

Agenda – Health and Social Care Committee

Meeting Venue:	For further information contact:
Committee Room 3 – Senedd	Llinos Madeley
Meeting date: Thursday, 14 January 2016	Committee Clerk
	0300 200 6565
Meeting time: 09.30	SeneddHealth@Assembly.Wales

At its meeting on 3 December 2015 the Committee resolved under Standing Order 17.42(vi) to exclude the public for item 1 of the meeting on 14 January 2016

- 1 Welsh Government Draft Budget 2016–17: preparation for oral evidence session**
(09.30 – 09.45) (Pages 1 – 24)
- 2 Introductions, apologies and substitutions**
(09.45)
- 3 Welsh Government Draft Budget 2016–17: Ministerial scrutiny session**
(09.45 – 11.15) (Pages 25 – 72)

Mark Drakeford AM, Minister for Health and Social Services

Vaughan Gething AM, Deputy Minister for Health

Andrew Goodall, Director General for Health and Social Services and NHS Wales
Chief Executive

Albert Heaney, Director of Social Services & Integration

Martin Sollis, Director of Finance



Supporting information:

[Correspondence between the Children, Young People and Education Committee and the Minister for Health and Social Services relating to health and social services aspects of the Welsh Government Draft Budget 2016–17](#)

4 Papers to note

(11.15)

Minutes of the meeting held on 3 December 2015

(Pages 73 – 76)

Correspondence between the Minister for Health and Social Services and the Children, Young People and Education Committee

(Pages 77 – 78)

5 Motion under Standing Order 17.42(vi) and (ix) to resolve to exclude the public from the remainder of this meeting and for item 1 of the meeting on 20 January 2016

(11.15)

6 Welsh Government Draft Budget 2016–17: consideration of evidence

(11.15 – 11.30)

7 Follow-up inquiry into the performance of Ambulance Services in Wales: consideration of output

(11.30 – 11.45)

(Pages 79 – 94)

8 Fourth Assembly Committee Legacy: consideration of approach

(11.45 – 11.55)

(Pages 95 – 97)

9 Public Health (Wales) Bill: discussion on order of consideration for Stage 2 proceedings

(11.55 – 12.00)

(Pages 98 – 99)

Document is Restricted

Agenda Item 3

From: Minister for Health and Social Services
To: Health and Social Care Committee
Date: 14 January 2016
Title: Scrutiny of Draft Budget 2016-17

Purpose

The Committee's Chair wrote to both the Minister for Health and Social Services and the Deputy Minister for Health on 16 October inviting them to give evidence on their Draft Budget proposals and asking them to provide a paper in relation to the Draft Budget.

Introduction

The Draft Budget was published on 8 December 2015. This paper provides information for the Health and Social Care Committee on the Health and Social Services Main Expenditure Group (MEG) future budget proposals for 2016-17.

Budget Overview

	2016-17
Revenue	£m
Revised 2015-16 DEL Baseline	6486.5
MEG Allocation	260.0
MEG to MEG Transfers	(15.3)
Revised DEL as @ Draft Budget 2015	6731.2
Capital	
Revised 2015-16 DEL Baseline	219.6
MEG Allocation	33.4
Revised DEL as @ Draft Budget 2015	253.0
Overall Total HSS MEG	6984.2

The table does not include Annually Managed Expenditure (AME), which is outside the Welsh Government's Departmental Expenditure Limit (DEL).

Changes from the 2015-16 revised budget are summarised below:

Revenue: Increase of £244.6 million

MEG Allocation

- **£200.0 million** additional investment in line with Welsh Government's spending review priority to support the NHS in Wales
- **£30.0 million** to increase the Intermediate Care Fund to £50.0 million
- **£30.0 million** to increase funding for older people and mental health services

MEG to MEG

- **£(14.8) million** to the CSA MEG in respect of the repayment of Invest to save schemes
- **£(0.5) million** transfer in respect of the Welsh Health Survey to the CSA MEG as a result of integrating several well-established large-scale surveys into one.

Capital:

MEG Allocation

- **£33.4 million** additional investment in the All Wales capital programme

Details of all transfers are shown in Annex A to this paper with a breakdown to BEL level at Annex B.

Integrated Impact Assessment at Annex C

Due to the timing constraints this year, the Strategic Integrated Impact Assessment material published along side the budget on December 8, centred on the strategic spending decisions that reflected Cabinet's decisions priorities.

It was agreed that detail on specific spending decisions would be reflected in Ministerial evidence papers to Assembly Committees. Annex C to this paper details the impacts of all significant spending decisions within the Health and Social Services MEG.

Approach to Budget Proposals

The most significant budgetary change to the Health and Social Services MEG for 2016-17 is the additional investment in health care of £260 million, which is shown within the 'Delivery of Core NHS Services' Action. This additional funding means that this budget is now the largest it has ever been and will account for 48 per cent of the funding allocated to Welsh Government Departments in 2016-17.

This investment is supported by the evidence of the independent review on NHS Wales funding by the Nuffield Trust, published in June 2014. The findings of its report 'A Decade of Austerity in Wales', together with the information from the Local Health Boards from their integrated plans, informed our decision to provide an additional £225m to the NHS in 2015-16. In preparing for this year's Budget, and as part of the cross cutting work approach we have taken to consider how we can manage pressures within our key service areas, work has been undertaken to update the Nuffield model to reflect the latest assumptions on spending pressures and efficiencies in the NHS. This demonstrates our clear commitment to a sustainable NHS in Wales based on the reforms outlined in the Nuffield report, which also acknowledges the scope for the NHS to continue to achieve efficiency savings in the medium to longer term.

As part of our commitment to strengthen primary and community based care, £30m of the £260m will be used to increase the funding available for the Intermediate Care Fund in 2016-17 rising from £20m to £50m.

The need to increase integration between health and care services has been key to planning the Draft Budget 2016-17, particularly where there is evidence we can achieve a greater impact by understanding how the NHS, local government and other key partners can work better together to tackle the challenges that we face. In setting our plans we have used a 'whole systems approach; to undertake a broader assessment of how social services provision interacts with a variety of other support interventions to meet people's needs.

Details of the rationale for this additional funding are included within the main budget documentation which was published at the time of the budget announcement on 8th December.

In order to help the Committee's scrutiny and to provide a greater understanding of how the NHS spends its allocation of funds contained within the 'Delivery of Core NHS Services' Action line, the following section provides more information on the funding arrangements for Local Health Boards.

Funding arrangements for Local Health Boards

Within the BEL tables shown at Annex B the Delivery of Core NHS Services action line shows a budget of £5.9bn for 2016-17. Notwithstanding a few minor adjustments, this budget is the main revenue allocation budget issued to Health Boards at the beginning of the financial year. The allocation provides funding for:

- Hospital and Community Health Service (HCHS) and Prescribing revenue discretionary allocation.
- HCHS protected and ring-fenced services
- General Medical Services Contract allocation
- Community Pharmacy Contract allocation
- Dental Contract allocation

The 2016-17 Health Board revenue allocation was issued in December 2015, setting out the allocations between the various funding streams shown above. The table below summarises the allocation by Health Board.

2016-17 Health Board Revenue Allocations

Health Board	Discretionary & Prescribing Allocation	Ring Fenced Allocation	GMS Contract	Pharmacy Contract	Dental Contract	Total
	£m	£m	£m	£m	£m	£m
ABM	688.528	158.900	72.996	29.335	26.756	976.516
AB	772.424	130.803	83.392	31.453	26.604	1,044.676
BC	917.930	184.689	113.391	33.471	26.760	1,276.242
C&V	564.046	110.687	63.119	22.218	24.033	784.103
CT	416.145	82.234	44.409	18.501	11.581	572.870
H Dda	490.388	101.247	59.386	20.923	17.368	689.312
Powys	171.725	38.104	30.176	4.753	5.503	250.261
Total	4,021.186	806.666	466.869	160.654	138.605	5,593.980

The table above does not include the **additional £200m** for the NHS announced in this Draft budget for 2016-17. I have still to determine in detail how this funding will be used to support delivery and transformation of services in 2016-17. However, I intend to distribute this funding to the NHS based on population shares and wrote to Chairs on 21 December informing them of that intention for planning purposes.

I do not intend simply to allocate recurrently the additional £65 million allocated in 2015-16 for primary care, delivery plans, health technology and mental health until the projects initiated in the current financial year have been reviewed. I have also yet to determine the use and distribution of the £30 million for older people and mental health services allocated in the Draft Budget. It is my clear intention,

however, that the £65m will be made available again in 2016-17 for the same purposes.

The Health Board revenue allocations do not include the Intermediate Care Fund, which now totals £50 million in 2016-17, which is distributed through the partnership arrangements with local government and the third sector.

Within the 'Delivery of Core NHS Services' Action, there are some elements of funding that are issued to Health Boards in year, based on actual costs / agreed criteria which may differ from year to year, so are not included within the above recurrent funding amounts. Examples of these items of expenditure are:

- Substance Misuse funding
- Dental and Pharmacy Trainee costs

LHB Discretionary Allocation

A high level historical analysis, by cost category, of the majority of the expenditure within the LHB discretionary allocation shown above, taken from the 2014-15 financial year is shown below:

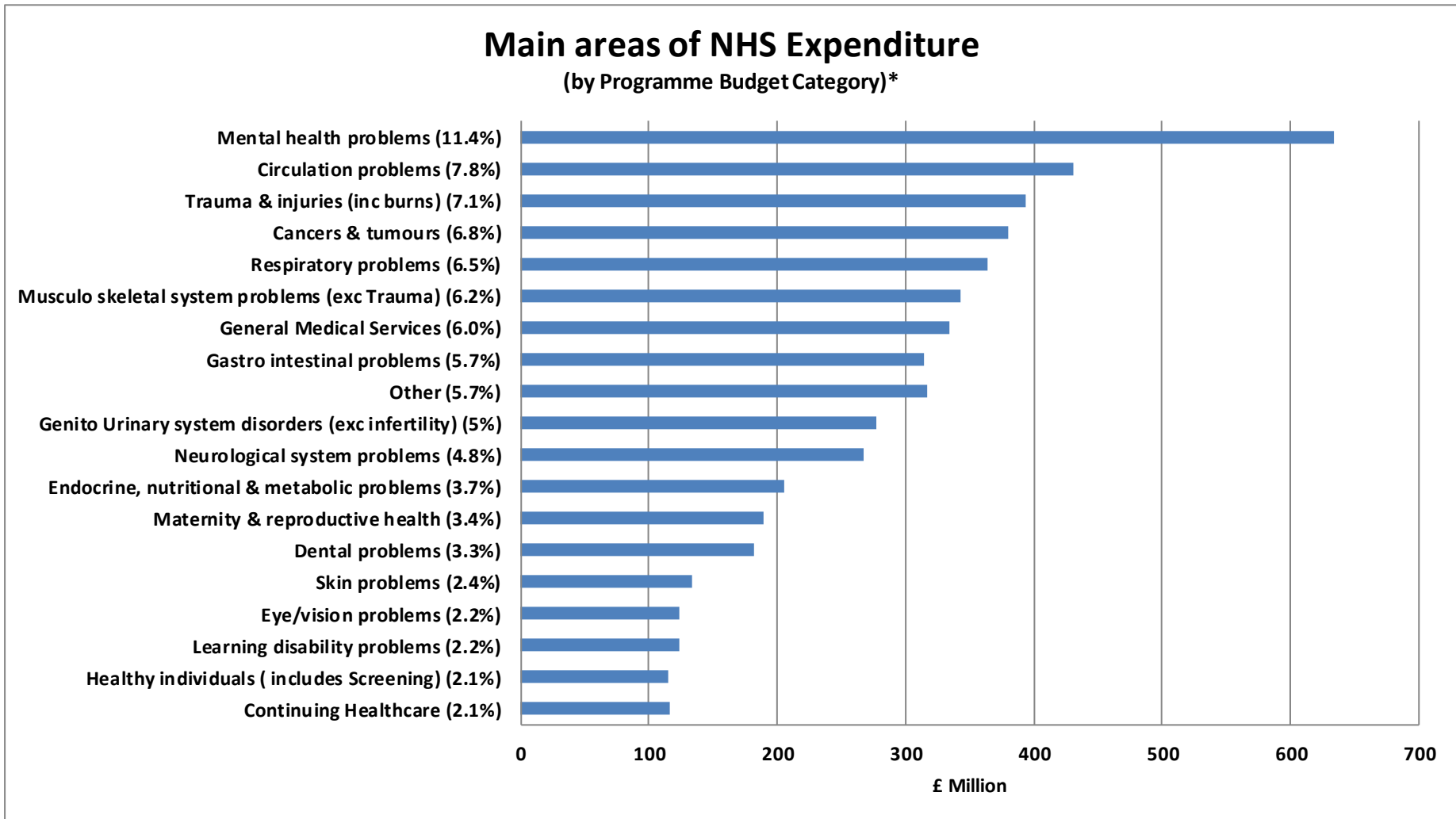
LHB ANALYSIS OF EXPENDITURE BY TYPE 2014-15	LHB Totals	
<u>REVENUE - PAY EXPENDITURE</u>	£m	£m
TOTAL NHS STAFF SALARIES AND WAGES		2744.6
TOTAL NON NHS STAFF SALARIES AND WAGES		86.6
Chair and non-executive members' remuneration		1.8
TOTAL REVENUE EXPENDITURE ON SALARIES AND WAGES		2833.0
<u>REVENUE - NON-PAY EXPENDITURE</u>		
Total clinical supplies	539.1	
Total general supplies and services	56.4	
Total establishment expenditure (Travel, subs, printing, stationery etc.)	70.0	
Total premises and fixed plant	135.0	
Total depreciation/fixed asset impairment and reversals	133.7	
Total external consultancy staffing and consultancy	9.3	
Total miscellaneous	53.7	
TOTAL NON-PAY REVENUE EXPENDITURE		997.2
Summarised Revenue Expenditure - LHBs 2014-15		3830.2

Ring Fenced Allocation

Within the ring fenced funding allocation, the primary elements are **£587m** for Mental Health services, **£139m** is for depreciation costs and Learning Disabilities/Renal Services are **£134m**.

