

Agenda – Health and Social Care Committee

Meeting Venue:

Committee room 1 & 2 Senedd

Meeting date: 30 March 2023

Meeting time: 09.00

For further information contact:

Helen Finlayson

Committee Clerk

0300 200 6565

SeneddHealth@senedd.wales

Private pre-meeting (09.00 – 09.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Health Service Procurement (Wales) Bill: evidence session with the Minister for Health and Social Services

(09.30–11.00)

(Pages 1 – 34)

Eluned Morgan MS, Minister for Health and Social Services

Dafydd Evans, Deputy Director, Life Sciences and Innovation, Welsh Government

Mari Williams, Senior Government Lawyer, Welsh Government

Nick Lambert, Senior Government Lawyer, Welsh Government

Leanne Roberts, Head of Procurement Reform Policy, Health and Social Care, Welsh Government

Research brief

Paper 1 – Welsh Government

3 Paper(s) to note

(11.00)

3.1 Welsh Government draft budget 2023–24: Welsh Government response

(Pages 35 – 43)



- 3.2 Letter from the Finance Committee regarding scrutiny of the draft budget 2023–24**
(Pages 44 – 45)
- 3.3 Letter from the Equality and Social Justice Committee regarding data justice inquiry: use of personal data in the Welsh NHS**
(Pages 46 – 47)
- 3.4 Letter to the Minister for Health and Social Services regarding endoscopy services: follow up inquiry**
(Pages 48 – 55)
- 3.5 Letter from the Legislation, Justice and Constitution Committee to the Minister for Health and Social Services regarding the Health Service Procurement (Wales) Bill**
(Pages 56 – 57)
- 3.6 Letter from the Minister for Health and Social Services to the Legislation, Justice and Constitution Committee regarding the Health Service Procurement (Wales) Bill**
(Pages 58 – 62)
- 3.7 Letter to the UK Government Secretary of State for Health and Social Care regarding the Health Service Procurement) Bill**
(Pages 63 – 64)
- 3.8 Letter from the UK Government Parliamentary Under–Secretary of State regarding the Health Service Procurement (Wales) Bill**
(Page 65)
- 4 Motion under Standing Orders 17.42(vi) and (ix) to resolve to exclude the public for the remainder of this meeting, and from items 1 to 3 at the Committee's meeting on Thursday 27 April 2023**
(11.00)
- 5 Health Service Procurement (Wales) Bill: key issues**
(11.00–11.45)

6 Welsh Government draft budget 2023–24: Welsh Government response

(11.45–12.00)

(Pages 66 – 73)

Paper 2 – Research brief

7 Forward work programme

(12.00–12.15)

(Pages 74 – 88)

Paper 3 – Forward work programme

Agenda Item 2

Document is Restricted

Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Russell George MS
Chair,
Health and Social Care Committee

SeneddHealth@senedd.wales

17 March 2023

Dear Russell,

Thank you for your letter and the questions put forward by your Committee relating to the Health Service Procurement (Wales) Bill. I am pleased to provide my response which is attached at Annex A.

In your letter, you also offered the opportunity to provide supplementary written evidence in relation to the Bill. As such, I have provided additional information on liaison with the Department of Health and Social Care to support the Committee with the scrutiny of the Bill.

I trust the responses in Annex A answer your questions. However if there are any further questions or areas requiring clarification, my officials and I are happy to provide further information in writing, or as part of a technical briefing session.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee and Chair of the Finance Committee for information.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Eluned.Morgan@llyw.cymru
Correspondence.Eluned.Morgan@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

ANNEX A

HEALTH SERVICE PROCUREMENT (WALES) BILL - RESPONSE TO QUESTIONS FROM THE HEALTH AND SOCIAL CARE COMMITTEE, 9 MARCH 2023

Q1: Please provide a timeline setting out key milestones and your current best estimates of the timescales associated with the HSP Bill, regulations and other associated events, including:

- a. Your understanding of when the UK Government's Procurement Bill is likely to get Royal Assent and come into force; when the UK Government is expected to publish the outcomes of its consultation on a Provider Selection Regime (PSR); and when the UK Government is expected to lay draft regulations to give effect to the PSR before Parliament.**

UK Government's Procurement Bill

Following its introduction in May 2022, the UK Government's Procurement Bill has completed its passage through the House of Lords and is now well on its way through the House of Commons. It is expected to receive Royal Assent in late Spring 2023, after which, secondary legislation will be made to bring some elements of the Bill and the wider regime into effect. This means the Bill is likely to 'go live' in early 2024.

Department of Health and Social Care's (DHSC) Provider Selection Regime

DHSC and NHS England are working to establish the Provider Selection Regime and will provide an update on delivery in due course, including the publication of the consultation responses, which are expected to be made public prior to the laying of the regulations. The regulations are anticipated, with DHSC advising stakeholders that the Provider Selection Regime is not expected to be in use before July 2023 – see information on link [here](#).

- b. When you anticipate the 12 week consultation to which you have committed will take place?**

At present, the expectation is for the consultation to take place as soon as is practical, following Royal Assent, subject to Senedd approval. This would mean the consultation period is likely to begin in early Autumn. However, this timing is predicated on having seen the final Regulations and guidance on the Provider Selection Regime from the DHSC in the next few months, to enable us to develop operational principles for Wales, on which we intend to consult.

- c. When do you anticipate laying draft regulations and publishing statutory guidance under the Bill, and when do you anticipate them coming into force?**

Notwithstanding the assumptions of the successful passage of both the UK Government's Procurement Bill and the Health Service Procurement (Wales) Bill, and the receipt of the detail of the Provider Selection Regime from DHSC, we

anticipate consulting on the operation principles of a new health service procurement regime for Wales as detailed above in Q1(b). We anticipate laying regulations in early 2024 and those regulations and coming into force in Spring 2024.

This proposed timeline aims to coincide as far as is possible with wider procurement reform changes as a result of the UK Government's Procurement Bill to minimise operational impact for the 'relevant authorities' who will be implementing the new procurement regimes.

Q2: A broad summary of the approach you anticipate taking in your 12 week consultation. For example, will the consultation focus on the suitability of the UK Government's PSR for application in Wales, on the principles that might underpin new arrangements in Wales, or on specific draft regulations or draft statutory guidance.

Our current intention to undertake a 12 week public consultation on the operational principles of the new procurement regime, based on how the Provider Selection Regime will operate in England and whether this is an approach we should replicate in Wales to a greater or lesser degree where appropriate.

The outcome of the consultation exercise will inform the development of the future regulations and statutory guidance (which will be developed in partnership with NHS Wales). As such, we are not at this stage proposing to consult on the detail of Welsh regulations and statutory guidance.

