

**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

The CIPFA Health Panel wishes a Happy New Year to you all and it has been an interesting start to 2005.

In the first week of the New Year, the national press reported that the NHS is facing a deficit of £500 million this year; a so-called "black hole" in NHS finances. It is clear to see why such reports provoke a bad reaction from politicians. Every year there are similar reports and every year, the NHS has managed to bring in the finances on balance. It is not surprising that it looks to some like we are "crying wolf."

Whilst it is certain that the NHS will not have a £500 million deficit at the end of March, financial balance does feel a lot more high risk this year. The financial pressures of the new GMS, Consultant and "Agenda for Change" contracts are greater than the budgets set aside by many PCTs and NHS Trusts. Many of us are therefore immersed in drawing up financial recovery plans; the full pressure of this falling on NHS finance staff. On top of this, we are all now drawing up the financial plans for next year; a year when PBR will become "live" for more of us and a year when the costs of NPfIT and the capacity plans start to hit. Whilst the ambition of the NHS can be said to be running slightly ahead of the funding available, it is clearly down to us to somehow "square the circle". This will be a difficult three months for many of us.

Over the next few months, the Health Panel will be issuing a major new publication on the financing of long-term conditions (Chronic Disease Management). This will include detailed financial case studies to help us model the financing of new patient care pathways in our own areas. Also we are running three CPD seminars linked to the CIPFA Statement of Professional Expertise and accredited for your CPD. The first of these is on Financial and Performance Reporting to be held in London in February. By popular demand, we are also running the "Introduction to NHS Finance" course, which has proved to be very popular in previous years.

This newsletter contains a comprehensive review of all the major issues currently facing NHS Finance. We are also now working up a web based version for launch in the near future and if you wish to ensure that you continue to receive the newsletter we need your e-mail address if it is not already on the CIPFA membership database.

If you have any suggestions for things you would like to see in the newsletter in future, please submit your comments to [www.cipfa.org.uk/panels/health/feedback](http://www.cipfa.org.uk/panels/health/feedback)

Kevin Orford  
Chairman, CIPFA Health Panel

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If you have any comments or suggestions about this newsletter, submit your comments to [www.cipfa.org.uk/panels/health/feedback](http://www.cipfa.org.uk/panels/health/feedback)

## CIPFA NEWS

### CIPFA SPECTRUM

The final edition of CIPFA Spectrum for 2004 was published in December and includes articles on:

- A Good Governance Standard for Public Services
- Policing the application of GAAP in the Central Government sector: the work of the Financial Reporting Advisory Board
- Roman soldiers and Payment by Results
- ALMOs – decent homes and beyond
- Is the modern UK/US approach to internal audit appropriate in all circumstances?

CIPFA Spectrum is mailed to all CIPFA members and students with Public Finance. It is also available, together with back issues, at [www.cipfa.org.uk/pt/spectrum.cfm](http://www.cipfa.org.uk/pt/spectrum.cfm)

### 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](http://www.cipfa.org.uk/cpd)

To register with the scheme please visit the membership secure area at [www.members.cipfa.org](http://www.members.cipfa.org)

### IMPROVING FINANCIAL MANAGEMENT AND EFFECTIVENESS IN THE PUBLIC SERVICE: THE CIPFA FM MODEL

Strong and effective financial management is key to well-managed and sustainable public services.

The CIPFA Financial Management Model (FM Model) is a web-based self-assessment tool that examines financial management in the public services. It tests how an organisation measures up against 42 good practice statements and places that organisation into a spectrum of three 'styles' - Enabling Transformation, Supporting Performance and Securing Stewardship - to build a picture of how finances are working and identify areas for improvement. A key feature is the ability to survey opinion throughout the organisation.

The FM Model sits on a secure website that lets users score and evidence the good practice statements, revisit, collate and report on their scores and target questions at key people to test views and opinions. It offers organisations the opportunity to:

- Manage strategic risk through self-assessment;
- Identify strengths and areas for improvement;
- Prioritise improvement;
- Be better prepared for inspections and audit;
- Review and track its progress over time;
- Benchmark performance against other comparable organisations

For more information visit [www.cipfa.org.uk](http://www.cipfa.org.uk)

### INTERNATIONAL DEVELOPMENT

CIPFA's recently completed International Development survey has identified that there is a significant proportion of CIPFA members and students who are interested in knowing more about International Development issues and the Institutes' work in this area. Members and students registered strong support for the Strategic Grant Agreement with DFID. In addition many members and students have indicated that they or their organisations have experience and skills that they would be willing to share to promote International Development objectives.

For further information about the survey check the executive summary and survey analysis on

[www.cipfa.org.uk/international/development](http://www.cipfa.org.uk/international/development)

If you have any questions about the survey or the SGA with DFID please contact Christine New, International Development Manager, [christine.new@cipfa.org](mailto:christine.new@cipfa.org).

### PROFESSIONAL ACCOUNTANCY QUALIFICATION

CIPFA and the Association of Accounting Technicians (AAT) have teamed up to provide a new fast track route to chartered accountancy. In future, AAT members will be able to take a bridging paper known as the AAT Fast Track Module, which will gain them a full exemption from CIPFA's Certificate Stage and allow them to complete the professional qualification in just two years.

The new AAT Fast Track scheme was launched at CIPFA's Annual Conference last June.

For more information on the AAT Fast Track scheme, contact CIPFA's educational advisers on 020 7407 9010 or email [aatfasttrack@cipfa.org](mailto:aatfasttrack@cipfa.org).

### PUBLIC MONEY AND MANAGEMENT (PMM)

Public Money & Management is owned and managed by CIPFA, and is the official journal of the Public Management and Policy Association which is published on behalf of CIPFA by Blackwell Publishing.

Public Money & Management has a multidisciplinary and international audience. It publishes articles which contribute new knowledge as a basis for policy or management improvements, or which reflect on evidence from public service management and finance in order to suggest topics for research. Readers include: officials in all types of public service organizations; academics; consultants and advisers working with the public services; politicians; journalists; and students on both academic and professional courses.

In response to a steady rise in sales and submissions, Public Money & Management increased its frequency in 2004 from quarterly to five issues per year. The number of pages in the volume was also increased: from 256 pp. a year to 320 pp. Issues in 2005 will be published in January, April, June, August, and October. Articles for consideration by the editors should be sent to [micky@mickylavender.com](mailto:micky@mickylavender.com)

Public Money & Management has a strong reputation: citations have increased steadily in the UK and abroad and its articles were prominent in submissions by academics to the Research Assessment Exercise of 2001. Blackwell Publishing's recent survey of readers has also strongly endorsed Public Money & Management's position as a bridge of academic and practitioner interests.

For further information on PMM and details on how to subscribe, please see [www.cipfa.org.uk/pt/pmm.cfm](http://www.cipfa.org.uk/pt/pmm.cfm)

### PUBLIC REPORTING AND ACCOUNTABILITY AWARDS 2005

CIPFA and PricewaterhouseCoopers have joined forces to promote the fourth year of the Public Reporting and Accountability Awards scheme. Its aim is to encourage excellence in public reporting and to identify and celebrate the best practicing organisations whose imaginative approaches help to achieve real advances in accountability.

