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AUDIT COMMITTEE REPORT ON REVIEW OF THE NEW GENERAL MEDICAL SERVICES CONTRACT

The Clerk's letter of 4 March 2008 requested my advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report *Review of General Medical Services*.

The Assembly Government's response is positive and accepts in full six of the Committee's recommendations, and partially the remaining two.

In implementing recommendation 1, the Assembly Government is undertaking important work to ensure that the value for money of the Quality and Outcomes framework (QOF) is demonstrated by independent research. This will go a long way towards addressing the major concern expressed by the Committee that the investment in measures intended to promote longer term health may not in the event give an adequate return. However, the research outlined in the response is too soon to show the majority of benefits, and because it was not specifically commissioned does not examine the cost/benefit of QOF, particularly whether the costs of improving public health through QOF will result in savings in secondary care in future years. The Assembly Government's response to recommendations 2, 5, 7 and 9 provides assurance that it is committed to encouraging Local Health Boards to use their powers under the new contract to improve services for patients. Improved access and primary care estates will provide tangible benefits for patients, such as the ability to book a convenient appointment, whilst improved premises will allow GPs to provide the full range of modern primary care services close to patients' homes. Under recommendation 7 Local Health Boards will be using the full range of their powers to manage Practices, as well as

reducing unnecessary variation across Wales in how the contract is managed. A further benefit of such harmonisation ought to be improved governance standards, which, amongst other things, may be expected to reduce the risk of inappropriate claims by practices. Recommendation 9 will ensure that out of hours services are measurable and comparable, and help commissioners design services which remain fit for purpose.

The Assembly Government's response to recommendations 6 and 8 highlight the need of the devolved Government to work with its counterparts in the rest of the UK. The full support of the Assembly Government for these recommendations will not by itself be sufficient to ensure their implementation, as the delicate round of negotiations continues. This situation will need to be closely monitored and followed up to ensure that Wales needs are safeguarded within the complexities of national negotiations.

The Assembly Government's response to recommendations 3 and 4, although a partial acceptance, describes actions to transfer services closer to patients through more effective commissioning. Whilst we acknowledge that some progress has indeed been made on this front by the steps outlined in the response, your recommendations would have taken this a step further forward, by ensuring Local Health Boards have the necessary leverage to implement their commissioning choices. In particular the response highlights the need to strengthen the performance management framework and ensure more clarity on future funding streams. By combining this with the Minister's plans for the management of chronic diseases across Wales, it is clear that the Assembly Government's intention is to focus on moving more services into the community, which was essentially the aim of your recommendation.

The Wales Audit Office will continue to monitor the progress made by the NHS in Wales in managing the new General Medical Services Contract and implementing the Committee's recommendations. I will draw to the Committee's attention any areas where I consider that further action is merited.

JEREMY COLMAN
AUDITOR GENERAL FOR WALES