Q3: In your session with the Legislation, Justice and Constitution Committee on 6 March, the committee Chair, Huw Irranca-Davies MS, questioned the interaction between the United Kingdom Internal Market Act 2020 and goods connected to health services that are procured following regulations made under the Bill's 'creation' power. In response, one of your officials explained that the Welsh Government's position is that "when the Senedd legislates in a non-reserved area, it does so free from the requirements of the Act." As this includes where primary legislation provides regulation-making powers, "provisions relating to the procurement of goods connected to healthcare services contained in both the Bill and any future regulations made using the powers in this Bill will not engage the UK Internal Market Act." Are you able to provide further analysis that demonstrates how and why the Welsh Government has reached this view?

The Welsh Government's position is that the Senedd's legislative competence is not impacted by the UK Internal Market Act - i.e. it does not prevent the Senedd from, for example, banning or regulating the sale of a variety of goods in Wales, unless those same items are also subject to equivalent bans or regulation across the UK, or because the UK Government has agreed to a specific exclusion on an issue. To achieve this, given the status of the Government of Wales Act 2006 as a constitutional statute, would require express amendment to large areas of the Senedd's existing competence. The UK Internal Market Act does not do this. To do otherwise – to impliedly amend competence – is contrary to the principle of legality. This is why both the Bill and any future regulations will not engage the UK Internal Market Act.

Supplementary information

Ongoing relationship with the Department of Health and Social Care on the Provider Selection Regime

I would like to take the opportunity to outline the position in relation to previous and ongoing dialogue with DHSC on the introduction of the Provider Selection Regime in England.

The UK Government's Health and Care Act received Royal Assent in April 2022 and the provisions in the Act relating to health service procurement applied to England only. There had been limited interaction between DHSC and my officials on the Provider Selection Regime at this time as DHSC's policy was being developed, and there was limited appreciation by DHSC on the perceived operational impact for health service procurement in Wales.

However, as policy was further developed and interaction increased, the potential impact of the proposed Provider Selection Regime on health service procurement in Wales was recognised. As a result, in July 2022 I wrote to the then UK Government's Minister for Health, Maria Caulfield MP, to express my desire to better understand how the planned introduction on the Provider Selection Regime in England would impact health service procurement in Wales. I stressed the importance of strengthening the existing relationship between our officials; continuing engagement on the matter and requesting sight of the draft Provider Selection Regime regulations at the earliest opportunity.

My officials and their counterparts in DHSC have since fostered an excellent working relationship. DHSC have maintained regular contact with my officials on the progress of the Provider Selection Regime and my officials have discussed the introduction of the Health Service Procurement (Wales) Bill. Where appropriate to do so, DHSC have provided my officials with draft information on the Provider Selection Regime proposals, including sight of draft regulations, which were shared in confidence early in their development. This close working relationship remains in place and we anticipate that DHSC will share copies of the completed regulations when finalised and ready for laying.

Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Julie Morgan AS/MS
Y Dirprwy Weinidog Gwasanaethau Cymdeithasol
Deputy Minister for Social Services

Lynne Nagle AS/MS
Y Dirprwy Weinidog Iechyd Meddwl a Llesiant
Deputy Minister for Mental Health and Wellbeing

Agenda Item 3.1



Llywodraeth Cymru
Welsh Government

Health and Social Care Committee

07 March 2023

Dear Russell,

Thank you for sending us the Health and Social Care Committee's report entitled *Welsh Government draft budget 2023-24*.

Please find attached our response to the committee's recommendations.

We would also like to raise a few issues set out in the report. Firstly, please be aware that there is now a template for IMTPs so we will be able to compare health boards and measure progress more accurately.

Secondly, we would like to challenge the figure of delayed transfers of care in paragraph 23. You quote a BBC article, stating that in January 2023 this stood at 1,800 – we contend that it has never been that high.

The monthly collection of hospital delay discharge data was suspended at the start of the pandemic to ease pressures on NHS staff resources. It had been a valuable tool that helped identify pressures and trends in the system and allowed a focus on improving performance, creating additional capacity, and identifying areas of best practice. However, each health board had been able to largely determine their own criteria for what constitutes a delay which was then applied to its data. As a result, there was no consistent or comparable metric across Wales.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Vaughan.Gething@llyw.cymru
Correspondence.Vaughan.Gething@gov.wales
Gohebiaeth.Eluned.Morgan@llyw.cymru
Correspondence.Eluned.Morgan@gov.wales

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Officials have worked closely with NHS and social services partners, with the support of an Expert Group, to develop a new reporting system - "Pathways of Care Reporting". This will replace the former data collection and produce accurate, relevant and consistent delayed discharge data that will help determine more clearly, not only the extent of the challenges faced by the NHS and social services, but also which areas need the most support geographically in terms where of patients are in the system and their needs. The current pilot phase will run until the end of April before further consideration prior to full implementation.

At present Stats Wales published data that can be accessed here: [NHS activity and performance summary: December 2022 and January 2023 | GOV.WALES](#) (go to the second link under the heading 'Data', then tab 1a on the Excel sheet). These are our interim measures, available only at an all-Wales level, until the new Reporting system becomes fully operational. The latest data (published 23 February 2023) shows discharge delays on 14 February 2023 as 1,000 patients compared to 10 January 2023 at 1,103.

Finally, with regard to the reference in paragraph 30 where it says that I asked health boards to ring fence money for prehabilitation; this is not accurate. There is funding being held centrally to explore what can be done in this area.

I hope these clarifications are helpful.

Yours sincerely



Eluned Morgan AS/MS

Y Gweinidog Iechyd a
Gwasanaethau
Cymdeithasol
Minister for Health and
Social Services

Julie Morgan AS/MS

Y Dirprwy Weinidog
Gwasanaethau
Cymdeithasol
Deputy Minister for Social
Services

Lynne Neagle AS/MS

Y Dirprwy Weinidog Iechyd
Meddwl a Llesiant
Deputy Minister for Mental
Health and Wellbeing

Written response from the Welsh Government to the report by the Health & Social Care Committee entitled *Welsh government draft budget 2023-24*

A detailed response to each of the recommendations are listed below.

Recommendation 1

The Committee recommends that

In its response to our report, the Welsh Government should provide an update on discussions with health boards about the Minister for Health and Social Services' six priorities for their Integrated Medium Term Plans for 2023-24. The update should include any concerns health boards have raised with Ministers, as well as details of any further guidance the Ministers have given health boards on how the Welsh Government expects them to mitigate any resultant impact on other areas.

Response: Accept in principle

This remains a challenging time for health boards and they continue to plan dynamically to manage the ongoing pressures, as well as the additional challenges of industrial action. Plans will be submitted at the end of March and following a robust assessment, my officials will provide an analysis of the overall position.

In the meantime, there is ongoing dialogue with health boards through planning and performance meetings and I meet with the Chairs to understand the challenges that are being managed.

A major issue continues to be the delayed discharges of patients from acute hospitals that has created a significant bed capacity issue. There is no quick fix for this, but I have committed to doing more further and faster to support improvements through better partnership working with local government.

