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Oddi wrth yr Is-Ysgrifennydd Seneddol

From The Parliamentary Under-Secretary

IAN GRIST MP

7 January 1988

NBPM

CT/6196/87

Dear John,

Attochia

- Yes please.

REC 6

11/1

NHS SUPPLEMENTARY ALLOCATION IN 1987-88

will request of req'd.

Thank you for your letter of 17 December to Peter Walker about the conditions on which the additional allocation for the NHS in 1987-88 was provided. Peter is currently out of the country and I am therefore replying on his behalf.

My officials will, of course, be in touch with Treasury and DHSS officials to discuss what further action might be taken to improve monitoring of health authorities' expenditure and productivity. However, I must point out that the Welsh Office, in exercising its managerial responsibilities in the absence of a regional tier in Wales, is in day-to-day contact with our district and special health authorities and we therefore already exercise close supervision of their expenditure and performance. Thus, in addition to the monthly monitoring of cash expenditure by authorities against cash limits, the department also receives regular returns on manpower numbers, bed utilisation, casemix, waiting lists and times and competitive tendering. We also receive papers circulated for discussion at the authorities' monthly meetings and this enables us to keep a close eye on the income and expenditure position of the respective authorities in year. This oversight is underpinned by the annual review process and by meetings between Peter Walker and myself with health authority chairmen as occasions demand which enable both the department and the authorities to focus in some depth upon key areas of concern.

We were thus well aware of the worsening financial position of many of the Welsh health authorities and the effect which this was beginning to have on waiting lists and upon our drive to ensure fuller utilisation of available staff and facilities. As Peter indicated in his letter of 15 December, we had already initiated action aimed at achieving a progressive return to financial balance in those authorities which were in danger of breaching cash limits and the additional £3.8 million provision will be of great assistance.

/Looking ...

The Rt Hon John Major MP
Chief Secretary



Looking to the future, we are seeking to consolidate our relationship with and our managerial requirements upon health authorities in Wales by publishing a "Corporate Management Programme" for the next five years. This will establish over 50 managerial objectives and key performance targets for the health authorities, family practitioner committees and the Welsh Office to deliver in accordance with a mutually agreed timetable. This programme will be issuing shortly and, together with our recently revised guidelines for planning and for performance review, will provide a sound basis for service, manpower and financial planning and budgeting by authorities and for more penetrative formal monitoring by the department in the years to come. My officials will, of course, let your officials have copies of these documents as a starting point for discussions as to further improvements on in-year monitoring.

Finally, as regards the publication of health authorities' outputs, the Welsh Office has for many years published annual digests of statistics on patient activity, manpower, bed usage, costings etc and for the past five years it has published a booklet of key performance indicators in relation to the nine district health authorities. We also publish a regular six monthly bulletin on waiting lists and waiting times at 28 of our largest acute hospitals. All these publications, together with computerised performance indicator packages which have been made available to the authorities are used as data sources for discussions about performance at annual review meetings and will, in future, be used by authorities in determining targets for their short-term programmes. I believe your officials should have received copies of these publications as a matter of routine, but, if they have not, my officials will be pleased to let them have copies.

/ I am copying this letter to the Prime Minister, Malcolm Rifkind and Tom King.

Yours ever,
Jan

NMS: Exp + elt pt 9.