Expenditure by Programme Budget Category

A further analysis of historical expenditure can be shown by Programme Budget category. This information is produced each year but is only available approximately 8 months following the end of the financial year. Consequently the information shown below has been compiled from expenditure during the 2013-14 financial year. The areas of expenditure are detailed in the graph below:



The chart above illustrates the main areas of spend in the NHS in Wales. The information is drawn from the programme budgeting returns for 2013-14 and covers over 90% of the expenditure in that year (circa £5.2bn). NB The programme budgeting information for 2014-15 is not yet available.

*The categories of spend shown above are based on the World Health Organisation International Classification of Disease.

Areas of Interest as Detailed in the Letter from the Committee Chair:

Service transformation - How funding allocations reflect the Welsh Government's aim of moving services from the hospital to the community.

The goals of the Wellbeing of Future Generations (Wales) Act include achieving a prosperous, resilient, more equal and healthier Wales, through improving the social, economic, environmental and cultural well-being of Wales, both now and in the future. To support a healthier Wales and to ensure sustainable health services, the Welsh Government's aim is to move the health system away from a focus on illness and hospitals towards one focused on health improvement, with people having equity of access to the majority of the care they need as close to home as possible, underpinned by an ethos of coproduction.

The Social Services and Well-being (Wales) Act provides a statutory framework based on the well being of people with needs for care and support and carers who need support. This framework will enable delivery of more integrated, community focussed services and our intermediate care fund increasing this year by £30 million to £50 million will support that shift.

International evidence shows primary care is the core element of a sustainable health system Our national primary care plan sets out how we will achieve sustainable and effective health system through a more social model of health and wellbeing. This creates a response to people's needs which draws in and makes prudent use of all available financial, workforce and other resources, not just those of NHS Wales, helping support people to take responsibility for their own health and wellbeing.

This requires action to move the balance of care and resources - including workforce and funding - out of hospitals into the community so people only go to hospital where this is appropriate. There is evidence that assessing the needs of individuals, families and communities and using this to plan the use of resources to meet that need is most effective when done at very local level of around 25,000 to 100,000. Health boards have established and are developing their 64 primary care clusters – groupings of GP practices and other local service providers – to collaborate to share their knowledge of local need.

The draft Budget for 2016-17 supports this strategic aim. It includes a commitment to continue to provide the additional £40m for primary care. The three priorities for this funding are to help achieve service sustainability, improve access and to move services out of hospital in to the community.

As our population increases, the burden of chronic conditions increases. The draft Budget for 2016-17 includes a commitment to continue to provide the additional

£10m for the ten delivery plans: cancer, stroke, diabetes, end of life, neurological conditions, respiratory, heart disease, critical care, liver and mental health.

Evidence of how the Welsh Government is monitoring activity to ensure delivery of meaningful reform to services and positive outcomes to patients.

In April 2015 the transitional NHS Outcome Framework was launched. This was the first step towards monitoring NHS delivery on an outcome based approach. The Outcomes Framework will determine the success of the NHS in planning and delivering safe quality services to support an annual improvement in the health and wellbeing of people in Wales. It will also be the foundation for the future direction of health and care for Welsh Government, the NHS and the public.

The framework has two parts - population indicators (monitored annually) and performance measures (monitored throughout the year). Both the population indicators and performance measures are based around an agreed set of population outcomes within seven key domains.

The framework highlights the role of the NHS in the delivering a health services that make a difference. For example, the population indicator that monitors the 'percentage of children with decayed, missing or filled teeth' will be supported by the NHS performance measure 'the percentage of the health board population regularly accessing NHS dental care'. Another example of this approach is that the population indicator 'crude rate of new certifications for people classified as severely sight impaired or sight impaired due to glaucoma, AMD and diabetic eye disease', will be supported by the NHS performance measure '26 week RTT access target'.

As part of the Outcome Framework, a commitment was made to expand the areas of monitoring to include all aspects of health and wellbeing (not just ill health) and to focus on improvement rather than "target setting" (which can produce perverse behaviours). Although it will take time to develop new measures that are truly outcome focused and to evidence whether "people are better off", a national group (involving the NHS) is driving this approach forward. As a result, it is hoped that future measures will be more focused on the impact that care has on the health and wellbeing of Welsh citizens rather than just measuring the process

Planned delivery of the measures in the Outcomes and Delivery Frameworks form an integral part of the formal review and approval of the three year Integrated Medium Term Plans (IMTP). The development and approval of the IMTP must be accompanied by a robust approach to delivery, including effective management, monitoring and escalation. Organisational delivery will be monitored against these plans.

Welsh Government's involvement in monitoring the delivery of NHS organisations will be dependent upon the status of the organisation's IMTP. As a minimum, Welsh Government will monitor delivery through its routine performance management arrangements (which includes standard returns and reviewing progress at Quality and Delivery and JET meetings). For organisations that do not have an approved ITMP, Welsh Government will also require far more detail on the key assumptions that underpin planned profiles.

There may be times when delivery within an organisation is not progressing to plan and gives cause for concern. In these instances, Welsh Government will instigate its escalation arrangements. In assessing escalation, Welsh Government will consider a fully rounded view of the organisation before deciding on the action it will take to gain assurance on delivery. These arrangements are currently being reviewed to ensure that the escalation process for 2016-17 is consistent with the Escalation and Intervention Framework that Welsh Government has developed with Health Inspection Wales (HIW) and Wales Audit Office (WAO).

The Social Services and Well-being (Wales) Act 2014 will provide a system that will be centred on well-being. The Act requires Welsh Ministers to specify outcomes to be achieved in terms of the well-being of people who need care and support and carers who need support. Welsh Ministers must report on the progress made towards the achievement of well-being. Well-being is defined in the Act, it covers all areas of a persons life. People who use care and support services and service providers will contribute to the achievement of well-being.

The social services national outcomes framework describes the important well-being outcomes for people who need care and support and carers who need support and the national outcome indicators to measure those well-being outcomes. The framework sets national direction in relation to the promotion of well-being. It has been published on the My Local Health and Social Care website; this is a transparent way of reporting on well-being and allows Welsh Government to monitor whether care and support services are supporting people to improve well-being outcomes and making a difference to peoples lives.

Underpinning this, services must be held accountable to supporting people to achieve well-being. The code of practice in relation to measuring social services performance, issued under the Act sets out a framework for measuring the contribution that local authorities make in relation to social services functions to improving well-being. The framework is made up of a set of quality standards and performance measures. Measures will be reported on annually from April 2016 and will evidence whether local authorities are helping people to achieve the outcomes that are important to them.

The Care and Social Services Inspectorate Wales' local authority inspection framework is currently being developed in line with the Act. The inspection framework will be outcomes focussed and the performance framework set out in the code of practice will be the basis of an inspection.

What the 2016-17 efficiency targets are in the health sector and how are these monitored / verified.

The Draft Budget 2016–2017 narrative set out that the additional investment in the NHS is based on evidence from an update of the model developed by the Nuffield Trust to reflect the latest assumptions on spending pressures and efficiencies in the NHS. This modelling assumed continued delivery of efficiency savings of around 1% in real terms each year, associated with acute sector efficiency savings and improved management of patients with chronic conditions to prevent unnecessary

hospital admissions. The Welsh Government does not explicitly set financial efficiency targets for NHS organisations, but they will be expected to meet the financial challenges associated with cost pressures and increased demand from within this settlement. Financial efficiencies, through delivery against medium term or operational plans, are monitored through the monthly Financial Monitoring Returns submitted by each NHS organisation.

Staff Severance Schemes

The 2016-17 budget does not include any specific allocations for staff severance schemes. The Invest to Save Fund has made £3.6m available to the NHS in 2015-16 for the Voluntary Early Release Scheme (VERS). In 2014-15 expenditure on VERS in the NHS amounted to £3.0m.

Prevention

Identifying the resources attached to preventative spend is complex, and conclusions will vary depending on definitions and criteria used. Broadly, prevention can be divided in three aspects:

Primary prevention aims to stop diseases before they start. Approaches to help people to achieve good health and maintain their wellbeing, such as good housing, educational attainment crime reduction, and so on, are all part of primary prevention. A large part of primary prevention is about providing education and environmental change to help people help themselves. However, immunisation is also an example of this approach, and one which involves a healthcare intervention.

Secondary prevention aims to identify health problems at an early and treatable stage, prompting the necessary treatment. Most secondary prevention involves some kind of healthcare intervention, such as a screening test.

Tertiary prevention is focused on people who already have a longstanding health condition, such as diabetes, and can pick up any predictable complications and manage them as effectively as possible. Diabetic retinopathy screening is an example of this approach. A great deal of tertiary prevention takes place in primary care, as part of looking after people with chronic health problems.

Caution is needed when considering the implications of preventative spend. Prevention has sometimes been promoted as simultaneously improving public health and saving money, but no linear relationship of that sort is likely. Preventing preventable harms releases money for other health and social care purposes. An important distinction, therefore, needs to be drawn between possible savings within a particular disease area and reducing the NHS and social care budget overall. The former are important and worth pursuing even if the overall effect on the latter is more complex.

Resources that are attached to preventative spend are not always attributable to age cohorts. For instance, a significant proportion of secondary and tertiary prevention work will be undertaken in primary and community care, and a proportion of this will be in relation to children and young people, though the discrete levels of spend will not be easily identifiable.

The majority of Public Health Wales' spend can be attributed to prevention. **£86.0m** is allocated to Public Health Wales core funding. This funding enables Public Health Wales to deliver a range of public health services that cover health improvement and protection, therefore Public Health Wales has a key role to play in supporting the delivery of many actions in relation to improving public health and reducing health inequalities in children and young people. The funding allocation is not ring fenced for any particular activity to allow maximum flexibility in managing their resources to meet a wide range of priorities and commitments.

Resource allocation formula and distribution of additional funding

I intend that £200m of the additional investment in 2016-17 will be primarily allocated to the NHS based on population shares. The principle of allocating additional resources in accordance with a needs based population formula has been previously recognised as the most appropriate. Following "Targeting Poor Health" report in 2001 the direct needs based population formula, known as the Townsend Formula, has been the formula used for distribution funding to Local Health Boards.

How the Government intends to ensure that a balance is struck between maintaining existing funding distribution and moving towards shares based on the updated Townsend formula.

In line with extant policy, the Townsend formula has only been applied to additional allocations, not existing core allocations. Thus Local Health Boards next year allocations are based on current year allocation plus or minus any allocation changes. These allocation changes will include both general additional allocations increases, distributed by Townsend formula, and any specific additional allocations.

It is important to note that, as the Townsend formula is only applied on additional allocations, the overall allocation distribution does not move towards Townsend formula shares as a result of the additional funding. Any movement towards Townsend target allocation would only arise if the policy was changed to apply the Townsend formula to baseline allocations. I have no current intention to apply the formula to baseline allocations, as this is likely to cause significant financial instability for those areas of Wales that are over target.

Fair and transparent approach to inter-organisational financial flows within NHS Wales.

While there are well established inter-organisational financial flows arrangements within NHS Wales there is recognition both within NHS Wales and Welsh Government that financial flow arrangements need to be improved and updated to both reflect changes in models of care and to reflect the changing patient flow arrangements that will arise through the South Wales programme and other reconfiguration plans.

The principles to underpin this approach were considered by NHS senior leaders at a Team Wales event in early 2015. As per my evidence to Committee in July 2015 this work is now being led by the NHS Collaborative Director Bob Hudson. The outcome of this work will be agreed again by Team Wales prior to its application from 2016-17 onwards.

Provision for legislation

Legislation	Amount of Funding	Action
Human Transplantation (Wales) Act 2013	£0.6m	Delivery of Targeted NHS Services
Social Services & Well- Being (Wales) Act	£4.3m	Social Services Strategy
Regulation & Inspection of Social Care (Wales) Bill	£1.5m	Social Services Strategy
Public Health (Wales) Bill	£0.7m	Promote Health Improvement & Healthy Working
NHS Finance (Wales) Act 2014	£0.025m	Delivery of Core NHS Services

Human Transplantation (Wales) Act 2013 (enacted in full on 1 December 2015):

The Regulatory Impact Assessment accompanying the Bill estimated £0.5 million of Welsh Government expenditure in 2016-17. This expenditure will cover communications activity (including communicating with 17 year olds); some remaining work relating to the redevelopment of the Organ Donor Register; the processing of additional registrations, and various pieces of evaluation work connected with the new legislation. The budget has been revised to £0.6 million due to re-profiling of some elements of the budget from the previous two years in relation to work being done on the Organ Donor Register and research programme.

