

Health and Social Care Committee
Date: 17 October 2013
Venue: Committee Room1 – Senedd
Title: Scrutiny of Draft Budget

Purpose

The Committee's Chair wrote to both the Minister for Health and Social Services and the Deputy Minister for Social Services on 8 August 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 the 8 October 2013. This paper provides information for the Health & Social Care Committee on the Health and Social Services Main Expenditure Group (MEG) future budget proposals for 2014-15 and indicative plans for 2015-16.

Budget Overview

	2014-15	2015-16
Revenue	£m	£m
DEL Baseline as @ Final Budget 2012	5955.7	5955.7
MEG Allocation	180.0	240.0
MEG to MEG Transfers	(38.5)	(43.5)
Transfer to Other Government Department	(0.6)	(0.6)
Baseline Adjustments		17.0
Revised DEL as @ Draft Budget 2013	6096.6	6168.6
Capital		
DEL Baseline as @ Final Budget 2012	239.5	219.5
MEG Allocation	42.5	15.0
Revised DEL	282.0	234.5
Overall Total HSSC MEG	6378.6	6403.1

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

Changes over Current Financial year

The proposed changes for 2014-15 when compared to the current financial year and the indicative plans as published at Final Budget November 2012 are as follows:

	2013-14 as @ June Supplementary Budget 2013	Indicative Plans 2014-15	Proposed Budget 2014-15	Change from Supplementary Budget	Changes from Indicative Budget
Revenue	5940.5	5955.7	6096.6	156.1	140.9
Capital	241.7	239.5	282.0	40.3	42.5
Total	6182.2	6195.2	6378.6	196.4	183.4

Changes from the 2013-14 budget as published in the June 2013 Supplementary budget are summarised below:

Revenue:

- **£180.0 million** additional investment in line with Welsh Government's priority to support the NHS in Wales
- **£(32.9) million** transfer to the Local Government MEG in respect of funding for Learning Disabilities grant into the RSG settlement.
- **£(3.2) million** transfer to the Local Government MEG in respect of funding for First Steps Package into the RSG settlement
- **£(2.4) million** transfer to the Central Services Administration MEG in respect of repayment of Invest to save Schemes
- **£27.3 million** within the 2014-15 baseline as agreed at Final Budget November 2012 in respect primarily of funding to transfer to the RSG settlement
- **£(0.6) million** to Department of Health in respect of our contribution to the National Institute for Biological Standards and Controls
- **£(12.2) million** in respect of a baseline adjustment

Capital:

- **£42.5 million** additional capital, comprising £19.5m for the Health Technology Fund and £23m to support priorities in the Wales Infrastructure Investment Plan.
- **£(2.1) million** non recurrent funding in respect of Glanrhyd Low Secure Mental Health Unit and Cylch Caron

Changes over 2012 Final Budget Plans

Changes from the indicative plans for 2014-15 published at Final Budget November 2012 are as follows:

Revenue:

- **£180.0 million** additional investment in line with Welsh Government's priority to support the NHS in Wales.
- **£(32.9) million** transfer to the Local Government MEG in respect of funding for Learning Disabilities grant into the RSG settlement.
- **£(3.2) million** transfer to the Local Government MEG in respect of funding for First Steps Package into the RSG settlement
- **£(2.4) million** transfer to the Central Services Administration MEG in respect of repayment of Invest to save Schemes
- **£(0.6) million** to Department of Health in respect of our contribution to the National Institute for Biological Standards and Controls

Capital:

- **£ 42.5 million** settlement comprising £19.5m for the Health Technology Fund and £23m to support priorities in the Wales Infrastructure Investment Plan.

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

Approach to Budget Proposals

The Welsh Government's aims and priorities for health and social services are set out in Together for Health, Sustainable Social Services and the Programme for Government. The decisions taken by Government around budgets are made in support of the aspirations set out in those documents.

NHS

The NHS is wider than just the management of ill health. It provides the foundation for other interventions aimed at improving health outcomes for the people of Wales. Our commitments for the NHS are centred around ensuring the quality and safety of services is sustained, maintaining access to services and patient experiences and preventing poor health and reducing health inequalities for all. We have seen some tangible improvements in the efficiency and effectiveness of the NHS, despite the challenging financial climate. However, rising levels of demand and pressures are increasing the scale of the challenge the NHS is facing.

When we published our response to the Francis Report in July, we set out our intention to undertake a review into the NHS budget. It has provided an opportunity to examine the health service with a critical eye and ensure it is in the best shape to deliver the safe, compassionate care patients deserve.

The focus of the review has been to ensure it reflects the lessons to be learned from the Francis Review Report, that it acknowledges the additional burdens that face the health service and to ensure that there is a proper match between the quality of care and patient safety issues and the budgets that support them. The outcome of this work has informed our budget proposals and that is why we are providing additional funding of £180m in 2014-15 and £240m in 2015-16, to support the NHS in Wales.

While the increase in funding will help the NHS respond to the challenges being faced by health services across the UK and wider it will not by any means relieve all pressures that the NHS faces. That is why we are continuing to drive change in the NHS, to explore all opportunities to identify efficiency savings and to manage our costs in order to deliver safe and sustainable services against the backdrop of repeated reduction in the Welsh Government's budget.

Delivery of Sustainable Social Services

For social services, we continue to focus our work on delivering the commitments laid out in Sustainable Social Services and the Programme for Government. Whilst this budget does not directly fund social care across Wales, it does support the policy transformation required. This includes a major Welsh Government Bill (the Social services and Well-being (Wales) Bill) and the publication of a White Paper on Regulation and Inspection. A key element of both the Bill and the White Paper will be the associated transitional costs for providers and the workforce.