Financial Implications – None

Recommendation 2

The Committee recommends that

On the basis that Ministerial decisions on the IMTPs are currently expected to be made in May or June 2023, by the end of July 2023 the Minister for Health and Social Services should write to us to provide a summary of how her six priorities have shaped health boards' IMTPs, and any associated budgetary implications in

terms of releasing funding or delivering efficiencies.

Response: Accept

NHS organisations are required to complete a Ministerial Template which focusses on the priorities, making it easier to identify deliverables, and compare and demonstrate progress between organisations. A summary will be provided once the assessment process has concluded.

Financial Implications – None

Recommendation 3

The Committee recommends that

In its response to our report, the Welsh Government should confirm how long the revised guidance issued on 30 December 2022 that patients may be discharged while waiting for a social care assessment or without a care package being in place is expected to remain in effect. This should include information about how and when the guidance will be kept under review to ensure that its impact on patient safety can be monitored.

Response: Accept

The letter of support issued in December 2022 regarding decisions to discharge was in support of existing discharge guidance already available in the system. This includes the optimal hospital flow guidance created in partnership with clinical staff, which was published recently following extensive consultation in direct response to the exceptional pressures being faced by our NHS this winter. Links provided to that guidance below, for ease of reference:

- [Six Goals for Urgent and Emergency Care, 2021-26 \(gov.wales\)](https://gov.wales/six-goals-for-urgent-and-emergency-care-2021-26)
- [Delivering optimal outcomes and experiences for people in hospital \(nhs.wales\)](https://nhs.uk/our-services/urgent-and-emergency-care/delivering-optimal-outcomes-and-experiences-for-people-in-hospital)

The advice is also in addition to correspondence issued by the Welsh Government on system pressures in primary and community care at the end of last year. This advice aims to help ease the pressure in the system by supporting health boards to maximise their hospital capacity settings through safe, timely discharge with local authorities, third sector and families as part of the communication process to effect safe discharge.

As the advice issued in December supports the guidance that the NHS should already be working to, it will remain extant for the foreseeable future.

Financial Implications – None

Recommendation 4

The Committee recommends that

The Children, Young People and Education Committee and the Health and Social Care Committee jointly recommend that in its responses to our reports, and at six-monthly intervals thereafter, the Welsh Government must provide both Committees with data, broken down by local health board, setting out:

- *Waiting times for the first appointment with CAMHS.*
- *The proportion of young people who are offered second appointments.*
- *The waiting times for second appointments*

Response: Reject

Data on specialist CAMHS first appointments, showing either the percentage of patients waiting less than 28 days for a first appointment, or the actual numbers, are already reported on monthly basis: [First appointment waiting times \(gov.wales\)](#).

Data on under 18 Local Primary Mental Health Services, showing referrals to assessment, waiting times for assessment and waiting times for therapeutic interventions, are already reported: [Part 1: Local Primary Mental Health Support Services \(gov.wales\)](#).

Data is not collected on follow-up appointments, but we aim to improve data on outpatient follow up as part of the work on the mental health core dataset and we will update the Committee in due course on this work.

Financial Implications – None

Recommendation 5

The Committee recommends that

In its response to our report, the Welsh Government should set out the milestones and timescales for the development of the ‘111 press 2 for mental health’ service and the next steps towards the establishment of an in-patient unit for eating disorders in Wales.

Response: Accept

The Welsh Health Specialist Services Committee (WHSSC) have recently consulted on their Mental Health Specialised Services Strategy 2023-2028. This included consideration of the development of Specialised Eating Disorder services at tertiary level for both CAMHS and Adults to meet the population need. The WHSSC strategy will be published in the coming months and we will update Committee in due course.

In relation to 111, press 2 for urgent mental health, health boards are working towards then end of April for all Wales, 24/7 coverage. Swansea Bay University

Health Board and Hywel Dda University Health Board have already established the service on a 24/7 basis. Aneurin Bevan University Health Board and Betsi Cadwaldr University Health Board are running the service 15 hrs a day and will move to 24/7 by the end of April. Cwm Taf Morgannwg University Health Boards and Powys Teaching Health Board are recruiting to the service and are expected to launch in April.

Financial Implications – None

Recommendation 6

The Committee recommends that

In its response to our report, the Welsh Government should explain what role Ministers, the NHS Executive and health boards have in the development, delivery and leadership of a longer term vision for the transformation of health services and capital investment. It should also explain how it will ensure that health boards' IMTPs are aligned to the longer term vision, and have regional working embedded within them.

Response: Accept in principle

A Healthier Wales provides the longer term national approach for the delivery of services in Wales and the majority of health boards have developed their own strategies aligning their approach to deliver the transformation of services at local level. Health boards remain accountable for the delivery of services to their population and their IMTPs provide the three year ambition and commitments to progress that strategic approach, including their priorities for capital investment and regional working. The emerging NHS Executive will provide a strengthened leadership and it will have a strategic planning function that will help shape and direct national and regional planning.

Financial Implications – None

Recommendation 7

The Committee recommends that

In its response to our report, the Welsh Government should provide information about how the plans for capital allocations in the 2023-24 draft budget align to the six priorities outlined by the Minister for Health and Social Services in her guidelines for the 2023-24 Integrated Medium Term Plans. In doing so, she should identify what changes, if any, have been made to previous capital allocations or spending plans to reflect the introduction of the six priorities as well as the need to address the

maintenance backlog.

Response: Accept in principle

A range of risks continue to be managed across the system. The focus on delivering against the six priorities as well as backlog maintenance continues to be balanced.

The Capital Programme for 2023-24 is made up of a wide range of schemes that are focused on delivering against the six priority areas as well as addressing existing estate backlog maintenance areas. The funding identified for the Integration and Rebalancing Capital Fund (IRCF) will continue to develop schemes that will include social care capacity as well as the development of integrated hubs that will help bring care closer to home. The development of hubs will see work on site continue for the Tredegar and Newport East Primary Care schemes, as well as the development of business cases linked to Cross Hands, Swansea Wellness and Conwy & Llandudno Junction.

Following investments across Wales in respect of the waiting areas within Emergency Departments, officials will continue to have conversations with organisations around future capital works to improve the patient experience in these busy areas.

Infrastructure investments linked to Planned Care and Recovery include endoscopy provision at both the Royal Gwent and Llandough Hospitals. The recent acquisition of the former BA buildings in Llantrisant has been executed with the intention that this site will provide a central resource for diagnostic and theatre capacity across the region – the detail of which will become clearer as work around the clinical models develops. Similar conversations are taking place in North Wales around proposals for orthopaedics and theatre capacity there.

Continued investment in cancer services with the on-going ground works linked to the new Velindre Cancer Centre, as well as the Radiotherapy Satellite development at Nevill Hall hospital, will ultimately bring services closer to home for many residents.

