CIPFA

HEALTH PANEL NEWSLETTER

SPRING 2004

This newsletter is a summary of current developments at CIPFA and in NHS finance. It is produced by CIPFA's Health Panel, whose members are listed on the final page. We hope that it will be of interest to all finance professionals working in the health sector.

Foreword

This is the first CIPFA Health Panel Newsletter of the new financial year; a year that sees the introduction of a number of very significant changes to the financial regime in the NHS as part of the progress to system reform.

Many of the aspects of system reform bring new challenges to finance teams and our organizations are looking to finance departments to provide leadership on the key strategies of choice, foundation trusts, new employment contracts and the national programme for IT.

The Health Panel is in the process of reviewing it's role and membership to ensure that it is well positioned to provide support to CIPFA members in Health. During the next year, we want to build on the successes of the past to position the Health Panel as a major commentator and influencer of policy in the Health Sector. We have reviewed the skills, knowledge and interests of existing panel members and we have found some areas where we would like to strengthen our collective expertise. We are therefore very keen to hear from CIPFA members who have an interest and knowledge in the following areas:

- London issues
- Training (particularly trainee perspective)
- New Dental Contract
- PFI hospitals
- Programme Budgeting
- Specialist Trusts
- Emergency Services/ Emergency planning
- HRGv4
- NPfIT
- Partnerships

We are particularly interested in CIPFA members currently working in PCTs, NHS Trusts and Wave 1 and prospective Wave 1a Foundation Trusts. We are also keen to have one or two current student members on the Panel.

If you feel that you would like to contribute to the work of the Panel, please contact me at Kevin.orford@wmssha.nhs.uk or Terry Brodie at terry.brodie@cipfa.org

Kevin Orford
Chairman, CIPFA Health Panel

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AT THE HEART OF PUBLIC SERVICES

Current CIPFA Projects

CONTINUING PROFESSIONAL DEVELOPMENT

Following the introduction of the new and improved CPD scheme, the latest version of the guidelines is now available on the website at www.cipfa.org.uk/cpd

To register with the scheme please visit the membership secure area at http://members.cipfa.org

FINANCIAL REPORTING

In February, the CIPFA Accounting and Auditing Standards Panel issued a bulletin, which compares the financial reporting requirements of local authorities with the financial reporting requirements of NHS trusts. The document builds on a piece of work undertaken by CIPFA in 2001 (the SORP review//www.cipfa.org.uk/pt), which compared the requirements of the Local Authority SORP with the Treasury's Resource Accounting Manual.

The bulletin will be of interest to finance directors, practitioners and members in local government and the NHS, who are interested in the implications of financial reporting differences between the two sectors.

The bulletin is available at www.cipfa.org.uk/pt/

FINANCE DIRECTOR OF THE YEAR

CIPFA member John Matheson, Director of Finance for NHS Lothian, has won the Finance Director of the Year Award for Public/Not-For-Profit Organisations. John was presented with this prestigious award at a ceremony on 27 February, attended by over 400 people from across the financial sector in Scotland. John's achievement is excellent news for CIPFA, for the Health Service and specifically for NHS Lothian. This is the third year in a row that this award has been won by a prominent member of CIPFA in Scotland. Previous winners were George Black of Glasgow City Council in 2003 and Donald McGougan of City of Edinburgh Council in 2002.

Visit the NHS Lothian website to view the news release.

PROFESSIONAL ACCOUNTANCY QUALIFICATION

CIPFA has launched a new 'leading edge' approach to life long learning and development. The educational package consists of a new Professional Accountancy Qualification, a new Continuing Professional Development (CPD) Scheme and the adoption of mandatory CPD. This new approach will build on CIPFA's reputation for excellence, which has resulted in an exceptional student registration growth of 80% over the last four years.

If you would like to know more about CIPFA's new Professional Accountancy Qualification and CPD Scheme visit www.cipfa.org.uk/new_paq.cfm

PUBLIC SERVANTS OF THE YEAR AWARDS 2004

The finalists were announced in March and tickets are now available for the awards ceremony at the Grosvenor House Hotel on 10 May.

For your chance to be amongst the guests at this important occasion, hosted by Dermot Murnaghan and Mary Nightingale, which will celebrate the very best of our public services, contact Laura Kerr on 020 7543 5872 or email her at laura.kerr@cipfa.org.

Special rates are available to public sector organisations and companies who sponsor or exhib at CIPFA's annual conference. www.publicservants.org.uk

PUBLIC REPORTING AND ACCOUNTABILITY AWARDS 2004

Entries are in for the 3rd Public Reporting & Accountability Awards and the judging takes place on 22 April. As usual, the calibre of entries was exceptionally high making the judges' task a difficult one. The lucky finalists will be invited to the awards ceremony at the CIPFA Conference on Tuesday 15 June. Conference delegates are also invited to the ceremony to hear the winners announced.
The awards sponsors, PriceWaterhouseCoopers are delighted to promote this scheme which encourages excellence in public reporting and which celebrates best practice organisations whose imaginative approaches help to achieve real advances in accountability.

More information on the awards is available on http://www.cipfa.org.uk/accountability.

TIS HEALTH ONLINE

Volunteers at all levels of experience are needed to contribute to TIS Health (a major relaunch of the 'FIS Health' publication).

The aim of TIS Health Online is to provide a 'one stop shop' or portal for all NHS finance practitioners to access and share best practice and improve performance. The site covers current issues such as shared services and payment by results, with case studies and practical examples, as well as core financial and legislative guidance. Further content is under development.

