

Finance Committee

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Draft Budget 2011-12 – Further Information from the Minister for Business and Budget

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Chair
Finance Committee
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Cardiff Bay
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17 December 2010

Dear Angela,

Draft Budget 2011-12

Thank you for your letter of 8 December concerning the Draft Budget 2011-12. The letter follows up on a number of issues that were raised at Finance Committee on Monday 6 December.

Taking each of the points raised in your letter in turn:

Business Planning Process

The Welsh Assembly Government is clearly focused on the delivery of outcomes for the citizens of Wales, as set out in One Wales and key Ministerial commitments. Ministers are always looking to improve our understanding of what drives outcomes, what impact our interventions have, and what strategies are needed to improve outcomes.

We recognise that our challenging financial settlement for future years requires us to focus even more intently on how effectively and efficiently we are delivering these outcomes across all Departments in the Welsh Assembly Government. One of the aims of the internal business planning process is to ensure our resources are directed in the most appropriate areas, and we continue to seek to improve our information and evidence on the effectiveness and focus of our interventions.

Delivering outcomes for the citizens of Wales is by nature a long term process, where Government needs to work with our key partners in both

public and private sectors to make a real difference for the people of Wales. Our Efficiency and Innovation Programme is showing the importance and value of good joined-up working across the public sector, and we need to use these approaches more effectively in all our work. Equally, there will always be external shocks, like the recent economic crisis, where our role will be to respond proactively, as we did through Economic Renewal: a new direction, which will ensure Wales maximises opportunities as the recovery gathers pace. However by careful monitoring of the effectiveness of our interventions we can ensure that the resources available to us are utilised to best effect.

The Welsh Assembly Government has 19 strategic outcomes (copy enclosed) grouped around the eight themes of One Wales. The Programme for Government and Ministerial commitments set out the specific detail and context of this commitment – for example, the outcome ‘Poverty in Wales is reduced’ is defined by the challenges under A Fair and Just Society within One Wales, and our vision of a Wales where no child or young person is disadvantaged by poverty by 2020. Progress against delivering these outcomes and the commitments which lie beneath them is, in most cases, published on a regular basis through the usual quarterly One Wales update, and statistics and other publications or evaluations issued by the Assembly Government.

The Departmental planning process is focused around ‘Actions’. These are specific units of activity or programmes within Departments and bring together financial and non-financial information, and are the budgetary units within the Draft and Final Budgets. Actions are linked to the strategic outcomes within the internal business planning structure, so it is clear which areas of activity and spend are intended to contribute to which outcomes.

The 2011/12 corporate business planning process requires Departments to highlight proposed key areas of strategic intervention and activity for the coming year, and the deliverables associated with key areas of spend, at Action level. These will be agreed with the relevant Minister, but collated corporately. The plan structures will visually show the work and resources that are being used to deliver the 19 Strategic Outcomes. This work will provide a framework around our key programme areas that will enable the Welsh Assembly Government to properly embed the new Programme for Government and the new Government’s strategic objectives after the May elections.

A complete corporate business plan which is set around delivery of the new Government’s strategic priorities will enable more focused and effective delivery, better evidence and evaluation, and better partnerships and joined-up working. We will be able to demonstrate the interventions and resources which will go towards delivering these priorities, and be in a position to clearly evaluate effectiveness over time.

The internal planning structure is still in development. The intention is that this structure and planning process will increasingly enable Ministers and officials to better understand how they are using resources to deliver

outcomes and other strategic objectives, and the effectiveness of that delivery. Delivery of the business plan, in relation to both strategic outcomes and departmental objectives, is monitored on a regular basis within Departments and on a quarterly basis by the Board. Cabinet oversee delivery of the Government's agenda as set out in One Wales and receive regular delivery updates on this.

My Department coordinates this planning and reporting process, by commissioning the work and producing the plan, and working with Departments to promote consistency across all areas.

