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Y Gweinidog dros Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref BG/0175/06

Janet Davies AM
Chair of the Audit Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

24 April 2006

Dear Janet

**AUDIT COMMITTEE REPORT (2) 01-06
CONTRACT FOR THE PROVISION OF THE OUT-OF-HOURS GP SERVICE IN CARDIFF
- ASSEMBLY GOVERNMENT RESPONSE TO THE REPORT OF THE AUDIT
COMMITTEE**

I have pleasure in enclosing a copy of the Assembly Government's response and I can confirm that the response will be laid before the table office today.

On behalf of the Assembly Government, I would like to thank you and the Committee for the careful and considered way in which you undertook the investigation and produced the report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brian Gibbons', written in a cursive style.

The Welsh Assembly Government's response to the report of the National Assembly Audit Committee's report on Contract for the provision of the out-of-hours GP service in Cardiff:-

The Welsh Assembly Government is grateful for the report. We welcome the findings and offer the following response to the five recommendations in the report

1 Recommendation

We recommend that public sector bodies should:

- Where appropriate, and being careful to maintain fairness, make pre-tender contact with the market to discuss and clarify the specification, particularly if it is complex or unusual;
- Offer potential bidders opportunities to discuss any potential ambiguity about the interpretation of the service specification before tenders are submitted; and
- Include a glossary in their service specification that defines any potentially ambiguous terms.

Accepted *The Welsh Assembly Government has issued two Welsh Health Circulars WHC(2005)083 and WHC (2006)025 specifically addressing the issues raised by the Wales Audit Office and more latterly the specific points made by this Audit Committee. Revised Standing Orders for Local Health Boards and Trusts are being developed and these recommendations will be fully addressed within the revised documents. It is anticipated that these will be completed within the next 3 months following a review of the relevant regulations..*

2 Recommendation

We recommend that public sector bodies should confirm that referees are in a position to comment authoritatively on the capacity of the company to provide the services being tendered for, that referees have no potential conflicts of interest, and that all references are fully recorded and retained.

Accepted *We would regard this as good practice and have reminded NHS bodies of their responsibilities through the recently issued circulars. We will ensure that all other public bodies have their attention drawn to the report and specifically to this recommendation.*

3 Recommendation

We recommend that LHBs, in exercising their duty to apply normal standards of commercial prudence, should be guided by Treasury and Office of Government Commerce guidance on the financial checks that need to be carried out on companies bidding for contracts, with particular reference to the need to verify that new companies have the financial capacity to deliver the service adequately

Accepted *This issue was addressed in the circular DGM(95)65 and reinforced in WHC (2005)083 and latterly in WHC(2006)025. The attention of the organisations was drawn to the above guidance in the circulars.*

4 Recommendation

We recommend that when awarding contracts for patient services to new suppliers, LHBs should develop risk management and contingency plans proportionate to the risks in cases of service or financial failure

Accepted. *We regard this as one of the normal processes supporting good contracting. Organisations should assess financial, clinical and wider service factors as part of their plans. This advice was also included in the guidance issued by the Assembly to support LHBs in addressing the changes arising from GP opting out of their OoH responsibilities. Organisations have been reminded of their responsibilities in the circulars WHC (2005)083 and WHC (2006)025*

5 Recommendation

We recommend that where public sector bodies decide to award additional funding to contractors outside the terms of a contract, they should:

- Robustly assess the evidence that there are exceptional circumstances to justify the funding; and
- Fully record the basis of their decision.

Accepted *We regard this as one of the normal processes supporting good contracting. All organisations are expected to have robust mechanisms for monitoring contracts and agreeing action arising from this process.*

Organisations have been reminded of their responsibilities in the circulars WHC (2005)083 and WHC (2006)025

Ymateb Llywodraeth Cynulliad Cymru i adroddiad Pwyllgor Archwilio'r Cynulliad Cenedlaethol ar y Contract ar gyfer darparu gwasanaeth Meddygon Teulu tu allan i oriau arferol yng Nghaerdydd.

Hoffai Llywodraeth Cynulliad Cymru ddiolch i'r Pwyllgor am yr adroddiad. Rydym yn croesawu'r canfyddiadau ac yn cynnig yr ymatebion canlynol i'r pum argymhelliad yn yr adroddiad.

1 Argymhelliad

Yr ydym yn argymhell y dylai cyrff y sector cyhoeddus:

- Pan fo'n briodol, a chan fod yn ofalus i gadw tegwch, wneud contract cym-tendro gyda'r farchnad er mwyn trafod a gwneud yn eglur y fanyleb, yn arbennig os yw'n gymhleth neu'n anarferol;
- Cynnig cyfleoedd i fidwyr posibl i drafod unrhyw amwysedd posibl ynglŷn â dehongli manyleb y gwasanaeth cyn bod tendrau'n cael eu cyflwyno; ac
- yn cynnwys geirfa ym manyleb eu gwasanaethau sy'n diffinio unrhyw dermau a allai fod yn annelwig.

