

NATIONAL ASSEMBLY FOR WALES
REPORT FROM THE FINANCE COMMITTEE

Supplementary Report on NHS Redress (Wales) Measure, 2007

Background:

1. Standing Order 14.2 states:

14.2 *The [Finance] Committee may also consider and, where it sees fit, report on:*

(i) *financial information in explanatory memoranda accompanying proposed Assembly Measures;*

Introduction

2. The Committee considered the Report on the NHS Redress (Wales) Measure, 2007 soon after it was introduced to the Assembly and took evidence from the officials involved in preparing the financial information.

3. The Committee noted that the estimates that had been prepared were based on a number of assumptions and that there were a number of other factors that needed to be taken into account in deriving a reliable figure. The Committee also noted that work to assess the costs of the Measure was continuing and that three Working Groups were about to get under way. These were expected to produce an interim report by the end of 2007.

4. Overall, the Committee was disappointed that at the outset the information to assess the cost of the implementing the Measure was weak and it concluded that it could not reliably assess the financial impact of the proposed NHS Redress Measure at that stage.

Further information

5. The Minister for Health and Social Services subsequently provided the Committee with an 'Interim Financial Assessment' which was discussed at its meeting on 31 January 2008. The Minister provided her final assessment into the potential financial impact of the NHS Redress Measure in her letter dated 21 February to the Chair of the NHS Redress Measure Committee. This was discussed with the Minister at the Finance Committee's meeting on 6 March 2008.

6. The paper said:

“Potential additional costs arising from the introduction of new arrangements now range from £2.4m to £3.6m. Members will note that this latest assessment reflects more closely the estimate of an additional £3m set out in the original Explanatory Memorandum which accompanied the NHS Redress Measure on introduction. These figures will be refined further in the coming months, and before any regulations are consulted upon.”

7. Members were grateful for the Minister keeping them in touch with the work of assessing the costs of the proposed Measure as it developed. They also very much appreciated her attending the meeting on 6 March to discuss the figures.

8. The Committee noted that a major element of the additional costs was the need to invest in Staff skills and training in order to carry out the new responsibilities. It noted the Minister’s comment that the figure may not need to be as high as this but that she was erring on the side of caution.

9. The Committee noted the uncertainty attached to the number of cases that might result from the new arrangements and the consequential impact on the cases referred to the NHS Ombudsman. They noted also that ultimately many of the estimates were based on figures provided by outside organisations and were reassured by the Minister’s confirmation that she was satisfied by the robustness of the advice she had received in this regard.

Conclusion

10. The Committee concluded that the further information provided by the Minister largely resolved the reservations expressed in its original report and that it could now recommend, that the Measure be approved from the financial perspective.

11. The Committee noted also that that this was the first proposed Measure considered by the Assembly and was extremely grateful for the full cooperation received from the Minister and officials. The Committee hopes that lessons will be learned from the process and that, for future proposed measures, the information presented initially will be to the level of detail finally provided for this Measure.

Alun Cairns AM
Chair, Finance Committee