My officials work closely with all Departments to help identify and develop the key indicators at Action level that will be used to help demonstrate delivery of Strategic Outcomes and departmental activity. The identification of key Departmental deliverables that support the delivery of our strategic outcomes is the responsibility of the individual Director General and their Minister.

My officials then promote the corporate assessment of effectiveness across all programmes and towards the outcomes. It is my Director General who leads the discussions around effectiveness of delivery at a strategic level with the Assembly Government.

Wales Efficiency and Innovation Board

Turning to your question regarding the £200m efficiency savings as mentioned in my Cabinet statement of 29 April, this figure has been identified as an ambition for the Collaborative Procurement and Commissioning workstream based on 5% savings of current public sector spend (estimated at £4.3bn in 2008-09). Firm plans and targets are currently being developed by the Procurement Taskforce and will be presented in February 2011.

The £600m savings target identified under the Making the Connections programme ran until the end of the 2009-10 financial year. Procurement savings would have comprised a large proportion of that but are otherwise not linked to the current ambition.

Invest to Save Fund

On the Invest to Save Fund, I enclose a separate note which addresses the issues raised.

Staff Costs

As regards the reduction in staff costs, we will be reducing the size of our estate and will be looking to make savings in other overheads, for example through the Managing with Less initiative. But with over 70% of the Central Services MEG taken up with staff costs, we have to look at reducing the cost

of our workforce. We have a range of constraints in place on recruitment, overtime and so on but they will not be enough to deliver savings on the scale needed. We are therefore using voluntary severance to reduce the size of the workforce.

The first round in September generated a good response, and has given us a good start. We hope to be able to run a second round soon after Christmas, when the new Civil Service Compensation Scheme will be available.

A good response to this second round might be enough to reduce our numbers sufficiently to live within our long term planned control totals. If not, we may continue to make voluntary severance available to staff over the next few years and will continue to talk to unions and staff about how we can identify savings. It will be for the Permanent Secretary to determine the details of any given phase of the scheme.

We are funding severance schemes through the release of salary costs. No additional resources have been allocated.

On the issue of the new process for the allocation of staff resource, it goes under the name of Solutions. It builds on a number of other processes, including the redeployment pool approach that we have operated for some time.

The Assembly Government's vehicle for delivering a smaller workforce will be our early severance schemes. Solutions is principally aimed not at achieving savings, but supplements other plans by ensuring that we continue to deliver during the churn that downsizing will inevitably generate.

As people leave the Assembly Government and we look carefully at how we deliver in the future, we need to ensure that the remaining staff are deployed where they are needed most and are retrained if necessary to undertake their new roles.

Solutions will provide a single point of contact in the organisation for managers with critical tasks to complete, who find themselves short staffed as a result of staff leaving and changing priorities. That point of contact will be able to offer options on how that task might best be completed, including

- temporary or permanent redeployment of staff displaced from elsewhere in the Assembly Government;
- the use of a permanent core of staff that can be deployed flexibly to cover transitional cover as we reorganise and to support short term projects;
- secondments; and, exceptionally,
- recruitment.

So Solutions is primarily about business continuity and maintaining the capacity to deliver the Assembly Government's priorities during a period of budget reductions. There will be an element of being firm about placing people to ensure that their skills are used to best effect, but Solutions is not

really about moving people out of the organisation. It is an internal recruitment agency.

In terms of the recent staff reductions, 434 staff left the Assembly Government between 31 March and 30 September 2010. Of these, 370 left under the recent early departures scheme under various different terms according to age and employment history. The release of these staff will generate running cost savings of around £15m a year. By acting quickly (ahead of most Whitehall Departments for instance) we will save over £7.5 million in 2010-11 alone.

As stated above, we do expect to run early severance schemes again but they will not be under the same terms. When the Westminster Government's new Civil Service Compensation Scheme rules are clear, the Permanent Secretary will assess the likely costs, the funding available and the Assembly Government's business needs and prepare further rounds accordingly.