Investment in Mental Health Services continues with the Capital Programme, supporting Betsi Cadwaladr University health board to develop the Full Business Case for the Adult & Older Persons Mental Health Unit at Ysbyty Glan Clwyd.

Given the time requirements associated with drafting, procuring and scrutinising business cases, the majority of schemes have been in development prior to the Minister's six priorities. Going forward, the emphasis of investments linked to delivery against the six priorities will likely require prioritisation by both NHS organisations and Welsh Ministers.

Maintaining the existing estate remains an important area for investment alongside the Minister's six priorities. Given the age and condition of much of the NHS estate, there will continue to be a need for a sizeable amount of annual capital investment. For 2023-24, on-going investment in the Ground and First Floor of Prince Charles Hospital will continue, as will fire prevention works in a number of Hywel Dda hospitals. To help ensure that funding is being targeted to priority areas, the Estates

Funding Advisory Board has been re-established to directly target works across fire, infrastructure and decarbonisation.

Financial Implications – Financial pressure is forecast given the range of schemes in the system as we enter 2023-24.

Recommendation 8

The Committee recommends that

In its response to our report, the Welsh Government should outline the analysis it has undertaken of why staff are choosing to work for agencies rather than the NHS, explain what actions it is taking to reduce agency staff spend, and commit to providing us with quarterly updates on progress in reducing spend. The first quarterly update should be provided by the end of June 2023.

Response: Accept

Alongside work to optimise the deployment of our core NHS Workforce, work is underway to understand, mitigate and address the increased reliance on the agency workforce.

Whilst it is understood the pressures on the core NHS workforce and services in recent years has necessitated this flexible and additional resource, action will be taken this year, in line with a wider NHS workforce implementation plan, to focus on a more sustainable workforce in NHS in Wales. This work will be developed and delivered in partnership with Trades Unions and NHS Employers. Initial work is underway to understand the reasons why individuals choose to work for Agencies rather than substantive employment in the NHS and this will continue in social partnership. This work will help inform our solutions.

We intend to issue a revised Circular before the start of the next financial year to establish baseline data and refresh our control framework and then will undertake a programme of action to address the underlying causes of Agency spend. This will require a fine balance between ensuring sufficient capacity to deliver safe and effective services, whilst actions are underway which provide a sustainable workforce and value for money in the medium to longer term.

We agree regular reporting on progress would be helpful and we will include this within the work.

Financial Implications – The work will require investment of staff time within Welsh Government and the NHS to provide additional focus. Over time savings will be realised and this will be tracked through the programme.

Recommendation 9

The Committee recommends that

In its response to our report, the Welsh Government should commit to providing us with six-monthly updates on

*(1) the work of the Social Care Fair Work Forum, and
(2) actions taken to progress the recommendations made by the Expert Group on the development of a national care service for Wales. The first updates should be provided by the end of June 2023.*

Response: Accept

Welsh Government will provide written six-monthly updates to the Committee on:

(1) the work of the Social Care Fair Work Forum, and
(2) actions taken to progress the recommendations made by the Expert Group on the development of a national care service for Wales. actions taken to progress the recommendations made by the Expert Group on the development of a national care service for Wales.

As recommended, the first written updates will be submitted by the end of June 2023.

Financial Implications – None

Recommendation 10

The Committee recommends that

In its response to our report, the Welsh Government should provide further assurances about how it will ensure that all health boards in Wales achieve financial sustainability and balance within the 2023-24 to 2025-26 integrated medium term planning cycle. This should include clear timescales within which the Welsh Government anticipates each health board will achieve financial balance, and how progress will be monitored.

Response: Accept in principle

The combination of unprecedented inflationary pressures and the impact of the pandemic has placed health board finances under significant strain. Three health boards are now in increased levels of escalation due to their financial position, and a further three are forecasting that they will not achieve a balanced outturn at the end of the 2022-23 financial year. In this context, it is likely that most health boards will be unable to present a balanced integrated medium term plan when these are submitted at the end of March. Work is required to scope, develop and implement opportunities for increasing efficiency and restoring financial stability and this will be taken forward in partnership between Welsh Government and senior NHS officials. Further updates will be provided to the Committee as this work progresses.

Financial Implications – None

Agenda Item 3.2

Finance Committee

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddCyllid@senedd.cymru
senedd.cymru/SeneddCyllid
0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddFinance@senedd.wales
senedd.wales/SeneddFinance
0300 200 6565

Chair, Children, Young People, and Education Committee
Chair, Climate Change, Environment, and Infrastructure Committee
Chair, Culture, Communications, Welsh Language, Sport, and International Relations Committee
Chair, Economy, Trade, and Rural Affairs Committee
Chair, Equality and Social Justice Committee
Chair, Health and Social Care Committee
Chair, Legislation, Justice and Constitution Committee
Chair, Local Government and Housing Committee

8 March 2023

Dear Committee Chairs,

Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government

In our [report](#) on the scrutiny of the [Welsh Government Draft Budget 2023-24](#), we made several recommendations relating to budget presentation improvements. We also agreed to consult Committees on the documentation provided by the Welsh Government alongside its Draft Budget proposals, concluding that:

"Conclusion 1. We welcome the Minister's willingness to consider ways in which budget documentation can be improved. While we have reflected our views above, the Committee has decided to consult Senedd committees on their experiences of scrutinising this year's budget documentation and ways in which improvements can be made."

As a result, in reflecting on this year's budget scrutiny experience and in seeking improvements to the budget documentation provided by the Welsh Government at the 2024-25 Draft Budget and beyond, I would be grateful for the views of your committee in response to the following question:

What improvements would you like to see in the Welsh Government's Draft Budget documentation and subsequent ministerial written evidence?

Please make reference to the timeliness, quality and usefulness of any documentation and/or evidence received in your response.

We would appreciate responses by **Friday 28 April 2023**. Your views will then be collated and fed back to the Minister for Finance and Local Government, for her consideration in advance of the Budget Priorities 2024-25 Plenary debate that will be led by the Finance Committee and take place before summer recess.

Yours sincerely,



Peredur Owen Griffiths MS
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

—
**Equality and Social Justice
Committee**

Russell George, MS
Health and Social Care Committee

9 March 2023

Dear Russell,

Data Justice inquiry: use of personal data in the Welsh NHS

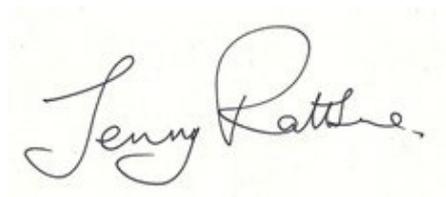
The [Equality and Social Justice Committee](#) is undertaking a short inquiry on the subject of [data justice](#). We have recently appointed expert advisers, Dr Lina Dencik and Isobel Rorison of Cardiff University to assist the Committee in this work so I thought now would be a timely opportunity to outline our approach to our work in this area. The focus of the inquiry is on the use of personal data in the Welsh NHS, including how patient data will be used and shared when electronic prescribing (e-prescribing) is rolled out. A one day inquiry has been planned for 27 March 2023, in which we will be seeking evidence from NHS representatives, stakeholders and academics.

