

Ms White
PS/CE

From: J C Dobson FCI-A2

Date: 20 July 1992

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EXPENDITURE ON AIDS SERVICES

Summary

This note describes the proposed arrangements for

- more formal linkage between the AIDS Unit and the ME over the planning and monitoring of expenditure on AIDS;
- in-year monitoring to ensure that funds allocated for AIDS services are spent on that;
- reporting to the ME.

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The Chief Executive is invited to endorse these arrangements.

Background

1. One of the main criticisms in the NAO Report on HIV and AIDS related services was the weaknesses of arrangements for monitoring ring-fenced expenditure. The under-spending by North West Thames Regional Health Authority in 1989-90 of about £9 million played a large part in the PAC's questioning of the Accounting Officers. As a result, for 1992-93 the AIDS Unit advised by FCID introduced a new system for quarterly in-year monitoring by regions against planned profiles of spending in each of four categories: treatment and care, prevention, GUM clinics and drugs. These quarterly monitoring reports will supplement the annual AIDS (Control) Act reports produced shortly after the end of the year which detail the region's achievements in the past year and set objectives for the current year; a limited amount of financial information is produced as part of these reports.

2. Following the PAC hearing in December last year, Mrs Firth suggested to Mr Nichol that there should be discussions between FCID, PMD and the AIDS Unit and the ME, particularly in relation to the planning of future NHS developments. Mr Nichol agreed. The discussions have now taken place and are reflected in what follows.

In-Year Monitoring

3. Close links have been established between the AIDS Unit and the ME Directorates at working level, and will be further

developed during the course of this year. The following arrangements for analysis of the regional returns have been agreed.

- 3.1 The AIDS Unit will be responsible for receiving the quarterly monitoring returns and for the initial summarising and analyses.
- 3.2 These analyses will be copied to PMD and FCID, and if necessary staff from the two directorates will meet AIDS Unit staff to review any problems which are emerging. Typically these review meetings would be about five weeks after the end of the quarter.
- 3.3 The AIDS Unit will be responsible initially for taking up any problems identified with their regional AIDS contacts; they will keep PMD and FCI-A2B in touch with developments and draw them in as necessary. Problems should as far as possible be resolved before any formal submission to the ME.

Planning and Allocations

4. At present, top-sliced AIDS money is allocated to regions a year at a time on the basis of catchment populations; a DH/NHS working party in 1991 proposed a move to resident-based funding for in-patient services but this raises difficult issues (especially over confidentiality) which will be addressed in a later submission. Proposals for the 1992-93 allocations will be agreed between the AIDS Unit, PMD and FCID and submitted to the ME later this year (see below). The AIDS Unit will then liaise with FCID and PMD on the annual guidance about the specific planned uses for the allocations.

Progress Reports to the NHSME

5. We propose to report to the NHSME only at key stages in the annual cycle, and at other times only on an exception basis. The proposed timetable is as follows:-

- 5.1 Late September/early October: submission to the ME covering:-
 - 5.1.1 An analysis of the AIDS (Control) Act Reports for 1991/92 showing each region's performance in 1991-92 and plans for 1992-93.
 - 5.1.2 Proposals on the allocation of AIDS money for 1993-94, addressing in particular the issue of residence-based funding for in-patient services.

We do not envisage a report at this stage of the results of the first quarter's monitoring return which would be dealt with at working level: it is unlikely that any major problems would emerge so early in the year.

5.2 **Late November:** Submission to the ME covering:-

5.2.1 A mid-year financial progress report based on the second quarter's returns, with comments on any remedial action taken or proposed;

5.2.2 Further developments on the allocation methodology for 1993-94.

5.3 **Late January:** If necessary a further report on Q3 of the in-year monitoring for 1992-93 if problems appear to be continuing.

Conclusions

6. The Chief Executive is invited:-

- i to note the arrangements in place for in-year monitoring (paragraph 3) and planning (paragraph 4); and
- ii to agree the proposed reporting timetable (paragraph 5).

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