The Public Reporting and Accountability Awards are supported by HM Treasury, the National Audit Office, the Audit Commission, Audit Scotland, the Northern Ireland Audit Office and a range of well known organisations including the Centre for Public Scrutiny, the Department of Health, the National Housing Federation, the NHS Confederation, SOLACE and Universities UK.

For more information and to enter online please email [helen.mcdonnell@cipfa.org](mailto:helen.mcdonnell@cipfa.org) or visit the awards website: <http://www.cipfa.org.uk/accountability>.

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### PUBLIC SERVANTS OF THE YEAR AWARDS 2005

The response to the call for nominations for the 2005 Public Servants of the Year Awards has been overwhelming.

Supported by the Cabinet Office, the Office of Government Commerce and CIPFA, these awards seek to recognise the achievements of individuals and teams working across the whole of the public services.

The work of marking and judging the entries is under way and the finalists will be announced in March.

Tickets to the awards on 21 April 2005 ceremony are obtainable from [helen.mcdonnell@cipfa.org](mailto:helen.mcdonnell@cipfa.org).

## SUSTAINABILITY ACCOUNTING AND REPORTING: AN AGENDA FOR THE PUBLIC SERVICES

This CIPFA discussion paper, authored by Amanda Ball of Nottingham University Business School, was published in December.

It was sent free of charge to a large number of public service organisations and is available at [www.cipfa.org.uk](http://www.cipfa.org.uk)

## TIS HEALTH ONLINE

A rewarding way to earn CPD hours is contributing towards TIS Health. The editorial board is looking for health finance practitioners to produce information for the website, including the following topics:

- Patient Choice
- Priorities and Planning Framework
- Foundation Trusts
- Information for Scotland
- National programme for IT
- Counter-fraud
- Care Trusts

The website acts as a portal or 'one stop shop' 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. Contributions can be made on a one-off basis, and all qualify for CPD hours.

If you are interested in contributing, or would like free trial access to the site, please contact Sarah Ellison on 020 7340 1203 or at [sarah.ellison@ipf.co.uk](mailto:sarah.ellison@ipf.co.uk)

## CONFERENCES AND SEMINARS

The following events have been planned for 2005

### EVERY CHILD MATTERS 4 MARCH 2005, LONDON

This course is aimed at Directors of Children's Services, Treasurers and Finance Directors in

Education, Social Services and Health, Chief Education Officers and Education Finance Officers, Social Services equivalents and Health finance staff in PCTs and strategic authorities and will allow you to gain knowledge of current developments and receive a comprehensive update on the current issues.

### HEALTH FINANCE: TECHNICAL DEVELOPMENTS IN NHS FINANCE 15 MARCH 2005

### THE CIPFA HEALTH FINANCE CONFERENCE 6 & 7 OCTOBER 2005, ROYAL BATH HOTEL, BOURNEMOUTH

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](mailto:alexandra.aarons@cipfa.org)) Further details can also be found on the CIPFA website: [www.cipfa.org.uk/shop](http://www.cipfa.org.uk/shop)

### CIPFA HEALTH ADVISORY NETWORK AN INTRODUCTION TO FINANCE AND THE NHS

NHS Finance staff or those who have recently taken on budgeting responsibilities often find it difficult to appreciate and understand the continually changing structure of the NHS as well as keeping up to date with the current health finance reforms agenda.

The CIPFA Health Advisory Network has developed a one day workshop to help participants gain a wider understanding of where their role fits within the current NHS structure, to explore the various functions of a typical finance department and review the development of key aspects of finance and commissioning.

2 March	Bristol
23 March	Central London
20 April	York
11 May	Central London
8 June	Leicester
22 June	Central London

### PRACTICE LED COMMISSIONING

In July 2004, the Department of Health set out its plans for practice led commissioning. In October 2004 it published guidance to the effect that from April 2005,

every GP practice will have the right to hold its own commissioning budget

The CIPFA Health Advisory Network has developed a highly interactive one day workshop, which review the latest Department of Health proposals around the introduction of practice led commissioning. It will consider how they fit with Payment by Results and other key policy initiatives, and will assess the experience of PCTs and practices that have already introduced versions of practice based commissioning.

15 February	York
23 February	London
3 March	Birmingham

If you would like further details about either of the above workshops, please visit our website at [www.ipf.co.uk/healthcare](http://www.ipf.co.uk/healthcare) or email [health@ipf.co.uk](mailto:health@ipf.co.uk)

## PUBLICATIONS

### FINANCING OF CHRONIC DISEASE MANAGEMENT

The Panel has commissioned guidance on the Financing of Chronic Disease Management, which it plans to publish in spring 2005.

The guidance will examine clinical and policy issues and financial mechanisms for promoting good practice with a number of case studies.

### INTRODUCTION TO SOCIAL SERVICES FINANCE

This guide, first published in 1999, has now been completely updated to encompass the substantial body of new legislation implemented in the last five years affecting the delivery of social care. This includes, amongst many others,

- Health Act 1999,
- Health and Social Care Act 2001,
- Adoption and Children Act 2002,
- Children Leaving Care Act 2000,
- Local Government Acts 1999 to 2003,
- Care Standards Act 2000 and
- Children Bill 2004.

Extensions to and improvements in joint working (particularly with health bodies using powers granted

under the Health Act 1999) have resulted in major changes in the way in which some elements of social and health care are delivered.

This new publication will improve understanding of the current issues in social services finance. Practical and easy to read, An Introductory Guide to Social Services Finance in England and Wales, is written with three main groups of people in mind:

- finance professionals who are new to or need to know more about social services issues;
- social services professionals who need to become more familiar with financial issues; and
- NHS staff and independent bodies responsible for developing links with social services departments and who, therefore, need to understand more about the financial regime.

### PAYMENTS BY RESULTS

In August 2003, CIPFA published guidance that Richard Douglas, NHS Director of Finance, commends, as follows, 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.

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

## FUTURE PUBLICATIONS

If you are interested in promoting a subject or being an author please contact [terry.brodie@cipfa.org](mailto:terry.brodie@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.

The Membership Secure Area allows members to check and update their email addresses, as well as update their address and work details.

Further information is available at [www.cipfa.org.uk/members](http://www.cipfa.org.uk/members)

## PANEL WEBSITE

The CIPFA Panels web section has been re-launched. Redesigned technical panel areas have been developed, and additional information is now available

A website dedicated to the Health Panel is at [www.cipfa.org.uk/panels/health](http://www.cipfa.org.uk/panels/health) and this now includes NHS Finance news. Feedback would be particularly welcome on the content of the website and how it could be improved.