Authors are currently required to provide material on corporate governance, performance management, budgeting and NHS Trusts. Contributors from first and second wave foundation trusts would also be particularly welcome. Benefits of volunteering for TIS Health include CPD hours and opportunities to network and share experiences with other NHS finance professionals.

If you are interested in joining the TIS Health Online Working Party, please contact Sarah Ellison on 020 7340 1214 or at sarah.ellison@ipf.co.uk

Conferences/ Seminars

The following events are planned for 2004.

SOCIAL SERVICES AND HEALTH FINANCE: JOINT COMMISSIONING OF SOCIAL CARE AND THE REQUIREMENTS FOR JOINT COMMISSIONING, 6 MAY, LONDON

Issues to be explored include:

- Statutory Framework and Provisions
- Establishing The Joint Commissioning Organisation
- Drafting Contracts
- Contract Management
- Tendering
- Cost Factors

DEVELOPMENTS IN NHS FINANCE JUNE, LONDON

Details to be advised

AN INTRODUCTION TO NHS FINANCE JULY, LONDON

Details to be advised

HEALTH 2004, 7-8 OCTOBER, YORK

CIPFA's keynote conference for NHS Finance policymakers and practitioners.

To register and receive more details of events please contact Alexandra Aarons, CIPFA, 3 Robert Street, London, WC2N 6RL (tel 020 7543 5751; e-mail alexandra.aarons @cipfa.org) Further details can also be found on the CIPFA website: www.cipfa.org.uk/shop

CIPFA HEALTH ADVISORY NETWORK USING TARIFF BASED FUNDING TO SUPPORT MODERNISATION 27 - 29 APRIL 2004 – LONDON

Focus on Payment by Results

'Delivering the NHS Plan' sets out the case for introducing Payment by Results. The NHS has begun the process of moving to this new system.

Under Payment by Results:

- NHS Trusts and other providers will be paid fairly and transparently for services delivered;
- Efficiency and the provision of quality services will be rewarded;
- Greater patient choice and more responsive service will be supported; and
- PCTs will be able to concentrate on quality and quantity rather than price.

From April 2005 there will be a full roll out of the national tariff and this will have a significant impact on hospital trust income. PCTs will commission services at full tariff, and provider trusts will start the three-year transition to full tariff prices.

The CIPFA Health Advisory Network is running a series of focussed, interactive workshops during 2004, looking at various implications of the PbR policy in detail.

At the end of April, Noel Plumridge (Independent Healthcare Consultant and author of the CIPFA's guide to the Payment by Results system) will lead a workshop session focussing on the active use of the tariff system to support strategic goals and initiatives.

COMMISSIONING USING A NATIONAL AVERAGE TARIFF – DEVELOPING LOCAL IMPLEMENTATION PLANS & ASSESSING FINANCIAL STABILITY 27 MAY - 3 JUNE 2004 LONDON

At the end of May/early June, Julie Renfrew, Associate of the Institute of Public Finance and PBR lead for Hants & IoW Strategic Health Authority, will facilitate a highly interactive one day workshop.

During the day delegates will be given the opportunity to explore the development of their own organisational plans to implement the Payment by Results financial reform. The workshop will also look at how organisations can minimise financial risks associated with a move to commissioning based on national average prices.

If you would like further details about the CIPFA Health Advisory Network or either of the above events, please visit our website at www.ipf.co.uk/healthcare or email nicola.peachey@ipf.co.uk

Publications

CIPFA SPECTRUM

The March 2004 edition of CIPFA Spectrum includes items on

- valuing volunteers in financial statements,
- gender budgeting,
- whole of government accounts,
- the role of the NHS finance director and
- passenger transport executives.

Copies were sent to all CPFAs and students in March with Public Finance.

CIPFA Spectrum is also available at www.cipfa.org/pt/spectrum.cfm

PAYMENTS BY RESULTS

In August 2003, CIPFA published guidance that Richard Douglas, NHS Director of Finance, commends in the foreword 'as a practical, helpful and well thought-through contribution to the successful implementation of this major policy initiative'.

The guidance includes the following issues that will be essential reading for practitioners involve in implementing the DH policy

- budgeting
- costing
- strategic financial management
- risk management
- accounting,
- information
- quality
- patient choice

In November 2003, a complimentary copy of an Executive briefing of the publication was sent to Chief Executives and Directors of Finance of all NHS bodies.

JOINT COMMISSIONING OF SOCIAL CARE

In October 2003, the CJC (CIPFA's Commissioning Joint Committee) published a guide to the joint commissioning of by local government and the NHS in conjunction with the Associations of Directors of Social Services and Social Work.

The guide addresses, in plain English, the many intractable procurement, value-for-money, legal and accounting problems which now arise with joint commissioning.

These problems include

- fundamental differences in the terms of NHS and local government legislation
- service users' resistance to transfer from free to means-tested care
- the plethora of different organisational models now in use for the delivery of public services, including delegation, budget pooling, budget alignment, joint commissioning, and the independent funding of partnerships
- the built-in purchaser-provider split in most of the NHS, and the growing resistance to it (reflecting CCT experience) on the part of many local authorities
- their different accounting regimes, guidance about the apportionment of overheads, and treatment of year-end underspendings
- the conflict between efficient procurement and freedom of choice for service users as a result of direct payments
- the effect of the Competition Act 1998 and of the judgement in the 'Bettercare' case.

The CJC's website is available at www.ipf.co.uk/bestvalue/bvq/CJC

FINANCIAL CONTROL AND BUDGETING FOR NHS PARTNERSHIPS

In January 2003, CIPFA published guidance to help NHS finance practitioners who enter into partnerships in pursuit of the NHS modernisation agenda. The guidance is based on a previous successful publication for local government and includes the following issues:

- appraising a partnership proposal
- budgeting for partnerships
- financial monitoring and control
- financial reporting.

