

Dr Andrew Goodall
Director General Health & Social Services/NHS Wales
Chief Executive
Welsh Government

4 December 2018

Dear Dr Goodall

Implementation of the NHS Finance (Wales) Act 2014

Thank you for your response of 31 October on the Committee's findings from its inquiry into the Implementation of the NHS Finance (Wales) Act 2014, which, overall, Members agreed was positive.

However, the Committee has a number of concerns relating to the review of the funding formula, on which we would welcome clarification. Firstly, we would welcome a clearer statement on timescales. Secondly, we would like clarity on what is actually being considered as part of this review. The previous Committee first recommended a full review of the funding formulae for NHS bodies in February 2013. Your letter suggests a much narrower review on the additional allocation each year. As a Committee we expect to see a fundamental review of the fairness and appropriateness of the total allocation to each body, as was done through the zero-based review in Hywel Dda, not just the additional funding allocated each year.



The Committee also wishes to keep a watching brief on the areas where you said action would be taken through the central NHS executive. In particular, the issues around capacity and capability for delivering transformation and escalation arrangements. Any further work my Committee undertakes in the future would need to take account of the plans of the Health, Social Care and Sport Committee to look at the new NHS Executive.

The Committee will also keep a watching brief on the financial position, including the implementation of the NHS Finances Act and the benefits and challenges of the three-year financial timetable.

I am copying this letter to the Health, Social Care & Sport Committee to inform its wider work and future work programme.

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