## PUBLIC MANAGEMENT AND POLICY ASSOCIATION (PMPA)

The Public Management and Policy Association (PMPA) is a national membership organisation, managed by CIPFA, dedicated to helping managers, policy makers and academics keep in touch with and understand the wider cross-cutting developments in public policy making that affect the governance, general and financial management of the public services. In addition to excellent networking and personal development opportunities across the public services, the benefits package includes:

- Priority booking for PMPA lectures
- Subscription to Public Money and Management
- Up to three PMPA reports each year
- The PMPA quarterly review

PMPA lectures in 2005 will include:

- Effective Inquiries: Sir Michael Richard. - 22 February 2005.
- Why Are We So Badly Governed? Sir Christopher Foster. Chair: Tam Dalyell MP. - 17 March 2005.
- From White Paper to Policy in Action: Reflections on Recent Experience in Transport: Francis Terry. - 7 April 2005.
- Are We Being Served Appropriately? Citizens, Clients and Customers as Service Beneficiaries: Andrew Gray. - 18 October 2005.

The latest PMPA publication 'Public Accountability in Practice - The Need for Public Scrutiny' authored by Jane Martin of The Centre for Public Scrutiny - is now available.

Individual Membership is £80 (£75 for CIPFA and other associate member organisations) and £35 for retired members and full time students.

Corporate rates start at £350 for up to five persons registered by their employing organisations to receive the benefits package.

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

## OTHER DEVELOPMENTS ENGLAND

### AGENDA FOR CHANGE

In November, the Health Secretary welcomed the collective decision by the NHS unions to endorse Agenda for Change, the new pay reform package for more than 1.2 million NHS staff.

Earlier that month both UNISON and Amicus members voted in favour of Agenda for Change, following on from earlier endorsement from other organisations including the Royal College of Nursing (RCN), the Royal College of Midwives, GMB and the Chartered Society of Physiotherapists.

Agenda for Change was rolled out across the country from 1 December last year.

Benefits of the pay reforms include:

- the NHS minimum wage has been increased to £5.69 an hour;
- from 2003-05, all staff benefit from a 10 per cent pay deal over three years;
- a newly registered nurse will earn broadly the same as a newly qualified teacher.

More than a million NHS staff are set to benefit as the new pay deal Agenda for Change is rolled out across the country from 1 December.

The pay reforms are part of the biggest job evaluation exercise ever undertaken that will see staff matched to a new pay band and get fair reward for the jobs they do.

Agenda for Change will also ensure that staff get more chance to develop new responsibilities and roles and have more opportunity to progress within the NHS.

By next March, the majority of NHS staff will be matched to a new pay band and by September all staff will be assimilated which means most staff should see the difference in their pay packets by next summer.

For more details visit [www.dh.gov.uk/hr](http://www.dh.gov.uk/hr)

### AUDIT COMMISSION

In October, the Commission announced Area Profiles, a pioneering project designed to test the feasibility of producing profiles of the quality of life and public services in a local area. The profiles bring together all quality of life and service issues to provide for the first time a comprehensive picture of each local area.

Area Profiles supply a wealth of invaluable information about a locality and could prove particularly helpful to three main groups:

- the public – providing more information about the cost and effectiveness of public services, giving communities the opportunity to engage with local services and hold them to account;
- councils and their partners in local strategic partnerships (LSPs)– providing a detailed, comprehensive picture of the local area and a clearer focus on the issues that most need improving locally; and
- government and regulators – helping them to concentrate attention strategically on those areas where help is most needed.

Pilots have now been completed in 18 areas across England and Wales and the Commission is moving ahead with the next stage of this project.

For more details visit [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

### CANCER TREATMENT

A national screening programme for bowel cancer will be rolled out across the country from April 2006, the Health Secretary announced in October. This will be the first cancer screening programme in England for both men and women and one of the first of its kind in Europe and £37.5 million will be invested over two years.

The government made a commitment to introduce bowel cancer screening in the NHS plan in 2000. In 2001 the Department began pilots of a new

screening method. There is clear evidence that using this method can cut the death rate for bowel cancer by 15%. As a result, this type of screening will be introduced in phases amongst men and women in their sixties from April 2006.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## CHIEF EXECUTIVES REPORT

The NHS Chief Executive published end-of-2004 report in December shows sustained improvement with a 35% reduction in waiting list since 1998

Sustained improvement is being delivered across the NHS with waiting lists falling at record levels, continued falls in the number of premature deaths from the big killer diseases and increasing patient satisfaction rates for health services, NHS Chief Executive Sir Nigel Crisp has reported.

The report to the NHS, which summarises the performance over the 2004 calendar year, shows that:

- there has been a 12% reduction in the number of patients on the waiting list - a 35% drop from its peak six and a half years ago;
- patients are getting treated faster - waiting times have fallen across the board;
- delayed discharges from hospitals are down by more than a third this year - 36%;
- the NHS is getting more efficient - productivity is rising and better purchasing deals on drugs and IT are saving the NHS millions of pounds;
- patient satisfaction levels are high - surveys show high patient satisfaction with hospital, ambulance, mental health and primary care services, and thousands more people are benefiting from access to new services such as Walk-in-Centres, NHS Direct and Treatment Centres;
- the NHS has a new focus on health promotion and improvement - death rates from cancer have fallen by more than 12% in the last six years and from coronary heart disease by more than 27% between 1995/97 and 2001/03; and
- the NHS is responding to public concerns with robust action plans to address MRSA and the shortage of NHS dentists

The Chief Executive's Annual Report can be found at the [dh website www.dh.gov.uk](http://www.dh.gov.uk)

## CLINICAL STAFF

In November the Public Accounts Committee published a report, which examined the scale and cost of exclusions of NHS clinical staff, case material illustrating difficulties in managing exclusions, and the scope for improving the management of exclusions.

Between April 2001 and July 2002 over a thousand clinical staff at NHS hospital and ambulance trusts in England were excluded from work for more than a month. The annual total cost to the NHS is £40 million.

The Committee found that prior to the National Audit Office's report this time last year, the Department of Health had no appreciation of the full scale and costs of exclusions of clinical staff as its monitoring was limited to formal suspensions of doctors lasting more than six months and was itself largely inaccurate up to 2000.

The National Clinical Assessment Authority, fully operational since April 2003, has helped improve the management of exclusions in a number of cases but has had mixed success in resolving legacy cases. The Authority only covers doctors, and the DH should consider extending its remit to other clinical staff.

The full report is available at [www.parliament.uk/commons/selcom/pachome.htm](http://www.parliament.uk/commons/selcom/pachome.htm)

## COMMISSIONING

From April 2005, treatment for patients with lysosomal storage disorders, including enzyme replacement therapies, will be funded nationally. This will take place through six designated centres, under the auspices of the National Specialised Commissioning Advisory Group (NSCAG) whose contact email address is [nscag@dh.gsi.gov.uk](mailto:nscag@dh.gsi.gov.uk)

More information is available at [www.advisorybodies.doh.gov.uk/nscag/reports.htm](http://www.advisorybodies.doh.gov.uk/nscag/reports.htm)

## CONTINUING CARE

A second report on continuing care was published by the Health Service Ombudsman in December.