We will be considering a number of key questions during the inquiry, a full list of which are available on the [inquiry page](#).

While we share a Member, Sarah Murphy, who is a member of both our Committees, we would like to extend an offer to you, and any other Members of your Committee to attend the oral evidence sessions. Should any Member wish to join us on 27 March 2023, please contact the Equality and Social Justice Clerking Team so that arrangements can be made. We would also be happy to share with you a copy of the research paper being prepared by our expert advisers and write to you again to outline our broader findings before our inquiry concludes.

Following the one day inquiry the Committee will then set out the key issues that emerge from the evidence session.

Yours sincerely,

A handwritten signature in black ink on a light yellow background. The signature reads "Jenny Rathbone" in a cursive, flowing script.

Jenny Rathbone MS

Chair of the Equality and Social Justice Committee
Welsh Parliament

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Health and Social Care Committee

Eluned Morgan
Minister for Health and Social Services
Welsh Government

10 March 2023

Dear Eluned

Endoscopy services: follow up inquiry

As you will be aware, following the [update](#) you provided on 24 August 2022 on progress made against [recommendations for endoscopy services in Wales](#) made in 2019 by the Fifth Senedd Health, Social Care and Sport Committee, we have been holding a [short follow up inquiry](#) to consider what further action may be needed to implement the national endoscopy action plan, reduce waiting times, and ultimately improve patient outcomes and survival rates.

We agreed to write to you to highlight the key issues emerging from the evidence we have gathered through a [general call for written evidence](#) and oral evidence sessions with key stakeholders on [2 February 2023](#) and [15 February 2023](#), and to make a small number of recommendations.

The Fifth Senedd Committee's report on endoscopy services found that endoscopy capacity was significantly stretched before the COVID-19 pandemic. It is clear from our follow up inquiry, and our work on the NHS waiting times backlog, that the suspension of non-urgent activity in 2020 has resulted in a bigger backlog of patients waiting longer for diagnostic tests.

We welcome the fact that measures to increase capacity and recover the backlog of patients waiting for endoscopy have seen some success. However, it is likely that much of the improvement will be the result of expensive, short-term initiatives such as insourcing and outsourcing of activity. The clear message we heard from stakeholders is that more sustainable solutions are needed. We agree.

We would be grateful for a response to the recommendations set out in the annex **by 25 April 2023**.

Yours sincerely

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a large initial 'R' and a long horizontal stroke at the end.

Russell George MS
Chair, Health and Social Care Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.

Annex: Endoscopy services: request for information

We would be grateful for a response on the following issues by 25 April 2023.

Driving change

1. The evidence shows that it has been clear for some time what needs to be done to improve endoscopy services. The solutions are the same now as they were before the pandemic. However, we have consistently heard concerns about the slow pace of change, and have been told that this is caused in part by delays in decision-making “at every level”.¹
2. We have heard that there is significant variation across health boards, both in terms of implementing national, evidence-based guidance, and delivering on the National Endoscopy Programme’s aims.² Witnesses also told us that greater clarity about accountability structures is needed, including the role of the new NHS Executive.³
3. We agree that greater clarity is needed about accountability structures. We note that this is an issue that applies not only in relation to endoscopy services, but also more broadly across the delivery of health services and the implementation of the Welsh Government’s objectives, strategies and plans for health and social care in Wales.

Recommendation 1. The Welsh Government should provide further information about the establishment of the NHS Executive. This should include details of its governance arrangements, its role and responsibilities in relation to holding health boards to account and ensuring that change is implemented, and the timescales within which it will take up those roles and responsibilities.

Workforce

Training

4. It is clear from the evidence that workforce capacity is the biggest challenge facing current and future delivery of endoscopy services.⁴ Witnesses told us of the need to ensure that there is a pipeline of staff to deal with the anticipated demand for endoscopy, including screening colonoscopists, endoscopy nurses and clinical nurse endoscopists, as well as administrative staff.⁵
5. All of the witnesses from whom we heard oral evidence supported the development of a clinical endoscopy training academy as a sustainable means of accelerating training pathways and improving

¹ RoP [para 279], 2 February 2023

² RoP [paras 272-274], 2 February 2023

³ RoP [para 294], 2 February 2023

⁴ RoP [para 35], 2 February 2023

⁵ RoP [para 14], 15 February 2023

access to, and the quality of, training.⁶ We note that the new cancer improvement plan for NHS Wales for 2023-2026 says that Health Education and Improvement Wales will develop a business case for an academy of clinical endoscopy by the end of June 2023, with phased implementation of the academy to begin in 2023.⁷ We hope to see this work progress at pace.

Recommendation 2. The Welsh Government should provide us with an update by July 2023 on the development of the academy of clinical endoscopy, in particular to identify whether work is on track to meet the timescales envisaged in the cancer improvement plan for NHS Wales for 2023-2026.

Workforce data

6. We received mixed evidence about the availability and robustness of data about the endoscopy workforce. Professor Sunil Dolwani, representing the National Endoscopy Programme, said:

"I wouldn't say we have perfect data, but we do have good enough data to model the [service and workforce] plans, going forward".⁸

7. Other witnesses, however, indicated that reliable workforce data was not widely available.⁹

8. We agree that there would be benefit in ensuring workforce data is more widely and publicly available, and are encouraged by the indication from Dr John Green of the Welsh Association of Gastroenterology and Endoscopy that the National Endoscopy Programme is developing a dynamic dashboard to improve the availability of data across the whole endoscopy workforce.¹⁰

Insourcing and outsourcing

9. We heard from witnesses about the use of insourcing and outsourcing arrangements to increase endoscopy capacity in the short term. We share the concerns we heard about the amounts spent on insourcing and outsourcing to private companies, which were described by Professor Dolwani as "absolutely staggering".¹¹

10. Moving away from reliance on short-term measures to meet demand such as insourcing and outsourcing, and towards a more sustainable position in terms of workforce and capacity will require investment, and we would like to understand more about how the Welsh Government, working with key partners including the NHS Executive, the National Endoscopy Programme and health boards, plans to achieve this.

⁶ RoP [paras 41-43, 15 February 2023

⁷ Wales Cancer Network, [A cancer improvement plan for NHS Wales 2023-2026](#), 31 January 2023

⁸ RoP [para 323], 2 February 2023

⁹ For example RoP [para 35], 2 February 2023 and RoP [para 10], 15 February 2023

¹⁰ RoP [para 14], 15 February 2023

¹¹ RoP [para 306], 2 February 2023

Recommendation 3. The Welsh Government should set out what actions will be taken, and when, to move endoscopy services from the current position, which is reliant on short-term measures such as insourcing and outsourcing to meet demand, and to free up money to invest in more sustainable workforce and capacity solutions.

