>Director of Corporate Governance</p> <p>Director of Corporate Governance</p>	<p>July 2017</p> <p>September 2017</p> <p>August 2017</p> <p>August 2017</p> <p>October 2017</p>	<p>Complete</p> <p>Complete Used for the recruitment of the substantive Director of Workforce and Organisational Development in August 2017.</p> <p>Complete Included in the programme for the August Board Development Day.</p> <p>Training confirmed and programme planned.</p>

Additional Improvements			
Action Plan	Lead	Completion	Update
Whistleblowing			
1. Review current Procedure for NHS Staff to Raise Concerns which includes whistleblowing to ensure it is fit for purpose and easy for staff to raise any concerns regarding non-compliance.	Director of Workforce and Organisational Development	October 2017	As this is an All Wales Procedure, to be raised at the Directors of Workforce and Organisational Development Group.
2. Develop an internal protocol providing a system for senior leaders to raise concerns, with clear lines of reporting should a concern relate to the Chair, Vice Chair or Chief Executive.	Director of Corporate Governance	October 2017	To be raised at the August All Wales Board Secretaries Group to explore best practice.
Governance and Accountability Framework			
3. Revise the UHB Governance and Accountability Framework to reflect any amendments by the Directors of Finance All Wales Group to the Standing Financial Instructions and Standing Orders.	Director of Corporate Governance	March 2018	Update provided to Audit Committee in September 2017 and each subsequent meeting.
4. Review and revise the UHB's Scheme of Delegation.	Director of Finance	October 2017	
5. Circulate a bulletin to the UHB Board and throughout the UHB reinforcing the Nolan principles of Good Governance and duties of probity / candour and the Values and Standards of Behaviour Framework.	Directors of Corporate Governance and Communications	October 2017	Communications strategy agreed.
Communication			
6. Communicate openly and transparently with staff about the findings of this report, the actions being taken by the UHB and their progress. This will include public meetings of Board / Audit Committee and meetings of LPF, Clinical Board Directors, HSMB and publishing of the action plan on the intranet for access by all staff, supplemented by other communication bulletins.	Chief Executive and Chair	October 2017	Reports at Board, ME, HSMB, LPF. Continued dialogue with Senior Trade Union / Staff Side representatives and CEO communication placed on intranet and internet.



Off Payroll Procurement Process Guidance

Background

The Government has introduced revised rules in relation to compliance with tax regulations, which took effect from 6 April 2017. These changes have widened the responsibilities of the Cardiff and Vale University Health Board (the UHB) and will impact on any person who is carrying out work and is being paid through any of the following arrangements:

- A self-employed worker (paid gross);
- An agency;
- Personal Service Company (PSC);
- A Partnership

The above arrangements are collectively known as “Off Payroll Working”.

The background to these new measures, was that there had been a long standing concern within HMRC that individuals, who are ostensibly in an employment relationship, who work through an intermediary, such as a PSC, do not fully comply with legislation and are able to avoid employment taxes or national insurance. This was because under the pre April 2017 rules, individuals who had set themselves up as PSC's were entitled to receive payments from “employers” without deduction of tax and national insurance, regardless of the nature of the activities they carried out on behalf of the people who contract with them.

Under the new legislation the UHB now has the responsibility to make the decision whether or not the relationship between itself and the PSC constitutes employment or not and, as a result, also makes the UHB responsible for deducting the right tax and national insurance contributions as a result of such relationships.

In determining whether the employment should be classed as employed for tax purposes, the UHB completes the ‘Check Employment Status for Tax’ online service provided by HMRC

Should the UHB get this wrong the liability for any underpaid tax and national insurance also moves to the UHB.

In addition to the individual contractors, the new legislation places an obligation on the UHB to undertake an assessment of the tasks/duties undertaken by an Agency Workers, via the ‘Check Employment Status for Tax’ online service.

If the assessment indicates that the engagement should be classed as employed for tax purposes, the UHB has to write to the agency to remind them of their obligations

Appendix A

under the Off Payroll legislation and for them to deduct tax and National Insurance from any payments made to anyone engaged via a PSC.

Procurement Process

A flow diagram outlining the Procurement Process for Off Payroll Working is located in Appendix 1. It sets out the responsibilities for the Department requesting the services, Procurement, Payroll, Finance and Workforce. The steps of the process are as follows:

Step 1

When a service requirement is identified that is likely to be delivered via an intermediary the Clinical Board Director, Clinical Board Director of Operations or Executive Director for the relevant Department is required to complete the specification matrix located in Appendix 2.

Step 2

Using the information identified in the specification the Clinical Board Director, Clinical Board Director of Operations or Executive Director will, in conjunction with the Associate Director of Workforce and the Assistant Director of Finance be required to check the employment status of the proposed engagement, using the online tool (<https://www.tax.service.gov.uk/check-employment-status-for-tax/setup>).

The online tool will be run for multiple scenarios if multiple types of companies may be able to provide the service and the means by which the engagement may be carried out is not known at the pre-tender stage. The online tool will need to be undertaken for the following:

- Engagements which may be carried out by a worker operating through a (personal services) limited company
- Engagements which may be carried out by a workers) operating as a partnership
- Engagements which may be carried out by a worker operating through another individual (not an agency)
- Engagements which may to be carried out by a worker operating as a sole trader.

Step 3

Following the completion of the online tool, the Clinical Board Director, Clinical Board Director of Operations or Executive Director is required to send the completed specification matrix including the outcome(s) of the Employment Status Test to the Head of Procurement.

Step 4

The Head of Procurement will initiate the Procurement Process ensuring that potential suppliers are aware of the employment status should they wish to tender for the opportunity.