PRIMARY CARE TRUSTS

Following the success of the CIPFA publication 'Accountability: A Framework for Primary Care Trusts' the Panel has published guidance on the role of Finance Directors in PCTs.

The guidance addresses the following issues

- the impact of change on the Finance Director
- the position and influence of the Finance Director
- how the Finance Director contributes to corporate management
- maintaining financial administration and stewardship
- supporting and advising directors and service managers
- managing the finance function.

The guidance will be of interest to finance directors, those aspiring to the position and all Board members of PCTs.

POOLED BUDGETS

The joint publication by CIPFA's Health and Social Services Panels providing guidance on the establishment and management of pooled budgets has now sold over 1000 copies.

There are six sections in the guide that look at the following different elements of pooled budgets for partnerships.

- background
- managing the pooled budget
- corporate governance
- financial accountability
- audit
- other issues.

A checklist is provided to assist implementation and DH guidance (extracted from the Health Act 1999) is also included.

This publication has been produced in conjunction with the DH and provides essential guidance for practitioners and organisations as they develop partnership arrangements under the Health Act 1999.

Publications may be ordered from www.cipfa.org.uk/shop or contact steve.crackett@cipfa.org (tel 0207 543 5602)

FUTURE PUBLICATIONS

The Panel is now considering suitable subjects for future publications.

If you are interest in promoting a subject or being an author please contact terry.brodie@cipfa.org

CIPFA Website

The November 2003 issue of PQ Magazine carried out an independent review of accountancy body websites in which the CIPFA website has been 'highly commended'. The website is described as 'getting better each year. The relatively new addition of the Study Lounge is excellent.'

This positive feedback reflects CIPFA's ongoing commitment to improving online support for its members and students.

For further information about the CIPFA website, please email joan.lavery@cipfa.org

Members' Website

The website for CIPFA members has been re-launched. The new site features improved navigation and easier access to membership lists which are now available in print-friendly format.

The online version of Spreadsheet magazine has also been revamped and features photographs from the printed magazine, clearer categorisation of articles and access to past issues online.

Further information is available at www.cipfa.org.uk/members

Panel Website

A website dedicated to the Health Panel is at www.cipfa.org.uk/panels/health and this now includes NHS Finance news.

Comments would be particularly welcome on the content of the website and how it could be improved.

Public Management and Policy Association (PMPA)

ARTICLES

PMPA's February Review included an article by Naomi Eisenstadt, Director, Sure Start Unit DfES/DWP. Sure Start aims to achieve better outcomes for children, families and communities. It is working towards increasing the availability of childcare for all children and improving the health, education and emotional development of young children. Its approach is to work for lasting change and to mainstream, rather than marginalize, services. One of the potential keys to this is, the article suggests, the reshaping and redeployment of mainstream budgets: health, education and social services.

LECTURES

The PMPA lecture on March 18 by Keith Ruddle, Fellow in Leadership Organisation and Change, Templeton College, University of Oxford, considered the challenge of developing leaders and organisations to deliver improved public services in a talk entitled 'Reinventing leadership'.

Recently in the public sector Dr Ruddle has advised on the New Deal, the DTI's initiative on entrepreneurship, the Audit Commission on change management, and contributed to leadership development in the NHS.

Details are available via the associations website: www.pmpa.co.uk

CONFERENCE

The PMPA 2004 conference addresses the key issue of choice in public services. Chaired by Ann Abraham, The Parliamentary and Health Service Ombudsman, speakers include

- Denise Platt,
- Sue Slipman,
- Dan Corry and
- John Benington.

Details are included in the CIPFA conference programme or available from info.pmpa@cipfa.org

PMPA is a membership organisation, supported by CIPFA. Benefits of membership include free subscriptions to a range of publications (including the highly respected journal Public Money and Management), 20% discount off a subscription to Public Finance and a lecture and conference programme.

Full details are available on the Association's website (www.pmpa.co.uk) or email info.pmpa@cipfa.org asking for an information pack and sample publications.

DEVELOPMENTS IN NHS FINANCE

ENGLAND

ACCIDENT AND EMERGENCY

In February, the Government announced that hospital trusts providing faster, better emergency care for patients will be able to access £500,000 each to develop services across the hospital.

Every hospital trust in England delivering faster care in accident and emergency will be able to access the £500,000 in stages between April 2004 and March 2005. Ninety per cent of patients are now seen, treated, admitted or discharged within four hours of their arrival at A&E. Trusts have been asked to set out how they will ensure that all patients spend less than four hours in A&E.

Ambulance trusts which consistently reach 75 per cent of life threatening cases within eight minutes and trusts providing lead responsibility for mental health services and improving their 24/7 crisis care for patients with mental health problems will also be able to access extra money.

For more information visit www.dh.gov.uk

AGENDA FOR CHANGE

Information emerging from the early implementers of Agenda for Change is at www.modern.nhs.uk/agendaforchange

Details of the proposed new terms and conditions of employment are available at www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/AgendaForChange/fs/en

ADVANCE LETTER

In February advance letter (MD) 4/2003 published revised arrangements for backdating pay for junior doctors on rotation, determination of leave years, and confirmation of pay rates for trainees in general practice.