Social Services and Well-being (Wales) Act 2014

The Social Services and Well-being (Wales) Act 2014 provides the framework for driving the changes needed to create sustainable social services for the future. The Act will come into force on 6 April 2016 and our implementation programme supports the changes the Act will put in place. We know that transformation, framed through the Act, must be a priority for social services. This includes ensuring that people themselves have a stronger voice and greater control over the services they receive, focussing on prevention and early intervention and developing much greater focus on integration of health and social services in critical areas. We expect that in the longer term, as set out in the Regulatory Impact Assessment accompanying the Bill, the Act will be revenue neutral.

Costs and benefit analysis for the subordinate legislation that underpins the Act has been included in regulatory impact assessments published as part of the explanatory memoranda that accompany the laid regulations. This work has provided a clearer picture of the limited individual costs and benefits accruing or incurred as a result of the changes required by the Act. This should be viewed against the broader background of a system developed to be revenue-neutral through shifting the focus and burden of cost towards supporting well-being, earlier intervention and citizen voice and away from late-stage, high intensity, intrusive and high cost interventions.

This major change has been supported by three years of transitional funding to local government and its partners to assist them in meeting the costs of moving to a new way of working.

All budget lines for Social Services are targeted towards delivering the sustainable social services agenda that is underpinned by the Act.

Welsh Government is supporting the shift to the new system and providing transitional support in preparation for the coming into force of the Act on 6 April 2016. In 2016-17, £4.3m will support delivery of the change.

In 2016-17 the Social Care Workforce Development Programme will provide £7.2m of Welsh Government funding to invest in training for people working in social care which will be directed towards enabling them to consolidate practice and delivery of the new Act. The majority of this grant funding is delivered directly to Local Authorities. A further £1.1m of the grant will be provided to Care Council for Wales to fund the delivery of training for the implementation of the Act.

The third sector grant scheme focuses on the priorities of the Act and will enable third sector organisations to deliver more innovative preventative and early intervention services to support the full implementation of the principles of the Act.

Regulation and Inspection of Social Care (Wales) Act

The Regulatory Impact Assessment accompanying the Act estimated **£1.5m** of Welsh Government expenditure in 2016-17. This expenditure will cover the estimated costs of transition from the current system of regulation under the Care Standards Act 2000 to the new system established under the Act. Ongoing discussions between regulatory bodies and Ministers, as well as re-profiling over a longer timeframe are likely to reduce this overall requirement for 2016-17.

Public Health (Wales) Bill

The Regulatory Impact Assessment accompanying the Bill at introduction estimated **£0.7m** of Welsh Government spending in 2016-17. This includes staff costs relating to developing regulations, along with other implementation costs.

The Bill has been designed in a way which seeks to minimise any new financial burdens, particularly for the local government sector. During the scrutiny process some stakeholders have emphasised the critical role of local government in implementing the Bill and the need for adequate resourcing to support this. In recognition of this the Welsh Government is currently exploring whether there may be potential for additional support to be provided to the sector to support the early stages of implementation.

These costs are subject to change as the Bill proceeds through Assembly scrutiny. It is also expected that these costs could be reduced as aspects of implementation are coordinated across different aspects of the Bill.

NHS Finance (Wales) Act 2004

In the Regulatory Impact Assessment the total cost to the Welsh Government from the NHS Finance (Wales) Act 2014 was estimated at £0.1m. We have spent less than this. For example, we estimated that we would spend £0.062m on external

scrutiny for the 2014-15 planning round. We only spent £0.025m. In addition, for the Regulatory Impact Assessment, the WAO estimated that, as a consequence of the Act, the fees for the audit of Local Health Boards annual accounts would increase by £0.119m per annum. For the first year, of the new three year duty, Wales Audit Office have estimated the costs to be around £0.025m and noted that costs will rise, potentially up to the original estimated costs, to reflect the work report required at the end of the first 3-year period

We are eighteen months into the implementation of this Act, and no health board has yet completed a three year cycle, so the final costs are not yet available. The above costs relate to costs so far.

UK Government Legislation.

Welsh Government monitor UK legislation and are engaged with Whitehall officials on the 7 UK Bills before Parliament and 26 Private Member Bills that are considered to have possible policy implications for Health and Social Services in Wales– these include

- The Proposed Wales Bill
- Enterprise Bill
- Immigration Bill
- Policing and Criminal Justice Bill
- Psychoactive Substances Bill
- Access to medical Treatments (innovation) Private Members Bill.
- NHS (Charitable Trusts etc) Private Members Bill

Until the final Bill provisions affecting Wales are known it is not possible to identify firm financial implications. The key aim is to ensure that Wales and the Welsh Ministers are not adversely affected by any UK legislation and that opportunities for any legislation for Wales are taken.

Capital funding

The NHS Capital Programme supports the key investment objectives of the modernisation and replacement of NHS assets and the estate, as well as the transformation of healthcare provision. The forward Capital Programme is aligned to these objectives and includes schemes that have been prioritised in NHS organisations' Integrated Medium Term Plans (IMTPs). Individual project proposals are asked to demonstrate evidence of fit against five key investment criteria, including health gain, clinical and skills sustainability, equity, affordability and value for money.

The updating of the Programme is now an annual process. Work will continue over the coming months to refresh the Programme to take account of the latest IMTPs to be submitted in January 2016.

The revised draft budget capital allocation for 2016-17 is £253m, which includes additional funding of £33.4m. This provides an increase of £18m in comparison to the 2015-16 budget allocation. Despite some slow cash growth in the Spending Review, in real terms the public capital available to the Welsh Government and the Welsh NHS will have been cut by 30% by 2019-20 from its peak in 2009-10.

The table in Annex D provides details of approved projects in NHS Wales.

In terms of innovative funding models, following the approval of the Strategic Outline Programme in January 2015, positive progress is being maintained in developing the Outline Business Case (OBC) for a new cancer hospital at Velindre NHS Trust. This project will be taken forward using the Non Profit Distributing Model (NPD) and will be the first scheme to use this funding model in Wales. Under the current timetable, the OBC will be submitted to Welsh Government for consideration in July 2016. Subject to approval, the procurement will start in autumn 2016 with the new hospital opening in 2021-22.

Other funding models are being explored in a number of areas, including low carbon/energy efficiency initiatives and medical equipment. With regard to primary and community care, work is underway to identify potential priority developments across Wales. This emerging pipeline will shape the funding models that can be utilised, but will include opportunities of enhanced collaboration with local government and the third sector, as well as European funding.

Cross-cutting budget process

The approach taken to the overall allocations to health and social services was set out in the Strategic Integrated Impact Assessment that was published along with the Draft Budget documentation on 8th December. More information on the impact is set out in the Integrated Impact Assessment at Annex C.

Welsh Risk Pool

The current Welsh Risk Pool accounting provision estimate as at November 2015 is £665.1m, a reduction of £9m. Payments have been made by the Welsh Risk Pool in 2015-16 of £24.3m. As is usual at this stage in the financial year, a number of claims are in progress and will be further assessed towards year end as to whether an accounting provision will be required. Accordingly it is estimated that the full year provision for the Welsh Risk Pool will be in the range of £700m - £725m.

The Welsh Risk Pool provision for the most part is in respect of Clinical Negligence claims. The NHS in Wales has seen a growing number of new clinical negligence claims in recent years and growth in the costs and damages associated with the claims. This growth is not restricted to Wales and has been experienced across the NHS in England, Scotland and Northern Ireland.

It is considered that the recent growth in England and Wales has been driven, in part, by changes to the Legal Aid, Sentencing and Punishment of Offenders Act (LASPO) which came into effect on 1st April 2013. The legislation has reformed the funding arrangements for civil litigation including the “no-win, no-fee” arrangements which allowed claimant solicitors to charge a 100% success fees on their costs. Other factors identified across the UK as potentially driving the increase include an increase in the number of patients being treated, a more litigious society, increase in the value of claims, and an emerging trend for significant costs associated with smaller value claims.

The Welsh Government is unable to affect the levels of damages paid out to eligible claimants, as the levels are determined by the courts. With regard to the costs of

claims, a process of costs budgeting has been introduced by the Courts which require both parties to put forward and agree estimates of their costs over the lifetime of the claim, as part of work to seek to reduce disproportionate costs, evidence is yet to emerge of the impact this will have on claim costs. The Department of Health in England indicated in 2015 that it intends to address disproportionate legal claims for lower value clinical negligence cases. The Welsh Government is engaging with the Department of Health on this policy proposal.

A robust but fair approach is adopted by NWSSP Legal Services, on behalf of NHS Wales' bodies, to ensure that unmeritorious claims received are appropriately defended and finalised without compensation being paid. Proactive and robust management by Legal and Risk Services ensures fair and equitable settlement of claims.

The introduction of Putting Things Right in 2011 has provided NHS Wales with a simpler, more responsive and comprehensive complaints procedure which permits a health body to make an offer of redress where harm has arisen from treatment.

Reducing the costs of clinical negligence is not simply a matter of costs management, improvements in patient care by reducing the incidence of clinical negligence and harm will reduce the volume of eligible claims for settlement. The Welsh Government have established internally a Quality & Safety Assurance group which monitors the quality and safety of healthcare services through the regular review of a range of key indicators and emerging issues that may give cause for concern or where there is insufficient progress with agreed improvements. The Group ensure that action is taken where improvement is required, agreeing appropriate escalation and intervention and to monitor and keep under review as necessary until the required improvements have been met.

The Welsh Government has also established a National Quality Safety forum which brings together senior leaders of NHS Wales to share what they have learnt on quality and safety. Its aim is to promote and improve quality and safety both nationally and locally.

The National Reporting and Learning System (NRLS) enables patient safety incident reports to be submitted to a national database into which NHS organisations in Wales are required to report all patient safety incidents. Information regarding risks identified by the NRLS was formerly disseminated by various mechanisms developed and operated by the National Patient Safety Agency (NPSA) prior to June 2012. This included Patient Safety Alerts, Patient Safety Notices and Rapid Response Reports. As a consequence of the abolition of the NPSA, the Welsh Government now leads on this vital role in identifying any significant safety risks and concerns and develop Patient Safety Solutions (Solutions) at a national level for issue to the NHS in Wales so that the safety of patient will be improved.

All claims received for reimbursement by NWSSP Welsh Risk Pool Services are reviewed to ensure that proportionate action has been taken to reduce the risk of recurrence. Claims are also considered by the WRP Committee - an Executive level multidisciplinary group from across Wales for further consideration of action required to disseminate lessons learned or requesting a claims review.

As a result of the Evans review the Welsh Government is working with the National Quality Safety forum facilitating a number of work streams to improve and strengthen the Putting Things Right arrangements, examples include:

- working to procure a national risk management system to standardise the way data and information is collected throughout NHS Wales. This will improve the consistency in data and enable national themes and trends to be identified and has the potential to reduce repeat incidents. Such a system will become a core tool in driving patient safety by producing metrics as well as creating alerts.
- working collaboratively with the NHS to ensure they have the appropriate structures in place, bringing together patient experience and concerns in order to identify lessons, learn and make improvements from complaints.
- Welsh Government are simplifying the Putting Things Right Guidance to encourage the use of redress. Not only does the process provide an apology and openness but it also identifies lessons and learning when things go wrong so that organisations can make improvements to their services.

Update on Programme for Government Commitments

Back in 2011, we put forward the most ambitious and comprehensive Programme for Government since devolution, which now includes 547 separate commitments covering the breadth of the services for which we are responsible. We did so in the knowledge that the outlook for public finances was challenging.

Dealing with austerity has been a major test for the Welsh Government and devolution as a whole, but we have succeeded by maintaining a firm focus on delivery and supporting those most in need. We have done this through setting four overarching priorities on behalf of the people of Wales, on health and health services, educational attainment, growth and jobs, and supporting children, families and deprived communities. On each of these key priorities, we have focused our resources in order to make a difference to people's lives.

As a Government we have also remained committed to the principle of transparency so this Government can be judged on its record. Since 2011 we have published an annual report to provide a transparent account of what is being done and what is being achieved against our 547 commitments measured by 336 outcome and performance indicators.

We published the final Programme for Government annual report in June 2015 which showed that more than 95 per cent of our commitments have either been delivered, or are on track to be delivered.

GP Access

General Practitioners are making surgeries more accessible to working people based on evidence of need. The latest published GP access statistics for 2014 show an improving trend. 80% of GP practices in Wales are now open for daily core hours (or within one hour of the daily core hours), up from 76% in 2013 and 79% of

practices now offer appointments at any time between 5pm and 6.30pm every week day, up from 76% in 2013.

