

Response to the report of the National Assembly Audit Committee's report on Home Oxygen Therapy Services: Committee Report (3) 02-09 February 2009

We welcome the findings and offer the following response to the 3 recommendations in the report.

1 Recommendation

We endorse the Auditor General's recommendations, all of which cover issues of concern to us. **We ask the Assembly Government to respond to each of the four recommendations in the Auditors General's report as part of their response to this report.**

Recommendation Accepted – responses to each of the four recommendations in the Auditor General's report are below.

- i We recommend that for future such England and Wales contracts, the Assembly Government preserves the option- and, where appropriate, exercises that option – to vary the implementation of the new contractual arrangements within Wales in order to mitigate the associated risks.

Recommendation Accepted – For any future contracts we will ensure that there is appropriate Welsh Assembly Government representation on the Project Board and engage Welsh Assembly procurement specialists to act in a Project Assurance role. We will undertake appropriate project management and risk analysis in Wales to ensure that contractual arrangements for Wales are properly considered and tailored to our needs and risks.

For the Home Oxygen contract specifically, we recognise the need to have an element of contractual flexibility in defining the most appropriate route for implementing new contractual arrangements when the contract for the provision of Home Oxygen Therapy services is re-competed.

The existing contract for the provision of this service has already been re-tendered and awarded in the South West of England and was tailored to the specific requirements of that region. This involved significant engagement with those elements of the service directly affected.

The revised contract specification was flexible enough to take these into account and the Welsh Assembly Government will make sure that we have enough flexibility to mould the contract to our own requirements and address the lessons learnt from the previous exercise. The current

oxygen contract expires on 31 January 2011. The start of this process will begin in February 2010.

- ii We recommend that for future such changes to services, the Assembly Government should allow for contingency time in the event that the preparatory work does not go to plan; particularly where the information required to implement the new arrangements is not readily available.

Recommendation Accepted – As stated above, for any such changes to services in the future there will be appropriate project management and risk analysis. Such planning will include consideration of the most appropriate timescale for implementation taking account of all the implementation risks.

- iii We recommend that, in future such changes to services, the Assembly Government oversees the effectiveness of communication by health bodies about future changes to the provision of services with patients. It should also oversee the effective communication with healthcare professionals about their role and responsibilities in making the new arrangements work.

Recommendation Accepted - For any such future changes to services a clear communications strategy will be developed at the outset as part of the project management. This will include proper engagement of key stakeholders.

- iv We recommend that the Assembly Government directs LHBs and NHS trusts to prioritise the development of specialist clinical assessments. It should also monitor closely the progress made by the NHS in Wales in developing such services and whether the additional funds made available to LHBs have been used effectively.

Recommendation Accepted - Welsh Health Circular (2007) 063 highlighted the importance of Local Health Boards commissioning patient assessments. We plan to reinforce this by the issue of a Ministerial Letter which will also set out our requirements for Local Health Boards to undertake an audit of patient assessments using an audit tool developed by key stakeholders. The audit tool will ensure that we are monitoring progress by the NHS in establishing and developing patient assessments and this will enable us to take appropriate action where progress is inadequate. Ministerial Letter to be sent by 1 April 2009.

2 Recommendation

We note the Assembly Government's expectation that the costs of home oxygen services will reduce with the increased use of clinical assessments. We expect the NHS to realise this scope to make financial savings and **recommend that the Assembly Government provides a note to this Committee at the end of this and the two remaining years left under the contract, to show that such savings are being achieved.**

Recommendation Accepted – We are collecting the costs of the contract and will collect data about clinical assessments and will report to the Committee as requested.

3. Recommendation

The introduction of a new contract for the home oxygen therapy service in Wales was a difficult and costly process. It is essential that the Assembly Government and the NHS Wales learn the lessons from this experience, some of which have featured strongly in our report. **We recommend that the Assembly Government provides a note to this Committee by the end of June 2009, setting out the lessons that have been learnt from the introduction of the new home oxygen therapy service contract; and how these lessons are being applied to the other key changes, particularly those involving substantial changes to the provision of services to patients.**

Recommendation Accepted – The Welsh Assembly Government will report back to the Committee by the end of June 2009 as requested.