Copies are available from the [Parliamentary and Health Service Ombudsman \(OPHSO\) website at www.ombudsman.org.uk](http://www.ombudsman.org.uk)

## CONTROLS ASSURANCE

In November, the DH, working collaboratively with the Regulatory Impact Unit's Public Sector Team in the Cabinet Office issued guidance, which is available at

[www.dh.gov.uk/PublicationsAndStatistics](http://www.dh.gov.uk/PublicationsAndStatistics)

## COUNTER FRAUD

In November the CFSMS issued the Directions to NHS bodies on Counter Fraud Measures 2004

These directions replace those previously issued separately to health authorities, PCTs and NHS trusts about countering fraud and corruption in the NHS. They are not for action by NHS foundation trusts.

For more details e-mail [policy@cfms.nhs.uk](mailto:policy@cfms.nhs.uk) or visit [www.cfms.nhs.uk](http://www.cfms.nhs.uk)

## DENTAL SERVICES

The Department of Health will conduct a further review of indicative allocations in early 2005-6, taking into account access and new personal dental services (PDS) conversions in 2004-5, to ensure that every PCT is adequately funded to meet their confirmed service commitments.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## DEPARTMENT OF HEALTH

In November the Health Secretary published the implementation framework for the review of Department of Health's Arm's Length Bodies (ALB's), setting out the first steps in reducing the number of bodies from 38 to 20.

The DH has grouped the ALBs into four main categories according to function. There will be clear focus for change in each category:

For the Regulators: reducing the burden on the

regulated and introducing the flexibility to ensure focus on the areas of greatest need.

For Public Welfare and Standards: ensuring prioritisation of effort and driving the delivery of maximum benefit and highest quality of service for the public.

For Central Services: devolution to the frontline and transforming the processes that drive each ALB's business to ensure maximum effectiveness and delivery.

The [Reconfiguring the Department of Health's Arm's Length Bodies Implementation Framework](http://www.dh.gov.uk/publications) can be found on the DH website at [www.dh.gov.uk/publications](http://www.dh.gov.uk/publications)

In December the DH published their resource accounts. These accounts consolidate the financial information within the Departmental accounting boundary which includes the parent department of health (dh), its on-vote executive agencies, and other nhs bodies funded directly by the Department.

For more details visit [www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationSPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle](http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationSPolicyAndGuidance/PublicationsPolicyAndGuidanceArticle)

## DRUG TREATMENT SERVICES

In November, the Audit Commission published a report 'Drug misuse 2004' that contains key messages for local authorities, health services, police and probation partners as they prepare the drug misuse component of local crime and disorder strategies for 2005 to 2008.

Local leaders can use the sets of key questions and wallchart to improve their performance and make best use of resources to meet the needs of the whole person rather than tackling the user's drug problem alone. This in turn will help make communities safer for everyone.

For more details visit [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

The NHS Counter Fraud and Security Management Service investigations into anti-competitive behaviour in the generic drug industry have been continuing.

In October 2004 the Secretary of State for Health, the Prescription Pricing Authority and the 28 English Strategic Health Authorities filed their formal assessment of damages claimed in the ongoing proceedings in the High Court, Chancery Division against (1) Generics UK Limited, (2) Ranbaxy UK Limited, (3) Norton Healthcare Limited, (4) Norton

Pharmaceuticals Limited and (5) Kent Pharmaceuticals Limited. These proceedings follow those issued on 22 June, 2 July and 2 August 2004 and relate to the sale and supply of Ranitidine, which is better known by its branded name of "Zantac".

The loss claimed is £69,252,415 against the five defendants together with interest claimed (as at 2 July 2004) of £25,201,902.

Further information on the NHS CFSMS can be found at [www.cfsms.nhs.uk](http://www.cfsms.nhs.uk)

## FOSTER CARE

LASSL [2005]1 informs local authorities with social services responsibilities (CSSRs) of arrangements, via a bidding process, for the allocation of up to £3 million in 2005/06 to support the development of a fourth tranche of Multi-dimensional Treatment Foster Care (England) Programmes.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## FOUNDATION TRUSTS

In November, Monitor published proposals on how it will regulate the activities of NHS Foundation Trusts and how it will intervene if required to do so. The proposals set out a regulatory framework, which allows NHS Foundation Trusts to make the best use of, their freedoms while remaining within the boundaries set by their Terms of Authorisation.

There are three main components to the compliance framework.

- **Monitoring:** this describes the information which NHS Foundation Trusts must provide to Monitor, by way of an annual plan, quarterly returns and other reports;
- **Risk assessment:** Monitor will assign a risk rating for each NHS Foundation Trust based on the information which it receives; the risk rating will help determine the frequency and depth of scrutiny which will be undertaken;
- **Intervention:** the proposals describe the approach, which Monitor will take to intervening in an NHS Foundation Trust if there is a significant failure to comply with its terms of authorisation.

Monitor expects to finalise its proposals for compliance and intervention in the spring of 2005.

A CIPFA response to the consultation document is available at [www.cipfa.org.uk/panels/health](http://www.cipfa.org.uk/panels/health)

Monitor also issued in November new disclosures of senior managers' remuneration for NHS Foundation Trusts Annual Accounts 2004/05

In January, Monitor also issued a consultation document on financial reporting requirements for Foundation Trusts with a closing date of 14 February.

For more details visit [www.regulator-nhsft.gov.uk](http://www.regulator-nhsft.gov.uk)

In January, the Health Secretary announced the next group of NHS Trusts allowed to make a formal application for NHS Foundation Trust status.

All 32 Trusts that had submitted preliminary applications – including for the first time 8 Mental Health Trusts – had been successful and will now be asked to submit a more detailed application.

The Secretary of State will then review these more comprehensive applications and decide which ones to support before the Trusts formally apply to Monitor – the Independent Regulator of NHS Foundation Trusts – for foundation status. Authorisations from the regulator are expected to commence from Spring 2006.

For more details visit [www.dh.gov.uk/PublicationsAndStatistics/PressReleases/PressReleasesNotices](http://www.dh.gov.uk/PublicationsAndStatistics/PressReleases/PressReleasesNotices)

## GENERAL MEDICAL SERVICES

A letter from the DH Head of Primary Care Medical Contracting, in December announced the 2004/5 allocations for the personal administration costs of non dispensing GMS (General Medical Services) doctors. Includes allocation details by PCT (Primary Care Trust) on an accompanying document.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## GOVERNANCE

For some time many NHS boards have been aware that their governance arrangements have been too complex, leading to ineffectiveness. The overlapping strands of clinical governance, controls assurance, financial governance, etc. and the competing demands of performance management data and external inspectorates have led to unnecessary duplication of activity.