There is a centrally directed enhanced service to fund appointments after 6.30pm. At 2014, 7% of practices offered appointments that after 6.30pm on at least 1 week day. Health boards have provided assurance access to services after 6.30pm reflects reasonable patient need. Where there is an assessed reasonable patient need for enhanced access after 6.30pm and on a Saturday morning, access will be expected to be provided. It is anticipated improved access to primary care and community-based services on the weekends will be delivered by groups of GP practices working together, through primary care clusters, which includes the potential for Saturday morning services.

As part of the agreed changes to the GP contract for 2015-16, there is a commitment from GPC Wales, Welsh Government and NHS Wales to identify ways to improve access to GP services, in particular, improving the patient experience and the first point of contact patient experience. As a means of making it easier for people Welsh Government is considering making it a contractual requirement for all GP practices to offer more online appointments using *My Health Online*. All practices in Wales have the capability to offer *My Health Online*, with 60% of practices currently using *My Health Online* services. Specific actions to increase the uptake and utilisation of My Health Online are in place – for example, by January 2016, easier online registration for My Health Online without the need to visit the practice to register in person; the availability of a mobile application for use on Smart Phones; first line patient support via NHS Wales direct; My Health Online re-launch through a public awareness campaign / promotion.

The Common Ailments Scheme

The Choose Pharmacy (common ailment) service was introduced in 32 pharmacies across two pathfinder sites in Cwm Taf and Betsi Cadwaladr University Health Boards in September 2013. The pathfinder sites were established to allow the service model to be tested. In particular the pathfinders would test whether and to what extent the management of common ailments could be transferred from general practice to community pharmacies. Any decision to roll out the service nationally was dependent on demonstrating that Choose Pharmacy is genuinely substitutive of existing arrangements for managing common, minor ailments.

An independent evaluation of Choose Pharmacy found that the service was well designed and delivered, and that it is likely to be achieving its primary objective to reduce both demand for GP appointments and the associated prescribing of medicines for minor ailments. However results were equivocal with significant variation in activity between pharmacies. The evaluation did not highlight significant cash releasing savings. Several conditions were identified as needing to be met in order to maximise the benefits of the service. These included: pre-existing good working relationships between GPs and pharmacists; GPs engaged in promoting the service; and GPs and practice teams understanding the service well.

The pathfinder sites will end in March 2016, a decision on the future arrangements for Choose Pharmacy will be made in the meantime.

Add to Your Life

Add to Your Life is the health and well-being check for over people aged 50 or over in Wales and was rolled out nationally in April 2014. It is a confidential and easy to use self-assessment, which can be undertaken on-line or, with support, over the telephone by NHS Direct Wales. Add to Your Life provides an opportunity for people who are 50 or over to get an overall picture of their health, and supports them to improve their health and well-being in small achievable steps, as well as improving access to the most effective prevention services.

Since Add to Your Life was rolled out nationally over 23,000 people have accessed the site with nearly 12,000 completed health and well-being assessments undertaken.

Release 2 of Add to Your Life went live on 22 April 2015 and Public Health Wales continue to deliver and develop the assessment in response to user feedback.

NHS Wales 111 Service

Our commitment is to build on the success of NHS Direct, and offer a single 24/7 number for accessing and directing patients to non-emergency health care in Wales, an important aspect of this will be the integration of local out-of-hours calls. This will be achieved through the introduction of a service accessed through the free to call 111 number that has been allocated by Ofcom for urgent (but non emergency) healthcare needs. A pathfinder NHS 111 service will be introduced next year, combining the current out of hours telephone call handling and **initial** triage and the services provided by NHS Direct Wales in the Abertawe Bro Morgannwg University Health Board area. This will enable the service to be thoroughly tested to inform future roll out across Wales and enable the detailed costings to be refined going forward.

Palliative Care

Together for Health – Delivering End of Life Care was launched on 18 April 2013. The plan sets out our expectations of NHS Wales to work with partners, in particular the hospice and social care sector, to reduce inequalities in end of life care.

The Welsh Government provides £6.4m funding annually to health boards and hospices for end of life care in Wales. In January this year, an additional £1m was announced to expedite the priorities within the End of Life Care Delivery Plan. The majority of this new investment will be used to expand hospice at home provision across Wales, with the remaining money supporting end of life care initiatives. Wales is the only country in the UK to provide 24/7 specialist palliative care advice to professionals caring for patients in their homes, hospices and hospitals. Specialist palliative care nurse provision is also available seven days a week across Wales. A large focus of the Delivering End of Life Care Delivery Plan is to encourage individuals to have end of life conversations with families and carers to ensure effective care planning. Two conferences were held in May 2014 to generate a national conversation about end of life. Last year, 'Byw Nawr', a public campaign was launched to promote, encourage and support end of life conversations.

Eye Care

We continue to build on existing policy which began implementation in 2001. To support this work a national Eye Health Examination Wales service was developed, for optometrists to deliver eye health examinations in primary care and reduce the capacity and demand issues in secondary care hospital eye services. Building on this policy development, £1.0m funding was provided by the Health Technology and Tele-health Fund to improve communication and speed up referrals between primary and secondary care and enable more people to be discharged to the community safely. Work is ongoing.

Establish Ophthalmic Diagnostic and Treatment Centres in key locations throughout Wales to speed up and improve eye care.

The Delivery Unit 2015 audits confirmed centres are in place across all health boards to address capacity and demand issues in secondary care. This work is supported by the Focus on Ophthalmology Patient Care Pathways.

Expect health boards to monitor wet-Age Related Macular Degeneration services within their local area to ensure appropriate delivery of treatment in line with the all Wales protocol.

This is a restatement of existing policy which began implementation in 2008 and in line with NICE recommendations. Health boards continue to make changes to develop capacity and to support this work £0.5m funding was provided to establish four pilots to deliver services in primary care to improve the patients experience in line with the key principles of prudent health care and recommendations outlined in the Together for Health: Eye Health Care Delivery Plan 2013-18.

Require the Low Vision Service Wales to provide enhanced low vision services across Wales to ensure equity of access for all patients.

The latest LVSW tri-annual audit confirmed the service is in place across all health boards to ensure equity of access for all patients. A national service is in place, hosted by Hywel Dda University health board on behalf of all health boards for optometrists to assess low vision, prescribe, order and dispense low vision aids to patients, for which no more treatment can be provided.

Designed to Smile

Our 'Designed to Smile' programme will see a continued investment of £3.7m in 2016-17. This funding is within the recurrent ring fenced dental allocation in the Delivery of Core NHS Services Action.

I am pleased to report that early data analysis suggests the decay of the average child attending schools participating in the programme is improving. The Dental Epidemiology Survey of five year olds for 2015-16 will provide clearer insight into the impact of the programme

Social Services

We will continue to focus on embedding our policy through the commencement of the Social Services and Well-being (Wales) Act. The Social Services budget provision in the HSS MEG has increased from £62m in 2015-16 to £68m in 2016-17. The additional element relates to the full year effect of the transfer in of the Independent Living Fund. There is also an additional £21m for social services in the

Draft Budget which will be given directly to local authorities to enable them to focus on service transformation supported by the new legislation. Taken together with the funding we have provided to local authorities and their partners to support the transition to the new arrangements under the Social Services and Well-being (Wales) Act, it will enable local authorities and health boards to have confidence in their ability to deliver new ways of working and embed new integrated arrangements. The third sector grant will enhance the delivery of the principles and policy of the Act.

In last year's Draft Budget the Welsh Government was allocated an additional £27m from the UK Government in relation to the funding for the Independent Living Fund (ILF). As part of the UK Government's Welfare Reform programme the ILF was due to close on March 31st 2015, with responsibility for the running of the fund devolved. During 2014-15 the ILF closure date was moved to 30th June 2015 resulting in a reduced transfer from HM Treasury equivalent to nine months of funding for 2015-16. The increase in funding in 2016-17 brings the budget back up to the original full year allocation of £27m.

ANNEX A to HSC Committee Paper – Scrutiny of Draft Budget.

Summary of Changes to ‘Action budget lines’ in 2016-17 when compared to revised Baselines for 2015-16.

1. Delivery of Core NHS Services

The Delivery of Core NHS Services is by far the largest Action in the MEG, with an annual revenue budget of £6 billion. The action provides the main funding for NHS care (hospital and community services). This funding is allocated to local health boards (LHBs) and NHS Trusts. It includes funding for primary care (GPs, dentists and pharmacists). There is a **net increase of £258.926** million to this action as a result of the following transfers between Actions:

- **£0.363 million** from Hospice Support action into the Health Board revenue allocation in respect of funding transferring from Velindre Trust to Aneurin Bevan HB as a result of medical consultants costs transferring under TUPE arrangements.
- **£0.015 million** from the Sponsorship of Public Health Bodies action in respect of funding for Dental Advisors into the Dental Contract Allocation.
- **£(0.542) million** to Sponsorship of Public Health Bodies action in respect of pay award funding for Public Health Wales
- **£(0.503) million** to Delivery of Targeted NHS Services action in respect of pay award funding for NHS Wales Shared Services Partnership.
- **£(0.187) million** to Delivery of Targeted NHS Services action in respect of pay award funding for NHS Wales Informatics Service
- **£(0.118) million** to Delivery of Targeted NHS Services action in respect of internal audit services for NHS Wales Shared Services Partnership
- **£(0.062) million** to Sponsorship of Public Health Bodies action in respect of Diabetic Retinopathy Screening Services to Public Health Wales
- **£(0.040) million** to Delivery of Targeted NHS Services action for budgetary coverage for NHS Wales Shared Services Partnership in respect of future costs relating to the ESR contract

Additional Allocations

- **£200.0 million** additional investment in line with Welsh Government’s spending review priority to support the NHS in Wales
- **£30.0 million** to increase the Intermediate Care Fund to £50.0 million
- **£30.0 million** to increase funding for older people and mental health services

2. Delivery of Targeted NHS Services

This Action includes funding for specific primary care services (including Eye Care Initiatives), as well as funding for a range of other developments including: the delivery of information and technology (IM&T), solutions to the NHS in Wales and support for undergraduate Medical Education. The **net decrease** to this Action is **£ (14.075) million** in 2016-17. This is made up of:

Transfers between Actions:

- **0.503 million** from Delivery of Core NHS Services action in respect of pay award funding for NHS Wales Shared Services Partnership
- **£0.118 million** from Delivery of Core NHS Services action in respect of internal audit services for NHS Wales Shared Services Partnership
- **£0.187 million from** Delivery of Core NHS Services action in respect of pay award funding for NHS Wales Informatics Service
- **£0.101 million** from the Support Education & Training of the NHS Workforce to NHS Wales Shared Services Partnership in respect of additional resources to underpin the new arrangement for GP Trainee Team.
- **£0.075 million** from the Social Services Strategy action as a result of a transfer of funding, to the core budget of NHS Wales Informatics Service (NWIS), for ongoing support of the Wales Accord for Sharing Personal Information (WASPI).
- **£(0.195) million** to the Sponsorship of Public Health Bodies action in respect of the transfer of NHS estate from NHS Wales Shared Services Partnership to Public Health Wales
- **£(0.040) million** from Delivery of Core NHS Services action for budgetary coverage for NHS Wales Shared Services Partnership in respect of future costs relating to the ESR Contract

MEG to MEG

- **£(15.903) million** to the Central Services Administration MEG in respect of Invest to Save repayments
- **£ 1.179 million** from the Central Services MEG in respect of Invest to Save Schemes
- **£(0.180) million** to the Local Government MEG in respect of funding agreed for Health Inspectorates Wales

3. Support Education & Training of the NHS Workforce

This Action supports programmes of education and in-service training for the development of the NHS workforce. There is a decrease of **£(0.101) million** to this action.

- **£0.101 million** to the Delivery of Targeted NHS Services action in respect of additional resources to underpin the new arrangement for GP Trainee Team within NHS Wales Shared Services Partnership.

4. Support Mental Health Policies & Legislation

Core funding for mental health services is provided via the Delivery of Core NHS Services Action. In addition, this Action provides dedicated funding for the development and improvement of mental health services for child and adolescents, adults and older people in Wales in line with the Mental Health Strategy, the National Services Framework and legislation. It provides support, for example, for dementia services, eating disorders and the Veterans Service across Wales. There is no change to this Action.

5. Hospice Support

This Action provides funding for all Wales palliative care initiatives and also recurrent funding for voluntary hospices. The **net decrease** to this Action is £ (0.363) million in 2016-17 as a result of funding transferring to the Health Board revenue allocation.

6. Deliver the Substance Misuse Strategy Delivery Plan

This Action provides funding for the Substance Misuse Delivery Plan and related programmes to prevent substance misuse and support substance misusers, their carers and their families. There is no change to this action in 2016-17.

7. Sponsorship of Public Health Bodies

This Action provides funding for the Public Health Wales NHS Trust, which delivers; public health services that cover health improvement and protection, public health intelligence and research, and national screening programmes for the people of Wales. The net **increase** to this Action is **£0.784 million** in 2016-17 made up as follows:

Transfers between Actions:

- **£0.542 million** from the Delivery of core NHS services action in respect of pay award funding for Public Health Wales
- **£0.195 million** from the Delivery of targeted NHS services Action in respect of transfer of NHS estates to Public Health Wales
- **£0.062 million** from the Delivery of Core NHS Services action in respect of Diabetic Retinopathy Screening Services to Public Health Wales
- **£(0.015) million** to the Delivery of Core NHS Services action in respect of funding for Dental Advisors into the Dental Contract Allocation.