More details are available at www.dh.gov.uk/PublicationsAndStatistics/LettersAndCirculars/AdvancedLetters/

BUDGET 2004

The Chancellor of Exchequer included the following statements in Budget report on 17 March

- Growth in 2004 is expected to be 3-3.5%
- Inflation in 2004 – 1.75%, 2% in 2005 and 2006.
- Borrowing figures – £37.5bn this year. It is "not necessary" to balance books on every budget.
- NHS – to receive a 7.2% real terms rise year on year; £20bn additional resources to be available, rising to £40bn
- Children's Fund to be continued to 2008 "to allow a smooth transition to new children's trusts".

For full report visit www.hm-treasury.gov.uk/

CANCER SERVICES

A new £1.5 million programme to provide testing, care and support for people who may be at risk of inherited cancer has been launched. This follows on from a key aim of the recently published White Paper "Our inheritance, our future - realising the potential of genetics in the NHS to ensure NHS patients benefit from the most up-to-date genetic knowledge and technologies.

A small proportion of breast, ovarian and bowel cancers are associated with particular inherited genes. Testing for these genes can identify whether someone with a strong family history of the disease is likely to develop it. The Department of Health and Macmillan Cancer Relief are funding a programme of pilot projects, which will identify patients at risk and provide them with appropriate advice, support and care.

The programme will run in four areas. In each area GPs, local cancer experts and specialised genetic cancer services will work together to ensure patients who are concerned about their family history of cancer are properly assessed and receive future care which is appropriate to their level of risk.

"Our Inheritance, Our Future - Realising the potential of genetics in the NHS" is available on the Department of Health website at www.dh.gov.uk/genetics/whitepaper.htm

CAPITAL SCHEMES

In January, the DH launched a further prioritisation round for major capital schemes that will report in the summer of 2004. Capital schemes that exceed £40m at 2003/4 prices must submit strategic outline cases for national prioritisation by 23 April 2004.

More information is available at www.dh.gov.uk/pfi/prioritisationcapitalschemes.htm

CANCER SERVICES

The NAO is undertaking a suite of three studies on the delivery of cancer services in the NHS in England and expect to publish their report in 2004.

MFor more information please visit www.nao.gov.uk

CHILD AND MENTAL HEALTH SERVICES

In February, the DH published HSC 2004/002 - child and adolescent mental health service (CAMHS) grant circular 2004/05 lists individual authority allocations and gives guidance on priorities for service development.

The circular is available at www.dh.gov.uk/PublicationsAndStatistics/LettersAndCirculars/HealthServiceCirculars/

COMMISSION FOR HEALTH IMPROVEMENT

In March the Commission for Health Improvement published the methodology that will be used for PCTs and NHS Trusts in the 2004/2005 performance rating indicators, which will be published in summer 2005.

More information is available at www.chi.nhs.uk/eng/ratings/2005/index.shtml

CONTROLS ASSURANCE

All NHS trusts and strategic health authorities are required to produce a Statement on Internal Control (SIC) to accompany their annual accounts by 15 May 2004.

The appropriate spreadsheet is at www.info.dh.gov.uk/dh/rm5.nsf/AdminDocs/CAStandards?OpenDocument and standards and details at www.dh.gov.uk/riskman.htm or contact CAP@dh.gsi.gov.uk

CONTINUING CARE

The Government announced in February that it is requiring the NHS to assess patients for fully funded NHS continuing care before they leave hospital.

For the first time, NHS Trusts have a legal requirement to assess for continuing care before patients leave hospital. This fulfils the commitment, made during the passage of the Delayed Discharges Act last year that patients should not be discharged from hospital before assessment for fully funded NHS continuing care has taken place.

Fully funded NHS continuing care is provided on the basis of the assessed needs of an individual and is not condition specific and may be provided in a variety of settings ranging from a nursing home, hospital, hospice or a person's own home

For more information, please visit the Department of Health website www.dh.gov.uk/PolicyAndGuidance
The Continuing Care (National Health Service Responsibilities) and Delayed Discharge (Continuing Care) Directions were also published in February. For more information visit www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/TertiaryCare/ContinuingCarePolicy

COUNTER FRAUD

In February, the Health Minister published new figures showing a 60% reduction in pharmaceutical patient fraud (known as 'prescription fraud') losses, saying this meant more money for patient care.

Figures collected by the NHS Counter Fraud and Security Management Service reveal that losses have fallen from £117 million a year in 1998/99 to just £47 million a year in 2002/03. This major reduction easily exceeds the target set in the Public Service Agreement for a 50% reduction by the end of 2002/03.

For more information visit www.cfsms.nhs.uk

DENTAL SERVICES

Information is now available on dental practice prescribing profiles. It includes key messages on access and priorities, the allocation of £35m capital and £15m revenue to support access, quality and choice, the allocation of £5m capital for salaried primary dental care service modernisation and the general principles underpinning the base contract from April 2005.

More at www.doh.gov.uk/dental/pctguidancejan04.pdf

FOUNDATION TRUSTS

In January, the independent regulator of NHS Foundation Trusts (FTs) published his consultation on the draft audit code for NHS FTs, a copy of which has been sent to Wave 1 applicants for FT status.

Contact Stephen Humphreys tel 0870 099 1674. The paper is at www.regulator-nhsft.gov.uk

The DH has issued a consultation document on proposals for secondary legislation to establish an insolvency and failure regime for NHS Foundation Trusts. Consultation period ends on 7 May 2004.

For more information visit http://www.dh.gov.uk/Consultations/LiveConsultations/LiveConsultationsArticle/

In March the Independent Regulator of NHS Foundation Trusts authorised the first ten NHS Foundation Trusts from 1 April 2004.