Bowel screening programme

11. The bowel screening programme was paused during the early months of the pandemic. We applaud the significant efforts that went into successfully recovering the programme by September 2021.

12. It was positive to hear from witnesses that uptake of bowel cancer screening invitations has been increasing, but we are concerned that inequalities in uptake remain. For example, we were told that men are less likely to take up the offer than women, and that uptake is significantly lower in more deprived areas.¹²

13. We welcome initiatives to increase screening uptake, including GP-endorsed letters, and the work Bowel Screening Wales is doing to improve patient experience and screening uptake for people with learning disabilities.¹³

14. Demand for screening colonoscopy will increase as the bowel screening programme expands in terms of both age threshold and test sensitivity. Stakeholders welcomed the phased approach to the expansion of the programme, which was described as having been carefully planned to avoid overwhelming existing screening capacity.¹⁴

15. We support the calls made by some of those who gave evidence to our inquiry for Wales to work towards meeting the UK National Screening Committee's recommendation of further reducing FIT test sensitivity to 20µg/g once the currently-planned optimisation of the bowel screening programme is complete. This will help improve outcomes for more patients, and maximise the cost effectiveness of the programme. It is clear that ensuring we have sufficient, sustainable endoscopy capacity in the longer term will be key to achieving this.

Joined-up working across health boards

16. Witnesses described how services and health boards too often operate in siloes, and called for more joined-up working and more regional working to improve resilience across the system and make more efficient use of existing capacity.¹⁵

¹² RoP [para 65], 2 February 2023

¹³ RoP [para 145], 2 February 2023

¹⁴ RoP [para 298], 2 February 2023

¹⁵ RoP [para 206-207], 2 February 2023

17. We were concerned in particular to hear about the challenges people may encounter in working or training outside the health board in which they are based due to varying and restrictive HR policies across different health boards.¹⁶

Recommendation 4. In its response to this letter, the Welsh Government should set out what work is being done to understand and address barriers associated with variations or overly-restrictive health board HR policies that may prevent NHS staff from working or training in a health board other than the health board in which they are based. If more time is needed to respond, the Welsh Government should commit to providing this information by July 2023.

Community and regional hubs

18. There was broad support for the development of community hubs to improve diagnostic capacity and patient access, particularly in relation to some of the newer innovative technologies.¹⁷ However, stakeholders rightly emphasised that traditional endoscopy is an invasive procedure that can result in complications, and that consideration needs to be given to the safety of delivering such procedures in community hubs; for example through careful patient selection and ensuring that there are clear pathways and processes in place.¹⁸

19. We also heard about the benefits of developing larger, regional diagnostic hubs in which endoscopy is co-located with imaging and other diagnostic services.

Joint Advisory Group on GI Endoscopy (JAG) accreditation

20. In order to achieve JAG accreditation, endoscopy services must reach a specified 'quality standard'. This includes criteria such as infrastructure, pathways, timeliness, data, patient communication, and privacy and dignity, among others. There was consensus among witnesses that a phased approach is needed, as well as the provision of targeted support for services that are closer to receiving accreditation.

21. We share stakeholders' ambitions for all endoscopy services in Wales to achieve JAG accreditation. We were concerned, however, to hear that the poor quality of the NHS estate is a significant barrier for some services, especially in the context of limited capital funding being available in the Welsh Government's draft budget for 2023-24.¹⁹

Innovation

¹⁶ RoP [para 299], 2 February 2023

¹⁷ RoP [para 105], 15 February 2023

¹⁸ RoP [paras 107 and 109], 15 February 2023

¹⁹ Health and Social Care Committee, [Welsh Government's draft budget 2023-24](#), February 2023

22. We heard that innovations such as colon capsule endoscopy, transnasal endoscopy and Cytosponge™ could help to reduce demand on traditional endoscopy services. Such innovations are also less invasive, and may be more easily tolerated by patients. However, while the wider adoption of new technologies will bring benefits, witnesses were clear that this is not a ‘silver bullet’ and will not address core capacity issues.²⁰

23. Nevertheless, it is concerning to hear that Wales can be comparatively slow to adopt innovation, and it is clear that horizon-scanning for new technologies could be improved. When asked why this is, potential barriers identified by witnesses included lack of leadership and lack of capacity.²¹

Recommendation 5. In the response to this letter, the Welsh Government should set out what actions are being taken, and when, to lead, encourage and facilitate the uptake of innovative technologies and ways of working in endoscopy services in Wales.

Digital Health and Care Wales

24. We heard reports about a ‘bottleneck’ in Digital Health and Care Wales (DHCW) which is contributing to delays in the implementation of a standardised referral pathway for endoscopy in Wales. Professor Dolwani told us:

*“Just to put this in perspective, we wanted some changes in the bowel screening information management system 10 years ago, and that still hasn't happened”.*²²

25. We understand that DHCW handles numerous request from across the NHS where changes are needed to an all-Wales informatics system, but it was concerning to hear that delays in this part of the system could mean a considerable delay in putting in place necessary service improvements.

26. We are currently conducting joint scrutiny of DHCW with the Public Accounts and Public Administration Committee, and will reflect further on this issue as part of that work.

Lynch Syndrome

27. In 2019, in line with NICE guidance, Wales committed to testing patients diagnosed with bowel cancer for the genetic condition Lynch Syndrome. It is not clear from the evidence whether this is routinely happening. We understand that audit work is planned in this respect, and we are keen to see this work progressed at the earliest opportunity. We also heard about the need to improve surveillance of people with Lynch, and discussed with witnesses the importance of people who are diagnosed with Lynch receiving appropriate support.

²⁰ RoP [para 149], 15 February 2023

²¹ RoP [para 280], 2 February 2023

²² RoP [para 352], 2 February 2023

Recommendation 6. In its response to this letter, the Welsh Government should provide further information on the wraparound care and support (including mental health support) available to people diagnosed with genetic conditions such as Lynch Syndrome in Wales. This should include information about how such care and support is tailored to the needs of particular groups, for example women of child-bearing age, people from ethnic minority communities, or disabled people.

Non-cancer conditions

28. Stakeholders emphasised the point that endoscopy does not only relate to cancer, and that focusing on endoscopy only as a component of cancer pathways does not do it justice.²³

29. We agree that endoscopy plays an important role in diagnosing and treating other, non-cancerous conditions such as inflammatory bowel disease. It is vital that this is adequately recognised and reflected in Welsh Government policy and funding decisions.