8. Foods Standard Agency

This is used to fund the Food Standards Agency Wales, an independent Government department set up to protect the public's health and consumer interests in relation to food. There is no change to this action in 2016-17.

9. Deliver Targeted Health Protection & Immunisation Activity

This provides funding for vaccines for the preventable diseases programme. It also funds a range of public information campaigns, as well as initiatives to tackle healthcare associated infections. There is no change to this action in 2016-17.

10. Promote Health Improvement & Healthy Working

This supports initiatives and action being developed to support Our *Healthy Future* including the tobacco control strategy and the provision of nurses in secondary schools. There is a decrease to this action of **£(0.450) million** in respect of the Welsh Health Survey transferring to the CSA MEG as a result of integrating several well established large scale surveys into one.

11. Tackle Health Inequalities & Develop Partnership Working

This supports the Inequalities in Health Fund and the Healthy Start programme. There is no change to this action in 2016-17.

12. Effective Emergency Preparedness Arrangements

Funding in this Action is directed towards establishing and maintaining strategic stockpiles of pre-pandemic vaccines, antivirals, antibiotics, facemasks, respirators and consumables. Funding is also provided for the development and maintenance of other health countermeasures stockpiles to respond to accidental or deliberate release of chemical, biological radiological, nuclear and explosive substances.

This budget also funds the Hazardous Area Response Team (HART), which enables the ambulance service to provide treatments in contaminated environments or where access is difficult. There is no change to this action in 2016-17.

13. Develop & Implement Research and Development for Patient & Public Benefit

This Action funds the work of the National Institute for Social Care & Health Research (NISCHR), which aims to support the creation of high-quality evidence to both inform policy and benefit patients and the public. There is no change to this action in 2016-17.

14. Children's Social Services

This funds a range of programmes and policy developments to support vulnerable children, and work on safeguarding and protection. There is no change to this action in 2016-17.

15. Adult and Older People

This Action provides funding for the implementation of the Older People's Strategy. It also funds commitments in relation to delivery of strategy and policy relating to Carers. There is **an increase** of £ 0.170 million to this action following savings released from the Older People's Commissioner Budget.

16. Social Services Strategy

This supports the implementation of the Social Services Strategy for Wales. The funding here will play an important role in developing new models of care and supporting the transformation of services. This Action includes grant scheme funding to local authorities for the workforce development programme for the whole

sector and support for the Association of Directors for Social Services Cymru (ADSS Cymru), the Social Services Improvement Agency (SSIA) and the Social Care Institute for Excellence (SCIE). There is a decrease of £(0.075) million to this action as a result of a transfer of funding, to the core budget of NHS Wales Informatics Service (NWIS), for ongoing support of the Wales Accord for Sharing Personal Information (WASPI).

17. Care Council for Wales

The Care Council for Wales (CCW) is the social care workforce regulator in Wales responsible for promoting and securing high standards across the social services and social care workforce. There is no change to this action of in 2016-17.

18. Older People's Commissioner

This provides funding for the Older People's Commissioner. This is an independent post – the first of its type in the world - which was established to ensure that the interests of older people in Wales, who are aged 60 or more, are safeguarded and promoted. There is a decrease of £(0.170) million to this action which reflects the Welsh Government's consistent expectation that savings can be achieved across all commissioner posts in 2016-17.

19. CAF/CASS Cymru Programmes

CAF/CASS CYMRU is a child-focused social work organisation, which provides expert social work advice to family proceedings courts, the County Courts and the High Court. Funding here supports the organisation's core duties, as well as obligations under the Children & Adoption Act 2006 including the provision of contact centres and contact activities. There is no change to this Action.

20. Capital

The NHS Capital Programme is supporting the delivery of 21st Century Healthcare through improving health outcomes by ensuring the quality and safety of services is enhanced; improving access and patient experience; and preventing poor health and reducing health inequalities. Examples include funding for ambulance vehicles and primary care resource centres, as well as new community hospitals and wellbeing centres. There is an increase in capital funding of **£33.5 million**.

REVENUE BUDGET - Departmental Expenditure Limit			
Actions/BELs	2015-16 Baseline	Budget Changes & Prioritisation	2016-17 New Plans Draft Budget
BEL 0020 - LHBs, Trusts and Central Budgets	5,769,119	258,926	6,028,045
Delivery of Core NHS Services	5,769,119	258,926	6,028,045
BEL 0180 - NHS Primary Care	60,665		60,665
BEL 0682 - Other NHS Budgets	117,249	-14,337	102,912
BEL 0186 - Workforce (NHS)	40,308		40,308
BEL 0257 - Information Central Budgets	27,044	262	27,306
BEL 0265 - Patient Safety, Quality and Improvement	3,602		3,602
BEL 0275 - Chronic Diseases	242		242
Delivery of Targeted NHS Services	249,110	-14,075	235,035
BEL 0140 - Education and Training	182,871	-101	182,770
BEL 0185 - Workforce Development Central Budgets	1,279		1,279
Support Education & Training of the NHS Workforce	184,150	-101	184,049
BEL 0270 - Mental Health	18,411		18,411
Support Mental Health Policies & Legislation	18,411	0	18,411
BEL 0286 - Hospice Support	1,619	-363	1,256
Hospice Support	1,619	-363	1,256
Substance Misuse	26,975		26,975
Deliver the Substance Misuse Strategy Implementation Plan	26,975	0	26,975
BEL 0250 - Public Health	85,694	784	86,478
Sponsorship of Public Health Bodies	85,694	784	86,478
BEL 0380 - Foods Standard Agency	3,516		3,516
Food Standards Agency	3,516	0	3,516
BEL 0232 - Targeted Health Protection & Immunisation	4,421		4,421
Deliver Targeted Health Protection & Immunisation Activity	4,421	0	4,421
BEL 0231 - Health Improvement & Healthy Working	5,187	-450	4,737
Promote Healthy Improvement & Healthy Working	5,187	-450	4,737
BEL 0280 - Inequalities in Health Fund	1,177		1,177
BEL 0400 - Welfare Food	8,504		8,504
Tackle Health Inequalities & Develop Partnership Working	9,681	0	9,681
BEL 0230 - Health Emergency Planning	6,712		6,712
Effective Health Emergency Preparedness Arrangements	6,712	0	6,712
BEL 0260 - Research & Development	43,365		43,365
Develop & Implement Research and Development for Patient & Public Benefit	43,365	0	43,365
BEL 0420 - Grants in Support of Child & Family Services	4,551		4,551
BEL 5333 - Advocacy	1,060		1,060
BEL 0460 - Services for Children	1,037		1,037
Children's Social Services	6,648	0	6,648
BEL 0661 - Older Persons Strategy	1,031	170	1,201
BEL 0620 - Community Services for Adults	31,626		31,626
BEL 0700 - National Strategy for Carers	1,095		1,095
Adult & Older People	33,752	170	33,922
BEL 0920 - Social Services Strategy	16,321	-75	16,246
Social Services Strategy	16,321	-75	16,246
BEL 0582 - Care Council for Wales (Revenue)	10,034		10,034
Care Council for Wales	10,034	0	10,034
BEL 0662 - Older People Commissioner	1,715	-170	1,545
Older People Commissioner	1,715	-170	1,545
BEL 1268 - CAFCASS Cymru - Revenue	10,162		10,162
CAFCASS Cymru Programmes	10,162	0	10,162

Total Revenue - Health & Social Services	6,486,592	244,646	6,731,238

CAPITAL BUDGET - Departmental Expenditure Limit

Actions	2015-16 Baseline	Budget Changes & Prioritisation	2016-17 New Plans Draft Budget
BEL 0020 - Trust and LHB Capital	204,446	33,481	237,927
BEL 0682 - Other NHS Budgets	829		829
Total NHS Delivery	205,275	33,481	238,756
BEL 1682 - Substance Misuse	5,072		5,072
Deliver the Substance Misuse Strategy Implementation Plan	5,072	0	5,072
Effective Health Emergency Preparedness Arrangements	4,492		4,492
Total Public Health & Prevention	4,492	0	4,492
General Capital Funding	4,691		4,691
Care Council for Wales	20		20
Total Social Services	4,711	0	4,711
Total Capital - Health & Social Services	219,550	33,481	253,031

REVENUE BUDGET - Annually Managed Expenditure

Actions	2015-16 Baseline	Budget Changes & Prioritisation	2016-17 New Plans Draft Budget
NHS Impairments and Provisions			0
Total NHS Impairments and Provisions	0	0	0
Total AME - Health & Social Services	0	0	0

Health & Social Services	2015-16 Baseline	Budget Changes & Prioritisation	2016-17 New Plans Draft Budget
Revenue DEL	6,486,592	244,646	6,731,238
Capital DEL	219,550	33,481	253,031
Total DEL	6,706,142	278,127	6,984,269
Annually Managed Expenditure	0	0	0
Total - Health & Social Services	6,706,142	278,127	6,984,269

Annex C: Health and Social Services Integrated Impact Assessment on the Budget 2016-17

OVERVIEW OF THE PORTFOLIO

The Department supports the Minister for Health and Social Services by developing and delivering policies that provide a sustainable health and social service for Wales and provides the foundation for other interventions aimed at improving health and well-being outcomes for the people of Wales.

The portfolio includes some of the key priorities for the NHS centred around ensuring the quality and safety of services, improving access to services and patient experiences and preventing poor health and reducing health inequalities for all. Our decision to allocate additional funding of £293m for health and £21 million increase in the Revenue Support Grant for social services in 2016-17 recognises that providing a sufficient and sustainable health and social care settlement is a vital consideration not just for society as a whole, but also recognises the disproportionately positive impacts on protected groups. This funding will be used to maintain access to quality acute services when these are needed, promote the continued development of primary and community services closer to home and increase funding available for mental health services and older people. By applying prudent healthcare principles, we will aim to correct the balance between over and under-treatment of care. As we stated last year, research suggests that spending on public services such as health and education reduces inequality by benefitting low-income households more than rich ones. The total equalising effect, and that of different spending programmes, can be quantified and programmes can be ranked from most pro-poor to most pro-rich. Per head, the NHS spends more on older people and on young children, and households containing both these individuals are concentrated in below-average income groups.

Reducing health inequalities, improving the health outcomes of children and families living in low income households and addressing the Inverse Care Law are central to the aims of our Tackling Poverty Action Plan. The Health and Social Services portfolio aims to promote, protect and improve the health and well-being of everyone in Wales by delivering high quality health and social care services, including funding NHS Wales and setting a strategic framework for adult and children's social care services as well as the regulation and training of the social care workforce. The Social Services portfolio also provides significant support for the voluntary sector in Wales.

Where there are inequalities in health, we work across Government to tackle the social, economic and environmental and cultural influences that affect health and well being.

Spend Profile

Fiscal Resource DEL Limit			
SPA	Revised Budget 2015-16	2016-17 Changes	2016-17 New Plans Draft Budget
	£m	£m	£m
NHS Delivery	6018.229	244.851	6263.080
Health Central Budgets	231.155	(0.464)	230.691
Public Health & Prevention	158.576	0.334	158.910
Social Services	68.470	(0.075)	68.395
CAFCASS Cymru	10.162	-	10.162
Totals	6486.592	244.646	6731.238

Key Changes to Spend

- Additional funding for Health of £293m;
- Primary and Community based care – Through the additional funding for health £30m is being allocated to increase the funding for the Intermediate Care Fund to £50m in 2016-14;
- Mental Health Services and Older People – of the additional £293m allocated £30m to increase funding available for mental health and services for older people;
- Social Services – allocated an additional £21m to the Revenue Support Grant;
- Preventative interventions in wider Social care – Protecting the Supporting People programme; and
- Public Health – we are protecting investment in programmes to improve public health. Dedicated budgets for Public Health and Prevention will increase by £0.334m from £158.576m in 2015-16 to £158.910m in 2016-17. The increase reflects transfer and or expansion of public health programmes.

Health - Impacts

Spending on the NHS is important but providing high quality care when people are sick is only part of the solution to good health. We also have a collective responsibility to prevent poor health arising where possible. A renewed focus on prevention is particularly important when we consider the need to safeguard the future health of children and young people. The importance of rebalancing the health system in Wales towards prevention has been noted in a number of key strategic documents including Together for Health.

A focus on prevention across strategic Welsh Government programmes and policies is wholly consistent with principles of prudent health care, as it involves taking action at points which maximise the potential for long term benefits, both in terms of health gain and in reducing the higher long term

costs associated with preventable ill health. Preventative work is also a crucial component in a renewed partnership between government and the public, whereby the Welsh Government has a responsibility to provide and promote social conditions which are conducive with good health, with a corresponding responsibility on all of us as individuals to act in ways which promote and protect our own health and wellbeing.