The 10 NHS Foundation Trusts:

- Treat around 2.6 million patients each year
- Have over 50,000 members
- Employ around 30,000 staff
- Have a turnover of £1.3 billion

For more details visit www.regulator-nhsft.gov.uk/

GENERAL MEDICAL SERVICES

In January, the Department of Health published a set of documents on the new GMS contract:

- Delivering Investment in General Practice - the full detail of how the contract will work and what needs to be done to implement it
- a draft standard GMS contract, with an accompanying explanatory note for primary care trusts
- a draft GMS Statement of Financial Entitlements for 2004/05, which replaces the old Red Book
- draft GMS contract regulations.

These documents were all negotiated with the British Medical Association and agreed with them and the NHS Confederation. Hard copies of Delivering Investment in General Practice and a CDROM including all of these documents are available from the NHS Response line on 08701 555 455. Documents at www.doh.gov.uk/gmscontract/implementation.htm

The DH publishes a fortnightly web update on nGMS and PMS implementation at www.dh.gov.uk/gmscontract/implementationupdate13jan04.html

GENETICS

In March, the Health Secretary announced the successful bidders for £4million of funding to support research into gene therapy in the U.K. The funding is part of a wider £50 million strategy to harness the potential of advances in genetics to the benefit of NHS patients, annouced in last year's Genetics White Paper.

Gene therapy is a new, innovative treatment which holds great promise for treating many common diseases, such as cancer and heart disease, as well as offering hope to those with inherited conditions such as Duchenne muscular dystrophy. Many inherited diseases are the result of a missing or damaged gene. Rather than trying to treat the symptoms, gene therapy aims to correct the underlying problem by introducing healthy copies of these genes, or other beneficial genetic material into patient's cells.

Of the funding allocated, £3million will fund, for the first time, research into clinical trials for three single gene disorders - haemophilia, muscular dystrophy and childhood blindness. A further £1 million will be used to support research into the long-term safety of some techniques used in gene therapy.

For more information visit www.dh.gov.uk/PublicationsAndStatistics/

HOSPITAL MEDICINES MANAGEMENT COLLABORATIVE

In March, the Health Minister announced £800,000 to ensure that both patients and hospitals get the best from their medicines in a speech to the Guild of Healthcare Pharmacists in Hinckley, Leicestershire.

The Hospital Medicines Management Collaborative has been doubled in size to 20 NHS Trusts due to the high quality of applications.

The collaborative will:

- deliver real health improvements through the best use of medicines; for example, pharmacist lead clinics to help patients with their medicines on admission and post-discharge from hospital
- increase the involvement of pharmacists, nurses, and doctors in the use of medicines to ensure that the skills of all staff in the hospital are maximised, and,
- put in place systems that improve efficiency and reduce waste whilst maintaining patient safety.

Each of the 20 participating hospitals will receive £40,000.

For more details visit www.dh.gov.uk/

INFORMATION AND DATA QUALITY

In March the Audit Commission published a report that is intended to help the Commission for Healthcare Audit and Inspection, as well as the NHS and the Department of Health, by summarising messages and lessons from all of their work in this area over the last three years. It includes the findings from the 2003 round of spot checks on waiting list and waiting time data.

For more details visit www.audit-commission.gov.uk/reports

INFORMATION TECHNOLOGY

In January, the Health Minister announced that an extra £30 million is being made available to ensure GPs' IT systems are ready for the implementation of the new GP contracts in April.

The new money is in addition to the £20m already committed to primary care IT under the new contract agreement. All GPs' will now be able to have in place the IT systems to process the clinical data that is central to the new quality-based contracts, bringing improvements not only to patient care but also to GPs' rewards.

The National Programme for IT has launched a monthly programme update. The update provides a briefing for stakeholders on the programme's progress, including the NHS Care Records Service, Electronic Booking, Electronic Transmission of Prescriptions and the provision of an underpinning IT infrastructure.

In February, the Health Minister announced that BT had been awarded a contract to provide and manage a broadband network to link all NHS organisations in England.

The New National Network, also known as N3, will provide a fast, reliable network on which to run the new IT systems being delivered by the National Programme for IT. This will make the NHS the first major user of significant broadband capacity in the public sector.

The number of sites served will be increased from 10,000 - under the current NHSnet contract - to all 18,000 NHS locations and sites. The network will also provide the technology to benefit patients by significantly speeding up the transfer of key clinical data between NHS organisations.

In addition, it will enable much faster electronic transmission of visual data, such as video and x-rays. The contract has an estimated value of £530 million and will run for seven years.

The new network will enable transmission of voice and video information as well as data including e-mails, medical information, test results and GP payment information. This will allow NHS organisations to use the network for their telephone systems, which could enable the NHS to make significant savings on its telephone bill.

For more information visit www.dh.gov.uk

LEARNING DISABILITY DEVELOPMENT FUND

In February the DH issued PCTs' pro rata LDDF revenue allocations for 2004/2005 at www.doh.gov.uk/learningdisabilities/new.htm

The funds will be formally released by the start of the year. This site also contains a letter to PCT chief executives about how these funds should be used. This should be agreed, through partnership boards, with partner local authorities. Decisions should take account of continuing commitments to 2003/2004 LDDF-funded learning disability projects, the needs of learning disabled people with high support needs and of those from ethnic minorities.

MEDICAL RESEARCH

The Health Secretary announced in March that the extra £100 million per year by 2008 for research and development set out in the Budget will be used to fund research into the treatment and cure of four major diseases - Alzheimer's, stroke, diabetes and mental health as well as developing new medicines for children. The outstanding success of the National Cancer Research Networks, which have doubled the number of patients in clinical trials, will provide the model to tackle these diseases.

The creation of the UK Clinical Research Collaboration (UKCRC) will bring together the NHS, Medical Research Council, medical charities and industry to speed up the development of new medicines and treatments from the laboratory to the patient's bedside - meaning more patients benefit from the latest scientific advances. This will include giving more patients the chance to take part in clinical trials.