We know that transformation must be a priority for social services and this includes developing much greater focus on integration of health and social services in critical areas. Without such a transformation, services will not be sustainable over coming years. We expect to see much more change and innovation in the way social services and their partners co-produce new solutions with citizens and communities, in order to protect and sustain in the community those most in need of support.

The Social Services element of the MEG provides funding for a number of key areas. The budget provides significant support to the voluntary sector in Wales. Through the Family Fund Trust, Children and Families Organisation Grant, Section 64 scheme, we contribute £7.3 million directly to the third sector. These grants support both projects and capacity within the sector, enabling it to meet the expectations of Sustainable Social Services. In addition funding is utilized to support the regulation and training of the social care workforce (Care Council for Wales £10m and Social Care Workforce Development Grant £8.2m), to help deliver new safeguarding arrangements and to support improvement within the sector.

NHS Capital Programme

We are allocating additional capital of £58m, £43m in 2014-15 and £15m in 2015-16, to support a number of health projects. This is made up of £38m, in line with the priorities set out in Wales Infrastructure Investment Plan and £20m in 2014-15 in respect of the Health Technologies Fund.

In respect of 2014-15, £23 million is associated with the following investment schemes:

- **£3 million - Abertawe Bro Morgannwg University Health Board– Health Vision Swansea.** This phase of the redevelopment aims to replace the obsolete buildings on the Murrison Hospital site which provide clinical services and which are beyond their useful life, enabling greater efficiency in service provision.
- **£5 million - Betsi Cadwaladr University Health Board - Redevelopment at Ysbyty Glan Clwyd.** The continued redevelopment and refurbishment of Ysbyty Glan Clwyd will enable the Health Board to redesign and relocate a number of departments and services, allowing the hospital to improve the quality of care.
- **£10 million - Cardiff & Vale University Health Board - Adult Mental Health Unit at Llandough.** This development will support the earlier delivery of improved facilities and services for people with mental illness in South Wales. The scheme will improve the quality, safety and effectiveness of in-patient care through a purpose designed facility at Llandough hospital.
- **£5 million - Cardiff & Vale University Health Board.** This is the final phase of a scheme to provide a centre of excellence for children's hospital services which will provide local services to meet the needs of the population across South Wales and beyond.

Areas of Interest as detailed in the Letter from the Committee Chair.

Programme for Government Commitments

21st Century Healthcare

Improving access to GP services for working people is one of the *Five for a Fairer Future* commitments and will be delivered within an on-going investment of **£450m** in General Medical Services. A staged approach has been developed to ensure successful delivery of this commitment.

The first phase, delivered during 2012-13, focussed on ensuring adequate capacity and appropriate distribution of appointments within contracted hours between 8.00am and 6.30pm to meet the needs of working people. There are no additional cost implications associated with the first phase.

The second phase, for delivery during 2013-14, relates to extending the availability of planned appointments outside contracted hours and focuses primarily on additional later evening appointments after 6.30pm or early morning appointments as required to meet the reasonable needs of patients. The current estimated costs for increasing the number of practices offering the extended opening Directed Enhanced Service on one or two evenings a week to 30% of practices in 2013-14 and 50% of practices in 2015-16 is approximately £1.8m and £3.1m respectively. The intention is to deliver this second phase within existing budgets by reviewing the current Health Boards spend on existing enhanced services and realigning this with key priorities such as GP access.

Further work has been commissioned to develop an innovative model for access to GP services at the weekend, with access to planned appointments on the weekend expected to commence during 2014-15.

The **Common Ailments Scheme** will see investment of **£0.5m** in 2014-15. The scheme aims to improve access to treatment by encouraging patients to use their local pharmacy for advice and treatment on a range of common complaints rather than going to their GP. This will speed up access and by releasing GP time, improve access for patients suffering with more complex conditions. The initiative has been launched in parts of Rhondda Cynon Taf and North West Wales in October 2013. A robust evaluation will inform decisions on a national Common Ailments Service. Available research suggests that families with young children are high users of common ailments services. We aim to explore the extent to which it supports families and measure the impact of that support through the evaluation.

The 50+ health checks programme – The overall aim of this programme is to make a positive contribution to improving health and wellbeing for people aged over 50, by providing high quality information and advice, promoting and enabling behaviour change where appropriate and facilitating access to relevant services and sources of support. Provision of **£0.6m** for 2014-15 has been made available to support activity across all the programme components as we move into full national implementation. Dedicated staff resource is also funded in Public Health Wales to lead on the development and coordination of the programme and its four components.

The programme comprises a holistic online self assessment, which individuals will complete to get personally tailored feedback on a range of specific lifestyle and wellbeing issues. Supported by telephone and community based health professionals to maximise participation, this approach will be field tested and evaluated from the outset, with the findings used to inform the on-going development of the programme, and to seek potential opportunities to integrate with other relevant ICT programmes.

Public Health Wales is leading on the development of the overall programme, which has included securing appropriate input from professionals, stakeholders and potential service users in the design and development phase. Phased implementation is scheduled to begin in late 2013, beginning with initial field testing in ten Communities First cluster areas. Promotion and targeted community support will then be gradually phased in, prior to full national implementation in 2014.