Step 5

Following the Procurement Process the successful supplier will be awarded the contract. The contract will include supplementary terms and conditions confirming that the service will be provided within the Off Payroll regulations. The Procurement Team will inform the Clinical Board Director, Clinical Board Director of Operations or Executive

Appendix A

Director of the contract award, including reaffirming the Employment Status of the engagement. Where the engagement is classed as employed for tax purposes and the contractor is being engaged via an Agency, the Procurement Team will advise the Agency of the requirement for tax and National Insurance to be deducted

Step 6

The Clinical Board Director, Clinical Board Director of Operations or Executive Director is required arrange for the completion of the IR35 Off Payroll enrolment form (Appendix 4) at the start of the contract and for the submission of monthly returns (Appendix 5) covering the actual hours worked on a monthly basis along with the relevant invoices

Step 7

Payroll will pay the supplier's invoices on a regular basis ensuring that the correct amount of PAYE tax and national insurance contributions are deducted.

Appendices 1-5 Attached:

Appendix 1 – Off Payroll Working Procurement Process

Appendix 2 – Specification Matrix

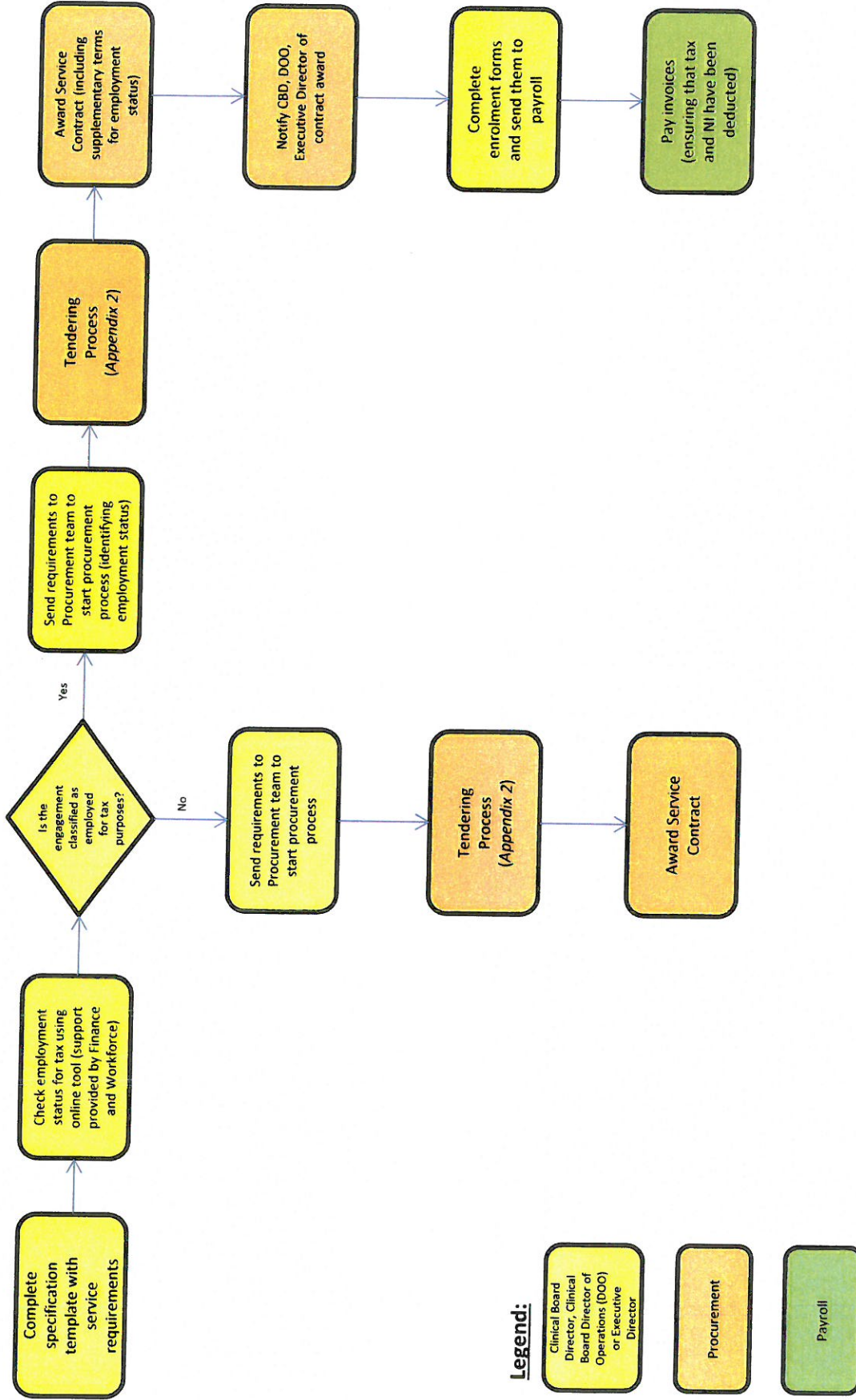
Appendix 3 – Tendering Process

Appendix 4 – Payroll Enrolment Form

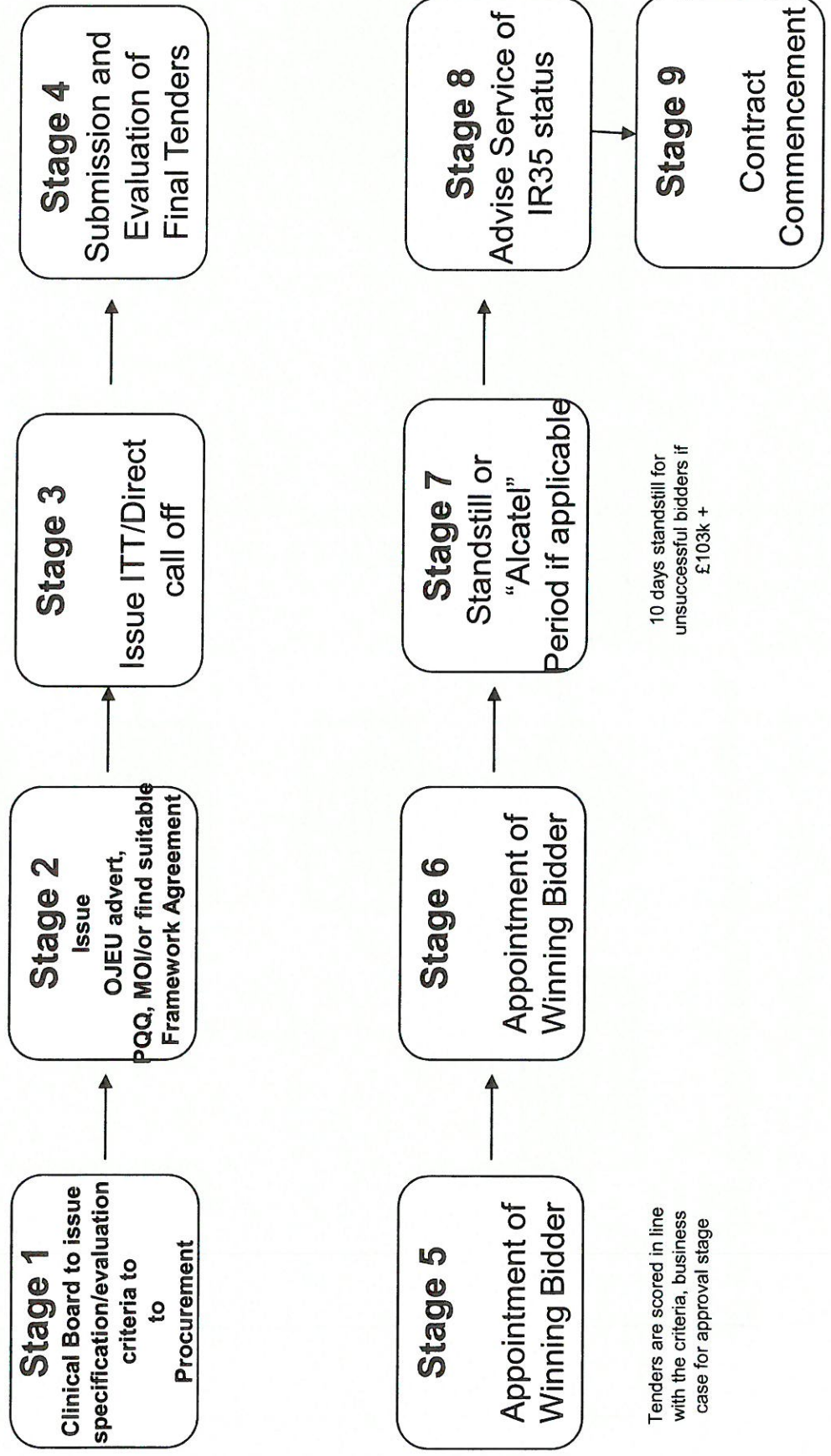
Appendix 5 – Payroll Monthly return

Off-Payroll Working Procurement Process

Appendix 1



Tendering Process



Specification Matrix

Requesting Officer:	
Anticipated Contract Start Date	
Anticipated Contract Finish Date	
Hours:-	
Days:	
Anticipated Value:	
Engagement to be classed as employed for tax purposes	Yes/No
Authorised By:	

Introduction
<p>Cardiff and Vale University Health Board is currently undertaking a review of its clinical offering and looking to embark on a major transformation project to ensure that its services are fit for purpose to deliver its strategic objectives, performance commitments and do so within the financial resources available.</p>
Outputs and Project Deliverables
Any other information

Cardiff & Vale UHB