²³ RoP [para 370], 2 February 2023

—
**Legislation, Justice and
Constitution Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddDCC@senedd.cymru
senedd.cymru/SeneddDCC
0300 200 6565

—
Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddLJC@senedd.wales
senedd.wales/SeneddLJC
0300 200 6565

Eluned Morgan MS
Minister for Health and Social Services

13 March 2023

Dear Eluned

Health Service Procurement (Wales) Bill – Oral evidence to the Legislation, Justice and Constitution Committee

Thank you for appearing before us on 6 March to provide evidence in respect of the Health Service Procurement (Wales) Bill.

During the session, we suggested that you write to us to provide further detail on some of the matters which were discussed.

I would therefore be grateful to receive further initial detail on the matters listed in the Annex by 23 March 2023. I would also be grateful to receive any further detail you may be able to provide on these areas during the later stages of the Bill's passage and its implementation, if enacted.

I am copying this letter to the Chair of the Health and Social Care Committee.

Yours sincerely,

Huw Irranca-Davies

Huw Irranca-Davies
Chair

Annex – Information requested by the Committee

- 1.** The timescales for the development of regulations to be made under the Bill to introduce a new separate procurement regime for health services in Wales, including consultation and the opportunities for the Senedd to undertake scrutiny of the draft and final regulations.
- 2.** As the regulations are developed, detail on any barriers that arise which may impede the Senedd's ability to scrutinise them within set timescales.
- 3.** Further examples of 'mixed procurements' for both healthcare services and goods, for which statutory guidance will state which procurement regime applies: either the rules provided by the UK Government's Procurement Bill or the rules provided by regulations to be made under this Bill.

Agenda Item 3.6

Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Huw Irranca-Davies MS
Chair Legislation Justice and Constitution Committee
Senedd Cymru

SeneddDCC@senedd.cymru

24 March 2023

Dear Huw,

Thank you for your letter and the questions put forward by your Committee relating to the Health Service Procurement (Wales) Bill. I am pleased to provide my response, which is attached at Annex A.

In your letter, you also offered the opportunity to provide supplementary written evidence in relation to the Bill and I have also received similar requests from the Chairs of the Health and Social Care Committee and Finance Committee. As such, I have provided additional information in Annex A to support all three Committees with the scrutiny of the Bill.

I trust my response answers your questions. However, if there are further questions or areas requiring clarification, my officials and I are happy to offer additional written evidence or provide a technical briefing session.

I am copying this letter to the Chairs of the Health and Social Care Committee and Finance Committee.

Yours sincerely

Eluned Morgan AS/MS

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Eluned.Morgan@llyw.cymru
Correspondence.Eluned.Morgan@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

ANNEX A

HEALTH SERVICE PROCUREMENT (WALES) BILL - RESPONSE TO QUESTIONS FROM THE LEGISLATION, JUSTICE AND CONSTITUTION COMMITTEE, LETTER DATED 13 MARCH 2023

Q1 - The timescales for the development of regulations to be made under the Bill to introduce a new separate procurement regime for health services in Wales, including consultation and the opportunities for the Senedd to undertake scrutiny of the draft and final regulations.

At present and subject to Senedd approval, the expectation is for the Bill to receive Royal Assent in August.

Following Royal Assent, it is proposed to undertake a 12 week public consultation commencing as soon as practical, and likely to begin in early Autumn. However, this timing is predicated on having seen the final Regulations and statutory guidance on the Provider Selection Regime from DHSC in the next few months.

The consultation will focus on the operational principles of the new procurement regime for Wales, based on how the Provider Selection Regime will operate in England and whether this is an approach we should replicate in Wales to a greater or lesser degree, where appropriate.

The outcome of the consultation exercise will help inform the development of the future regulations and statutory guidance (which will be developed in partnership with NHS Wales). As such, we are not proposing to consult on the actual Welsh regulations and statutory guidance.

We anticipate laying regulations in early 2024 following the 'draft affirmative procedure' to allow the Senedd the opportunity to scrutinise the regulations, and aiming for those regulations coming into force in Spring 2024, subject to Senedd approval.

This proposed timeline aims to coincide as far possible with wider procurement reform changes as a result of the UK Government's Procurement Bill to minimise operational impact for the 'relevant authorities' who will be implementing the new procurement regimes.

Q2 – As the regulations are developed, detail on any barriers that arise which may impede the Senedd's ability to scrutinise them within set timescales.

The timelines provided in the response to Q1 are based on assumptions of the successful passage of both the UK Government's Procurement Bill receiving Royal Assent this Spring and the Health Service Procurement (Wales) Bill receiving Royal Assent in August. Crucially, we need to have sight of the detail and final regulations on the Provider Selection Regime from DHSC in the next few months, to enable us to develop operational principles of a new health service procurement regime for Wales.

Q3 – Further examples of ‘mixed procurements’ for both healthcare services and goods, for which statutory guidance will state which procurement regime applies: either the rules provided by the UK Government’s Procurement Bill or the rules provided by regulations to be made under this Bill.

The definition of ‘health services’ contained in the Bill relates to ‘**clinical**’ health services’ as described by sections 1 and 3 of the National Health Service (Wales) Act 2006. The clinical health services will be defined under future regulations by Common Procurement Vocabulary codes (“CPV codes”). For example, a **draft** list of proposed CPV codes under DHSC’s Provider Selection Regime in England can be found on the link [here](#). Once we have sight of the agreed list of CPV codes in DHSC’s final regulations, my officials and I will consider whether we choose to replicate the same CPV codes in the proposed future regulations.

The Bill therefore does not cover the procurement of ‘non-clinical services’ or goods **in isolation** (such as food). Goods and other services in isolation procured by the health sector in Wales will remain subject to the existing procurement regulations, until these are replaced by the wider procurement reforms under the forthcoming UK Government Procurement Bill.

The Health Service Procurement (Wales) Bill does however make provision for the procurement of goods or other services that are ‘**connected to**’ clinical health services (i.e. mixed procurement). Provisions around mixed procurement will need to be consistent with rules set out in provisions under existing procurement regulations and reforms under the forthcoming UK Government Procurement Bill.

It is anticipated that ‘mixed procurement’ within the Health Service Procurement (Wales) Bill will only apply within a defined set of rules and under certain circumstances. For example, this could apply to arrangements where the main subject matter is a ‘clinical health service’ and the procurement of the connected goods or services are not reasonably separable, or procuring such goods and services separately would adversely impact the delivery of the ‘clinical health service’.

DHSC are considering a similar position on ‘mixed procurement’ in their Provider Selection Regime and the circumstances and scope of when such rules will apply. Information on DHSC’s approach to this matter is included on the link [here](#) and as detailed in the House of Lords debate on the UK Government’s Procurement Bill last November¹.

In summary, my officials and I will consider the operational detail around how ‘mixed procurement’ will work in practice as part of the development of future regulations and new health service procurement regime guidance in Wales.