Design to Smile

Our 'Designed to Smile' programme will see a continued investment of **£3.7m** in 2014-15. This funding is within the recurrent ring fenced dental allocation in the Delivery of Core NHS Services Action. The programme is operating in deprived areas across the whole of Wales. The programme currently involves 1,211 nurseries and schools across Wales. In total, 78,350 children participate in the daily brushing programme (43.2% of all children from nursery to Year 2 in Wales). The 2011/12 dental survey of 5 year old children shows a 6% decrease in the proportion of children with experience of dental decay in Wales (47.6% in 2007/08 falling to 41.4%). Dental disease levels in children are improving in Wales across all social groups. There is no evidence of widening inequalities. This is in contrast with previous surveys when improved decay levels were associated with widening inequality.

Substance Misuse

We are continuing to invest **£50m** annually to support "*Working Together to Reduce Harm*", our 10 year Strategy for tackling the harm associated with the misuse of drugs, alcohol and other substance in Wales. The Strategy is supported by a three year Substance Misuse Delivery Plan (2013-15), published in February 2013. The Strategy and associated Delivery Plan will deliver on the related Programme for Government commitments, such as reducing the numbers of drug and alcohol related deaths in Wales, tackling the harm caused by drug and alcohol misuse and improving treatment outcomes for substance misuse. We will continue to monitor our progress against the outcomes we want to see achieved through our substance misuse investment through the governance arrangements we have established to drive delivery and the Programme for Government Annual report.

Palliative Care

We are continuing to provide total funding of **£6.6m** in 2014-15 for palliative care. £3.9m for Local Health Boards to provide for clinical sessions, community pharmacy, clinical nurse specialist posts, specialist paediatric posts, a post to support transition from Child to Adult services, clerical support and data entry posts. This funding also supports peer review, and two patient and family feedback mechanisms known as Dying Well Matters and iWantGreatCare. £2.5m for Hospices for the provision of specialist palliative care services, for example to ensure a 24/7 rota of specialist

palliative care advice is in place, to support specialist nursing, to fund consultant sessions and to provide data entry clerks to ensure robust information processes are in place. £0.2m is provided to Cruse to provide a children and young adults bereavement service.

NHS Direct 111 Service

Our commitment is to *Build on the success of NHS Direct, and offer a single number for accessing out-of-hours health care in Wales, linked in to the local out-of-hours services*. The intention is to achieve this through the introduction of the free to call 111 number that has been allocated by Ofcom for urgent (but non emergency) healthcare needs. Policy regarding this is currently being developed; this will include costs but these have not been determined at present.

Wet AMD

We are continuing to provide funding of **£10.8m** in 2014-15 for treatment of Wet AMD using the drug Lucentis. As new drugs become available with the potential for more effective treatment and at reduced cost, these will be evaluated by the National Institute for Clinical Excellence (NICE) and the All Wales Medicine Strategy Group (AWMSG).

Eye care

Funding of **£3.1m** is provided for eye care services in Wales. This funding is used to preserve sight through the early detection of eye disease and to provide help to those who have visual impairment for which further treatment is not appropriate

Social Services

In terms of Social Services the Programme for Government (PfG), building on Sustainable Social Services: A Framework for Action fully captures our policy priorities until 2016 and the budget and other resources have been fully re-orientated to deliver the commitments. Budget provision of **£46m** in 2014-15 and **£73m** in 2015-16 has been maintained and reflects the costs to deliver our contribution to the PfG commitments. It should be noted, however, that the successful delivery of many of these commitments is a shared objective across ministerial portfolios, including Tackling Poverty and Communities and Local Government.

The Social Services budget will rise by **£27m** in 2015-16 with the transfer in, from UK Government as part the Welfare reform programme, of the funding for the Independent Living Fund (ILF). This represents the cost of supporting the estimated 1,509 ILF recipients in Wales at 31 March 2015. We will shortly be launching a consultation to seek views on what arrangements the Welsh Government should put in place to support recipients of the Independent Living Fund (ILF) in Wales after it closes. Welsh Ministers intend to make a decision in the spring of 2014, so that new arrangements are in place from 1 April 2015.

For Social Services, the Programme budget as laid out is considered adequate to deliver the commitments of the PfG. However, the overwhelming majority of costs associated with the delivery of social services are through the Revenue Support Grant (RSG) to local authorities. The social service programme budget within the Department for Health and Social Services represents less than 4% of the total budget for the sector through the RSG.

In Social Services, the delivery of commitments is monitored through a strategic five-year approach, the Sustainable Social Services Programme. This cross-cutting framework incorporates all of our Programme for Government commitments and a monthly report is provided to the Deputy Minister and Minister regarding progress. Alongside this approach, an annual report on the outcomes associated with the PfG is produced for the Department.

Some of the Welsh Government's specific commitments in social services are delivered with dedicated funding through the MEG:

A budget of **£1m** is provided to support the delivery of the **Older Persons' Strategy** that was refreshed in 2013. **£1.1m** is set aside for the recently refreshed **Carers' Strategy**. From the Services for Children BEL **£5.6m** will provide specific budgetary support for PfG commitments in the areas of a **National Adoption Service, Safeguarding and Integrated Family Support Services**.

Equality Impact Assessments

In setting the budgets for 2014-15, consideration of equality impacts has been given to all of the protected groups in Wales throughout and has assisted in our decision making process. Through its internal business planning process the Department for Health & Social Services ensures that our priorities – as set out in the Programme for Government – can be delivered effectively and within budget.

You have asked about the link between spend and the outcomes associated with our PfG commitments this is reported upon annually through the Programme for Government Annual Report each Spring.

Provision for Legislation

We have carefully considered the cost implications of our legislative programme.

The Human Transplantation (Wales) Act received Royal Assent in September 2013. The overall cost of implementing the legislation will be approximately £7.5m over 10 years however this is more than offset by the savings made from transplanted patients not having their conditions managed medically. We have allocated **£1.9m** in 2014-15 and **£2.8m** in 2015-16 within the Delivery of Targeted NHS Services Action to support implementation of the Bill.