IR35 Off-Payroll Enrolment Form



GIG
NHS

Bwrdd Iechyd Prifysgol
Caerdydd a'r Fro
Cardiff and Vale
University Health Board

Section 1		Personal Information	
Title			
Surname			
Forename(s)			
NI Number			
DOB			
Section 2		Address & Contact Information	
Home Address Line 1			
Home Address Line 2			
Home Address Line 3			
Town			
Postcode			
Contact Number			
Email Address			
Section 3		Bank / Building Society Details	
Bank / Building Society Name			
Account Name			
Bank Account Number			
Bank Sort Code			
Building Society Roll Number (if applicable)			
Section 4		HMRC Declaration	
<p>Please read all the following statements carefully and enter 'X' in the one box that applies to you. Please note that you will already have a primary employment with your own company so the services you provide will be treated as a secondary employment. It follows then that declaration C is the option that would normally be used.</p>			
A - This is my first job since last 6 April and I have not been receiving taxable Jobseeker's Allowance or taxable Incapacity Benefit or a state or occupational pension.			
B - This is now my only job, but since last 6 April I have had another job, or have received taxable Jobseeker's Allowance or Incapacity Benefit. I do not receive a state or occupational pension.			
C - I have another job or receive a state or occupational pension.			
Section 5		Employee/Worker Declaration	
Print Name		Signature	
Date			
<p>Once signed, please forward to your Service Requester/Manager for sign off by the Health Board</p>			
Section 6		Health Board Manager Declaration	
DOB Verified (Yes/No)		Signature	
DOB Verification Document			
Print Name			
Date			
<p>Please note: Initially TAX will be deducted at basic rate unless otherwise informed by HMRC</p>			
<p>Payment will be credited to accounts on the Health Board's normal payday, subject to all information being correct</p>			
<p>Please send this form to: NWSSP Payroll Services Or click here to email to Payroll: Floor 4, Companies House Crown Way</p>			

For Payroll Use Only
Authorised by: _____

NWSSP Payroll Services Pay Return

Please note you are authorising the salary for the whole of the pay month but reporting hours/absence for the reporting period.