In an effort to address this, the idea of 'Integrated Governance' was introduced to the NHS in a paper entitled 'Developing Integrated Governance' published by the NHS Confederation and written by Professor Michael Deighan of the Clinical Governance Support Team and Dr Roger Moore of the NHS Appointments Commission with support from Sir William Wells, Professor Sir Ian Kennedy and Bill Moyes.

An active programme of work is now in hand to unite the various strands of governance within a common framework, address the issues of overlap, and provide a system, which will empower boards to govern. The outline framework will have the following strands:-

- Finance
- Efficiency and economy, effectiveness and efficacy
- Compliance with authorisations
- Compliance with the healthcare standards and national targets
- The duty of quality (as reflected in clinical governance)
- The duty of partnership
- The duty of patient and public involvement
- Developing the board membership

The framework will be in place by April 2005

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

Following extensive research and consultation, the Independent Commission on Good Governance in Public Services has produced a Good Governance Standard for Public Services. The Standard comprises six core principles of good governance and sets out what the organisation needs to do to live up to the Standard.

For further information please visit [www.opm.co.uk/icgggs/](http://www.opm.co.uk/icgggs/)

## INFORMATION TECHNOLOGY

In November, the Health Minister announced that Alan Burns, chief executive of Trent Strategic Health Authority, has been appointed to a new role leading the service implementation of the National Programme for IT into the NHS.

The role is a 15 month secondment combining three days a week at the National Programme with his existing SHA role.

For further information on the National Programme visit [www.npfit.nhs.uk](http://www.npfit.nhs.uk)

## INSPECTION

The Healthcare Commission announced in November that it is to introduce a new health check for the NHS and that 2005 will be the last year of star ratings.

In an extensive consultation over the next three months, the Commission is inviting patients, members of the public, healthcare workers and clinicians to say what should be assessed and what information they would like published.

From April 2005 NHS trusts will be measured against core standards in seven areas set by the Department of Health – getting the basics right. They will also be measured against developmental standards and new national and local targets.

In addition the Commission will be building on its work on public health, such as its reports on tobacco control and sexual health, by working with local authorities on health promotion.

The Commission will also carry out improvement reviews, some of which will focus particularly on potentially disadvantaged groups such as the elderly and those who use mental health services.

Topics currently being piloted include sexual health, drug misuse and the Children's National Service Framework. These will measure compliance with standards, recognise good practice and identify areas for improvement. Topics will be selected through consultation with the public, patients and professionals.

A wide range of stakeholders have already been involved in drafting this consultation document including professional bodies, patients and voluntary groups.

The consultation will end on February 21st. If you would like to take part, please check the Healthcare Commission website [www.healthcarecommission.org.uk](http://www.healthcarecommission.org.uk) The consultation will end on February 21st. If you would like to take part, please check the Healthcare Commission website [www.healthcarecommission.org.uk](http://www.healthcarecommission.org.uk)  
Email [feedback@healthcarecommission.org.uk](mailto:feedback@healthcarecommission.org.uk) or call the helpdesk on 0845 601 3012.  
Email [feedback@healthcarecommission.org.uk](mailto:feedback@healthcarecommission.org.uk) or call the helpdesk on 0845 601 3012.

## LONG TERM CARE OF THE ELDERLY

The Government's approach to helping older people with long term health conditions stay out of hospital is welcome, but the NHS should proceed with caution in introducing new 'case management' initiatives as evidence on their effectiveness is weak, says a King's Fund report published in November.

The report examines the evidence behind government moves to get all primary care trusts in England to establish case management programmes by 2008. Case management involves providing tailored-care to people identified as being most at risk of hospital admission and is seen as a key weapon in the battle to reduce emergency hospital bed days by five per cent from 2005. Ministers strongly favour a nurse-led case management approach. One such model is already being piloted in nine primary care trusts and 3,000 community matrons will be recruited to extend this work across the country.

The report argues that PCTs need to be clear about the needs of their local patients before deciding how best to develop case management, who should provide it and the range of services that should be in place to ensure it is effective. They must consider whether it is best developed by adapting existing services or whether new arrangements should be put in place, it says. Finally, it urges them to work in close partnership with those providing social care and to ensure they continue to provide services for people with less severe illnesses who nevertheless have significant health and social care needs.

**Case-Managing Long-Term Conditions: What impact does it have on the treatment of older people, by Ruth Hutt, Rebecca Rosen and Janet McCauley, is free to download at [www.kingsfund.org.uk/pdf/casemanagement](http://www.kingsfund.org.uk/pdf/casemanagement)**

An additional £100 million of funding to support older people's social services was announced by the Health Secretary in December.

This extra £100million will be added to Adults' Personal Social Services funding for 2005-06, and will be used to increase the Access & Systems Capacity Grant to £642 million, from the £542 million previously announced.

The additional money is not specifically ring fenced, but will provide Local Authorities with the resources to continue building up and improving existing social services, supplementing the good work already achieved by providing faster access to, and greater choice of services which help more people to live in their own homes. These include day care, meals at home, respite care, direct payments, equipment to support every day living, and home care.

The cash will help local authorities build on their existing achievements - for instance 661,000 older people (aged 65 and over) were being helped to live at home in March 2003, a rise of 4% from 1999, and the proportion of households receiving intensive home care (more than 10 hours or 6 visits a week) has increased steadily from 14% in 1998 to 24% in 2003.

These services have also had a dramatic effect on reducing the incidence of delayed discharge from hospital. Between September 2001 and June 2004 the total number of people delayed in hospital was reduced from 7,065 to 2,619. The number of people over the age of 75 delayed in hospital was reduced from 5,700 to 1,930 over the same period.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## MENTAL HEALTH SERVICES

Mental health hospital facilities all over England are to be transformed for the benefit of patients, relatives and front-line staff in a new phase of the King's Fund's Enhancing the Healing Environment scheme announced in November.

There will be new projects in each of the 23 strategic health authorities outside London with the aim of improving the environment in which they deliver care to patients. The projects, which are being funded by NHS Estates and the Department of Health, will be led by nurses and will range from refurbishing corridors, waiting areas and wards to the creation of gardens, artworks and quiet spaces. They are expected to be completed by Spring 2005.

For more details visit [www.kingsfund.org.uk](http://www.kingsfund.org.uk)

In December, Circular HSC 2004/004 set out the conditions attached to the core CAMHS Grant, and the individual councils' allocations. Also, the Health Minister announced that new capital monies are available for mental health services. The process for allocation of this money is detailed in a letter to SHA Chief Executives. Key components of the allocation process are: money to be channelled through and allocated equitably to all SHAs; money will be allocated for spend in 2005/6; low secure accommodation, particularly local general PICUs to be targeted

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## NATIONAL AUDIT OFFICE

NHS trusts have achieved a large and sustained reduction in the length of time patients spend in accident and emergency (A&E) departments, largely through improved working practices according to a National Audit Office (NAO) report in October. This reduction has followed a strongly increased focus, since 2002, by the Department of Health (DH) on trusts ensuring that patients spend no more than four hours in A&E. The environment and facilities in A&E have also improved, to the benefit of both patients and staff.