Public Sector Workforce in Wales

As set out in the Budget narrative, our estimate is that around 30,000 direct public sector jobs will be lost in Wales as a result of fiscal consolidation. This estimate has already taken into account the factors that have caused the Office for Budget Responsibility to revise their jobs estimates - most notably the new Departmental spending profiles as set out in the Spending Review. We therefore do not believe there is any need to modify our estimates at this stage.

However, the decision of the Welsh Assembly Government to protect the investment in Education, Health and Local Government will help services accountable to the Assembly Government. We are very vulnerable to decisions taken in Whitehall about the 32,000 Civil Servants in Wales not employed by the Welsh Assembly Government.

Strategic Capital Investment Fund (SCIF)

The Strategic Capital Investment Framework will not continue past 2010-11. However, provision has been made in the Draft Budget for centrally retained capital.

It has been agreed that a Centrally Retain Capital (CRC) fund of up to £150m will be made available over the period 2010-11 to 2013-14. Funding of up to £50m will be available in 2011-12 and £50m for each of 2012-13 and 2013-14. .

The process for accessing CRC will be different from that used for SCIF. We have taken into consideration the recommendations of the SCIF review report and built on "lessons learnt" and experiences of Tranches 1 & 2 of SCIF to achieve strategic objectives and secure best value for money from our investments.

The CRC process embeds cross-cutting collaboration into the development of schemes whilst providing support and assurances, by appropriate specialists within the Assembly Government to Departments in the development of schemes. The use of best practice 5 case model methodology in scheme development will continue.

As you are aware from the written evidence I sent you in the summer, Departments are responsible for planning their investments strategically – you have been given the detail of each Department's spending priorities.

The approach we are taking for CRC builds on the foundations set by SCIF. All Departments wishing to access CRC funding will be required to follow the prescribed process and encouraged to access the central support I am making available - training, advising and supporting departments in the use of this best practice, both for their CRC applications and wider departmental investments. This will facilitate embedding these behaviours to apply to all expenditure across the organisation and drive up the efficiency, effectiveness and economy of our investments.

End Year Flexibility (EYF)

After taking into account the planned drawings of EYF in 2010-11, which I outlined at Finance Committee on 6 December, our stocks would stand at £406m. This balance comprises £167m near cash revenue and £239m non-cash. You should note that this is an estimated balance as the final position will be dependent on the 2010-11 out turn.

As I said in my opening remarks at Committee on 6 December, I met the Chief Secretary to the Treasury immediately after his appearance before the Committee on 22 November and expressed my concern over the arrangements for EYF. He acknowledged that the Devolved Administrations should not be treated in the same manner as Whitehall Departments. Indeed he confirmed that the new mechanism would allow Devolved Administrations to carry forward underspend into the following year without the need for agreement with the Treasury. This understanding was reflected in my subsequent letter to the Chief Secretary, a response to which I am still awaiting. I will, of course, make a copy available to the Committee as soon as one is received.

As regards the transfer of revenue EYF to capital and vice versa, certain flexibilities are open to the Assembly Government within the Treasury rules. Strictly speaking you cannot convert balances of EYF; we are required to drawdown stocks and then apply for a transfer. These switches require Treasury approval however revenue to capital transfers are within the current rules. Transfers from capital budgets to revenue are not allowed but the Chief Secretary has indicated he is willing to consider individual requests on their merits.

I hope the above is helpful in providing clarification on the issues raised.

Yours sincerely,

Jane

Invest-to-Save Fund: note for Finance Committee

Background

1. At the Finance Committee's meeting held on 6 December 2010, Members requested a note on the Welsh Assembly Government's Invest-to-Save Fund. In response to that request, this note provides specific advice on: the level of investment made under the Fund to date, clarification about the future of the Fund and on Budget publication arrangements, and, information about the criteria and process for the operation of the Fund.

