



Gateway Reference: 11334

To: SHA Directors of Finance
SHA Directors of Workforce
PCT CEs
Cc: SHA Directors of Performance
SHA Medical Directors
Trust CEs
Trust Directors of Finance
Trust Medical Director

12 February 2009

Dear Colleague

EUROPEAN WORKING TIME DIRECTIVE (EWTD)

There is an absolute commitment to support the NHS in achieving compliance with the EWTD by 1 August 2009. The expectation is that all services will strive to be fully compliant and all but a very few services with special difficulties will be compliant by 1 August. Many parts of the NHS are to be congratulated on making good progress and successfully implementing sustainable solutions providing good quality training and ensuring patient safety. Our overall aim is to ensure that, consistent with patient safety, the maximum number of services are supported to achieve compliance by 1 August 2009 and that the minimum number of services require a derogation to delay implementation beyond August.

This letter follows Gateway 11071 which set out the quality assurance monitoring arrangements that have been agreed to support implementation of the EWTD. This letter provides additional detail about the funding to support solutions for EWTD implementation.

Funding

The Department is making a total of £310m available by 2009/10 to support EWTD implementation in recurrent PCT allocations

In 2008/09, £110m was included in the quantum of allocation funding that resulted in all PCTs receiving revenue growth of 5.5%. This is recurrent in PCT baselines going into 2009/10.

In 2009/10, a further £200m has been included in PCT revenue allocations that continue to grow by an average of 5.5%. This is recurrent funding. Of this, we expect £150m to flow through tariff income to Trusts as we have incorporated this sum into the 2009/10 uplift applied to all tariff prices, as identified in Annex C of the 2009/10 PbR guidance – see attached. The remaining £50m in PCT revenue allocations will be targeted to Trusts according to SHA direction and is intended to support trained doctor solutions, particularly in paediatrics and obstetric services. In future years we expect this investment to be fully reflected in Trust costs used to calculate tariffs.

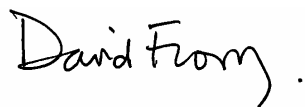
We need SHAs to make clear to the boards of their PCTs and relevant Trusts that the £310m has been made available recurrently and how it is expected to move around the system in 2009/10.

The funding should be targeted to services only where they meet one or more of the following conditions:

- The services are planning to be compliant by 1 August 2009.
- The services have a sustainable plan to meet compliance after 1 August 2009 and it has been agreed that their special difficulties warrant inclusion in the Working Time regulation schedule.
- The services are already compliant but require ongoing support for this to continue.

Thank you for your support in delivering this challenging commitment, which is essential to ensure continuing provision of safe patient care and for the training and work/life balance of our doctors.

Yours faithfully



David Flory
Director General
NHS Finance, Performance
& Operations



Clare Chapman
Director General
Workforce

Annex C : Tariff uplift 2009-10

	2009-10 (over 2008-09 baseline)		Assumptions
Baseline	64,640		
Increase in pay and prices			
Pay	1,750	2.7	Pay settlement in line with DH DDRB recommendation: 2%; NHSPRB multi-year deal: 2.54%. Also include pay drift and harmonising statutory annual leave.
Non-pay inflation	240	0.4	GDP deflator 1.50%
Clinical Negligence ⁽¹⁾	100	0.2	Forecast local contributions
Secondary Care Drugs	620	1.0	Includes NICE recommendations
Revenue cost of capital	260	0.4	PFI; depreciation; cost of capital
Working Time Directive	150	0.2	To support WTD compliance
Beneficial impact of VAT reduction on costs	-80	-0.1	
Efficiency	-1,940	-3.0	3.0% in line with spending review settlement
	1,100	1.7	

⁽¹⁾ : targeted adjustments have been made to certain tariff prices to reflect forecast increase in contributions to CNST. These adjustments sum to 0.3% of the 2008/09 base line