The Social Services and Well-being (Wales) Bill is currently undergoing scrutiny by the National Assembly for Wales. As set out in the Regulatory Impact Assessment, the system wide impact of the Bill is expected to be cost neutral over the long term and when taking into consideration anticipated benefits. However, some areas of one off transitional costs have been identified and these include training, dissemination of information and costs to the Welsh Government of implementing the changes. **£2.1m** has been provided to support the transformation costs associated with Sustainable Social Services, which will include support to enable local and regional delivery of the transition arrangements.

The National Health Service Finance (Wales) Bill was introduced into the National Assembly on 30 September 2013. The aim of this Bill is to provide increased flexibility to Local Health Boards to break even over a rolling three financial years. Additional costs associated directly with the introduction of the Bill are estimated to be £0.121m. This primarily relates to additional audit fees charged by the Wales Audit Office. A clear framework of financial controls and accountability are contained within the planning and escalation process which supports the Bill. This will see a requirement for more rigorous scrutiny of the Local Health Board plans by the Welsh Government in order to gain assurance as to their robustness and deliverability and thus approve any adjustments to finance resource limits.

Mental Health (Wales) Measure 2010

In line with the Mental Health (Wales) Measure 2010 (the Measure) Explanatory Memorandum / Regulatory Impact Assessment of 2010, **£5.5m** is being provided to support the provision of services under Part 1- Local Primary Mental Health Support Services and Independent Mental Health Advocacy under Part 4 of the Measure. This funding transferred into the core NHS revenue allocation in 2013-14 and is included in the Mental Health ring-fenced allocation.

The Duty to Review the Measure will report on the use of these services and **£0.1m** is being invested in the commissioning of independent research to support the review. **£0.3m** was also provided, as part of the planned implementation spend, to support the development and dissemination of the Care and Treatment planning learning resources by the University of Lincoln.

NHS Redress (Wales) Measure 2008

The National Health Service (Concerns, Complaints and Redress Arrangements) (Wales) came into force on 1 April 2011. Monies have been allocated since 2010 to provide for the financial implications associated with NHS redress arrangements made under these regulations.

For 2010-2011, £1.8m was allocated based upon the cost for implementing the arrangements, which included providing training for NHS staff, producing guidance and public communication documents. For 2011-2012 the budget increased to £2.2m. The assumption being with the introduction of the redress arrangements and increased awareness of the public cost associated with redress costs for the NHS would increase.

Future budgets have been allocated on the basis of costs incurred from previous years. £1.3m was allocated for both 2012-2013 and 2013-2014. For 2014 – 2015, **£1.3m** has been allocated, however this may be subject to review depending on the final costs for 2013 – 2014.

Food Hygiene Rating Wales Act 2013 – The Act will require food authorities to inspect and produce food hygiene ratings for food business establishments in their area, using criteria published by the Food Standards Agency (FSA). The operator of an establishment that has been rated will be provided with a sticker (or stickers) showing their food hygiene rating which they will be required to display at their establishment. This will enable consumers to make informed choices of where to eat

or buy food. Provision of **£0.1m** has been made available in 2014-15 to implement this Bill.

Public Health Bill

I have asked officials to explore potential for developing legislative proposals in a number of public health policy areas, and further information will be available at the appropriate stage. Consideration of the financial implications of individual proposals will form an important part of this developmental work. Any developmental work requiring expenditure during the 2014-15 financial year will need to be met from existing budgets and will take account of guidance relating to legitimate costs for developing policy and legislation.

Cosmetic Piercing Bill

Officials are exploring the legislative options for cosmetic piercing. There would be some minor financial implications for local authorities who will be required to enforce the new legislation. These costs would be minimal as local authorities will be able to enforce the new legislation as part of their existing programmed routine inspections of cosmetic piercers. There may be a small additional burden if they are required to investigate individual complaints of underage piercing. It is anticipated at this time, that these costs will be absorbed by local authorities within existing resources. There are also costs to the Welsh Government in developing the policy and engaging stakeholders and in drafting the legislation and taking it through the legislative processes. These costs will be covered from within existing funding.

Regulation and Inspection Bill

Funding of **£0.3m** has been identified for engagement surrounding the Regulation and Inspection Bill during 2013-14 within the budget allocated to support the delivery of the Sustainable Social Services change programme. There will be engagement activity undertaken during 2014-15 relating to the Bill costs which will be met from within existing budgets.

UK Government Legislation

DHSS Policy Officials monitor UK legislation and are engaged with Whitehall colleagues on the 6 UK Bills before Parliament, 3 UK Draft Bills, and 16 Private Member Bills that are considered to have possible policy implications for Health and Social Services in Wales – these include:

- the Care Bill,
- Children and Families Bill,
- Prisons (Drug Testing) Bill and
- Bills relating to driving under the influence of drink or drugs.

Until the final Bill provisions affecting Wales are known it is not possible to identify firm financial implications. The key aim of Policy Officials 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.

Preventative Spend - Health

Within the Health and Social Services MEG, many budgets are aimed at prevention spending e.g. mental health/wellbeing and substance misuse. There are a number

of specific budgets which focus on preventing problems and easing future demand on services.

Public Health Campaign – Change4Life

Funding of **£0.3m** has been agreed for 2014-15 to take forward the Change4Life programme. Spend on Change4Life covers obesity and alcohol misuse and has over 76,000 people signed up to receive information.