Funding & Budgeting

2. Since the Fund was introduced in May 2009, the Assembly Government has held three funding rounds and invested over £34.8 million in 42 public sector improvement projects. Several other projects are currently being considered for potential support under the Fund.

3. Invest-to-Save support is made on the basis that it is repayable. The aim of this approach is to ensure that funding for future improvement projects is sustained beyond the Assembly Government's initial investment. We are currently reviewing the repayment schedule from supported projects to assess the scope for investments in 2011-12 and beyond.

4. The importance of the Invest-to-Save Fund in supporting the Efficiency and Innovation programme is reflected in the Draft Budget narrative, however, as the Committee has noted no specific provision is shown in the Draft Budget. This is because the Assembly Government will fund future investments by recycling the repayments from existing supported projects and reflect and possibly enhance these, by making adjustments in-year through the Supplementary Budget process.

Criteria & Process

5. The Fund supports the delivery of public sector improvement projects that result in significant cash-releasing efficiency savings whilst ensuring effective citizen-centred services.

6. Project proposals are assessed against various criteria including the extent to which: they further the Assembly Government's One Wales agenda, the objectives of Making the Connections and Efficiency and Innovation programmes – including the extent that they further collaborative working; and, they deliver efficiencies (in particular the value and timing of cash releasing efficiency savings), with an underpinning principle of protecting front line services. Financial criteria, includes consideration of a proposal's pay back period, rate of return on investment and, the case of additionality for funding.

7. All applications to the Invest-to-Save Fund are required to submit an expression of interest that provides details of the proposal including: evidence

of need, evidence that the proposed approach will work; and, the level of savings and other benefits to be delivered. All short-listed projects are subsequently discussed at an officials' panel where further details and clarification of project details are sought. All investments are made on the basis of pre-conditions being accepted, including confirmation that a final business case has been put in place, sound project management established and repayment of the investment will be made to an agreed repayment schedule.

8. Projects are required to repay the investment in full to the Assembly Government when the project delivers expected benefits. The exact terms of this repayment are considered on a case-by-case basis. Typically, full repayment occurs within 3 years of initial investment.

9. Details of the projects receiving awards, the value of each award and an estimate of the savings expected to be achieved by each project is shown in the attached annex to this note.

Round I, tranche I (announced October 2009)

Project	Lead Partner	Benefits
<p>CCTV Collaborative Working - Conwy, Denbighshire, Flintshire, Gwynedd, Wrexham, Ynys Mon and North Wales Police.</p> <p>Moving from six to a single state of the art CCTV control room covering North Wales – collaborative project involving the 6 North Wales Local Authorities and North Wales Police.</p> <p>Investment: £0.805million</p>	<p>Conwy County Borough Council</p>	<p>CCTV plays a significant role in providing reassurance within the community and reduces the fear of crime. £450,000 annual efficiency savings and wider non-cash benefits are projected.</p>
<p>Introduce xchangewales e-procurement system into Merthyr Tydfil CBC.</p> <p>Implementation of the groundbreaking xchangewales e-Trading suite of tools moving the authority from a traditional paper-based system to a state of the art arrangement.</p> <p>Investment: £0.22million</p>	<p>Merthyr Tydfil County Borough Council</p>	<p>Potential of releasing £8million of efficiency savings over 5-years.</p>
<p>Transactional WEB Development</p> <p>Investment: £0.45million</p>	<p>Newport City Council</p>	<p>Efficiency savings resulting from moving delivery of some services via web. Transactional cost can reduce from £7+ to 17p. Full business case being prepared.</p>
<p>Multi-Agency Face-to-Face Centre for Newport</p> <p>Investment: £0.7million</p>	<p>Newport City Council</p>	<p>Enhanced delivery of front line services, collaborative approach to achieve cash releasing savings. Forecast one off efficiency saving of £230k followed by £200k annually thereafter.</p>