There is a strong rationale for modernising NHS dentistry, but significant risks will have to be managed if the new arrangements announced by the DH are to be effective and provide value for money, according to a NAO report in November. In particular, given the scepticism of some dentists compounded by a lack of detail on how the new system will operate, there is a risk that dentists will reduce their NHS commitments.

The DH has made progress towards its target that, by December 2005, each NHS patient referred by a GP for non-emergency hospital treatment will be offered a choice of four or five healthcare providers. However, according to a NAO report in January, there remain

significant risks for the Department to manage, especially that of securing the engagement of GPs, which is currently low, if the target is to be achieved.

For more details visit [www.nao.org.uk](http://www.nao.org.uk)

## NHS IMPROVEMENT PLAN

The NHS Improvement Plan sets the agenda for delivering better patient services over the next four years.

SHAs and their local health communities have prepared capacity plans for 2008 that will underpin key aspects of the NHS Improvement Plan and support the development of broader Local Delivery Plans (LDP) for signing off next spring.

A Department of Health document, published in November, highlights the strategic workforce issues that support LDPs and identifies further resources that are available.

For more details visit [www.dh.gov.uk/PublicationsAndStatistics](http://www.dh.gov.uk/PublicationsAndStatistics)

## NHS IN 2010

In December, Reform published a new report, which warns that NHS improvements are being bought at huge and unnecessary cost. The NHS in 2010, by Nick Bosanquet, Professor of Health Policy at Imperial College London, shows that, by 2010, the NHS will cost up to £20 billion more than it should for its level of performance.

The report finds that with greater reform the UK could have "major improvements in access and effectiveness" by spending 8.0-9.0 % of GDP (around £90 billion in today's prices) on health. On current policy, however, the NHS will cost 10.5-11.0% of GDP (around £110 billion) by 2010.

The report contrasts two approaches to health policy: reform, meaning incentives aimed at increasing value from existing spending, and funding, which simply increases resources. Since the publication of its original NHS Plan in 2000, the Government has often presented funding and reform as being simultaneous and complementary. In reality, however, funding has come before reform.

The report is available at [www.reform.co.uk/](http://www.reform.co.uk/)

## NHS LIFT

The first in a £1 billion wave of 'super surgeries' planned for NHS patients across the country officially opens its doors to patients in November. The £4.9 million health centre in East London is the first 'super surgery' to open as part of the NHS Local Improvement Finance Trust (LIFT) public, private partnership.

The 'super surgeries' are one-stop centres which will offer a range of healthcare services traditionally available only in hospitals, as well as access to GPs and other health and social care professionals.

Once fully operational, the Newham surgery will bring GPs, health visitors, dentists, a pharmacy, a cardiology clinic, X-ray facilities, pathology services, optometry services and a healthy living café together in a single, one-stop centre.

The next new surgeries will open in Barnsley before the end of the year, with a steady stream of the new surgeries and other modern healthcare premises opening to patients throughout 2005.

In a further announcement, the Department of Health gave the go-ahead for a further nine new NHS LIFT projects. The nine new LIFT areas will now work up detailed initial investment plans.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## PATIENT CHOICE

Primary Care Trusts that offer a choice of hospital treatment to NHS patients through the electronic Choose and Book system will be rewarded under a new £95 million scheme announced by the Health Secretary in January

A new package of funds will speed up the implementation of the Government's commitment that by 31 December 2005 all patients will be offered a choice of four or five providers, including the independent sector, when they are referred by their GP for a specialist appointment.

For more details visit [www.dh.gov.uk/PublicationsAndStatistics/PressReleases/PressReleasesNotices](http://www.dh.gov.uk/PublicationsAndStatistics/PressReleases/PressReleasesNotices)

## PAYMENT BY RESULTS

The Government should extend Payment by Results to mental health services but with caution, according to a policy paper published by the Sainsbury Centre for Mental Health (SCMH) in December.

The policy paper, Payment by Results: What does it mean for mental health? shows that a workable system is some way off. A major programme of work is needed to ensure the potential benefits of Payment by Results in mental health services outweigh the risks.

For more details visit [www.scmh.org.uk](http://www.scmh.org.uk)

In January Richard Douglas, DH Director of Finance and Investment, announced that as a result of a 'baselining' exercise to establish a starting point for PbR the DH had decided to amend the phasing in to elective care only in 2005/6.

The overall implementation timetable remains unchanged with 90% of hospital care to be covered by 2008/9. In effect a new step is being introduced to phasing in with non-electives, out-patients and A& E being deferred by one year. This does not affect Foundation trusts that already operate PbR.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## PRACTICE BASED COMMISSIONING

In December, the DH published guidance on Practice Based Commissioning, which is based on the paper, Practice Based Commissioning: Engaging practices in commissioning, published in October 2004.

That paper was revised following feedback received from the NHS.

This guidance provides a framework for the local implementation of Practice Based Commissioning, which is expected to produce the following positive outcomes:

- A greater variety of services, from a greater number of providers in settings that are closer to home and more convenient to patients.
- Increased support of clinician-to-clinician dialogue about improving and developing care processes.
- Early and continuing involvement of practitioners in service development
- An additional set of levers to aid demand management.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## PRESCRIPTION CHARGES

A fundamental review of NHS prescription charges is urgently needed as the current system is outdated, illogical and penalises poorer patients, says the King's Fund in response to The Royal Pharmaceutical Society of Great Britain report, Prescription charges: should they be abolished? published in January 2005.

The report is available from the Society's website at [www.rpsgb.org/policy](http://www.rpsgb.org/policy)

## PRIMARY CARE TRUSTS

The Department of Health will conduct a further review of indicative allocations taking into account access, new Personal Dental Services (PDS) conversions and activity for 2004-5, and will ensure that every PCT is adequately funded to meet their confirmed service commitments.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## PROCUREMENT

The NHS could make major savings using the new national framework agreements negotiated by the NHS Purchasing and Supply Agency (PASA) as part of the National Contracts Procurement Project. A letter providing further information was sent to procurement board leads in December.

Available on the NHS web at [www.scep.nhs.uk/procurement/](http://www.scep.nhs.uk/procurement/)

## PUBLIC HEALTH

In November, the Health Secretary published Choosing Health - the Government's White Paper on improving public health in England.

The document aims to make it easier for people to change their lifestyle so they eat more healthily, exercise more and smoke less. It also sets out moves to improve sexual health, encourage sensible drinking and improve mental well-being.

The White Paper can be viewed at [www.info.doh.gov.uk/doh/intpress.nsf/Last7?OpenView](http://www.info.doh.gov.uk/doh/intpress.nsf/Last7?OpenView)

A new public health campaign about Hepatitis C, was launched in December by the Chief Medical Officer for England.