IR35 Off-Payroll Workbook (Ad- Hoc)	Select Pay Month:		April 2017		GIG NHS Bwrdd Iechyd Prifysgol Ceredigion a'r Fro Cardiff and Vale University Health Board	GIG NHS Partnriaeth Cydwraaniethau Shared Services Partnership	ESR Element - IR35 Worker Payment NR NHS					
	Surname	First Name	Assignment Number	Department			Cost Centre	Invoice Number	Invoice Date	Work Payment (£)	Allowances (£)	Claimable VAT (£)

REQUEST FOR APPROVAL - PROCUREMENT

To: Mr Len Richards, Chief Executive
From: Mrs Claire Salisbury, Head of Procurement
Reference:-

Could you please arrange for the under mentioned Contract Recommendation to be approved on the understanding that it complies with Standing Orders and EC Regulations and the total cost indicated is not exceeded.

Signed _____

Date _____

Print Name _____

- 1 Contract Title
- 2 Contract Period
- 2a Extension Period
- 3 Number of tenders issued/received
- 4 Current Contractor
- 5 Total Value of Current Contract
- 6 Value of Proposed New Contract
- 7 % Increase/Decrease in Contract Value
 - [a] Increase/Decrease
 - [b] Cost Avoidance
- 8 Recommended Contractor[s]
- 9 Budget/Financial Source: [Directorate/Funding]
- 10 The following supporting documentation is attached
 - (a) Procurement Report
 - (b) Reason for Chair's Action (see over)

Additional information can be provided if necessary [EG Adjudication Notes/Summary of tenders etc.]

Reason for Chair's Action	<i>Explanation</i>
<p>11(b) Continued</p> <p>The Chair is asked to take urgent action in respect of contract approval for the following reason(s):</p> <p>(i) Continuity of contract</p> <p>(ii) Frequency of UHB Board meeting</p> <p>(iii) Exigency of service</p> <p>(iv) Extension to current contract</p> <p>(v) Contract Lead Times</p> <p>(vi) Discretionary Capital Programme (previously approved by UHB Board)</p> <p>(vii) Other (to be specified)</p>	

11 Compliance (in respect of Chair's Action)

I confirm I have reviewed the information contained in this request and it accords with the process for approval of such expenditure.

Signed

Dated

Print Name

Board Secretary

APPROVAL

Expenditure £25,000 to £125,000

I approve/recommend the purchase of the above on the understanding that the total cost indicated is not exceeded.

Signed

Dated

Print Name

Finance Director

Expenditure £125,000 to £500,000

I approve/recommend the purchase of the above on the understanding that the total cost indicated is not exceeded.

Signed

Dated

Print Name

Chief Executive

Expenditure above £500k (Board Approval/Chairs Action)

I approve/recommend the purchase of the above on the understanding that the total cost indicated is not exceeded.

Signed

Dated

Print Name

Chair

Complete secondary Form

Contract award approved at LHB Board on Minute No.

Comments:

Cardiff and Vale University Health Board

PROCUREMENT GUIDE FOR STAFF

In conjunction with NHS Wales Shared Services
Partnership Procurement Services



CONTENTS

1. Purpose
2. Governance
 - a. Scope and Role of Procurement
 - b. Responsibilities
 - c. Enforcement of Procurement Standing Orders/SFI's
 - d. Legal Framework
 - e. Governance and Audit
3. Procurement Processes
 - a. Initial considerations when making a purchase
 - b. Procurement Thresholds
 - c. Public Contract Regulations 2015 - Changes
4. Contracts, Frameworks and Purchase Orders
 - a. Evaluation Criteria
 - b. Contract Approval
 - c. NHS Terms and Conditions
 - d. Single Tender Justification
 - e. Contract Extensions
5. Corporate Social Responsibility
6. Dealing with supplier representatives
7. E-Commerce
8. General good practice tips
9. Procurement Contact Details

Appendix I – IR35 Guidance



1. Purpose

This guide sets out NHS Wales Shared Services Partnership (NWSSP) Procurement Services' standards for procurement on behalf of Cardiff and Vale UHB in order to ensure compliance with regulatory and UHB/Trust requirements, whilst allowing the organisation to achieve its objectives and deliver value for money.

This guide is to be read in conjunction with the NWSSP Procurement Policy, UHB's/Trust Standing Orders (SOs), Standing Financial Instructions (SFIs) and Financial Control Procedures (FCPs) (*where appropriate*), which set out the governing principles for public procurement. It is also supported by detailed procedures which have been developed to standardise processes based on best procurement practice, e.g. Scheme of Delegation.

2. Governance

a. Scope and Role of Procurement

This guide applies to all procurement activity undertaken by NWSSP staff on behalf of the UHB/Trust and the term 'Procurement' is to embrace the complete process from sourcing and ordering to taking delivery and payment for all works, goods and services required.