Together for Health, the 5 year vision for the NHS in Wales set out a renewed focus on prevention. This built on Our Healthy Future, Wales' public health strategic framework, which recognised the need for health and social services to place greater emphasis on prevention and early intervention and, where appropriate, for individuals to take more responsibility for their own health and wellbeing and that of their families.

In line with this strategic approach, we have established a comprehensive set of interlocking initiatives aimed at promoting and protecting health through life and enabling people to make the most of their lives. These initiatives are subject to constant refinement and retuning as needs, opportunities and behaviour change. This is evidenced by the review of health improvement programmes conducted by Public Health Wales. In addition, we seek to supplement our initiatives with new approaches where evidence supports this.

Our initiatives also contribute to broader Welsh Government agendas, in particular tackling poverty (including action to reduce teenage pregnancy), promoting growth and jobs (including Healthy Working Wales) and giving children a good start in life (including immunisation programmes).

A significant proportion of the prevention spending funds the Sponsorship of Public Health Bodies. This provides the core funding allocation for Public Health Wales and some limited funding for specialist services provided by Public Health England.

Public Health Wales delivers a range of public health services that cover health improvement and protection, public health intelligence and research, and national population screening programmes for the people of Wales. As such, Public Health Wales has a key role to play in supporting the delivery of many of the actions in relation to improving public health and reducing inequalities in healthy life expectancy.

Screening programmes are important public health initiatives as they allow for the early detection and treatment of potential health problems, they are offered to all eligible populations in Wales. Approximately 45% of the core budget for Public Health Wales is spent on screening services (this equates to approximately **£34.5m** in 2013-14). Approximate costs are provided as PHW's core funding is not ring-fenced, allowing the organisation flexibility to allocate resources according to need. Key highlights:

- In December 2012, Breast Test Wales became the first breast screening service in the UK to become fully digital, providing an improved breast

screening experience and service to women in Wales.

- It was also very pleasing that in June 2013, parents of newborns were offered screening for Sickle Cell Disorders for the first time as part of the Newborn Bloodspot Screening programme.
- In May 2013, the Abdominal Aortic Aneurysm (AAA) screening programme was launched. The Wales Abdominal Aortic Aneurysm (AAA) Screening programme offers abdominal aortic aneurysm screening to 65 year old men living in Wales. It is the first screening programme in Wales specifically for men.
- Policy changes to the cervical screening programme were implemented in September 2013. From this date, women will be invited for screening from age 25 (rather than 20) and women aged 50+ invited for screening every 5 years (previously 3 years). These policy changes are a service improvement and based on the latest available evidence, which suggests screening women aged 20-24 may cause more harm than good, and that 5 yearly screening for women aged 50+ offers the same level of protection as screening on a 3 yearly basis.
- The newborn hearing screening programme continues to provide an excellent level of service. At the end of 2012-13 99.6% eligible babies entered the programme and 100% of those completed it. Uptake rates for the cervical and bowel cancer screening programmes have not been as good as they could be. Raising the cervical screening starting age to 25 years in autumn 2013 is expected to impact positively on uptake rates.

The national screening programmes form a part of Public Health Wales' quality and delivery framework which will be reported on at quarterly quality and delivery meetings and at the internal delivery board. The programmes are reported on at bi-annual Joint Executive Team meetings. In terms of value for money, screening programmes are a key topic in the Wales Audit Office's annual review of PHW. The most recent review specifically featured arrangements for securing efficiency, effectiveness and economy in the use of resources

Healthy Working Wales has funding of **£0.2m** - Helping people get and keep work is good for their health and there are a number of programmes aiming to help here. The Healthy Working Wales programme is under continued development and recent key actions include:

- the provision of advice and support to a range of employers across all sectors to improve health and well being at work;
- the integration and rationalisation of existing websites;
- the development of web based advice to support individuals who are in work with a health problem;
- providing training which is accredited and delivered by the RCGP, to support GPs with the fit note and the fitness for work consultation.

The next stage is to explore opportunities to use the Healthy Working Wales programme and existing related ESF projects, to develop a strategic bid for ESF in 2014. The vision is an integrated service, providing support to help retain people in work with a health problem; return people to work who are currently on sickness absence; and to support people who are out of work with a health problem, to return to work.

Inverse Care Law Programme - The Inverse Care Law Programme is supporting more rapid progress in two areas (one in Aneurin Bevan and the other in Cwm Taf), where socio-economic challenges are particularly marked. This work will test innovative models of primary and community services to ensure that more rapid progress is made to reduce inequity. The Boards are undertaking detailed local analyses at present with an initial focus on the management of cardiovascular disease.

Tobacco Control Action Plan/Tobacco Control Delivery Plan

Funding of **£1.0m** within the Promote Health Improvement & Healthy Working Action covers Welsh Government-funded media campaigns, grant funding to ASH Wales and the development of legislation. In addition, Public Health Wales and LHBs fund smoking prevention and cessation services.

We have recently introduced a Tier 1 target for LHBs on smoking cessation. They now have to demonstrate that 5% of their smoking population have made a quit attempt using a stop smoking service, and that 40% of them have successfully quit after 4 weeks.

There is money within Public Health Wales' core budget to run Stop Smoking Wales, the national smoking cessation service. PHW is also running pilot work on smoking in pregnancy in order to identify most effective practice in helping pregnant smokers to give up. Pharmacy services also offer a smoking cessation service.

The ASSIST programme is being rolled out to secondary schools in Wales. This is an evidence-based programme to discourage young people from taking up smoking, and again comes from the Public Health Wales core budget.