Our activity in this area ranges from programmes focused on promoting positive lifestyle messages and supporting people to become better informed about their health and wellbeing, through to immunisation and vaccination programmes, supporting preventative public health services such as smoking cessation services, and regulating aspects of the wider social environment. This also involves working in close partnership with a range of stakeholders, including Public Health Wales, other NHS organisations, local authorities and voluntary sector organisations.

As the NHS is free at the point of use –although not free of obligation the additional funding being issued in 2016-17, as well as the existing core funding allocated to Health Boards, will make a significant contribution to the tackling poverty and inequality agenda. Work to prevent avoidable ill health also makes a crucial contribution to the this agenda, as the positive impact of many of our public health priorities falls disproportionately on the most disadvantaged individuals, families and communities. Examples of such cross-government action include the breadth of action being taken forward through the Tackling Poverty Action Plan and Fairer Health Outcomes for All.

With trends indicating rising demand in the number being treated for illness, unscheduled care and social care, , we have taken an integrated approach to allocating funding to Health and Social Care which also recognises the significant positive impacts on protected groups. Our approach is to help citizens take responsibility for their health and wellbeing through the co-production approach, as well as developing a preventative primary and community care led NHS. This requires a sustained shift in financial and workforce resources to deliver more health care in the community. This approach includes greater collaboration between the health services, local government, and the third and independent sector. Services should be provided at or close to home, designed to prevent problems and detect ill health early, avoid the need for hospital and support prompt discharge, and enable people to die in their preferred place of care such as in their own home. The vast majority of the expenditure related to this approach is provided directly to the NHS in the block grant. The policy framework aims to steer the configuration of NHS services and those resources toward this primary and community care focused model.

For the additional NHS funding of £200m within the Delivery of Core NHS Services, each Health Board will be required to consider the impact of their spending decisions when their main allocations are set out as part of the Health Board Revenue Allocations that are issued later in December. Each Health Board now has to produce a three year integrated plan and as part of the planning requirements within the NHS Wales Planning Framework

they are required to demonstrate how their integrated plan is reflecting the responsibilities of the Equality Act 2010. Health Boards are therefore required to demonstrate how they are considering all of the protected characteristics as part of their duty under the Act and also ensure the rights of children are considered.

The current NHS Planning Framework also references the need to consider planning for the needs of specific groups that includes:

- Consideration of cultural diversity in communities and the health needs of specific groups,
- reflecting the particular challenges faced in urban and rural communities, including deprivation,
- considering the Welsh language.

Evidence and Engagement

The report from the Nuffield Trust, published in June 2014, on the funding pressures facing the NHS in Wales highlighted that if the NHS shares in the projected real-terms growth in the UK economy and makes the efficiency and productivity gains that Nuffield identifies as achievable, it will remain affordable. The NHS in Wales has already had significant success in these areas, through measures such as improvements in efficiency and productivity, reductions in the length of stay in hospitals and reductions in hospital admissions. Independent analysis by the Nuffield Foundation, Kings Fund and Health Commission however, demonstrates clearly that planned increases in health funding over the next CSR period will be 0.9% per annum, well below the projected growth in the UK economy.

Primary and Community Based Care

The overwhelming majority of healthcare in Wales is delivered in the community, close to patients' homes. The Intermediate Care Fund has been a key driver for partnership working across health and social care, with the third and independent sector to develop services to help older people maintain their independence. This includes the provision of care and support at home and in the community to avoid unnecessary hospital admission and to prevent delayed discharges from hospital. Through the additional funding for health, £30m is being allocated to increase funding for the Intermediate Care Fund to £50 million in 2016-17.

Mental Health We continue to recognise the important role of mental health services in improving patient outcomes. In June of 2015 we announced nearly 16 million of new money and from the recent CSR round we allocated £30m of the £293m to increase funding available for mental health services as well as funding for older people. In line with our integrated approach to health and social care, we remain committed to this promise so as to help make further improvements in a number of key areas, including child and adolescent mental health services and dementia care to benefit key groups. **Impacts**

Our Strategy *Together for Mental Health* aims to address stigma and discrimination and tackle inequalities. There has been a commitment to a mental health ring fence since September 2008 to protect the amount of money within this NHS budget and an explicit statement that whilst savings

can be made any savings accrued cannot be spent outside the ring fence. This has been reviewed as agreed in our delivery plan for the strategy and the independent report is published on our website. Stigma and discrimination suffered by people experiencing mental health problems and mental illness are reduced with the supporting action outcome *People with protected characteristics and vulnerable groups experience equitable access and services are more responsive to the needs of a diverse Welsh Population*. Progress is being made on specific delivery plan actions in this area.

Child and Adolescent Mental Health Services (CAMHS)

In relation to our requirements in legislation to account for the specific needs of children and young people, the provision of Child and Adolescent Mental Health Services (CAMHS) continues to be a priority area for improvement. We continue each year to make an additional £7.65m available to improve the range of CAMHS provision, an increase of 18% in a single year, which will also enable repatriation of more young people currently sent out of Wales for treatment, with a resulting saving in these costly placements.

We are also promoting the development of consistent community intensive treatment teams across all of Wales and the early identification of psychosis and support for young people who present in crisis in the current year. Evidence shows that early identification and community based treatment could reduce admission rates and length of stay for severely ill adolescents. Research is increasingly endorsing the benefits of assertive outreach and supports the need for the development of local partnership arrangements across agencies. This is in line with prudent healthcare and wherever possible, when risk allows, young people should be cared for in the community as near to home as possible.

The CAMHS improvement programme has been in place since 2014-15 and will continue in 2016-17. This involves a cultural shift in provision to ensure the small and specialist CAMHS resource can focus on those with the most enduring mental illness. Taking this forward CAMHS will need to build, maintain and strengthen partnerships with other agencies in local authority social care and elsewhere. Multidisciplinary teams working in Integrated Family Support Services and initiatives such as the health component of Flying Start are central to ensuring those with the most need have access to specialist CAMHS at the earliest opportunity; and also ensuring no disadvantage to those with lower level mental illness, who can be dealt with by other agencies, with appropriate CAMHS support, reducing stigmatisation.

Looked after children and young offenders

Evidence shows that looked after young people have higher levels of attachment disorder. Similarly those in the youth offending system also have higher levels of mental ill health. Identifying and addressing the mental health needs of these vulnerable groups early can ensure that they are able to fully integrate and engage in school and their wider communities. It can also help rehabilitation and reduced recidivism among young offenders. To support this we have made an additional £250,000 available since 2015-16 to improve the way in which CAMHS works with youth offending teams.

Gypsies and Travellers

In July 2015 'Travelling to Better Health' was published. This responds to an identified and evidenced need to improve access to and improve healthcare services for Gypsies and Travellers. This is focused towards several *Programme for Government* commitments, namely to improve access and patient experience and prevent poor health and reduce health inequalities by assisting healthcare practitioners in working effectively with Gypsies and Travellers. The guidance was produced in liaison with Gypsies and Travellers throughout all stages and provides advice on professional practice which could encourage greater participation in health and health services. The Travelling to Better Health guidance is supported by a number of outcome measures for health boards to assist with its effective implementation. Whilst financial implications in the current year are marginal, in the longer-term, following consultation and further implementation of the guidance, there may be further financial implications, particularly in respect of ensuring the NHS has knowledge, understanding and training of healthcare staff in relation to this community.

Services for people with a co-occurring mental health and substance misuse problem

In September 2015 the service framework for the treatment of people with a co-occurring mental health and substance misuse problem was published. This guidance is designed to inform and influence the delivery of integrated and collaborative practice in the delivery of mental health and substance misuse services for adults, children and young people. Again financial implications are marginal within this current year however there may be further financial implications in the implementation of this guidance particularly in relation to training afforded to front line staff.

Work has been ongoing in a number of additional areas including supporting the introduction of a Crisis concordat between Police, NHS and other partners to improve responses to people in contact with the police with mental health problems, and in particular addressing the health needs of asylum seekers and refugees.

Veterans

Since 2014-15 we have made an additional £100,000 available annually as part of the investment in psychological therapies to improve waiting to treatment times for our veterans' mental health service, Veterans NHS Wales. This is complemented by ongoing work between the service and Public Health Wales to implement the outcomes of a review undertaken in 2014 and which will make the service more responsive to the needs of veterans who are referred to the service. Demand for the service is predicted to increase, (by Royal British Legion and other major service charities) as a result of recent action in Afghanistan and increasing numbers of service leavers as a result of military redundancies.

Mental health is one of the four priority areas for early action identified in the strategic Welsh language framework – *More than Just Words*. The June 2013 User Satisfaction Survey (Fundamentals of Care Audit) showed that 98% of

patients were “receiving full information about [their] care in a language and manner sensitive to [their] need”. To support this further we have ensured the four most popular books under the *Book Prescription Wales* Scheme have been translated into Welsh and are available on CD. Locally, Betsi Cadwaladr UHB’s Welsh Language initiatives include developing a bilingual service user pathway to match Welsh speaking service users with bilingual mental health workers and identify unmet need.

The Alzheimer’s Society Cognitive Assessment Toolkit is now extensively used across primary care as a diagnostic tool, and widely recognised by professional bodies, including the Royal Colleges of GPs and Psychiatrists. It continues to play a crucial role in increasing GPs’ understanding and in promoting greater understanding and excellence. Language of choice is especially important, not least because the changes associated with dementia can leave first language Welsh speakers without the ability to communicate readily in anything but their mother tongue. Bangor University have recently completed the translation of this resource, meaning greater choice for Welsh-speaking clinicians and patients.

There is a clear link between mental health problems and poverty. Studies have found that people with mental illness have the lowest employment rate for any group of disabled people. They also arguably experience greater poverty, less adequate housing and greater social isolation. It is important that our efforts to tackle poverty recognise this. We know that reduced incidence of mental health problems are important for healthy functioning communities, improving social cohesion, social inclusion and prosperity. We know that those in the most deprived areas of Wales are more likely to suffer the most from poor mental health and a higher incidence of mental illness.

Budgets impact directly and indirectly on socio-economic disadvantage, tackling poverty and building sustainable communities, contributing to direct employment of people within the mental health field, particularly the Third Sector supported through S64 grant funding. Our work also supports vulnerable people by promoting recovery which helps them live independently and participate economically. Evidence shows mental illness is one of the key reasons for workforce absenteeism and a significant factor for a number of the long term economically inactive. Being in employment is particularly protective against living in poverty. Promoting mental wellbeing and establishing accessible support services will reduce the numbers of people unable to work due to mental illness and for those in work, promote speedier recovery, reducing time off work and enabling them to return to work sooner. We are finalising details for a new programme of peer support to help nearly 6000 people with substance misuse and mental health issues into or closer to employment supported in part by the European Social Fund. There is another peer support programme that will also help people who are in work and experiencing health problems sustain employment.

A key theme of our approach is to address problems early in life to prevent them developing into more serious issues during adulthood. 1 in 10 children between the ages of 5 and 16 will experience, to differing degrees, a period of

challenge to their mental wellbeing In addition many children act as carers and have to support parents/guardians who are themselves mental ill health sufferers. They require support to fulfil their role, including information and advice.

At the other end of the age spectrum, improving care, support and awareness of Dementia is a key priority. Dementia is a considerable cost to both public and private finances, with numbers increasing as the population ages. A large proportion of the cost is borne by carers and can be a significant contributor to household poverty. Dementia UK estimates £690m p.a. is lost in income for carers who have to give up employment or reduce work hours. The cost is also personal, as the carer often has to sacrifice their social life to provided dedicated, 24/7, care.

The seriously negative impact of welfare reform in Wales is well set out in a paper *and a paper "Welfare reform - The health Impact on people with a serious mental illness"*, produced by the third sector organisation, Hafal. It describes how the current reforms to the welfare benefits system cause difficulty for people in Wales who have a serious mental illness and how this reinforces the existing inequalities in health and social care outcomes faced by people who experience mental ill-health.

Evidence

Recurrent investment from 2011-12 of £3.5 million is supporting ground breaking mental health legislation the Mental Health (Wales) Measure 2010, which commenced in 2012. This investment has meant that there are now Local Primary Care Mental Health Support Services delivered locally across Wales. Between April 2013 and September 2015, over 80,000 primary mental health assessments were undertaken (prior to the implementation of the Measure this service was not available). The average number of assessments per month is 2,669.

The Measure also ensures a statutory right to a holistic care and treatment plan for service users in secondary care, regular review and rights to re-assess services following discharge. Between April 2013 and October 2015 there were on average 24,767 Welsh residents in receipt of secondary mental health services each month. The Measure also invested £1.5 million in ensuring advocacy for all mental health inpatients whether detained or not

Section 48 of the Measure placed a duty on the Welsh Ministers to review the operation of the Measure for the purposes of publishing one or more reports within four years of commencement. The final duty to review report was laid before the National Assembly for Wales in December 2015. The review has drawn on information from a wide variety of sources including:

- task and finish groups convened from a range of stakeholders to consider specific issues
- independent commissioned research
- service user and general practitioner satisfaction surveys
- third sector surveys and comment

- compliance with the legal requirements of the Measure
- quantitative performance measures
- the Health and Social Care Committee's post legislative scrutiny of the Measure recommendations

and supports the Health and Social Care Committee's findings that the Measure has improved services, but additionally that it has been value for money, and that improvements are continuing.

