



Consultation response – Call for information on Welsh Government draft budget proposals for 2017-18

Care Forum Wales welcomes the opportunity to respond to this call for information. We are a membership organisation for Health and Social Care Providers in Wales representing over 450 independent providers who include both private and third sector providers. Our response focuses on the budget impacts on the health and social care sector, which faces particular pressures from the ageing population.

The independent care sector underpins the NHS, is a key partner in delivering the ambition of the Welsh Government's Social Services and Wellbeing (Wales) Act, and binds communities together. The sector cares for 150,000 people and provides almost double the number of hospital beds (23,000). The independent sector employs 75,000 staff which is over 5 per cent of the Welsh workforce within Wales.

We believe that the sector should be treated as a sector of national importance, to protect budgets and encourage recruitment and retention of suitable staff.

In Wales the overwhelming majority of people receiving care services are funded by local authorities and health boards who are having their budgets cut. This has resulted in chronic underfunding over successive years and the cuts have been passed on to providers who do not have the option of passing them along to the customer. Staffing costs account for some 70% of overall costs and the addition of the national living wage and travel time are a significant extra pressure on providers whose margins are already extremely tight. Domiciliary care providers are under further pressure to reduce zero hour contracts without the appropriate level of commissioning. Quite apart from these added pressures having an effect on financial viability, they also affect the ability to recruit and retain staff, which can in turn affect the quality of care and the ongoing viability of the provision. The impact of Brexit is likely to further destabilise the workforce.

As a result of under expenditure we are already seeing more provisions closing than opening and an increase in delayed transfers of care from hospital settings. The sector is facing imminent crisis: the preventative agenda is vital for long term sustainability, but action is needed now. It is difficult to



see how this situation will be helped by the recent announcement that people will be allowed to keep more than double the current capital limit before being assessed - the care sector will become even more reliant on public funding.

Finally, with regard to the preventative agenda, we are aware that the Regional Partnership Boards established under the Social Services Act have been using monies awarded under the Intermediate Care Fund. As indicated above, we support the preventative agenda but our experience is that the private sector is often overlooked as potential partners in delivery and the focus is primarily upon the third sector. More use could be made of the private sector's facilities and expertise to deliver rehabilitation and step down facilities and speed up the flow through NHS.

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