As part of the NHS Wales Shared Services Partnership organisation it is the role of Procurement Services to act as a centre of excellence and expertise for all procurement and supply chain related issues within NHS Wales.

b. Responsibilities

• NWSSP Procurement Services' Staff

All members of staff working in Procurement Services are responsible for ensuring compliance with the Procurement Policy and associated procedures. They will also ensure that they meet any specific requirements as set out in the UHB/Trust SOs, SFIs and FCPs and give due regard to developments in statutory requirements (including European Union Directives), Welsh Government / Central Government policy and Audit Commission Guidelines.

All Procurement Services' staff shall strive to:

- Achieve value for money on behalf of the UHB
- Ensure all suppliers compete on a fair and equal basis
- Ensure compliance and probity
- Ensure that all equipment and consumable products/services purchased are of the appropriate specification for their intended purpose
- Ensure that customers are satisfied with the goods and services provided



- Ensure key processes and procedures are in place to ensure the right quality, price, source, quantity and timing are achieved
- Monitor and manage contract performance to ensure the contract is being delivered as specified

- **UHB Staff**

All NHS staff must adhere to this Procurement Guide and other rules and regulations as set out in the UHB SOs, SFIs, FCPs and Code of Conduct/Standards of Behaviour Framework.

All staff within the UHB/Trust are required to consult with Procurement Services in relation to all procurement issues and particularly on complex and major procurements, including all EU procurement exercises.

It is essential that NHS staff taking part in any procurement exercise carried out on their behalf by Procurement Services fully understand and fulfil their obligations including for example, participation in working/project groups and product evaluations.

c. Enforcement of Procurement Rules

Procurement Services reserves the right to decline to place orders, award contracts and / or pay invoices for any goods or services that have not followed the guidelines stipulated in this Guide, or UHB/Trust SOs, SFIs and FCPs relating to procurement.

d. Legal Framework

Procurement Services must comply with all its legal obligations and operates within a legal framework for public procurement which includes;

- EU and other international obligations as implemented in UK legislation
- Specific domestic legislation eg., on corrupt gifts or unfair contract terms
- Contract and commercial law in general
- UK/Domestic case law

This is achieved by ensuring our Procurement Policy, associated procedures and guidance is consistent with UHB/Trust SOs, SFIs, FCPs and supplementary guidance. These documents set out the duties and responsibilities of UHBs/Trusts and embody the legal and governing principles guiding public procurement which are;

- **Transparency:** public bodies should ensure that there is openness and clarity on procurement processes and how they are implemented
- **Non-discrimination:** public bodies may not discriminate between suppliers or products on grounds of their origin



- Fair treatment: suppliers should be treated fairly and without discrimination, including in particular equality of opportunity and access to information
- Legality: public bodies must conform to European Community and other legal requirements
- Integrity: there should be no corruption or collusion with suppliers or others
- Effectiveness and efficiency: public bodies should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.
- Efficiency: procurement processes should be carried out as cost effectively as possible and secure value for money

E. Governance and Audit

A programme of independent internal and external audits has been established by UHBs/Trusts to ensure effective internal control arrangements are in place. These audits include a review and report on standards of risk management and governance with regard to procurement, including aspects of both compliance and effectiveness of processes. Reports are made available to the appropriate UHB/Trust Board and Senior Management of NWSSP Procurement Services.

3. Procurement Processes

a. Initial considerations when making a purchase

Once you have identified a requirement to purchase, and considered the value of the purchase (in line with the UHBs/Trust SO's/SFIs), you need to consider / confirm:

1. Do I have the funding?
2. Do I have approval?
3. Am I familiar with the Procurement process required? (*If not Procurement will offer advice and assistance*).

If there is NO existing contract(s) or alternative framework agreements you will need to consider undertaking a procurement exercise. Once the decision has been taken to commence the exercise, it is in your best interests to contact Procurement as early as possible, in order that you are advised correctly.

NB: All purchases over £5,000 must have the involvement of a trained Procurement Officer, as listed below, and be authorised as outlined in the Schemes of Delegation

b. Procurement Thresholds

In establishing the appropriate procurement route, minimum thresholds for quotes and competitive tendering set out in the UHB/Trust SO/SFIs will be adhered to. These thresholds reflect EU Directives and UK Regulation requirements, and are summarised in the following table:

Contract Value(ex VAT)	Minimum Competition
------------------------	---------------------



<£5,000	At discretion of appropriate Director
£5,000-£25,000	3 written quotations *
£25,000-OJEU threshold	4 tenders *
Above OJEU threshold (currently £106,047)	5 tenders *
Contracts between £0.500k and £1 million	WG Ministerial Approval For Noting
Contracts above £1 million	WG Ministerial Approval required

*Where it is not practicable to invite minimum competition i.e. finite market /other, this should be documented within both the briefing/planning papers and requests for approval/consent documents.

- Additional details of the thresholds, applying from 1st January 2014 are given below. Thresholds are net of VAT.

Public contracts

The European public contracts directive (2014/24/EU) applies to public authorities including, amongst others, government departments, local authorities and NHS Authorities and Trusts.

Research and development services are exempt, except the Common Procurement Vocabulary (CPV) codes listed in Article 14 of the public contracts directive.

	SUPPLIES	SERVICES	WORKS
Central government authorities, as listed in Schedule 1 of the regulations	£106,047	£106,047	£4,104,394

Utilities contracts

The values indicated are representative of the spend throughout the LIFE of the contract i.e. Total cost, and is applicable for all sources of funding i.e. capital/revenue/funding.

