

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

27 September 2019

NHS finances and agency staffing

Dear Andrew,

Thank you for attending the Public Accounts Committee on 15 July 2019 to discuss NHS finances and agency staffing and for the additional information and responses provided in your letters of 5 and 20 August 2019.

The Committee note that four health boards consistently have not met their statutory financial duty to break-even over a three year period. However, we recognise that three of these four health boards have improved their financial position compared to last year, recording smaller in-year deficits. The finances of Betsi Cadwaladr University Health Board deteriorated once again, recording an in-year deficit of £41.3 million for 2018-19.

We note the optimism of the Welsh Government in its ambition that any residual NHS deficit in 2019-20 will be managed within the Health and Social Services MEG, and the expectation for all deficits to be eradicated by 2020-21.

However, we have reservations regarding the latter given the significant long-term challenges at Hywel Dda and Betsi Cadwaladr.

The Committee will therefore maintain a watching brief over progress in the Welsh Government realising its ambitions and intend to revisit the topic of NHS finances more generally, alongside NHS agency staffing costs, in the summer of 2020. At this time we will invite in the remaining health boards who we have not taken



evidence from during our scrutiny of NHS finances, namely Betsi Cadwaladr UHB, although notwithstanding some coverage of financial matters as part of our wider work BCUHB, and Powys THB.

However, we will seek to consider these matters sooner, or wish to speak to other Health Boards, should the trajectory of NHS finances not indicate the improvement anticipated or issues of concern arise with any given health boards.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

Nick Ramsay AM
Chair