Project	Lead Partner	Benefits
<p>Land & property assets</p> <p>Maximising benefit of land and property assets.</p> <p>Investment: £0.252million</p>	<p>Cardiff Council</p>	<p>Releasing efficiency savings; improving access to services and reducing carbon footprint. Forecast efficiency savings of 5-15% of property related spend possibly amounting to £5-£15 million.</p>
<p>Improving your space (previously face, space & place)</p> <p>More efficient use of estate.</p> <p>Investment: £1.408million</p>	<p>Bridgend County Borough Council</p>	<p>Better more efficient use of estate. Forecast efficiency saving of £453,000 per annum.</p>
<p>Convalescence Beds</p> <p>To establish 12 convalescence/step down beds in Llys-y-bryn, Llanelli and 8 in Maesllewellyn, Newcastle Emlyn.</p> <p>Investment: £0.2million</p>	<p>Carmarthenshire County Council</p>	<ul style="list-style-type: none"> • Better patient support • Improved outcomes for older people • Maintains people as citizens in their communities • Reduce Delayed Transfers of care • Improved efficiency and reduced costs with fewer long-term residential placements required. Efficiency saving of some £1.7 million projected.
<p>Financial Recovery Plan - Patient Services and Facilities Management Restructuring</p> <p>To create a single patient contact centre from the current 10 centres and to change the financial management of hospitals.</p> <p>Investment: £0.06million</p>	<p>Powys Teaching Local Health Board</p>	<p>Projected efficiency savings of £180,000 per annum.</p>
<p>Acute Response Team</p> <p>To provide acute nursing interventions to patients within the community (Ceredigion & Pembs.) who, without this service, would require in patient treatment.</p> <p>Investment: £1.112million</p>	<p>Hywel Dda Trust</p>	<p>Net annual saving projected as £1million.</p>

Project	Lead Partner	Benefits
<p>Integrated electronic NHS web based expenses system</p> <p>(Implemented in the first stage by the North Wales Business Support Partnership.)</p> <p>Investment: £0.062million</p>	<p>North Wales Business Support Partnership</p>	<p>Will provide more accurate mileage calculations (point-to-point) and replace the current paper based system.</p> <p>Release potential efficiency savings of £98,000 per annum.</p>
<p>Making telephone calls over the public sector broadband network</p> <p>Reduce tariff to mobiles, free calls within Welsh public sector and reduced operating costs for telephone system.</p> <p>Investment: £0.75million</p>	<p>Informing Healthcare</p>	<p>£9 million per annum efficiency saving projected.</p>
<p>Welsh Analytical Prescribing Support Unit (WAPSU)</p> <p>Analyse prescribing data to use the information gained to promote effective prescribing across Wales.</p> <p>Investment: £0.352million</p>	<p>DHSS - Community, Primary Care and Health Service Policy</p>	<p>Analyse prescribing data to use the information gained to promote effective prescribing across Wales. Potential savings of £4.8million identified.</p>
<p>Non-emergency patient transport.</p> <p>To run three different pilot project approaches involving the NHS, local government and St John Cymru to generate options for a revised national model.</p> <p>Investment: £0.3million</p>	<p>DHSS</p>	<p>Minimum of £0.5 million per annum efficiency saving projected.</p>
<p>5-year service and financial plan for NHS Wales</p> <p>Investment: £0.5million</p>	<p>DHSS</p>	<p>Project will support the achievement of service and financial targets within NHS in Wales and help support the delivery of the NHS' efficiency programme.</p>

Round I, tranche II (announced January 2010)