All requests to purchase new/replacement Capital Equipment must be costed by the Procurement team before submitting to the Finance department, in conjunction with approval from both Clinical Engineering/EBME and IM&T departments, *(as appropriate)*

c. Changes to Procurement Contract Regulations 2015



The Public Contracts Regulations (PCR) 2015 enshrine in UK law the EU Procurement Rules for all public sector bodies including NHS Wales. The PCR 2015 includes a number of amendments to the rules and regulations which were effective, in Law, from February 2015. In summary the main changes include:

- Changes to accelerate the advertising and tendering timelines
- Greater flexibility around establishing Innovation Partnerships
- Abolition of Lowest Price only as an award criteria
- Greater emphasis and flexibility on social criteria in procurement awards
- Simplification of the tendering process for SME's including proportionality around turnover required and a self-certification protocol around pre selection
- Poor previous performance can now be taken into consideration when evaluating
- Removal of the distinction and differential treatment of certain services (Part A & B Services).
- Inclusion of a "Lighter Touch" process for a range of health related services

Procurements under the guise of the PCR 2015 are often complex and advice must always be sought from procurement if and when a project is being considered that may fall under this jurisdiction. Procurement Services will have access to a wealth of information and knowledge to ensure a procurement is undertaken in a timely, compliant and efficient manner. The consequences of getting aspects of this wrong could be significant in terms of financial, reputational risk and/or project delay.

EC Procurement Thresholds

4. Contracts & Purchase Orders

All supplies of goods and services will be covered by an appropriate contract, purchase order or agreement. Ordering of goods and services requires compliance by all UHB/Trust staff with the following key system controls, in accordance with the UHB's/Trust 'No Purchase Order/No Pay Policy': (*where operational*)

- Official orders are to be raised via Oracle in respect of all goods and services required by the organisation, except those specifically exempted. Contractors will be notified that they should not accept orders other than in an official form.
- Orders will only be placed in accordance with the appropriate, approved scheme of budgetary delegation.
- UHB/Trust staff must be able to demonstrate that best value for money has been achieved in the procurement of goods and services.
- **UHB/Trust/SSP staff, where applicable, must ensure that all orders are receipted on the Oracle system in a timely manner to ensure that the**



UHB meets its statutory obligation to pay all suppliers promptly in accordance with the requirements of the Public Sector Payments Policy. Failure to acknowledge receipt may result in our account and further deliveries being suspended by the supplier

- Specialist procurement advice should be sought from NWSSP Procurement Services wherever necessary.
- Where contracts have been let on behalf of Trusts/UHBs by NWSSP Procurement Services or other public bodies eg. National Procurement Service for Wales, these contracts must be used, unless an alternative source of supply has been agreed in advance.

a. Evaluation Criteria

The evaluation criteria for a procurement activity shall be agreed jointly between Procurement Services, the evaluation group and/or UHB/Trust representatives. This agreement will be reached prior to the issue of the tender or quotation documentation. Any criteria that is mandatory or has a minimum standard shall be clearly identified.

The process for establishing and agreeing scores and weightings for evaluation criteria is set out in NWSSP procedures, and will be discussed by the Procurement team prior to commencing.

b. Contract Approval

Approval of the contract award decision will be obtained in line with the UHB/Trust Standing Orders and relevant scheme of delegation. The approval process will also take into consideration any further direction or requirements from the Welsh Government, which will include for example consent for contracts over £1 million and monitoring requirements for contracts between £250,000 to £500,000 and £500,000 to £1 million.

c. NHS Terms & Conditions

The NHS Conditions of Contract will form the basis of any contract entered into with suppliers unless otherwise agreed. Copies of current standard terms and conditions are available on the Procurement Services web-site, or directly from your local Procurement team.

d. Single Quotation/Tender(s) Justification – Should this be possible, can it be justified?



Usually NOT, it can be seen as contrary to achieving Value for Money through open and fair competition. Therefore single tender action should normally be avoided. However there may be exceptional cases where single quotation/tendering may be justified, (in line with SO's/SFI's);

Single tender action shall only be permitted when a single firm or contractor or a proprietary item or service of a special character is required and as set out in law. Single tender action shall only be employed following a formal submission and with the express written authority of the Director of Finance having taken into consideration due regard of procurement requirements. (delegations apply)

If you believe that you have justification for inviting one supplier to quote/tender, you should complete a 'Single Justification Form' justifying the decision. The form must be signed by the user responsible for the goods/service, counter signed by the Head of Procurement and passed to the Director of Finance & CEO for approval. This form is allocated a unique number by Procurement and records kept within the Procurement department. Single tender documentation is then issued to the appropriate supplier and reported to the UHB's Audit Committee

e. Extending Contracts – Can I extend?

It is a common misconception that any contract can be extended to finish a job/extend a service that has expired/overrun, or has been deflected by external or unforeseen circumstances. However, a contract can ONLY be legally extended if there is provision to do so, (*Procurement can advise in this area*), if not a new contract will have to be created, in which case a new tender will need to be issued. In all cases of Contract Extensions, approval [in line with SFI's must be provided];

Subject to complying with any legal requirements and agreed contract conditions, a contract may be extended on a single occasion provided the additional cost does not exceed 50% of the original value of the contract to a maximum of £75,000 exclusive of VAT. Such extension must have the express approval of the Chief Executive (or designated officer) in their absence. In addition any contract extension(s) must be checked and validated by the Director of Procurement services prior to submission of the CEO (or designated officer), and subsequently reported to the Audit Committee.

