

Date: 19 June 2002

Venue: Committee Room 2, National Assembly for Wales

Title: The Structural Reforms for the NHS in Wales: The Establishment of a Strengthened Specialised Health Service Commissioning in Wales

Purpose

1. The Committee is asked to note my proposals, as part of the structural reforms of NHS Wales, for an arms length commissioning agency to be established within the NHS Wales Department to undertake specialised health service commissioning.

Background

2. The existing Specialised Health Service Commission for Wales was set up in January 1999 as a joint venture of the five Welsh Health Authorities under the leadership of Dyfed Powys Health Authority. The Board of SHSCW is a sub-committee of Dyfed Powys and it comprises representatives from each of the Health Authorities. The Board exercises corporate governance and collective responsibility for decisions. Dyfed Powys Health Authority is being wound up in April of next year as part of the structural changes the NHS. A new structure for SHSCW is therefore essential to meet Welsh Assembly Government's policy aims for a strengthened commissioning body.

3. As part of the structural reforms, the role currently played by the Specialised Health Service Commission for Wales will be strengthened to:

- provide advice on specialised secondary and regional services commissioning;
- provide dedicated guidance, support and facilitation more generally in relation to acute services commissioning;
- be the first source of independent advice and guidance on difficult commissioning issues that needed determination.

The Way Forward

4. I have decided that a Welsh Assembly Government NHS Agency will be set up to undertake the commissioning of specialised services set out in the Annexe to this note. It will also provide a commissioning support and advisory service to Local Health Boards and the NHS Wales Department of the Welsh Assembly Government. It will be known as the "Health Commission Wales (Specialist Services)". The Agency will:

- undertake the commissioning services set out in the Annexe
- have an independent chair, appointed under the Assembly's public appointment principles and procedures;
- be advised by an advisory board with a broad range of representative interests and eminent external clinical and other professional advisors;
- be given full delegated authority to reach independent decisions in respect of commissioning specialised health services within national policies and priorities and the agreed level of budget;
- be charged with bringing a focused approach to commissioning and providing advice, guidance and support through best practice. Policy matters would be for me advised by my policy Department;
- be resourced to provide a strengthened advisory role through a dedicated team working directly to the chief executive;
- be within the NHS Wales Department but operating at arms length through its own delegated authority for its commissioning decisions and its sub-accounting officer status;
- be led by a Chief Executive, who as a sub accounting officer will be accountable to the Director NHS Wales for administrative and financial governance and for ensuring effective clinical governance arrangements are in place.
- be provided with its own budget. Priorities will be discussed with the advisory board; the chief executive would be accountable for the effective use of the budget to the NHS Director and the Assembly;
- set a vision to become a centre of excellence on specialised commissioning services throughout the UK.

5. A list of services currently being commissioned or those being considered for centralised commissioning in the future are shown in the attachment to this paper. Further services eg Emergency Ambulance Services may be added when the overall commissioning arrangements for the restructured NHS in Wales are finalised.

Financial and Operational Implications

6. The running costs of the Commissioning Agency will transfer into the Welsh Assembly from the NHS on transfer of the function. If there are any additional costs resulting from the strengthening and development of the Agency's commissioning function, these will need to be met from a re-direction of existing or planned resources.

7. There will be consultation with the staff, including the senior management, on the consequences of the establishment of the NHS agency and other changes. The creation of the specialised commissioning agency is already a core project within the structural change programme. The operational, systems and accommodation implications of the change are included within the detailed planning which is currently taking place.

Conclusion

8. The measures I have set out in this note meet in full my commitment to establishing a strengthened arms-length commissioning body for Wales. The new Agency will lead best practice in all aspects of commissioning and provide an essential advisory role to LHBs and others in addition to its commissioning service.

Compliance

9. There is no specific power relating to the establishment of agencies, as this agency will remain part of the Assembly corporate body and its staff will remain Assembly staff. Setting up such an agency is simply part of the Assembly's general arrangements for carrying out functions.

10. The functions which the new agency will exercise are currently Health Authority functions. These will transfer to the Assembly upon abolition of the Health Authorities on 31st March 2003 and become functions of the Assembly. Under s.63(1) of the Government of Wales Act 1998, the Assembly may delegate any of its functions to the Assembly's staff. Section 63(2) gives the Permanent Secretary the power to make arrangements as to which members of the Assembly will exercise the delegated functions. This allows the creation of an agency of the Assembly.

11. Section 40 of the Act allows the Assembly to do anything which is calculated to facilitate, or is conducive or incidental to, any of its functions. This, coupled with s.85, would cover any expenditure on setting up the new agency.

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Jane Hutt
Minister for Health & Social Services

ANNEXE

SPECIALISED HEALTH SERVICES IN WALES

CATEGORIES OF SERVICES COMMISSIONED

Category A: Services that SHSCW takes the lead responsibility for co-ordinating the commissioning process.

- Medical Genetics (Clinical and Laboratory).
- Liver, Heart, Lung, Small Bowel, Pancreatic and Renal Transplants.
- Specialised Cardiology.
- Cardiac Surgery.
- Paediatric Cardiac Surgery.
- Grownup Congenital Heart Disease.
- Medium and High Secure Mental Health Services.
- Medium and High Secure Mental Health Services for those with Learning Disabilities.
- ALAS.
- Paediatric Intensive Care.
- Poisons Information Service.
- Fulminating Liver failure.
- Specialised Pathology Services (All Wales), including Tissue Typing.
- NSCAG Services.
- Appropriate Long Term Agreements with English Providers.
- Cleft lip and palate services.
- Tertiary Services for Children.
- Child and Adolescence Psychiatry.

Category B: Services that should be commissioned by April 2003.

- Burns and consequent Plastic Surgery.
- Haemophilia.
- Cochlea implants and bone anchored Hearing Aids.
- Neurosurgery and Specialist Neurology.
- Spinal Injuries.
- Eating Disorders.
- Bone Marrow Transplantation.
- Paediatric Renal Dialysis.
- Cystic Fibrosis.
- Specialised Plastic Surgery.
- Thoracic Surgery.
- Severe Head Injury.
- Blood Services.

Category C: Services in the English and Scottish national commission lists which should be considered for inclusion in the portfolio.

- Early Dementia Services.
- Mental Health Services for those with sensory defects.
- Mother and Baby Units.
- Specialised Maternity Services.
- Prenatal diagnosis and foetal medicine.
- Management of high risk pregnancies.
- Tertiary Infertility Services.
- Specialised services for infectious diseases.
- Specialised services for those with Learning Disabilities.
- Services for Autism and Asperger's Syndrome.
- Specialised Cancer Services (there will be close working establishment between the CSCG and SHSCW).
- Gastroenterology.
- Oncology.
- Metabolic Disorders.
- Neonatal Intensive Care.
- Endocrinology.
- Immunological Disorder/Infectious Diseases.
- (including Aids)
- Rheumatology.
- Paediatric Pathology.
- Gender dysphonia.
- Specialist Services for HIV/AIDs.
- Specialised Services for Addictions.