Project	Lead Partner	Benefits
<p>Creating a student One-Stop-Shop (i-zone).</p> <p>The development of efficient and effective integrated student-centred services that provide a major enhancement to the student experience.</p> <p>Investment: £0.7185million</p>	<p>UWIC (University of Wales Institute, Cardiff)</p>	<p>Forecast annual efficiency savings of £123k.</p>
<p>Carbon Emission and Energy use Reduction</p> <p>Reduction of carbon emissions and energy use, optimise energy efficiency and use renewable energy where possible across the Wrexham County borough area.</p> <p>Investment: £0.93million</p>	<p>Wrexham County Borough Council</p>	<p>Reduction of carbon emissions and energy use, optimise energy efficiency and use renewable energy where possible across the Wrexham County borough area. Forecast efficiency savings of £19million</p>
<p>School Modernisation Programme</p> <p>Support to help project management of school modernisation programme that will bring all schools in the authority to a fit for purpose standard by 2020</p> <p>Investment: £0.155million</p>	<p>Powys CC</p>	<p>Reduction on surplus schools places spend by £1 million per annum.</p>
<p>Agile Working</p> <p>To improve efficiency and performance. Introduce flexible working practices through I.T enabled mobility in three specific demonstration areas of service – housing, public protection and planning.</p> <p>Investment: £0.263million</p>	<p>Flintshire CC</p>	<p>Forecast efficiency savings of £460k per annum.</p>

Project	Lead Partner	Benefits
<p>Paperless Powys</p> <p>Deliver savings in core processes and administration, realise improvements in performance, quality and compliance, support accommodation and flexible working strategies, adopt paperless working and a hands off approach to service delivery and increase responsiveness in cross-department and multi agency working.</p> <p>Investment: £0.375million</p>	<p>Powys CC</p>	<p>Forecast efficiency savings of approx £150k per annum.</p>
<p>Fostering Spend to Save Strategy</p> <p>To increase the authority's local pool of internal foster carers in order to reduce expenditure on more costly external placements.</p> <p>Investment: £0.387million</p>	<p>Neath Port Talbot County Borough Council</p>	<p>Forecast efficiency savings of £27k per annum.</p>
<p>Lean Systems Review of Children and Young Peoples Assessment and Case Management Services</p> <p>Reduce demand on children's social work services by refining the systems by which assessment and case management staff work transform guidance for the procedures and processes related to the support and safeguarding of children in need.</p> <p>Investment: £0.334million</p>	<p>Neath Port Talbot County Borough Council</p>	<p>Offer better services to families through more effective and efficient systems. Full extent of efficiency gain will not be determined until completion of review.</p>

Round II, tranche I (announced March 2010)

Project	Lead Partner	Benefits
<p>Reconfiguration of Molecular Pathology Services</p> <p>Aim to Improved efficiency and effectiveness of the Laboratory Diagnostic Service</p> <p>Investment: £0.126million</p>	<p>Cardiff and Vale NHS Trust</p>	<p>a) increased capacity with faster throughput;</p> <p>b) improved efficiency and effectiveness through greater automation and reduced duplication (minimum of between £0.5m-£0.7m over 5 years);</p> <p>c) improved service quality including more rapid service and results being linked to patient and other records; and,</p> <p>d) opening up opportunities for new molecular service developments.</p>
<p>All Wales Procurement Collaborative Approach</p> <p>Greater negotiating, purchasing power and collaboration leading to financial savings, improved qualitative aspects of contracts and consistent product usage.</p> <p>Investment: £0.300million</p>	<p>Aberdare Bro Morgannwg</p>	<p>a) greater collaboration between the new LHB organisations in Wales;</p> <p>b) collaboration between the NHS, Value Wales, and the wider public sector for Procurement contract management;</p> <p>c) minimising spend without effecting front line services;</p> <p>d) delivering Value for Money for the Welsh public sector purse through ensuring that the best deal is always negotiated - Real terms financial cost savings of £3million recurrently per annum to commence from 2011/12</p>
<p>Electronic Medicines Management</p> <p>Reduce costs by improving stock control, procurement, administration, generic prescribing and patients use of own medicines.</p> <p>Investment: £0.957million</p>	<p>Informing Healthcare</p>	<p>Reduction in the risk of adverse patient incidents, reduction in re-admissions, reduction in costs. Lean processes will eliminate delays, deliver patient medicines earlier, thereby reducing the length of patient stay and associated bed costs. Pilot will generate £29k net efficiency savings in year 1, £1,099k in year 2 with steady state benefits of £1,167k per annum thereafter. Current estimate is that some £62m of efficiencies per annum could be released if model applied nationally.</p>

