

Dr Andrew Goodall
Director General Health & Social Services/NHS Wales
Chief Executive
Welsh Government
Cathays Park
Cardiff CF10 3NQ

30 January 2018

Dear Dr Goodall,

NHS Finance (Wales) Act 2014

Thank you for your letter of 22 December 2017 which was considered in Committee on 15 January.

Arising from our considerations and building on your previous oral evidence, we would like further details on why the zero-based review was only conducted within the Hywel Dda University Health Board. We would also welcome confirmation of whether there is any intention to conduct a similar review across other health boards. However, we note that the findings from Hywel Dda will inform other work on the resource allocation formula, which we are keen to see progress on given that the Welsh Government's commitment to the review the formula dates back to a PAC recommendation from 2013.

You have referred in previous evidence to the financial governance reviews that the Welsh Government commissioned from Deloitte LLP at those organisations in escalation. We would like an overview of the key themes/issues emerging from each of those reviews to date and an understanding of how the findings and lessons learned have been shared more widely.

Members also requested a broader overview of NHS efficiency savings activity. While any other relevant service-wide developments or plans would be of interest, I would ask specifically for an update on the scope and progress of the Efficiency, Healthcare Value and Improvement Group, which was described in the Auditor



General for Wales report, *Implementation of the NHS Finances (Wales) Act 2014*, published in July 2017. I am aware that the Welsh Government referred to the work of this Group in its response to the Health, Social Care and Sport Committee's recent report and recommendations on the draft budget for 2018–19. I also note that, among other things that it has to say on efficiency, the recent Parliamentary Review report urges that the work of this Group and the NHS Wales Delivery Framework needs to be fully coordinated with other national efforts as part of an overarching transformation programme.

I look forward to receiving your response.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is written in a cursive style with a long horizontal flourish at the end.

Nick Ramsay AM
Chair