Where a contract was advertised and includes a legal clause providing the option to extend, such approval is not required unless there is a change to any of the current contract terms and conditions including price. Contract extensions will also be referred to the Minister where the extension value warrants ministerial approval values.

f. Use of Framework Agreement



A framework agreement is a type of 'umbrella' agreement negotiated with suppliers by an organisation, on behalf of the public sector. Each framework agreement comes with standard terms and conditions.

Direct Award against a framework agreement

Where there is only one supplier on the agreement, or if there is an option for direct award within the guidance notes for the agreement, you can place an order directly with the supplier. Buying organisations should familiarise themselves with all guidance documents linked to the applicable framework agreement. Consideration will also need to be given to the SO/SFI's at the UHB/Trust around direct award.

'Mini-Competition' against a framework agreement

If there's more than one possible supplier on the framework or direct award is not applicable, a 'mini-competition' should be held to decide who gets the contract.

The buying organisation will need to add their requirements, specifications, assessment criteria and any other documents the supplier needs to complete their bid. Suppliers should be invited to bid through Bravo e Tender Wales ensuring the unique framework number is referenced. The bid documentation, evaluation and award are completed by the buying organisation, as well as the on-going management of the contract

5. CORPORATE Social Responsibility

Procurement Services has an opportunity to make a significant contribution towards the Welsh Government's commitment on sustainable development by including, wherever it is sensible and legitimate to do so, sustainability objectives within the overall assessment of value for money and affordability in its procurement activity.

A Corporate Social Responsibility Policy has been published and endorsed by the NWSSP – Procurement Services Senior Management Team setting out the objectives and plans in relation to sustainability, and a Sustainable Risk Assessment will be undertaken for all contracts over £25,000 taking into account social, economic and environmental issues. The Procurement Policy statement has been developed with due regard to:

- European, national and Welsh Government policy and guidance
- Relevant regulation and legislation
- Examples of best practice



Procurement services will benchmark its performance in sustainable procurement through its use of the Sustainable Procurement Assessment Framework (SPAF).

Welsh Government will provide Community Benefits policy; strengthening support available on the ground and challenging the application

The Welsh public sector will appoint a community benefits champion for their organisation and advise Welsh Government

- apply a Community Benefits approach to all public sector procurements
- apply the Measurement Tool to all such contracts over £1m, as a minimum.
- Provide justification for all contracts valued above £1m where the approach has not been used

6. Dealing with Supplier representatives

NHS Wales Shared Services Procurement Policy puts the relationship between the staff and its current and potential suppliers on a sound and professional footing, and to provide suppliers and their representatives with information on how they are expected to behave and what behaviour they can expect from the UHB, clinical and non-clinical.

Cold Calling is strictly forbidden. [*Please refer to Representative Policy on the Procurement website for further guidance/or available from your local Procurement team*].

7.E-Commerce

Procurement Services supports the Welsh Government Electronic Procurement initiative(s) which aim to enable all public sector organisations in Wales and their suppliers to trade with each other electronically, with the aim of increasing procurement efficiencies and productivity and thereby reducing costs.

We shall work closely with suppliers as our interactions become increasingly electronically driven. We currently employ e-tendering and e-payment tools and this is being extended over time to include the scanning and processing of invoices and development of a central electronic catalogue.

8. General good practice tips

Don'ts

- ❖ **Don't** place an order via telephone. All goods and services must be covered by an official order. Manual invoices (*if not included in exceptions list*) will NOT be paid/will be delayed for payment.
- ❖ **Don't** purchase non-essential items. All goods and services must be justified



- ❖ **Don't** purchase items if there is no budget for those items.
- ❖ **Don't** purchase items where the budget line is already overspent.
- ❖ **Don't** purchase items where costs appear unrealistic.
- ❖ **Don't** source tenders or quotations for any products: specifications and suggested suppliers should be sent to Procurement.
- ❖ **Don't** sign a requisition if it has not been fully completed, otherwise it will be returned.
- ❖ **Don't** proceed with a requisition unless it has been duly authorized by an approved authorized signatory.
- ❖ **Don't** undertake product trials without the prior involvement of the Procurement Department completion of a new/ alternative product form, and a business case being completed.
- ❖ **Don't** extend contracts independently of the Procurement Department.

Do's

- ✓ **Do** ensure purchase orders comply with EC procurement rules and the UHB Standing Orders and Standing Financial Instructions.
- ✓ **Do** fully understand the content of FCP? and have it available for reference
- ✓ **Do** contact and discuss any uncertainties or problems with the Procurement Department.
- ✓ **Do** refer to associated guidance where necessary e.g. Standing Orders, Standing Financial Instructions, Tendering/Quotation procedure etc.
- ✓ **Do** ensure that requisitions are fully completed otherwise they will be returned.
- ✓ **Do** consult with the Procurement Department for estimated costs of items.
- ✓ **Do** follow the procedure in FCP for the receipt of goods and services, regardless of whether the order has been fully or partially delivered and also regardless of any differences in prices charged (price differentials are dealt with by the Finance Department upon receipt of the invoice).
- ✓ **Do** receipt all orders once the goods or services have been delivered.

