

# Health and Social Services Committee

## HSS(2)-18-06(p.9)

Meeting date: Wednesday 13 December 2006

Venue: Committee Room 1, Senedd, National Assembly for Wales

Title: Making the Connections and Efficiency Savings in the NHS – Performance in 2005/2006.

### Purpose

1. The committee requested an update on the efficiency savings made by the NHS at its meeting of 3 November 2005.

### Summary

2. The committee is asked to note that the NHS reported £100m of efficiency savings in 2005/06, and has forecast £104m for 2006/07.

### Background

3. In 2005/2006, for the first time, NHS Bodies were required to disclose in their annual reports savings made under the "Making the Connections" initiative for re-investment in frontline services.

4. It was intended that the annual reports of the organisations would form the primary documentation for the reporting of savings under the initiative. For 2005/06, NHS organisations have interpreted the Assembly Government's guidance in very different ways, making summarisation difficult. Officials will look to tighten the guidance in the 2006/07 Manual for Accounts in order to improve the consistency of reporting and the comparability of figures.

5. On 14 June 2006, Ann Lloyd, Head of the Department of Health and Social Services, wrote to the Chief Executives of NHS Trusts and Local Health Boards in Wales in order to collate information in advance of the publication date of annual reports, so that this could be reported to the Assembly's Cabinet meeting in July. The future expected savings were also requested from the NHS as there is no requirement to report future years' savings within the annual reports.

6. A summary of the savings reported to Mrs Lloyd is appended below.

2005/2006	Smarter Procurement	Streamlining Support Functions	Shaping Public Services	Making Better Use of Staff Time, Skills and Expertise	Other	Total
	£000	£000	£000	£000	£000	£000
Trusts						
Recurring	18,122	3,326	4,886	20,577	362	47,273
Non-recurring	729	418	707	2,758	9	4,621
LHBs						
Recurring	6,539	2,790	22,043	4,806	0	36,178
Non-recurring	3,854	0	7,080	899	0	11,833
Total	29,244	6,534	34,716	29,040	371	99,905
2006/2007 (Forecast)	Smarter Procurement	Streamlining Support Functions	Shaping Public Services	Making Better Use of Staff Time, Skills and Expertise	Other	Total
	£000	£000	£000	£000	£000	£000
Trusts						
Recurring	12,459	7,711	19,658	31,767	1,554	73,149
Non-recurring	1,110	131	550	0	0	1,791
LHBs						
Recurring	3,423	1,163	17,536	1,999	0	24,121
Non-recurring	1,401	60	2,206	1,460	0	5,127
Total	18,393	9,065	39,950	35,226	1,554	104,188

7. The target saving under the initiative for the Department of Health and Social Services in the Budget Planning Round for 2006/07 was £51.1m.

Brian Gibbons

Minister for Health & Social Services

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