A mental health core data set, including outcomes from a service user perspective will evaluate the impact of the strategy. It will include measuring outcomes from a service user perspective and will also capture ethnicity data in all NHS psychiatric inpatient settings. We are continuing to develop this with the NHS Equality and Human Rights Unit and Diverse Cymru.

The Together for Mental Health Strategy (2012) describes how mental health is a key driver for social and economic development. The increased mental health budget, for both adult and children's services will ensure Wales is at the forefront of promoting good mental health and tackling mental illness when it arises. The Strategy is an integrated cross Government strategy ensuring health social care and wider partners such as housing education and police work collaborate to achieve its outcomes. Age inclusive for children it embeds UNCHR within the approach. The strategy seeks to ensure continuous improvement and consequently has three year delivery plans across its ten year lifespan. The first three year plans and the findings, alongside significant stakeholder engagement have informed the next delivery plan being drafted to cover the period 2016-19. This plan will be subject to formal consultation between January – March 2016 and is due to be published in June 2016.

Many people with mental health conditions are regarded as disabled under the definition of the Equality Act 2010. This strategy aims to reach positively to the heart of tackling inequalities. Welsh Language matters are fully considered in relation to the Strategy and its delivery plan and for those where need is highest particular attention given e.g. those with dementia who have a clinical need for assessment in their first language.

New investment in mental health services, will directly impact the long term economic development of Wales through the creation of specialist and high quality posts within the NHS. It will also help grow the workforce for the future. More generally the investment will support tackling poverty by improving educational attainment in children and young people. Funding is also being targeted at young people in the criminal justice system, which research by the Prison Reform Trust shows have higher levels of mental health needs. Ensuring their needs are met in a timely manner will reduce recidivism among this group promoting their rehabilitation back into society.

For adults with mental health problems supporting recovery and keeping people in work if they develop mental health problems and allowing them to re-engage with the workplace as they recover also assists economic

development as does support for their carers to continue within the workplace to reduce poverty.

A significant amount of the new 2015-16 mental health investment (£5.5m) has been targeted at supporting and improving dementia services.. This includes £4.05m to help establish psychiatric liaison teams at each district general hospital in Wales to support staff in providing timely mental health assessments and reduce length of stay and re admission rates, £500,000 of new investment for Occupational Therapy support workers in older person mental health units to improve daily activities and quality of care and £800,000 of new funding for new Primary Care-based Dementia Support Workers.

The Welsh population is aging and as a result the incidence of dementia will increase. Research conducted, by the Alzheimer's Society, for its report Dementia UK: Second edition, suggests that there will be 850,000 people living with dementia in the UK by 2015. They estimated that this will cost the UK £26 billion a year. Two-thirds (£17.4 billion) of the estimated cost of dementia is paid by people with dementia and their families, either in unpaid care (£11.6 billion) or in paying for private social care. Improving services for dementia sufferers not only improves their quality of life but also those of family members who contribute to their care particularly where this involves giving up work to support their relations. This impacts their own quality of life and investment in new services will also therefore prevent poverty amongst the wider population and promote the priorities of the Wellbeing of Future Generations (Wales) Act.

In relation to the other protected characteristics it can be demonstrated that the investment provided from 2015-16 will bring wider benefits. In particular in new funding to perinatal services of £1.5 m (maternity and age protected characteristics) will improve the attachment process between mother and child which is known to improve outcomes for the child and family and prevent risks of problems in later life. The funding is being used to establish community based specialist perinatal services across every health board in Wales.

We are also providing £3m (£1.9m adults and £1.1m children) to increase access to psychological therapies. The National Psychological Therapies Management Committee has produced an action plan which provides a tool to assist health boards in developing a workforce with the competencies to deliver psychological therapies. Health boards have submitted their proposals using this framework to show how they intend to improve access to psychological therapies. This initiative also supports individuals who may have suffered stigma and discrimination as a result of sexual orientation, disability, race, religion and belief, contributing to community cohesion.

Integration and collaboration is at the heart of this work, particularly in relation to longer-term care support for older people with dementia, where housing provision and local authority care and support form part of the wider package of support for this community The same multi service approach is needed to

support the emotional and mental health of children and young people, where NHS provision is one part of a service which spans, youth work, LA children services and social services, schools counselling and others.

Where mental health services are concerned it is a clear expectation that service users are actively engaged and co produce as equal partners in both their own care choices and development of services. Service users input their views by participation on the local and national partnership boards as well as stakeholder and other groups, with a National Service User forum, which has specific requirements to ensure that those from protected groups such as BME. are represented on the forum meeting three times a year. Work is also being undertaken by Public Health Wales 1000 Lives Improvement Service, the third sector and service users to produce service users' goal-based outcome measures which allow service users to report their perception of the achievement of outcomes important to them.

Continuous Improvement

Together for Mental Health enables us to measure the success of our work through a range of outcome measures, both specific to mental health and more general indicators of wider change.

Social Services

Younger, older and disabled people are more likely to depend upon the social care which public services provide. In this context projections show demographic changes and increasing public expectation alongside increases in the occurrence of specific conditions more common in older people, such as dementia will increase pressure on care costs. We know that carers, disabled people and others who are vulnerable are more likely to be in poverty and experience social exclusion. At the same time these same trends suggest that under the right circumstances preventative measures can improve well-being and realise public money for reinvestment in services over the longer term. This analysis supports our decision to place social services amongst the key considerations for this Draft Budget.

Our decision to allocate an additional £21m to the Revenue Support Grant for social services recognises the importance of focusing on supporting and accelerating transformational change across the health and social care system in order to address these challenges, with a particular focus on frontline delivery. Indeed, the Auditor General for Wales in his recent report *A Picture of Public Services 2015* recognised that spending on social care in Wales has been protected more than most other parts of the UK.

Our key priorities for social services are embodied in the Sustainable Social Services for Wales programme and implementation of the Social Services and Well-being (Wales) Act. These place emphasis on the well-being of people who need care and support and carers who need support alongside ensuring people have a much stronger voice and greater control over the services they receive; simplifying the way services are delivered, and improving the well-being of all people living in Wales.

By protecting vital programmes such as the Supporting People programme we have recognised the important contribution that social care has on the most vulnerable, whether through reasons of old age, disability or the need to safeguard children. This programme not only provides housing-related support for some of Wales' most vulnerable and socially excluded it also helps individuals and families who are homeless or at risk of becoming homeless to find and keep their home and live independently, as well as making a key contribution to our Tackling Poverty agenda. The programme is an example of action which can be taken to prevent or reduce the need for more costly interventions by the NHS and/or social care. It helps individuals and families and, in some cases, supports people who fall into the criminal justice system.

Gross public expenditure on social care was over £1.96 billion in 2014-15, with £0.2 billion raised in fees as many adult social services are means-tested. Almost all of this expenditure is funded by local government. Demographic pressures through increasing life expectancy, both for older people and people who are disabled, together with a growth in demand for children's services has led to social services expenditure more than doubling since 2001-02. Local Authorities have the statutory duty to deliver social services and provision is a mix of direct delivery and commissioned services from independent and third sector providers.

The Welsh Government's budget for social services has provided funding to support delivery of the legislative framework; work in partnership with service users, local authorities, the third sector, independent sector and other partners to coproduce a strategic direction for the sector in Wales, and to foster and accelerate transformational change in the way in which social care is delivered to the citizens of Wales as set out in Sustainable Social Services for Wales: a Framework for Action. The focus for 2016-17 will be on ensuring implementation and delivery of the Social Services and Well-being (Wales) Act

By reducing the number of looked after children the funding that would have been spent can be redirected to support the family to ensure children are not taken into care.

The budget for 2016-17 includes the transfer of £27m from the Department of Work and Pensions to the Welsh Government in respect of the Independent Living Fund - now the Welsh Independent Living Grant

Impacts

Welsh Government's budgets for social services support the implementation of the Social Services and Well-being (Wales) Act. The Act provides the statutory framework to deliver the Welsh Government's commitment to ensuring the provision of care and support to people of all ages, as part of families and communities. The Act places a significant focus on improving outcomes and wellbeing through prevention and early intervention, particularly to ensure there is care and support to meet the needs of vulnerable people. This includes children, older people, carers and disabled people.

Implementation and development of regulations, codes of practice and statutory guidance deriving from the Act has been a priority to prepare for the coming into force date of 6 April 2016. The focus on increasing preventative social services and early intervention are at the heart of *Sustainable Social Services: A Framework for Action*, and duties and powers to implement this change have now been made law through the Act.

Further legislation to enhance the quality of care for vulnerable people is being taken forward through the development of the Regulation and Inspection of Social Care (Wales) Act which will make changes to the role of inspection and, where necessary, strengthen the ability to tackle service failures such as those found by Operation Jasmine in residential and nursing home provision across Gwent in the early 2000s.

The social care workforce is a significant part of the Welsh labour market. In 2015-16, the Social Care Workforce Development Programme provided £7.15 million to invest in training for people working in social care to improve the quality and management of Social Services provision in Wales; with a focus in 2015-16 on which will be directed towards preparing them for changes resulting from the Act. The majority of this grant funding is delivered directly to Local Authorities. £1m of the grant is provided to Care Council for Wales to fund the development of the national training programme for the implementation of the Act.

The intention is to ensure that current recipients of the Independent Living Fund will continue to receive support following the transfer of funding. In the short term the transferred funding is being provided to local authorities to enable them to continue to financially support those who used to receive payments from the Fund. In 2016 the Welsh Government will be working with representatives of stakeholders to development arrangements for the long term.

Engagement

Coproduction of new social services policies together with service users, professionals and all delivery partners is embedded in the Sustainable Social Services Programme and all of the legislative changes set out in the Social Services and Well-being (Wales) Act and the Regulation and Inspection of Social Care (Wales) Bill. A National Partnership Forum for Social Services, established by the former Deputy Minister for Social Services, continues to bring together political and non-executive leaders from across all parts of the social care and health system in order to shape a shared agenda for change. The national social services citizen panel for Wales brings direct service user experience into the heart of Welsh Government policy making. Formal consultations have been utilised as part of the development and shaping of social services legislative reforms and impact assessments have been undertaken on each piece of secondary legislation.

Following engagement with stakeholders through a workshop attended by approximately 200 delegates and with representatives of the Third Sector, including the Health and Social Care Alliance of Alliances, a new Third Sector

Grant has been established for 2016-17 to underpin the delivery of the Social Services and Well-being (Wales) Act. Following a competitive bidding round, funding will be provided to Third Sector organisations to help deliver that legislation and policy.

Evidence

Social services support approximately 80,000 adults, providing statutory care for people with mental health problems, physical and learning disabilities and frail older people. Over 35,000 children in Wales were referred to social services in 2014-15. Child protection registers record 2,940 cases of neglect, emotional, physical and/or sexual abuse. There are 5,615 looked-after children in Wales.

The Sustainable Social Services Programme and implementation of the Social Services and Well-being (Wales) Act focus on supporting and accelerating transformational change across the health and social care system in order to address these challenges and ensuring services focus on prevention and early intervention.

Continuous improvement

Key priorities for social services are embodied in the Sustainable Social Services for Wales Programme, These include ensuring citizens have a much stronger voice and greater control over the services they receive, simplifying the way that services are delivered, and improving the well-being of all our citizens. A particular focus for 2016-17 will be the coming into force of the Social Services and Well-being (Wales) Act.

Public Health

With an ageing population it is vital we work with people to help protect their health as they get older. By protecting our investment in public health we are committed to providing greater control over health and well-being and faster access to advice and services for those who need it most.

Budgets for health promotion, health protection and prevention will increase in 2016-17. The increase reflects expansions of public health programmes such as immunisation and screening. Examples of the impact of these programmes include around 35,000 children in Wales having primary immunisations and boosters every year; more than 400,000 people aged 65 or over having flu vaccinations and providing more than 111,000 patients with Diabetic Retinopathy Screening services. With these services the aim is progressive universalism, helping everyone in the community, but targeting support in accordance with need. So for example, more effort is currently being put into making sure that groups who are not taking up health screening opportunities are helped to do so.

The increase in funding to **Public Health Wales (PHW)** mainly represents a transfer of budget and commitments into the core funding allocation for PHW. The core funding enables Public Health Wales to deliver its functions as set out in legislation, including services that cover health improvement and protection, public health intelligence and research, and national population

screening programmes for the people of Wales. PHW supports the delivery of many of the actions in relation to improving public health and reducing inequalities in healthy life expectancy.

The transfer of additional **immunisation funding** will increase the existing immunisation budgets within each Health Board and is representative of the expanding immunisation programme in Wales. The expansion includes the inclusion of rotavirus and influenza immunisations for children; a new routine shingles vaccination programme for people aged 70 years; and a time limited catch up programme has been introduced for first time for university entrants under 25 years of age who are at increased risk of Meningitis C. Health Boards have been receiving additional in-year funding for immunisations in previous years so this transfer merely confirms arrangements that have been in place for some time and will now allow HBs to plan with more certainty for this important policy area. Immunisation is a universal service. The aim is to create “herd immunity”, so protecting all parts of the community equally.