For these reasons, reducing smoking prevalence and exposure to second-hand smoke is a priority of *Our Healthy Future*, the public health strategic framework for Wales; and in *Fairer Health Outcomes for All* which sets out the Welsh Government's strategy for reducing health inequities. It also contributes to other strategies, e.g. the maternity services strategy and our new eye care plan.

The Tobacco Control Delivery Board meets quarterly. Its role is to drive forward, support and oversee the progress of the Tobacco Control Delivery Plan, which sets out the responsibilities and timescales for each action within the Tobacco Control Action Plan for Wales.

Smoking cessation attempts will be monitored half-yearly via the Tier 1 targets for Health Boards. Success in reducing adult smoking levels is measured via the Welsh Health Survey which reports annually. Smoking amongst 11-15 year-olds is measured 4-yearly via the Health Behaviour in School-aged Children study.

Individual items in the plan are evaluated separately as appropriate, e.g. the Fresh Start Wales smoking in cars campaign.

Together for Health Cancer Delivery Plan

There is no specific budget allocated to the Cancer Delivery Plan or for any service specific delivery plan. The Plans provide a focus for LHBs and Trusts to make decisions about the services they provide. Funding of **£0.4m** within the Delivery of Targeted NHS Services Action covers the administrative costs of the plans and a number of small specific projects. For example, £25k matched funding of the All Wales Cancer Patient Experience Survey

The Cancer Delivery Plan is not about new resources but about focussing activity on improving patient outcomes. The actions set out in the plan focus in particular on prevention and early diagnosis. For example activity to drive down smoking has already been provided in this document; the plan reinforces these messages

Published in June 2012 the Delivery Plan highlights what is expected from NHS cancer care by 2016. The document is deliberately short to provide focus on high impact areas. It sets out the outcomes we expect to see and a series of performance measures to monitor progress in delivering improved outcomes. The Delivery Plan sets out action to improve outcomes in 5 key areas: preventing cancer; detecting cancer quickly, delivering fast, effective treatment and care; meeting people's needs; and caring at the end of life. Outcomes in these areas are supported by actions to improve information and target research.

50 people are diagnosed with Cancer every day in Wales and around 17,000 on an annual basis. A higher proportion of people die from cancer in Wales as compared to the rest of the UK. The age standardised cancer mortality rate in Wales is 183 deaths per 100,000 population compared to 176 deaths per 100,000 population in the UK. In 2011-2012 cancer accounted for 6.6% of all NHS expenditure in Wales, £356.8 million. It is therefore appropriate that we set out a clear focus for LHBs and Trusts on the prevention of cancer.

An annual report was produced in December 2012 and a further report will be published this year. In this way we will monitor progress against the plan. The transparent publication of data and LHB and Trust plans will also allow those with an interest in cancer to assess progress and provide challenge.

Vaccination and immunisation programmes

Funding of **£7.6m** is provided for these programmes in 2014-15 and is contained **within** the Promote Healthy Improvement & Working Action for immunisation as well as funding provided through Local Health Boards annual allocations. In addition to the current programmes, the Joint Committee on Vaccination and Immunisation (JCVI) has recommended a series of changes to the national vaccination and immunisation programmes e.g.

- **Meningitis C:** From June 2013, changes have been made to the current schedule for administering the MenC vaccine. The second priming dose currently given at four months has been discontinued and replaced by a booster dose given in adolescence.

- **Rotavirus:** From July 2013, the introduction into the childhood immunisation schedule of a vaccine to protect babies against rotavirus.
- **Shingles:** From September 2013, the introduction of a routine shingles vaccination programme for people aged 70 years and a “catch up” programme for people aged 71 to 79 years. The “catch up” is being phased due to vaccine availability and will begin with people aged 79 years.
- **Childhood Flu:** In autumn 2013, the flu immunisation programme will be extended to include children at 2 and 3 years of age and children in school year 7 using a nasal spray vaccine. This is the first step of the phased introduction over a number of years of immunisation against flu for all children aged two to 16 years.

The final costs of the programmes will depend on the level of uptake. The Welsh Government is committed to funding the full implementation

KALYDECO

In May of this year I gave approval for the use of Kalydeco, an innovative, transformational oral treatment for cystic fibrosis. There are currently 13 patients eligible for treatment in Wales at a cost of £0.180m per patient per year.

Preventative Spend and Social Services

Within Social Services our policy approach is based on the well-being of people. The well-being definitions and the overarching duties are about promoting the well-being of people and that is fundamentally about preventing problems. If positive well-being outcomes are delivered this will remove or delay the need for services. The Social Services programme portfolio encompasses a range of activities that both meet identified need and are aimed at reducing future demand for services.

Many specific preventative initiatives carried out within the sector, such as reablement, are funded through the Revenue Support Grant to local authorities, or specific grants such as Invest to Save or Supporting People. The Department supports these developments through its leadership and programme approaches, but does not directly fund them.

The **Integrated Family Support Services (IFSS)** is a statutory scheme to help some of the most vulnerable children and families in Wales. Services focus on families where parents have particular and challenging problems that affect the welfare of their children. IFSS teams started work on 1st September 2010 and by 2014 will operate across Wales. We have made significant financial and other investment in building capacity and skills not just those of the IFSS teams themselves, but training professionals and others across their partnership in key techniques. These techniques help the professionals to better engage families and to embrace the ethos of working with the families strengths to empower them to effect changes in their lives. In 2013-14, when IFSS is fully rolled out, over **£4.5m** will be made available to local authorities (who must agree expenditure with their LHB partners). Funding profiles will be agreed through the regional statutory IFSS Boards, to support a minimum of 10 statutory IFS team across Wales. This funding

level is scheduled to be maintained for the 2014-15 and 2015-16 and is contained within the Children's Social Services Action.