The boost in funding will bring combined government spending on medical research to £1.2 billion. The largest ever sustained increase in research funding will be used to:

- fund specialist research into three of the most common diseases amongst older patients - stroke, diabetes and Alzheimer's;
- bring together existing paediatric research centres to deliver faster progress in developing drugs for use in children;

- expand the research network within the National Institute of Mental Health to make it larger and more inclusive to help relieve the distress of the mentally ill.

For more information visit www.dh.gov.uk

NHS CHARITIES

A draft Order to remove the dual accounting burden on NHS Charities was laid before Parliament in January and is currently going through the scrutiny stage by both Houses.

The draft Order and accompanying Explanatory Document can be accessed via the Department of Health website www.dh.gov.uk/Home/fs/en under 'What's New' dated 19 Feb 2004. Annex A to the Explanatory Document provides details of the responses to the consultation.

NHS LIFT

The NAO announced in February a study that will address the question: "Is LIFT a suitable programme to support improved community-based health services that meet local needs while providing Value for Money?"

Key issues to be considered are:

- will LIFT contribute to the better long term delivery of local health services?
- does the LIFT structure include appropriate Governance arrangements, Incentives and Accountability?
- have LIFTCo's sufficient public and private skills and capacity to deliver and operate their programmes?
- will LIFT deliver the expected benefits in a way conducive to Value For Money?

The NAO will be conducting surveys of health professionals, health service managers and private sector companies during the examination.

Fieldwork will be carried out during the Spring/Summer and the NAO expect to publish in the Autumn 2004.

Email Patricia Leahy through our enquiries desk, please mark your email for her attention Media Contact: Mark Strathdene, 020 7798 7183, Email Mark Strathdene through our enquiries desk, please mark your email for his attention

NON-MEDICAL STAFF

In March, agreement was reached on new salary scales for the above staff.

The advance letters containing full details of the increases is available on www.dh.gov.uk/PublicationsAndStatistics/LettersAndCiculars/AdvancedLetters/

OLDER PEOPLE SERVICES

In February the Audit Commission published two reports. Firstly, 'Older People - Independence and Well-being The Challenge for Public Services' which summarises a series of five reports that explore the nature of change required from public services in relation to the independence and wellbeing of older people. This covers both the majority who have no need of care services (but who have a wide range of other concerns), and the minority of frail older people who may need support and care.

Secondly, 'Support for carers of older people Independence and well-being 5' There are currently around five million people in England providing support to relatives or friends in need of care, with approximately 70 per cent of them providing support for older people. Support services for carers of older people are severely limited and while some action is being taken, little real help is getting through to carers themselves. This report looks at the nature and extent of the help that is currently available to carers and makes suggestions about how this can be improved.

For full details of the reports visit www.audit-commission.gov.uk/

OUT OF HOURS (OOH) HEALTH SERVICES

In March the Health Minister announced a new £30million scheme that will reward Primary Care Trusts (PCTs) for providing high quality out of hours healthcare for patients.

The extra cash will reward PCTs for their work in preparing for December 2004 when GPs are given the choice to hand over responsibility for out of hours care to their local PCT.

The scheme will offer two payments. The first will be given to PCTs when they satisfy their Strategic Health Authority that they are ready to take over responsibility for out of hours care in their area. The second payment is for PCTs that have taken over full responsibility for their local out of hours care and have demonstrated they are delivering a high quality service. It is anticipated that the scheme will offer up to £100,000 per PCT.

Under the new scheme SHAs will be in charge of assessing whether a PCT has qualified for the payments.

For more information visit www.dh.gov.uk/PublicationsAndStatistics/

PAYMENT BY RESULTS

In February, the DH published Payment by Results Core Tools 2004.The document, contains reference costs 2003 and the national tariff 2004/2005. Reference cost index scores were also made available to NHS organisations to enable them to prepare statements for local media enquiries.

The document is at www.doh.gov.uk/nhsfinancialreforms/ and www.doh.gov.uk/nhsexec/refcosts.htm

PHARMACY BUDGETS

In January, the DH sent a letter and table of figures to primary care trusts notifying their 2003-2004 allocations for oxygen services and oxygen hardware budgets.

Available at www.dh.gov.uk/medicines.htm

PRESCRIPTION CHARGES

NHS prescription charges will increase from 1 April 2004. Leaflet HC12 sets out the new charges. Pharmacists, appliance contractors and dispensing doctors have been notified direct.

For more information visit www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsPolicyAndGuidance

PRIMARY CARE

From 2004/05, funding for arrangements for childcare and return to practice will be included in PCT baseline allocations - formerly they were funded by ring-fenced SHA budgets.

From April 2004 PCTs will need to determine the appropriate investment in these areas, working in partnership with SHA Workforce Development Confederations and other local stakeholders.

More information at www.doh.gov.uk/cebulletin/nhschildcarestrategy.htm

PRIMARY MEDICAL SERVICES

HSC 2004/003 notifies PCTs of the 2004/05 allocations for GMS and PMS, which support the implementation of the new GP contract. This allocation means that the previous GMS non-discretionary arrangements will cease.

The circular is available at www.dh.gov.uk/PublicationsAndStatistics/LettersAndCiculars/HealthServiceCiculars/

PRISON SERVICES

In March, Ministers announced 18 Primary Care Trusts that have been given lead responsibility for healthcare services in their local prisons from April 2004. Front line responsibility for prison health in all English prisons will have transferred to local PCTs by 1 April 2006.