¹ [https://hansard.parliament.uk/Lords/2022-11-28/debates/916A209A-EB71-4F08-A080-5DE3DE3A5284/ProcurementBill\(HL\)#contribution-A83EB580-2EC1-4C3F-A08F-DE7F493BC143](https://hansard.parliament.uk/Lords/2022-11-28/debates/916A209A-EB71-4F08-A080-5DE3DE3A5284/ProcurementBill(HL)#contribution-A83EB580-2EC1-4C3F-A08F-DE7F493BC143)

ADDITIONAL SUPPLEMENTARY INFORMATION – following correspondence from the Chairs of the Health and Social Care Committee and the Finance Committee in relation to the Bill.

Ongoing relationship with the Department of Health and Social Care on the Provider Selection Regime

I would like to take the opportunity to outline the position in relation to previous and ongoing dialogue with DHSC on the introduction of the Provider Selection Regime in England.

The UK Government's Health and Care Act received Royal Assent in April 2022 and the provisions in the Act relating to health service procurement applied to England only. There had been limited interaction between DHSC and my officials on the Provider Selection Regime at this time as DHSC's policy was being developed, and there was limited appreciation by DHSC on the perceived operational impact for health service procurement in Wales.

However, as policy was further developed and interaction increased, the potential impact of the proposed Provider Selection Regime on health service procurement in Wales was recognised. As a result, in July 2022 I wrote to the then UK Government's Minister for Health, Maria Caulfield MP, to express my desire to better understand how the planned introduction on the Provider Selection Regime in England would impact health service procurement in Wales. I stressed the importance of strengthening the existing relationship between our officials; continuing engagement on the matter and requesting sight of the draft Provider Selection Regime regulations at the earliest opportunity.

My officials and their counterparts in DHSC have since fostered an excellent working relationship. DHSC have maintained regular contact with my officials on the progress of the Provider Selection Regime and my officials have discussed the introduction of the Health Service Procurement (Wales) Bill. Where appropriate to do so, DHSC have provided my officials with draft information on the Provider Selection Regime proposals, including sight of draft regulations, which were shared in confidence early in their development. This close working relationship remains in place and we anticipate that DHSC will share copies of the completed regulations when finalised and ready for laying.

Information on the detailed workings in relation to the increase in staff costs to NHS Bodies of £2.7 million identified in the Regulatory Impact Assessment of the Bill.

A breakdown of the illustrative figures for NHS staffing costs set out in paragraph 93 and table 7 of the Regulatory Impact Assessment of the Bill is set out below:

Health Service Procurement (Wales) Bill		
Illustration of NHS Wales staffing costs		
Total revenue cost per annum of 257 NHS procurement staff		£ 10,470,018
10% capacity in revenue costs 257 NHS NHS procurement staff	<i>per annum</i>	£ 1,047,002
	<i>per month</i>	£ 87,250
year 1 2023-24	<i>(7months @ £87,250)</i>	£ 610,751
year 2 2024-25		£ 1,047,002
year 3 2025-26		£ 1,047,002
Total		£ 2,704,755
Rounded to the nearest £000's		£ 2,705,000

Confirmation on the likelihood of the Welsh Government receiving consequential funding as a result of the expenditure in England.

At present there is no indication that Welsh Government will receive consequential funding as a result of expenditure related to the proposed introduction of the Provider Selection Regime in England. Should this position change, I will provide an update to committees during the Bill scrutiny process.

—

—

Rt Hon Steve Barclay MP
Secretary of State for Health and Social Care
UK Government

16 February 2023

Dear Steve

Health Service Procurement (Wales) Bill

The Welsh Government's Health Service Procurement (Wales) Bill has been referred to the Senedd's Health and Social Care Committee for scrutiny of its general principles.

As you may be aware, the HSP Bill includes provision for:

- A 'disapplication power' to enable the Welsh Ministers to disapply provisions of the UK Government's Procurement Bill (once passed) that would otherwise apply to the procurement of health services in Wales.
- A 'creation power' to enable Welsh Ministers to develop and implement a new procurement regime for health services in Wales through subordinate legislation.

The Explanatory Memorandum for the Bill explains that among the drivers for the Welsh Government's Bill is the work the UK Government is taking forward to reform the procurement of health services in England via the development of the Provider Selection Regime under the Health and Care Act 2022.

We would therefore be grateful for information about:

1. Your plans to introduce a Provider Selection Regime for health service procurement in England, including details about the anticipated scope and arrangements for the new regime (for example which health services will be included or excluded) and the anticipated legislative and implementation timescales.
2. Any discussions (including copies of relevant correspondence) at Ministerial or official level between the UK and Welsh Governments about the development of the UK Government's proposed Provider Selection Regime, the Welsh Government's HSP Bill or subordinate legislation to be made under that Bill. This should include any discussions about the potential for subordinate legislation-making powers for Welsh Ministers to disapply or create health service procurement arrangements to be included in the UK Government's Procurement Bill.

As we will be taking oral evidence from the Welsh Government's Minister for Health and Social Services on Thursday 30 March, it would be helpful to receive your response **by Wednesday 15 March 2023**.

Yours sincerely

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a long horizontal stroke at the end.

Russell George MS
Chair, Health and Social Care Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.

Agenda Item 3.8



Department
of Health &
Social Care

*From Lord Markham
Parliamentary Under-Secretary of State*

*39 Victoria Street
London
SW1H 0EU*

Russell George MS
Chair of the Senedd Health and Social Care Committee
By email to:
SeneddHealth@senedd.wales

22 March 2023

Dear Russell,

Thank you for your letter dated 16 February 2023 to the Secretary of State for Health and Social Care. As the lead minister for the Provider Selection Regime (PSR) policy, the Secretary of State has asked me to respond on his behalf.

Our plans to establish the PSR in England were set out in the '[Preview](#)' document which UK Government published online last year as part of a consultation. We have not published the response to that consultation yet but will do so ahead of the laying of the PSR regulations before the UK Parliament.

I can confirm that officials from Welsh Government and UK Government have discussed both the PSR and Welsh Government's introduction of the Health Service Procurement (Wales) Bill. Additionally, Minister Caulfield and Minister Morgan corresponded on the PSR most recently this summer and agreed for Welsh and UK Government to continue to work together on the outcomes of the Health and Care Act 2022 – including the delivery of the PSR. To this end UK Government agreed to share the draft regulations for the PSR with Welsh Government to assist Welsh Government in their assessment of the policy.

The UK Government has shared the draft regulations with the Welsh Government. However, these regulations were still in development and were shared in confidence. At this time, UK Government in partnership with NHS England is preparing its final draft of the regulations which will set out the detail of the PSR. We plan to lay the regulations for the PSR in UK Parliament once we have a final draft ready to lay.

The date at which the regulations are laid will also inform our final planned target date to commence the PSR in England. The regulations will be subject to the affirmative parliamentary process before they can come into force.

With my very best wishes,

LORD MARKHAM CBE

Agenda Item 6

Document is Restricted

Agenda Item 7

Document is Restricted