The £2 million, "FaCe It", campaign will be spread over two years and will increase awareness of hepatitis C, explain how the virus is spread, and give advice on how to avoid infection. It will also encourage those who may be, or have been, at risk of contracting the virus to find out more about getting tested.

There will be new hepatitis C telephone information line 0800 451451 which will give confidential, personal and sensitive one-to-one advice and information, alongside a poster and leaflet campaign and the NHS hepatitis C awareness website - [www.hepc.nhs.uk](http://www.hepc.nhs.uk)

Hepatitis C is a blood-borne virus that can damage the liver. It is usually spread by direct blood to blood contact with an infected person. As many as four in ten people are able to clear their infections naturally, within six months. For the remainder, hepatitis C is a chronic infection that can span several decades and lead to serious liver disease

The Hepatitis C Action Plan for England is available on [www.dh.gov.uk/publications](http://www.dh.gov.uk/publications) and [www.dh.gov.uk/cmo](http://www.dh.gov.uk/cmo)

The Government has set Public Service Agreement targets to address geographical inequalities in life expectancy, cancer, heart disease, stroke and related diseases. The targets aim to see faster progress compared to the average in the "fifth of areas with the worst health and deprivation indicators". Achievement of the targets will be assessed on the outcomes for this Group in 2010. The Local Authorities and Primary Care Trusts, which are in these areas, the so-called Spearhead Group, has been published.

The Spearhead Group is made up of 70 Local authorities and 88 Primary Care Trusts, based upon the Local Authority areas that are in the bottom fifth nationally for 3 or more of the following 5 factors:

- Male life expectancy at birth
- Female life expectancy at birth
- Cancer mortality rate in under 75s
- Cardio Vascular Disease mortality rate in under 75s
- Index of Multiple Deprivation 2004 (Local Authority Summary), average score

For more information on Health Inequalities and on the "Spearhead Group" [www.dh.gov.uk/healthinequalities](http://www.dh.gov.uk/healthinequalities)

For more details on the SR2004 PSA targets: [www.hm-treasury.gov.uk/spending\\_review/spend\\_index.cfm](http://www.hm-treasury.gov.uk/spending_review/spend_index.cfm)

## QUEEN'S SPEECH

The Government announced in November that it would continue to reform the public services to ensure they provide more security and opportunity for all

Through significant investment and reforms over a sustained period, the Government has brought about a range of improvements across all public services. The next steps in public service reform will sustain focus on performance and build on the strong foundations towards greater excellence.

Key reforms going ahead include responding to new needs that can better enable more security and opportunity for all, and refining and improving central government's role in delivering them.

This includes:

**Health** - The challenge for the NHS is to deliver more personalised health care to patients at a time and place of their choosing, whilst improving primary and preventative care to tackle the underlying causes of ill health and health inequalities. Key measures in train to meet these challenges include the introduction of 'payment by results' to reward organisations, which do most for the NHS and encourage efficiency measures, which benefit patients, such as offering more treatment on a day case basis.

**Inspection** - The government will work to ensure that independent audit and inspection continues to challenge our public services to improve further, by taking greater account of the regulation regimes, so that users are assured without inspection being seen as an unnecessary burden by public service providers.

For more details visit [www.number-10.gov.uk](http://www.number-10.gov.uk)

## REFERENCE COSTS

In December, the DH issued guidance outlining the mandatory requirements for the 2005 reference costs collection. It supercedes costing guidance issued in previous years. It should be read in conjunction with the latest version of the NHS Costing Manual. It is the Department's intention to regularly update the NHS Costing Manual, to ensure that current best practice is implemented

throughout the NHS. Staff with an interest in costing are strongly advised to check the costing website regularly.

The guidance makes minimal changes to the 2004 collection. The focus for 2005 remains one of refinement and increased consistency rather than of extension of scope. This is a conscious decision to enable costing teams to focus on improved quality.

The return is mandatory for all providers of services to the NHS. It is also mandatory for commissioning of services for NHS patients whose care is provided by Non-NHS providers. Information is also required for services provided to NHS patients under a sub-contract from a NHS provider. Hospices and Nursing homes are excluded from this requirement.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## SEXUAL HEALTH SERVICES

A new £300 million programme over three years, to modernise and transform sexual health services in England, has been announced by the Health Secretary.

The extra funding will include a £50m advertising campaign to tackle the rise in sexually transmitted infections (STI's).

The Public Health White Paper set out further action on chlamydia, including the fast tracking of the national screening programme and also piloting screening in areas not traditionally used, such as pharmacies. The programme will cover the whole of England by March 2007. And with this comes a further £80m to help achieve this goal.

There will also be a focus on modernising genito urinary medicine (GUM) clinics, with an injection of a further £130m over 3 years, and upgrading prevention services such as contraceptive services - with another £40m put toward this.

The DH will also track progress on GUM waiting times so to ensure that by 2008 patients will be offered an appointment for GUM services within 48 hours.

The White Paper is available on the Department of Health website [www.dh.gov.uk](http://www.dh.gov.uk)

## SHARED SERVICES

The Department of Health announced in November that it has entered into a new partnership with private sector firm, Xansa, to improve and expand the range of corporate services provided for the NHS.

The partnership will save over £220 million of NHS money over the next ten years by getting more NHS Trusts to use centralised service centres to carry out back office work, such as payment of invoices, VAT returns, debt collection and bank account reconciliation.

NHS Trusts contracting to the new partnership will save at least 20 per cent on their current in-house costs. Savings will be available for investment in frontline services and patient care.

Xansa will form a joint venture partnership with the Department of Health, with the company taking a 50 per cent share in the existing centres currently operated by NHS Shared Financial Services. The new company will be called NHS Shared Business Services Limited.

Under the partnership, Xansa will invest people, resources and expertise to support the existing centres, in order to provide increased capacity, optimise services, and expand the service portfolio to include payroll and e-commerce for example.

Two of the new services NHS Shared Business Services Limited will offer are intelligent procurement and payroll. As part of the new service, NHS organisations will be to purchase anything from beds to bandages using electronic procurement. The centres will also offer an integrated payroll system.

The joint venture partnership will begin on 1 April 2005.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk)

## SOCIAL SERVICES

A new analysis of state-funded social care in England shows steady yearly improvement. The best local authorities have improved the quality of people's lives. However, a handful simply failed to provide proper care services, while others have become stuck in the mud and appear unable or unwilling to improve further.

The annual council star ratings published by the newly formed Commission for Social Care Inspection

(CSCI) in November, show that of 150 local councils, 20 have achieved the highest three star level, 82 merited two stars, 40 secured one star and eight failed to get any stars at all. Overall, 27 councils improved their ratings over the last year, while 11 fell in their ratings. Two previously zero rated councils moved off special measures. But two new councils fell into the zero-star rated category in 2004, leaving the total at eight.

For more details visit [www.csci.org.uk](http://www.csci.org.uk)

## SUPPORTING PEOPLE

In December, the Government announced the allocation of the £1.715 billion Supporting People grant for 2005/06 to the country's 150 administering authorities.

