

Jane Hutt AC / AM
Y Gweinidog Cyllid ac Arweinydd y Tŷ
Minister for Finance and Leader of the House



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref: SF/JH/2322/12

Jocelyn Davies AM,
Chair, Finance Committee,
The National Assembly for Wales,
Cardiff Bay,
Cardiff
CF99 1NA

9 July 2012

Dear Jocelyn,

When I gave evidence to the Finance Committee last week on the First Supplementary Budget for 2012-13, I agreed to provide further information on a number of issues that were raised.

You asked for clarification on the £1 million transfer within the Environment and Sustainable Development MEG from the 'Develop and Implement Flood and investment Flood and Coastal Risk, Water and Sewage Policy and Legislation' Action to the 'Sponsor and Manage Delivery Bodies' Action.

As the Committee is aware, the Single Environment Body for Wales will replace the Environment Agency Wales, the Countryside Council for Wales and the Forestry Commission. A formal programme to manage the transition from the current position to a point where a new body is vested is underway. As part of this work, an ICT implementation project has been established to enable the new body to operate effectively from the date it is vested. Work is taking place to determine the scope and consider options for the development and definition of the ICT implementation, as well as specific advice and support in developing the implementation strategy for key ICT activities. These activities include developing networks and business applications solutions such as HR, payroll and finance systems. The £1 million transfer is being used to support the development of this infrastructure.

Turning to your request for further information on the Round Six Invest to Save projects, I attach a schedule at Annex A providing details of the repayment and investment schedule for the projects I announced last month. In addition, I am also providing a list at Annex B of project approvals from December 2011 to June 2012, with details of the associated benefits.

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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

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In terms of the forthcoming Invest to Save evaluation, the interim evaluation, details of which are published on our website, recommended commissioning an evaluation of actual project outcomes when projects had had sufficient time to bed in. It suggested undertaking this in 12-18 months time i.e. between early and mid 2013. I have accepted this recommendation and the planning of that work will get underway later this year. I will publish the findings of the evaluation when it is completed.

Finally, you asked for confirmation as to when the Committee will receive a year-end report detailing variations between actual spend and the last supplementary budget of the year. I can confirm that I will write to you with this report no later than the week commencing 13 August.

I hope this information will clarify any outstanding issues and aid you in your scrutiny of the First Supplementary Budget 2012-13.

*Best wishes,
Jane*

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Annex A

Invest-to-Save Fund: Round VI investments & repayments⁽¹⁾

Project	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000	Total £'000
Hywel Dda Health Board, Community Virtual Ward	2,270	440			2,710
		(500)	(900)	(1,310)	(2,710)
Cardiff & Vale UHB, "The Wyn Campaign"	2,400	800			3,200
				(3,200)	(3,200)
Aneurin Bevan HB, E-rostering	240				240
		(120)	(120)		(240)
Aneurin Bevan HB, Medicines Management	440				440
			(440)		(440)
Cwm Taf: Integrated Whole System Intermediate Care Model	500	1080			1,580
			(200)	(1,380)	(1,580)
NHS Wales Shared Services Partnership, All-Wales contract for provision of Mental Health/ Learning Disabilities	300				300
		(300)			(300)
Voluntary Early Release Scheme (VERS) for NHS Wales	4,300				4,300
			(4,300)		(4,300)
Investments	10,450	2,320			12,770
Repayments		(920)	(5,960)	(5,890)	(12,770)

(1) Repayment profiles are currently being finalised and therefore may vary slightly from the indicative profiles shown above. However, all investments will have been repaid by close 2015-16