***Derbynnir** Mae'r Llywodraeth Cynulliad Cymru wedi cyhoeddi dau Gylchlythyr Iechyd Cymru, WHC(2005)083 a WHC (2006)025, sy'n cyfeirio'n benodol at y materion a godir gan Swyddfa Archwilio Cymru ac yn fwyaf penodol y pwyntiau penodol a wnaed gan y Pwyllgor Archwilio hwn. Mae'r Rheolau Sefydlog ar gyfer Ymddiriedolaethau'r GIG a Byrddau Iechyd Lleol yn cael eu datblygu a bydd yr argymhellion hyn yn cael eu cwmpasu'n llawn yn y dogfennau diwygiedig. Disgwylir y bydd y rhain yn cael eu cwblhau o fewn y 3 mis nesaf ar ôl adolygu'r rheoliadau perthnasol.*

2 Argymhelliad

Yr ydym yn argymhell fod cyrff y sector gyhoeddus yn cadarnhau fod canolwyr mewn sefyllfa i wneud sylwadau gydag awdurdod ar allu'r cwmni i ddarparu gwasanaethau y mae'n tendro amdanynt, nad oes gwrthdaro buddiannau o gwbl gan ganolwyr a bod pob geirfa yn cael ei gofnodi a'i gadw.

***Derbynnir** Yr ydym yn ystyried bod hyn yn arfer dda ac rydym wedi atgoffa cyrff y GIG am eu cyfrifoldebau drwy'r cylchlythyrau a gyhoeddwyd yn ddiweddar. Byddwn yn gwneud yn siŵr bod sylw'r holl gyrff cyhoeddus eraill yn cael eu tynnu at yr adroddiad, yn enwedig yr argymhelliad hwn.*

3 Argymhelliad

Yr ydym yn argymhell fod Byrddau Iechyd Lleol, wrth arfer eu dyletswydd i gymhwyso safonau doethineb masnachol, yn cael eu cyfarwyddo gan ganllawiau'r Trysorlys a Swyddfa Masnach y Llywodraeth ar y gwiriadau ariannol sydd angen eu gwneud ar gwmnïau sy'n bidio am contractau, gyda phwyslais arbennig ar yr angen i wirio fod gan gwmnïau newydd y gallu ariannol i gyflwyno'r gwasanaeth yn ddigonol.

***Derbynnir** Cyfeiriwyd at y mater hwn yng nghylchlythyr DGM(95)65 a chafodd ei ategu yn WHC (2005)083 ac yn fwy diweddar yn WHC(2006)025. Tynnwyd sylw'r sefydliadau at y canllawiau uchod yn y cylchlythyrau.*

4 Argymhelliad

Yr ydym yn argymell, wrth roi contractau am wasanaethau i gleifion i gyflenwyr newydd, y dylai Byrddau Iechyd Lleol ddatblygu cynlluniau rheoli risg a chynlluniau argyfwng wrth gefn sy'n gymesur â'r peryglon yn achos methiant yn y gwasanaeth neu fethiant ariannol.

Derbynnir. Yr ydym yn ystyried bod hwn yn rhan o'r broses o gontractio da. Dylai sefydliadau asesu ffactorau ariannol, clinigol a gwasanaethau ehangach fel rhan o'u cynlluniau. Cafodd y cyngor hwn ei gynnwys hefyd yn y canllawiau a gyhoeddodd y Cynulliad i gynorthwyo'r Byrddau Iechyd Lleol i fynd i'r afael â'r newidiadau sy'n codi wrth i Feddygon Teulu optio allan o'r cyfrifoldebau i wasanaethu y tu allan i oriau arferol. Atgoffwyd y sefydliadau am eu cyfrifoldebau yng nghylchlythyrau WHC (2005)083 a WHC (2006)025.

5 Argymhelliad

Yr ydym yn argymell ble mae cyrff y sector gyhoeddus yn penderfynu rhoi arian ychwanegol i gontractwyr oddi allan i delerau'r contract, y dylent:

- Asesu'n drylwyr y dystiolaeth fod amgylchiadau eithriadol i gyfiawnhau'r arian; ac yn
- cofnodi'n gyflawn y sail i'w penderfyniad.

Derbynnir Yr ydym yn ystyried bod hwn yn rhan o'r broses o gontractio da. Disgwylir bod gan bob sefydliad ddulliau cadarn yn eu lle i fonitro contractau ac i gytuno ar gamau sy'n codi o'r broses hon. Atgoffwyd y sefydliadau am eu cyfrifoldebau yng nghylchlythyrau WHC (2005)083 a WHC (2006)025.