Covering 34 prisons across England, the 18 PCTs have demonstrated a clear understanding of the health needs of their local prison populations and have in place robust plans to bring the prison's

healthcare in line with the wider NHS. Transfer of relevant funds will take place for the start of the 2004/05 financial year.

Further information can be found at www.dh.gov.uk/socialcare

RADIOGRAPHY SERVICES

In February, the Secretary of State announced £3 million government funding to boost the number of radiographers working in the NHS. The Department of Health has developed a recruitment and retention strategy to increase the workforce, encourage returners to the profession and develop better career pathways for radiographers.

For more information visit www.dh.gov.uk/PublicationsAndStatistics/PressReleases

SECURING GOOD HEALTH FOR THE WHOLE POPULATION

In April 2003, the Prime Minister, the Chancellor and the Secretary of State for Health asked Derek Wanless, ex-Group Chief Executive of NatWest, to provide an update of the challenges in implementing the fully engaged scenario set out in his report on long-term health trends.

Derek Wanless' final report "Securing Good Health for the Whole Population" was published in February.

The entire report is available on www.hm-treasury.gov.uk/consultations_and_legislation/wanless/consult_wanless03_index.cfm

SEXUAL HEALTH

The Public Health Minister announced, in January, a further roll-out of the chlamydia screening programme to cover 16 new areas of England and a review of how genito-urinary medicine (GUM) clinics are modernising.

Chlamydia is the country's most common sexually transmitted infection (STI) with as many as one in ten people infected with the disease.

The Government has committed £35 million investment since 2002 to help fund modernisation of GUM clinics and reduce waiting times.

The Health Development Agency evidence briefing is available at: http://www.hda.nhs.uk/documents/prevention_stis_evidence_briefing.pdf

SUBSTANCE MISUSE

From 1 April 2004 the above funding streams together with other Department of Health and government departments' funding for young people's substance misuse services, will be included in a single Drugs Strategy - Young People Partnership Grant.

For more information visit www.dh.gov.uk/PublicationsAndStatistics/

TEENAGE PREGNANCY AND DRUG ABUSE

In February, a new drive to help reduce drug and alcohol abuse and teenage pregnancy in some of the country's most deprived areas has been announced today by the Public Health Minister.

The Young People's Development Programme will offer 13-15 year olds an integrated programme of education and training opportunities across a range of areas including journalism, environmental activity, arts and sport, as well as mentoring, life skills and health related training. The programme is based on a similar approach in the US, which has led to reductions in teenage pregnancy and builds on existing programmes in England.

A total of 27 pilot schemes will run for three years under the programme. The pilots will be evaluated to help guide future policy on reducing substance abuse and improving sexual health.

The overall scheme will be co-ordinated by The National Youth Agency (NYA).

More information is available at: www.nya.org.uk

WHOLE OF GOVERNMENT ACCOUNTING

Progress towards WGA continues following the announcement in December 2003 of the extension of Whole of Government Accounts to local government, NHS trusts and public corporations.

A list of the bodies expected to be encompassed is available on the Treasury's WGA website at www.wga.gov.uk as are some details of the situation in Scotland.

The CIPFA website now includes a webpage dedicated to WGA, at www.cipfa.org/pt/wga.cfm.

YOUNG PEOPLE'S SUBSTANCE MISUSE SERVICES

From 1 April 2004 the above funding streams together with other Department of Health and government departments' funding for young people's substance misuse services, will be included in a single Drugs Strategy - Young People Partnership Grant.

For more information visit www.dh.gov.uk/PublicationsAndStatistics

Scotland

ALCOHOL SERVICES

An £8 million boost to help people with alcohol problems was announced in March.

The money, £3 million in 2004/05 and £5 million in 2005/06, will go to Alcohol Action Teams in every Health Board area fulfilling a Partnership Agreement pledge to increase the level of resources for alcohol treatment and rehabilitation services.

For more information visit www.scotland.gov.uk/pages/news

AMBULANCE SERVICES

Patients across Scotland will benefit from a £5.1 million programme to put new high-tech heart machines in every front line ambulance.

The new heart defibrillators will replace older machines in all 496 vehicles offering faster and better treatment making full use of ambulance crews' professional skills.

For more information visit www.scotland.gov.uk/pages/news

CAPITAL INVESTMENT

Nearly £350 million is being made available this year for medical equipment, hospitals and health centres - an overall increase of 13 per cent.

It represents the largest capital budget ever for the NHS in Scotland.

The rise is part of a three-year funding programme outlined by the Health Minister in March last year.

This year almost £240 million will be distributed to Health Boards to improve healthcare facilities and services, with an average increase of nine per cent over last year.

A further £108 million will support a number of centrally funded initiatives including:

For more information visit www.scotland.gov.uk/pages/news

DENTISTRY

An investment of £4.5 million to support NHS dentistry was announced in March.

Dentists will receive £3 million for improvements such as making practices more accessible to disabled people or to purchase new equipment.

In addition, the general dental practice allowance, designed to help dentists with administrative costs such as health and safety and training and supporting staff, is to be increased by 50 per cent this year to £4.5 million – an increase of £1.5 million.

For more information visit www.scotland.gov.uk

GP PREMISES

In February, the Scottish Health Minister announced that NHS Boards in Scotland have been allocated a 65 per cent increase in funding over three years to build and upgrade GP premises.

This increase in recurring funding, for the next two years 2004-06, will underpin arrangements for the new GP contract.

It means that investment in GP premises will rise from £41.7 million in 2002-03 to £69.1 million in 2005-06.

As well as helping GPs move from inadequate premises, the funding is intended to sustain momentum towards bringing primary care, local authority and voluntary sector services under one roof.