The Social Services Directorate provides significant support to the voluntary sector in Wales. Through the Family Fund Trust, Children and Families Grant and Section 64 scheme, we contribute over £7.3 million directly to the third sector. These grants support both projects and capacity within the sector, often directly aiding the most vulnerable in society. For example:

- The Family Fund Trust, which receives annual funding of **£2.6m** contained within the Children's Social Services Action, provides grants and information in relation to children's care including holidays, transport, household equipment and driving lessons to families of severely disabled children up to the age of 18.
- The Children and Family Organisation Grant (**£1.4m** within the Children's Social Services Action) supports a variety of organisations and initiatives. Examples include money to Voices from Care providing support to Looked after Children and care leavers, and the Fostering Network who support and advise those who act as foster carers across Wales.
- The Section 64 grant scheme (**£3.3m**, within the Adult and Older People Action) supports a large number of third sector organisations helping vulnerable people in Wales including Disability Wales, Mencap Cymru and the Wales Mobility and Driving Assessment Service. An example of the community level support it provides is the funding for a part-time advocacy worker for hearing impaired, through the British Deaf Association.

Additionally through the implementation of the **Autistic Spectrum Disorder Strategic Action Plan**, (**£1.9 million** within the Adult and Older People Action) is provided to support children and adults with autism in Wales. This includes funding for small regional projects delivered at the community level and support for adults with Aspergers Syndrome.

Additionally, the Welsh Government is committed to maintaining its work to safeguard and protect the most vulnerable in society. Our safeguarding budget (£0.7m) which is contained within the Children's Social Services Action supports a variety of initiatives to strengthen arrangements across Wales, in areas such as neglect, child trafficking, child sexual exploitation and child death reviews. Within a flat budget for 2014-15 this work will continue to be extended as we seek to provide an equivalent framework for adult protection, including the implementation of adult practice reviews.

Funding arrangements for Local Health Boards

Within the BEL tables shown at Annex B the Delivery of Core NHS Services budget line shows a budget of £5.3bn for 2013-14. 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 allocation of the draft 2014-15 budget between the various funding streams shown above has not yet been finalised. However, in order to provide the Committee with an indication of how the budget will be distributed, the table below has been reproduced from the 2013-14 allocation.

	Discretionary & Prescribing Allocation	Ring Fenced Allocation	GMS Contract	Pharmacy Contract	Dental Contract	Total
	£m	£m	£m	£m	£m	£m
ABMU HB	614.5	156.7	70.4	28.5	25.4	895.5
AB HB	696.9	127.2	80.7	30.5	25.5	960.8
BCU HB	829.5	182.2	110.5	32.5	25.9	1180.1
C&VUHB	503.5	107.2	60.4	21.6	22.9	715.6
Cwm Taf HB	372.7	79.6	43.1	18.0	10.8	524.2
Hywel Dda HB	440.2	119.5	57.7	20.3	16.2	654.0
Powys HB	152.2	38.8	29.6	4.6	5.3	230.5
Total	3609.5	811.2	452.4	156.0	132.0	5161.0

Review of the Resource Allocation

We pursued the implementation of the 'Townsend' direct needs formula between 2003-04 and 2007-08. During this period we received increases in our budget each year. Funding adjustments were only made to the growth element of the budget that each Health Board received. No further progress has been made since the formation of the 7 integrated Local Health Boards in 2009. This is primarily as a consequence of there being no growth funding.

As part of the work to introduce a new Finance Regime for the NHS, as set out in our strategic document 'Together for Health', a review of the resource allocation is being carried out. The project - includes:

- Developing a resource allocation formula that can be applied both at Local Health Board level and to support further distribution of resources by Health Boards at locality level.
- Ensuring that the needs weighting reflects relevant factors such as demographics and inequalities.

This will be a substantial project that will take some time to fully develop and implement. Consequently the first stage of implementation is unlikely to be before the 2015-16 financial year

Service Reconfiguration

All Health Boards and Trusts are expected to produce and sign off balanced medium term (3 year plans), which demonstrate connectivity between key components of the plan; health needs assessment and prevention, quality and safety, performance, workforce, service change, and finance over a three year period.

In respect of capital, the schemes included in the reconfiguration plans have been reviewed and where agreed plans are in place. These are now being given priority in terms of funding support from the future health capital budget. For example,

within Betsi Cadwaladr UHB funding of **£5m** has recently been approved for major improvements to Tywyn Hospital in Gwynedd. In relation to the South Wales Programme, we are in regular dialogue with NHS organisations to identify and manage investment opportunities as they emerge.

In terms of revenue, as plans become finalised i.e. after the consultation process and the LHBs move onto the implementation phase, then the requirement is for the revenue impact to be captured in the 3 year integrated plans. All reconfiguration plans are expected to plan service change that is sustainable and affordable within the current funding envelope.

Children's Social Services budget

The restructuring of the portfolios across the Welsh Government meant responsibility for Children and Young People moved to the Minister for Communities and Tackling Poverty. This incorporated a number of key policy and funding areas including Flying Start, Families First, Childcare, Play, Children's Rights and the Children's Commissioner. Almost all of these budgets were clearly demarcated and moved across the portfolios without any concern. The only area to require further discussion was the Children and Families Organisational Grant scheme. Which has budget provision within both MEGs. Arrangements have been put in place to ensure synergy across the newly created schemes. The social services budget has not been impacted by the transfer across portfolios.