Annex B

Invest-to-Save Fund: Project approvals from December 2011 and June 2012

Project Title	Outline	Benefits	Contact
Single environment body for Wales	The bringing together of the Environment Agency Wales (EAW), the Countryside Council for Wales (CCW) and Forestry Commission Wales (FCW) into one organisation.	Achieved through the sharing of resources and assets, primarily within back-office functions such as HR, finance and I.T. Estimated savings projected at £158 million over a ten year period - of which £128 million are cash releasing.	Jon Westlake Tel: 029 2082 5879 E-mail: Jon.westlake@wales.GSI.GOV.UK
Workplace Transformation: Blaenau Gwent County Borough Council.	Anvil Court, Abertillery will be re-fitted to allow an increase in the number of staff currently accommodated there from 215 to 350. Agile working arrangements and better space management will be deployed. The project will facilitate the co-location of the authority's Education and Leisure Directorates and include provision to house some Aneurin Bevan Health Board staff.	Wider associated business benefits. Capital receipts arising from the sale of surplus assets. Payback is over two years. Forecast annual recurrent efficiency savings of £175k arising from reduced running costs.	Vanessa Waddon Tel: 01495 355523 E-mail: Vanessa.waddon@blaenau-gwent.gov.uk
E-Rostering: Hywel Dda University Health Board	Hywel Dda UHB Roll-out programme for e-rostering, time and attendance systems across the Health Board.	Wider associated business benefits are projected including freeing up staff time. Payback is over two years. Forecast efficiency savings on medical non-core pay of £200k in 2012-13 and £300k by 2013 arising from the reduced need for some bank, agency and locum cover.	Lisa Gostling Tel: 01267 239700 E-mail: lisa.gostling@wales.nhs.uk
E-rostering: Aneurin Bevan Health Board	The project will expedite E-Rostering for all staff groups. Productivity and efficiency will be increased from the consultant contract and by reducing: <ul style="list-style-type: none"> • Variable pay spend; • Inequalities in rostering practises • Payroll function by 4 WTE • Sickness absence 	Improved clinical governance by having staff with the correct skills at the correct time delivering care in most cost effective way and a reduction in back office payroll functions and errors in over payments associated with time sheets. Forecast efficiency savings of £1.4m from 2016 and total project efficiency savings of £2.9m by 2016.	Julie Rowles Tel: 01633 623473 E-mail: Julie.Rowles@wales.nhs.uk

Project Title	Outline	Benefits	Contact
National Voluntary Early Release Scheme (VERS) for NHS Wales	Programme covering six Health Boards and the NHS Ambulance Trust will assist the NHS in delivering its 5-year vision, including seeking an efficiency gain of some 5% per year. The proposal specifically helps to fund the release of staff and therefore create the scope for a wider transformation programme and flexibility in shaping services through different skill mixes etc.	<p>Round 5 Full year annual efficiency savings of £14.4 million are projected by 2013-14, with payback being made in full during that year.</p> <p>Round 6 Full year annual efficiency savings of £8.6million are projected by 2014-15, with full payback being made in that year.</p>	<p>Steve Elliot</p> <p>Tel: 029 20823245 E-mail: steve.elliott@wales.gsi.gov.uk</p>
Cwm Taf: Integrated Whole System Intermediate Care Model	Introduce an Integrated Whole System Intermediate Care Model. The multi-disciplinary/agency model is aimed at supporting individuals in the community who are at risk of admission to hospital or who are starting to fail at home.	High quality care delivered in the most appropriate environment to meet the needs of the patient leading to a reduction in hospital admissions/length of stay/readmissions/bed days. Annual efficiency saving of £1.8m from 2016 with total cash efficiency savings of £2.4m by 2016.	<p>Rebecca Luffman</p> <p>Tel: 01443 744857 E-mail: Rebecca.Luffman@wales.nhs.uk</p>
Aneurin Bevan: Medicines Management	A twin track approach which aims to develop acute ward based prescribing advisers who will focus on driving more cost effective prescribing practice in hospitals, to align with historical roles in primary care which have proven to generate significant beneficial change in cost effective prescribing practice.	Additional dietician roles in the community will aim to achieve sustainable changes in nutritional care in the community, by the prescribing of oral nutritional supplements. Improved nutritional benefits to patients, reducing the risk of malnutrition by promoting a 'food first' approach, resulting in less reliance on prescribed oral nutrition supplements, thus lowering prescribing costs. Annual financial savings of £0.76m from 2015 and total efficiency savings of £0.6m by 2014	<p>Rob Holcombe</p> <p>Tel: 07815 187 972 E-mail: robert.holcombe@wales.nhs.uk</p>