The individual allocations will enable authorities in England to provide housing related support services to more than 1.2 million people.

Supporting People puts in place the high-quality services that give vulnerable people the support they need to live independently, rather than in residential care.

Those who have benefited from the programme include the elderly, those fleeing domestic violence, and homeless people who also have support needs.

The allocations come after the Government's announcement in August of a three-year funding package of £5 billion for the Supporting People programme, following the Spending Review 2004.

Allocations in 2005/06 are largely based on the historic pattern of funding but also reflect the level of relative need in authorities.

ODPM will be consulting early next year on the revised needs based distribution formula, which will help inform future allocations

Scope for efficiency savings, improved administration and better value for money were identified as priorities for the programme by the Robson Rhodes Independent Review of Supporting People, and a series of Audit Commission inspections being carried out on behalf of the Government.

Full details of the grant allocations to local authorities, together with information on the consultation on the grant conditions and directions, and the level of administration grant for

individual authorities, can also be found on the spkweb, at [www.spkweb.org.uk](http://www.spkweb.org.uk)

## TREATMENT CENTRES

Health Minister John Hutton has announced that contracts had been signed for five major new treatment centres in the south east, meaning that thousands of patients will soon have speedier access to surgery.

The £214 million contract is with Mercury Health to provide five centres, located in Brighton and Mid Sussex, Havant, Medway, Portsmouth and High Wycombe. Together the centres will treat over 16,000 patients a year for five years, in a mixture of new build, refurbished facilities and existing NHS facilities. They will carry out a mixture of diagnostic, ophthalmology and orthopaedic procedures.

Nearly 6,000 per year of these operations and procedures will be entirely new activity; the remainder will transfer from the NHS, freeing up local NHS facilities. The services will begin to be rolled out from April 2005.

In January the Health Minister announced the final details of contracts worth £223M to provide over 55,000 more operations to patients in Worcestershire, Merseyside and Burton-upon-Trent over the next five years.

The contracts have been signed with Interhealth Care Services for Treatment Centres in Kidderminster and Runcorn, Nations Healthcare Ltd for a Treatment Centre in Burton-upon-Trent.

When all NHS and Independent Sector treatment centres are fully up and running, the combined programme will provide 250,000 operations per year, providing much-needed extra capacity to treat new patients and help reduce pressure on existing NHS facilities.

This announcement complements the programme of treatment centres set up and run by the NHS, of which 28 are already open and 18 are in development. In total, there will be around 80 treatment centres treating NHS patients by the end of 2005.

For more details visit [www.dh.gov.uk](http://www.dh.gov.uk) or [www.nationshealthcare.com](http://www.nationshealthcare.com)

## NORTHERN IRELAND

### WANLESS REVIEW

King's Fund chief economist Professor John Appleby is conducting an independent review of health and social care provision in Northern Ireland.

The review of the position in Northern Ireland follows similar studies carried out by former NatWest chief executive Derek Wanless for the UK as a whole and in Wales.

John Appleby will examine the provision of care and judge whether resources are being used effectively and efficiently and what changes need to be made. He commenced work on the review in January with a final report due to be completed by June 2005.

For more details visit [www.kingsfund.org.uk](http://www.kingsfund.org.uk)

## SCOTLAND

### COUNTER FRAUD SERVICES

A new Charter was launched in December encouraging organisations across Scotland to work together to tackle fraud in the NHS.

The latest Annual Report from NHS Scotland Counter Fraud Services (CFS) was also published, showing that more than £8 million has been saved to the NHS since the CFS was established in 2000.

For more details visit [www.scotland.gov.uk](http://www.scotland.gov.uk)

## NHS SCOTLAND

The new Chief Executive of NHS Scotland and Head of the Scottish Executive Health Department is to be Dr Kevin Woods, currently Chief Executive of North Central London Strategic Health Authority.

Dr Woods took up his post in January.

As Chief Executive he will have specific responsibility for the leadership and management of NHS Scotland and, as Head of The Scottish Executive Health Department, will support the Minister for Health and Community Care and the Deputy Minister, overseeing the development of new policy

For more details visit [www.scotland.gov.uk](http://www.scotland.gov.uk)

## WALES

### BUDGET

Frontline NHS services in Wales are to get a £30million boost for buildings and equipment announced in November. This funding will help to bring down waiting times even further across Wales.

The funding for buildings and equipment will be invested across Wales in new daycase centre in Swansea, Ceredigion, North East Wales and Conwy and Denbighshire, improving diagnostic services as well as new equipment for operating theatres.

Across Wales £1.5m has been allocated specifically for specialist equipment to reduce waiting times in orthopaedics and endoscopy and £2.5m for cardiac equipment.

For more details visit [www.wales.gov.uk](http://www.wales.gov.uk)

### COUNTER FRAUD

In January the Welsh Health Minister announced that the NHS in Wales benefited from £7.6m during 2003/04 from counter fraud work.

For full details of the report visit [www.cfsms.nhs.uk](http://www.cfsms.nhs.uk)

## DELAYED DISCHARGES

The number of patients facing delays in their care fell in December 2004 to 728, the lowest in Wales since May 2002.

The total number of patients experiencing a delayed transfer of care on the census date of 15 December 2004 was 738. Of these 221 were delayed in mental health facilities and 517 were in other acute and community hospitals.

For more details visit [www.wales.gov.uk](http://www.wales.gov.uk)

## CIPFA Health Panel Membership

Kevin Orford	-	West Midlands StHA (Chairman)
David Allcock	-	North Warwickshire PCT
Gary Attlesley	-	Dartford & Gravesham PCT
Kate Barber	-	RSM Robson Rhodes
Julie Barnaby	-	NHS Modernisation Agency
Terry Brodie	-	CIPFA
Dipixa Bhundia	-	East Midlands Audit Services
David Clark	-	Tayside NHS Board
Caroline Clarke	-	Homerton University Hospitals NHS Foundation Trust
Liz Cockcroft	-	Gwent Healthcare NHS Trust
Stephen Corbishley	-	National Audit Office
Mark Day	-	South Huddersfield PCT
Colin Dunn	-	Bolton Hospitals NHS Trust
Alison Hunt	-	West Yorkshire Workforce Development Confederation
Paul Kemp	-	Norfolk, Suffolk & Cambridgeshire StHA
Mike Langley	-	Audit Commission
Sarah Melling	-	Scottish Executive
Ann-Marie Millar	-	Department of Health
Pauline Moore	-	Scottish Ambulance Service
Therese Paskell	-	West Yorkshire Ambulance Service
Don Richards	-	North West London Hospitals NHS Trust
Paul Simpson	-	Down and Lisburn Health and Social Services Trust
Peter Smith	-	Gateshead Health NHS Trust
Suzanne Tracey	-	East Somerset NHS Trust (Vice-Chairmen)
Hardev Virdee	-	Eastern Birmingham PCT

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.

### CONTACT DETAILS

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