Public health actions can contribute to the **prudent healthcare agenda**, and so improve the impact of spending by for example by:

- helping empower people and their communities to take more control of their health on the basis of co-production; and
- developing effective prevention and early interventions that can avoid expensive problems later on.

For example, the funding for NHS Occupational Support Service (£0.163m) is based on the link between the health and wellbeing of staff and the quality of service delivery. It supports efforts to reduce the impact of sickness absence on NHS Wales by providing specialist support for doctors, who suffer higher incidence of common mental health problems than other professionals groups.

During the age of austerity, and in light of our increasing and aging population leading to increased demand on the NHS, our policy is to move away from focusing on ill health and an over reliance on hospitals. Our approach is to help citizens take responsibility for their health and wellbeing through the **co-production** approach, as well as developing a preventative primary and community care led NHS. There is a strong emphasis on the redesign of primary and community care services as population needs are identified. Every opportunity will be taken to ensure that services work as effective teams with a shared focus on the needs of individuals and local communities, delivering improved population health through strengthened primary and community care in partnership with the role the public must also play in their own health and wellbeing. The support of PHW through its Primary Care Medical Advisory Team, Primary Care Quality and Information Service and the Public Health Observatory is vital for this work, including action to mitigate inequalities and the effects of poverty and in particular to reverse the ‘Inverse Care Law’.

The aim is increasingly to refocus services on improving health and wellbeing for all, with the pace of improvement increasing in proportion to the level of

disadvantage. This commitment means keeping our aspiration to improve healthy life expectancy for everyone and to close the gap between each quintile of deprivation by an average of 2.5%, but looking for new ways of using the available resourcing. Our work also supports one of the three strategic objectives in the Child Poverty Strategy which is to reduce the inequalities that currently exist in the health, education and economic outcomes of children and families living in low income households.

We fund priority campaigns, projects and services which target improvements at those in need, such as the Healthy Start (£8.5m) benefit scheme which provides a nutritional safety net to pregnant women and young children in disadvantaged families. Ongoing support for the costs of the immunisation programme is a key area of preventative spend (£17.6m) and there is also investment in high quality data at both national and local level such as the Welsh Health Survey to support investment decisions and track the impact of policies. A number of budget lines relate to the sponsorship of public bodies such as Public Health Wales (£80.5), which has seen a £4.4m increase in 2016-17

The new developments in health planning and in primary care are establishing the basis for a better focus on the needs of the whole population. Small area planning will enable primary and community care services to target better the different needs of different groups and there is a growing willingness across the NHS and social services to share information and pool efforts to improve the health and well-being of the whole population. The development of small-area population planning should have increasing impact on service design and on health over the coming years.

With an ageing population it is vital that we work with people to help protect their health as they get older. The new over 50s health check offers everyone over 50 years of age easily accessible advice on their health and sources of help providing targeted users with greater control over their health and wellbeing, faster access to advice and services and help overcome problems of health literacy. This was piloted in Communities First areas both to give it a strong basis there and to ensure it is easy to access and use e.g. the LIFT programme.

We also recognise that the health service and wider health sector play a crucial part in underpinning and stimulating our economy, helping to tackle economic deprivation and reducing the economic drivers of ill health. The NHS has a considerable weight in the national economy, in employment, procurement, capital investment and innovation. Increasingly the opportunities are being taken to use the influence and budget of the NHS to influence people's chances of good health through enhanced employment and contributing to prosperity. Our programmes seek to mitigate the impact of poverty and improve people's life chances supporting objectives outlined in the Welsh Government's Tackling Poverty Action Plan.

We also recognise that the health service and wider sector plays a crucial part in underpinning and stimulating our economy, helping to tackle economic

deprivation and reducing the economic drivers of ill health. The Division for Social Care and Health Research (DSCHR) provides an infrastructure to support and increase capacity in Research and Development (R&D), runs a range of responsive funding schemes and manages the NHS R&D funding allocation. Numerous ground-breaking discoveries through research have resulted in novel and innovative ways of preventing and treating illness, reduce harm / waste / variation, tackle poverty and inequality, as well as the ongoing funding of the R&D component of healthcare innovation. In 2015 £10m was allocated to promote Efficiency Through Technology in NHS Wales. This fund will continue into 2016-17 and is intended to accelerate the demonstration, evaluation and adoption of new products and services into practice, increasing efficiency and providing patients with better outcomes, in accordance with the principles of Prudent Healthcare.

Annex D

NHS Approved Projects

Organisatio n	Scheme (estimated completion date)	Total funding allocated £m	Funding previously provided £m	2016-17 indicative funding profile £m	Funding requirement remaining years £m
Abertawe Bro Morgannwg	Health Vision Swansea - Outpatients (December 2015)	60.007	58.007	2.000	-
Abertawe Bro Morgannwg	Health Vision Swansea – Clinical and Diabetic Accommodatio n (April 2016)	21.347	5.546	13.629	2.200
Abertawe Bro Morgannwg	Emergency Department Clinical Information Management System (2016- 17)	3.582	2.241	1.033	-
Abertawe Bro Morgannwg	Cardiac Intensive Care (June 2016)	6.660	4.860	1.800	-
Betsi Cadwaladr	Ysbyty Glan Clwyd Redevelopme nt (January 2018)	110.533	106.615	3.400	-
Betsi Cadwaladr	Blaenau Ffestiniog Integrated Resource Centre (January 2017)	3.944	0.451	3.493	-
Betsi Cadwaladr	Tywyn Primary and Community Care (January 2016)	5.062	4.993	0.070	-
Betsi	Patient	3.088	1.268	1.449	0.371

Cadwaladr	Administration System (2017-18)				
Betsi Cadwaladr	Emergency Department Clinical Information Management System (2016-17)	1.265	0.264	1.001	-
Betsi Cadwaladr	Sub Regional Neonatal Intensive Care Centre – Business case development and electrical infrastructure (March 2018 for whole scheme)	1.424	1.292	0.132	-
Cardiff & Vale	Neonatal Phase 1 UHW (Spring 2016)	7.472	3.280	4.192	-
Hywel Dda	Bronglais – Front of House (February 2016)	45.500	43.695	1.805	-
Hywel Dda	Prince Philip Unscheduled Care (May 2016)	1.406	0.962	0.444	-
NWIS	Intelligent Integrated Audit tool (2020-21)	0.757	0.683	0.016	0.058
NWIS	Patient Administration System (2017-18)	3.158	-	-	-
Velindre	Velindre Cancer Centre – Business Case Development (OBC – Summer 2016; FBC – Early 2018)	5.181	3.017	2.164	-
Velindre	Welsh Blood	2.046	1.681	0.365	-

	Service (May 2016)				
Velindre	Linacc replacement (October 2016)	4.814	4.440	0.320	-
Welsh Ambulance	Planning and Dispatching System (April 2016)	0.759	0.535	0.224	-

Concise Minutes – Health and Social Care Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Thursday, 3 December
2015

Meeting time: 09.16 – 12.55

This meeting can be viewed

on [Senedd TV](#) at:

<http://senedd.tv/en/3325>

Attendance

Category	Names
Assembly Members:	David Rees AM (Chair) Alun Davies AM John Griffiths AM Altaf Hussain AM Elin Jones AM Lynne Neagle AM Gwyn R Price AM Lindsay Whittle AM
Witnesses:	Adam Cairns, Cardiff and Vale University Health Board Darron Dupre, UNISON Wales Mick Giannasi, Welsh Ambulance Services NHS Trust Stephen HARRY, Chief Ambulance Services Commissioner Nathan Holman, GMB Siobhan McClelland, Emergency Ambulance Services Committee



	<p>Richard Munn, Unite the Union</p> <p>Tracy Myhill, Welsh Ambulance Services NHS Trust</p> <p>Lisa Turnbull, Royal College of Nursing</p> <p>Allison Williams, Cwm Taf Local Health Board</p>
Committee Staff:	<p>Llinos Madeley (Clerk)</p> <p>Rhys Morgan (Deputy Clerk)</p> <p>Dr Paul Worthington (Researcher)</p>

1 Introductions, apologies and substitutions

1.1 Apologies were received from Darren Millar and Kirsty Williams.

Transcript

View the [meeting transcript](#).

2 Follow-up inquiry into the performance of Ambulance Services in Wales: evidence session 1

2.1 The witnesses responded to questions from Members.

2.2 Alun Davies declared the following relevant interest under Standing Order 17.24A:

- He is a member of UNISON Cymru Wales.

2.2 Darron Dupre and Lisa Turnbull both agreed to provide the Committee with staff survey data.

3 Follow-up inquiry into the performance of Ambulance Services in Wales: evidence session 2

3.1 The witnesses responded to questions from Members.

4 Follow-up inquiry into the performance of Ambulance Services in Wales: evidence session 3

4.1 The witnesses responded to questions from Members.

5 Follow-up inquiry into the performance of Ambulance Services in Wales: evidence session 4

5.1 The witnesses responded to questions from Members.

5.2 Tracy Myhill agreed to provide the Committee with performance data against targets for October 2015, broken down by local authority area.

6 Papers to note

6.1 Minutes of the meetings held on 19 and 25 November 2015

6.1a The Committee noted the minutes.

6.2 Fourth Assembly Finance Committee Legacy: correspondence from the Finance Committee

6.2a The Committee noted the correspondence.

6.3 P-04-532 Improving specialised neuromuscular services in Wales: correspondence from the Petitions Committee

6.3a The Committee noted the correspondence.

7 Motion under Standing Order 17.42(vi) and (ix) to resolve to exclude the public from the remainder of this meeting

7.1 The motion was agreed.

7.2 The Chair also proposed in accordance with Standing Order 17.42(vi) to resolve to exclude the public from item 1 of the meeting on 14 January 2016. This was agreed.

8 Follow-up inquiry into the performance of Ambulance Services in Wales: consideration of evidence

8.1 The Committee considered the evidence received.

9 Fourth Assembly Committee Legacy: consideration of Finance Committee's legacy consultation

9.1 The Committee considered the correspondence received and agreed to respond to the Finance Committee's consultation.

10 The Committee's forward work programme

10.1 The Committee noted its forward work programme.

Mark Drakeford AC / AM
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-P/MD/1451/15

Ann Jones AM
Chair
Children, Young People and Education Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

4 January 2016

Dear Ann,

Thank you for your letter dated 9 December regarding future funding for Child Contact Centres in Wales.

CAFCASS Cymru funds child contact services in Wales in respect of CAFCASS Cymru referrals made within the family court system.

Changes to legal aid introduced by the UK Government in April 2013, combined with the introduction of the Child Arrangements Programme in April 2014, has seen a reduction of more than 60% in the number of CAFCASS Cymru referrals to child contact centres in Wales during 2014-15 compared to 2013-14. There was also a 26% reduction in the number of private law applications heard by the family court in 2014-15.

In view of this significant reduction, in March 2015 CAFCASS Cymru met with the National Association of Child Contact Centres, in its role as the network manager for child contact services in Wales, and all current providers to discuss a proposed review of funding arrangements. It was explained funding levels would not be continued at the same level unless workloads resulting from CAFCASS Cymru referrals increased significantly. All providers were strongly encouraged to consider sustainability options beyond a reliance on Government funding.

There has been a very limited recovery in CAFCASS Cymru referrals to child contact providers in the first half of 2015-16, but the numbers are still very low compared to previous years.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

English Enquiry Line 0300 0603300
Llinell Ymholiadau Cymraeg 0300 0604400
Correspondence.Mark.Drakeford@wales.gsi.gov.uk

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I recently approved recommendations for future funding arrangements for referrals made by CAF/CASS Cymru to child contact services in Wales which enable CAF/CASS Cymru to continue to support existing providers in the work they do, but is more equitable in its distribution and more reflective of work undertaken.

I recognise the impact the original funding proposals CAF/CASS Cymru discussed with providers would have had on child contact services as a result of the significant drop in CAF/CASS Cymru referrals, reflective of wider family justice changes. To ameliorate this, providers currently in receipt of funding who will receive less under the new funding formula will receive an additional one-off transitional arrangement fee of £2,000 in 2016-17. CAF/CASS Cymru has written to contact service providers to outline the details.

I trust this additional transitional arrangement fee will minimise the impact of reduced funding on providers and will allow for a smoother transition. It will also give providers extra time to consider sustainability options beyond a reliance on government funding, which will be crucial if CAF/CASS Cymru referral numbers continue to be low.

In response to the issues raised about financial funding to support contact centres for work with families outside the Family Court system, I understand there is currently no funding provided to contact centres other than that from CAF/CASS Cymru. As you will be aware, Welsh Ministers have to operate within the restrictions of the funding provided to the Welsh Government by the UK Government which has reduced funding to Wales by 10% over the lifetime of the fourth Assembly.

Thank you for writing to me about this matter.

Best wishes,

Mark

Mark Drakeford AC / AM

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

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Agenda Item 9

By virtue of paragraph(s) ix of Standing Order 17.42

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