It follows the announcement in December of £4 million to fund the Partnership Agreement commitment to develop Community Health Service Centres that will provide treatment, diagnostic and support services in one facility

For more information visit www.scotland.gov.uk/pages/news

GENERAL PRACTICE TRAINING

Investment of £2 million to improve training for the next generation of key staff in general practice has been announced.

The money will provide facilities for medical and non-medical staff to learn new and update existing skills so that they can better serve patients.

The £2 million comes on top of a national premises modernisation programme, which has seen £51 million invested over the last five years. This has supported more than 100 projects including adapting health centres for the training of dental students and providing areas for computer training.

In a separate initiative, £30 million worth of new projects have already been commissioned for investment in modern purpose-built GP leasehold premises.

The Links Health Centre is one of these new GP leasehold premises, which brings three general practices and community health under the same roof. If offers a wide range of services including minor injuries, outpatient and physiotherapy departments as well as a specialist nursing wing with its own minor surgery facility.

For more information visit www.scotland.gov.uk

UNIFIED NHS BOARDS

From 1 April 2004 the Health service in Scotland will consist of 15 unified boards covering local health areas and a number of special health boards providing ancillary services. Each of these boards will be a self-accounting body reporting to the Scottish Executive Health Department.

All NHS Trusts will be dissolved by 31 March 2004 and their assets and liabilities transferred to the local boards. The trusts will be replaced by operational units, which will provide services to their local board and other boards as required.

For more information visit www.scotland.gov.uk

Wales

CARE & REPAIR

Funding of £3.77 million to enable elderly and disabled people to remain in their own homes was announced by the Welsh Minister for Social Justice and Regeneration in February.

Care and Repair agencies provide help to elderly and disabled people to enable them to carry out improvements to their homes. The service is wide-ranging and includes practical support within the home renovation process, management of building work and advice on reputable contractors.

For more information visit www.wales.gov.uk

CHILD AND ADOLESCENT MENTAL HEALTH

The Welsh Assembly's Child and Adolescent Mental Health strategy (CAMHS) is to get a £700,000 funding boost, announced in March.

The Welsh Assembly published its CAMHS strategy 'Everybody's Business' in September 2001, which set out the strategic vision for this service over a ten year period.

For more information visit http://www.wales.gov.uk/subihealth/index.htm

CORONARY HEART DISEASE

In March, the Welsh Health and Social Services Minister announced that some 60 projects tackling coronary heart disease across Wales are to receive Welsh Assembly Government funding for a further two years.

The projects are supported by the Inequalities in Health Fund, set up in 2001. The Fund, with a budget of £5 million for 2003-04, was designed to stimulate and support local action to address inequalities in health and the factors that contribute to it, including inequities in access to services.

For more information visit www.wales.gov.uk

COUNTER FRAUD

In February, the NHS Counter Fraud and Security Management Service revealed that £250,000 a year, which previously was being lost to fraud, is now being spent on Welsh optical services. Between 2001 and 2003, the money lost to patients dishonestly claiming exemption from paying for sight tests, spectacles and contact lenses fell by 22%.

This is in part due to the introduction of measures to check patients' eligibility for free optical services at the time they receive treatment, known as Point of Service checks (POS checks). These were introduced in Wales in May 2001 and have been operated in a highly professional and effective manner by opticians.

For more information visit www.cfsms.nhs.uk

WANLESS

The Welsh Health Minister announced in February a £30m package for distribution across Wales to implement the Wanless reform agenda at local level, with areas of greatest health need receiving the most funding, The funding has been distributed according to Professor Townsend's recommendations that more funding should go to areas with the greatest health needs.

For more information visit www.wales.gov.uk

SPRING 2004 CIPFA

CIPFA Health Panel Membership

Kevin Orford	–	West Midlands StHA (Chairman)
David Allcock	–	North Warwickshire PCT
Julie Barnaby	–	NHS Modernisation Agency
Terry Brodie	–	CIPFA
David Clark	–	Tayside NHS Board
Liz Cockcroft	–	Gwent Healthcare NHS Trust
Steven Corbishley	–	National Audit Office
Christine Daws	–	NHS Wales
Mark Day	–	Yorkshire Wolds & Coast PCT
Colin Dunn	–	Tameside and Glossop Acute Services NHS Trust
Sarah Melling	–	Scottish Executive
Kate Harrison	–	RSM Robson Rhodes
Alison Hunt	–	West Yorkshire Workforce Development Confederation
Paul Kemp	–	Norfolk, Suffolk & Cambridgeshire StHA
Mike Langley	–	Audit Commission
Jean McBride	–	Audit Scotland
Paul Simpson	–	Down and Lisburn Health and Social Services Trust
Peter Smith	–	Gateshead Health NHS Trust
Phil Taylor	–	Department of Health
Suzanne Tracey	–	East Somerset NHS Trust
Mick Waite	–	Audit Commission
Eifion Williams	–	Bro Morgannwg NHS Trust

TERMS OF REFERENCE

CIPFA's Health Panel meets quarterly and is responsible for:

- monitoring developments in finance and policy issues relating to health
- formulating CIPFA's policy on health matters
- responding to Government, professional bodies' and other bodies' consultation/ discussion papers and exposure drafts
- developing, promoting and maintaining best practice, standards and guidelines on financial management issues affecting health
- producing and disseminating relevant advice and material for members and employers in health
- establishing positive and productive professional relationships with Government, government departments and agencies, the national audit bodies professional regulators, the Healthcare Financial Management Association and other bodies in the Health sector
- working with CIPFA's other Boards and Panels on matters of mutual interest.