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

Summary of Changes to ‘Action budget lines’ in 2014-15 when compared to indicative plans published at Final Budget November 2012.

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 £5 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 £350.814 million to this action as a result of the following transfers between Actions:

- **£169.740 million** from Delivery of Targeted NHS Services in respect of the transfer of the Depreciation Budgets
- **£3.720 million** from Support Mental Health Policies and Legislation into the HB revenue allocation, in respect of funding for mental health services including CAMHS
- **£0.321 million** from Delivery of Targeted NHS Services into the HB revenue allocation in respect of funding for Shared Services.
- **£0.100 million** from Delivery of Targeted NHS Services into the HB revenue allocation, in respect of funding for wheelchair services
- **£0.096 million** from Delivery of Targeted NHS Services into the HB revenue allocation, in respect of funding for blood disorders
- **£(1.525) million** to the Delivery of Targeted NHS Services in respect of Wales Eye Care Services
- **£(0.617) million** to the Sponsorship of Public Health Bodies into Public Health Wales Allocation
- **£(1.021) million** to the Delivery of Targeted NHS Services in respect of funding for Shared Services
- **£180.000 million** allocation in recognition of Francis and associated pressures on the NHS

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 £(168.283) million in 2014-15. This is made up of:

Transfers between Actions:

- **£(169.740) million** to the Delivery of Core NHS Services in respect of the Depreciation Budgets
- **£(0.100) million** to Delivery of Core NHS Services in respect of Wheelchair services
- **£(0.321) million** to Delivery of Core NHS Services in respect of Shared Services
- **£(0.096) million** to Delivery of Core NHS Services in respect of Blood Disorders
- **£(0.380) million** to Sponsorship of Public Bodies in respect of funding into Public Health Wales core allocation
- **£(4.037) million** to Sponsorship of Public Bodies in respect of funding into Public Health Wales core allocation
- **£1.525 million** from Delivery of Core NHS Services in respect of WECS
- **£1.021 million** from Delivery of Core NHS Services in respect of Shared Services
- **£6.212 million** from across the MEG in respect of reprioritisation

MEG to MEG Transfers

- **£(2.367) million** to the Central Services & Administration MEG in respect of their repayment of Invest to save projects by the NHS

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. The **net decrease** to this Action is £ (1.995) million in 2014-15. This is made up of:

Transfers between Actions:

- **£0.084 million** from the Sponsorship of Public Bodies in respect of transfer from Public Health Wales
- **£(2.079) million** to the Delivery of Targeted NHS Services in respect of reprioritisation within MEG

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. The **net decrease** to this Action is £ (3.720) million in 2014-15. This is in respect of funding for mental health services including CAMHS into the HB revenue allocation

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 £ (0.434) million in 2014-15 as a result of reprioritisation within MEG

6. Deliver the Substance Misuse Strategy Implementation Plan

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

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 £3.742 million in 2014-15 as is made up as follows:

Transfers between Actions:

- **£4.037 million** from the Delivery of targeted NHS services in respect of transfer of NLIAH services
- **£0.380 million** from the Delivery of targeted NHS services in respect of transfer of Equality Unit
- **£0.617 million** from the Delivery of Core NHS Services in respect of AAA Screening
- **£(0.683) million** to the Delivery of targeted NHS services in respect of reprioritisation of the MEG

UK Government Transfer

- **£(0.609) million** to the Department of Health in respect of our contribution to the National Institute for Biological Studies

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 a **net decrease** of £ (0.200) to this Action as a result of reprioritisation within the MEG.

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 a decrease of £ (0.150) million to this Action as a result of reprioritisation within the MEG.

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** of £ (1.416) million in 2014-15 as a result of the following transfers between Actions:

- **£(1.332) million** to the Delivery of Targeted NHS Services in respect of reprioritisation within MEG
- **£(0.084) million** to the Supported Education & Training of the NHS Workforce in respect of Occupational Health Bursaries

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.

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 a **decrease** of £ (0.900) million as a result of reprioritisation within MEG

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 a **decrease of £0.434 million** as a result of reprioritisation within MEG

14. Children's Social Services

This funds a range of programmes and policy developments to support vulnerable children, including Integrated Family Support Services and work on safeguarding and protection. There is no change to this Action.

15. Adult and Older People

This Action provides funding for the implementation of the Older Persons Strategy and the implementation of the Learning Disability strategy, including the resettlement programme from long stay hospitals. It also funds commitments in the Carers Strategic Action Plan and the Carers Measure. There is a **decrease** of £ (36.106) million to this Action as a result of the following transfers:

MEG to MEG

- **£(32.906) million** to the Local Government and Communities MEG in respect of Learning Disabilities Grant into the Revenue Support Grant
- **£(3.200) million** to the Local Government and Communities MEG in respect of First Steps Package into the Revenue Support Grant

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 (ADSS), Social Services Improvement Agency (SSIA) and Social Care Institute for Excellence (SCIE). There is an **increase** of £0.378 million in 2014-15 as a result of re-directed funding from the Care Council for Wales Action towards supporting training costs associated with the implementation of the Social Services and Well-being (Wales) Bill.

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 a decrease to this Action of £0.378 million in respect of efficiency savings that CCW has made over the last two years. This transfer realigns the published CCW budget with their actual annual allocation. These efficiency savings have been achieved from the running costs of CCW whilst the Social Work Student bursary scheme has been protected.

18. Older People 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 no change to this Action

19. CAFCASS Cymru Programmes

CAFCASS 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 of £42.5 million additional capital funding, £19.5 million for Health Technologies fund and £23 million in line with the priorities set out in Wales Infrastructure Investment Plan.