Members' Research Service: Topic Brief
Gwasanaeth Ymchwil yr Aelodau: Papur Byr

NHS structures and commissioning arrangements

Introduction

Health expenditure accounts for 39 per cent of the National Assembly budget, i.e. £5.5 billion of the total £14 billion allocation for Wales. The Welsh Assembly Government has two health departments, the Department of Health and Social Services (DHSS) headed by Chief Executive, Ann Lloyd and the Public Health and Health Professions Department (PHHPD) overseen by the Chief Medical Officer, Dr Tony Jewell. The DHSS carries out health and social care functions advising the National Assembly for Wales in the setting of policies and strategies, contributing to the making of legislation, providing funding for the NHS and related bodies, managing and supporting delivery, and monitoring and promoting developments in service delivery. The PHHPD is a new department with the aim of providing public health and health professional leadership within and across the Assembly Government with responsibilities for public health, health promotion, improvement and protection, and health professional issues.

The structure of NHS Wales has a flatter structure than in England with, e.g. no strategic health authority tier. There are 14 NHS Trusts whose borders mainly overlap with more than one local authority and 22 Local Health Boards (LHBs) with boundaries coterminous with local authorities. LHBs are equivalent to Primary Care Trusts (PCTs) in England. There are three regional NHS business centres, North, South East and Mid and West Wales, but their role is supportive rather than directive. There are also a number of other bodies and agencies, e.g. Health Commission Wales (which commissions specialist treatment services for cancer and neurology for the whole of Wales), Informing Healthcare and the National Leadership and Innovations Agency for Healthcare. There is also an Assembly Sponsored Public Body, the Wales Centre for Health.

The NHS was reorganised in 2003, when 22 LHBs came into operation on 1 April. LHBs are responsible for commissioning the bulk of services for residents living within their geographical area. They purchase from the secondary care sector (hospitals) and contract services with primary care sector providers such as general medical practitioners (GPs) and dentists. LHBs are expected to work closely with local authorities, helping to facilitate joint processes such as the transfer of patients from hospital settings into the community.

Twelve of the NHS Trusts are hospital trusts, providing secondary care through a District General Hospital and in most cases, a number of other hospitals of varying types within their territory. The other two Trusts are the Welsh Ambulance Trust, which covers the whole of Wales, and Velindre NHS Trust. Velindre is responsible for the Velindre Cancer Centre, and a number of national bodies and initiatives including the Welsh Blood Service, the National Public Health Service (Wales), Health Solutions Wales (which collects all NHS statistics), Screening Services networks and co-ordinating groups.

Wales differs to England in that Community Health Councils (CHCs) have been retained and under the Health (Wales) Act 2003 and the Community Health Council Regulations 2004, given new powers including the handling of NHS complaints, and the right to be included in consultations ‘where a relevant NHS body has under consideration any proposal for a substantial development of the health service in the area of a Council, or for a substantial variation in the provision of such a service’. The umbrella organisation for CHCs is the Association of Community Health Councils in Wales.

The Wales Audit Office audits the accounts of NHS bodies, and produces an annual NHS financial report. It also reports on topics where significant issues are raised, e.g. the Welsh Ambulance Service, Out of Hours provision in Cardiff and waiting times. Two forthcoming topics are healthcare associated infections and Child and Adolescent Mental Health Services (CAMHS). Healthcare premises are inspected by Healthcare Inspectorate Wales. Currently there is a major controversial issue regarding the reconfiguration of secondary care health services in Wales (see overleaf), a process started around 18 months ago which has not been finalised. Reconfiguration of present services was something recommended by the Wanless Review into Health and Social Care in 2003 because they were seen to be unsustainable.

Overview of current statutory powers of the Assembly

Health and Health Services matters are devolved and covered in Field 9, “Health and Health Services” of Schedule 5 of the Government of Wales Act 2006. This means that the National Assembly for Wales can seek Measure-making powers over all aspects of health delivery through Legislative Competence Orders.
One Health Measure will be coming forward early in the Third Assembly. Following the NHS Redress Act 2006, the National Assembly for Wales (Legislative Competence) (Conversion of Framework Powers) Order 2007, inserts in Field 9 (health and health services) provision for redress in connection with personal injury or loss arising out of, or in connection with, breach of a duty of care owed to any person in connection with the diagnosis of illness, or the care or treatment of any patient in the NHS.

In November 2006, the National Assembly voted on a motion to support legislation to provide for the inspection of private dental practices in Wales by Healthcare Inspectorate Wales (HIW).

**Legacy issues from the Second Assembly**

During 2006, secondary health services were undergoing a major reconfiguration consultation process but progress was halted in the path of vigorous public protest at the closure of hospitals or transfer of specific services. Particular problems were evident in North (Llandudno Hospital) and West Wales (Withybush Hospital) and in Swansea with the suggestion that either Morriston or Singleton Hospitals might close, and in the South Wales Central Assembly region where unease was felt in relation to services at Royal Glamorgan, Llantrisant and Prince Charles, Merthyr Tydfil. Links to the original reconfiguration plans can be found in Members’ Research Service Debate Pack, Reconfiguration of Health Services in Wales.

In March 2007, the draft of a new Commissioning Framework was presented to the Health and Social Services Committee which introduces Regional Commissioning Units in each health region in Wales: North Wales, Mid & West Wales and South-East Wales with the aim of improving the commissioning process. The framework is due to be put in place during 2007/08.

**Useful links**

1. NHS Wales, [http://www.wales.nhs.uk/](http://www.wales.nhs.uk/) (includes links to all LHB and NHS Trust websites)

**Further information**

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