9. Procurement Contact Details.

All enquiries relating to this guide and any aspect of procurement should be addressed to:

Claire Salisbury
Head of Procurement



<p>Email: claire.Salisbury@wales.nhs.uk</p> <p>Telephone: 02920 746310</p>	
<p>Chris Thain Deputy Head of Procurement Email: chris.thain@wales.nhs.uk</p> <p>Telephone: 02920 746310</p>	<p>Rhian Lye Procurement Business Manager Email: rhian.lye@wales.nhs.uk</p> <p>Telephone: 02920 746577</p>
<p>Jane Boulton Business Manager – Projects Email: jan.boulton@wales.nhs.uk</p> <p>Telephone: 02920 741992</p>	<p>Sarah Yellen Business Manager – PCIC& Mental Health Email: sarah.yeeln@wales.nhs.uk</p> <p>Telephone: 02920 746368</p>
<p>Jean Fudge Business Manager – P2P Email: jean.fudge@wales.nhs.uk</p> <p>Telephone: 02920 746277</p>	<p>Emma Keen Business Manager – Estates and Facilities Email: emm.keen@wales.nhs.uk</p> <p>Telephone: 02920 746887</p>
<p>Nadine Stokes Procurement Business Manager – Specialist Services Email: nadine.stokes@wales.nhs.uk</p> <p>Telephone: 02920 746246</p>	
<p>Nicky Arnold Assistant Business Manager – Projects Email: nicola.arnold@wales.nhs.uk</p> <p>Telephone: 02920 7463987</p>	<p>Emma Lane Assistant Business Manager –Sourcing Email: emma.lane@wales.nhs.uk</p> <p>Telephone: 02920 746363</p>
<p>Lee Jenkins Asst Procurement Business Officer – Surgery Email: lee.jenkins@wales.nhs.uk</p> <p>Telephone: 02920 746216</p>	<p>Gemma Roscrow Asst Procurement Business Officer – Specialist Services Email: gemma.roscrow@wales.nhs.uk</p> <p>Telephone: 02920 743763</p>
<p>Brynmor Jones Asst Procurement Business Officer – CD&T Email: brynmor.jones@wales.nhs.uk</p>	<p>Nia Miles Asst Procurement Business Officer – Sourcing Email: nia.miles@wales.nhs.uk</p>



<p>Telephone: 02920 746266</p> <p>Rhys Jenkins Asst Procurement Business Officer – Specialist Services Email: rhys.jenkins@wales.nhs.uk</p> <p>Telephone: 02920 744353</p>	<p>Telephone: 02920 744939</p> <p>Jacob Stokes Asst Procurement Business Officer – Sourcing Email: jacob.stokes@wales.nhs.uk</p> <p>Telephone: 02920 743261</p>
<p>Paula Davies Asst Procurement Business Officer – P2P Email: paula.davies@wales.nhs.uk</p> <p>Telephone: 02920 746214</p>	<p>Gaynor Bright Asst Procurement Business Officer – P2P Email: gaynor.bright@wales.nhs.uk</p> <p>Telephone: 02920 744163</p>
<p>Karen French Purchasing Assistant Email: karen.french@wales.nhs.uk</p> <p>Telephone: 02920 746206</p>	<p>Terry Evans Purchasing Assistant Email: terence.evans@wales.nhs.uk</p> <p>Telephone: 02920 746235</p>
<p>Adam Salisbury Purchasing Assistant Email: adam.salisbury@wales.nhs.uk</p> <p>Telephone: 02920 746375</p>	





All Wales Sourcing/Contracting

The **Sourcing team** supporting the UHB/Trust is based at NWSSP Procurement Services, **South Wales Region on 4th Floor Companies House**, Crown Way, Cardiff CF14 3UB. / **North Wales Region (St Asaph Office)**- Alder House, Alder Court, St Asaph Business Park, St Asaph LL17 0JL

Further information about ordering and paying for goods and services is available on the Procurement Services webpage.

Sourcing team **contact details** are available from

howis.wales.nhs.uk/sitesplus/888/page/53034

E-Enablement

The E-Enablement Team supporting the UHB/Trust and are based within the NWSSP Procurement services team, 4th Floor Companies House, Crown Way, Cardiff CF14 3UB. The E-Enablement team administer the Oracle procurement systems and their responsibilities include:

- Oracle password resets
- Oracle System Issues



- Oracle setup requests for new user accounts and suppliers
- Oracle training requests (please ensure in the first instance training is requested via [the Service Desk on 02920 903880](mailto:the.Service.Desk.on.02920.903880) or NWSSP_Procurement_eEnablement_ServiceDesk@wales.nhs.uk

The e-mail address

NWSSP_Procurement_eEnablement_ServiceDesk@wales.nhs.uk should be used to log Procurement and Oracle related calls and will automatically raise a 'call' reference number on Action point.

E-Enablement Team **contact details** are available from:

howis.wales.nhs.uk/sitesplus/888/page/53034#eEnablement

Accounts Payable

The **Accounts Payable team** supporting the UHB/Trust is based at NWSSP Procurement Service, **South Wales Region on 4th Floor Companies House**, Crown Way, Cardiff CF14 3UB. / **North Wales Region (St Asaph Office)**- Alder House, Alder Court, St Asaph Business Park, St Asaph LL17 0JL

Further information about ordering and paying for goods and services is available on the Procurement Services webpage.

Accounts Payable team **contact details** are Tel: 02920 903700

Supply Chain/R&D

The **Supply Chain team** supporting the UHB/Trust is based at NWSSP Procurement Services, Lakeside Stores, University Hospital of Wales, Cardiff, CF14 4XW

Further information about receipt and distribution of goods and services is available on the Procurement Services webpage.

Supply Chain team **contact details** are available from:

Martin Schell – Regional Supply Chain Manager (South East) Tel : 02920 742210

Phil Thomas - Assistant Supply chain Manager Tel: 02920 746364

Debbie Greenstock - Senior Supply Chain Officer Tel: 02920 745328





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Shared Services
Partnership
Procurement Services

NHS Wales Shared Services Partnership
Procurement Services
Procurement Guide

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Appendix I

IR35 Guidance



Procurement Process
IR35.pdf



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Payroll Procurement C

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