Round II, tranche II (announced April 2010)

Project	Lead Partner	Benefits
<p>Accelerating the benefits of PSBA (Public Sector Broadband Aggregation initiative)</p> <p>To help public sector organisations to move to PSBA connectivity services more quickly. Funding will cover setup costs. Initial investment expected to be in greater Gwent area where neighbourhood network can be established quickly and where public bodies are in state of readiness.</p> <p>Investment: £4million</p>	<p>PSBA Management Board & Programme Board on behalf of local government, NHS, emergency services and higher and further education</p>	<p>Assist up to 1,000 new connections to PSBA network therefore providing access to broadband, voice, video and data services at a reduced cost - typically a reduction of around 20% in revenue costs. Forecast of £1 million efficiency saving pa.</p>
<p>Mobile solutions for community based staff to improve safety, effectiveness and efficiency.</p> <p>Introduction of new way of working for community based staff, specifically District Nurses and Health Visitors. Investment will be made in mobile technology solutions (Note Book Devices etc) that will support the rebalance of health care by shifting services from secondary to primary and community care.</p> <p>Investment: £0.343million</p>	<p>Cardiff and Vale University Health Board</p>	<p>Support the delivery of safe, effective and efficient services. Benefits in patient care in terms of safety, responsiveness and improving efficiency (expected to be a minimum of 15% real terms increase in direct patient care). Provide access to real-time information.</p> <p>Productivity improvements for community nursing staff estimated at £3 million pa. Cash savings relating to reduced overtime and travel costs of over £200k pa after year 1.</p>
<p>Critical Alarm Monitoring</p> <p>Introduction of a new approach to monitoring and management of the authority's fire and intruder alarm systems.</p> <p>Investment: £0.225million</p>	<p>Bridgend County Borough Council</p>	<p>Improved communications, including with the Police; benefits of linked technologies - intruder alarms and CCTV.</p> <p>Annual cost savings of £166,000 starting from 2011-12.</p>

Project	Lead Partner	Benefits
<p>Voluntary Early Release</p> <p>Funding voluntary early release requests to facilitate efficiencies in management and administrative structures in order to protect front line services.</p> <p>Investment: £3million</p>	<p>NHS Wales</p>	<p>The major reorganisation of the NHS in Wales presents significant opportunities to make efficiencies in management and administrative structures.</p> <ul style="list-style-type: none"> • facilitate the timely processing of staff requests thereby releasing the savings early; • will allow the maintenance of NHS Revenue Allocations for Service delivery to patients; and, • the 'maximum 12 month pay back' for each approval will make a very effective contribution to achieving Health Board savings targets. Up to £5million cash-releasing efficiency benefits within 12 months and recurrent benefits thereafter.
<p>Implementation of service line reporting (SLR) systems within NHS Wales to promote improved benchmarking of costs for front line services.</p> <p>Investment: £0.6million</p>	<p>Cwm Taf Health Board (NHS Wales Health Boards, Velindre NHS Trust and Assembly Government</p>	<p>Development of performance management information to help drive improvements and efficiency savings.</p> <p>Project will ensure that a consistent approach to SLR is adopted across the NHS in Wales and will promote improved benchmarking of costs for front line services and to help deliver greater efficiencies.</p>
<p>Establishing a dedicated Long-term Ventilation Transitional Care Service.</p> <p>Pilot service that will provide an integrated modal of care to enable the transition of long-term ventilation patients from acute critical care settings to the community and their own homes.</p> <p>Investment: £0.118million</p>	<p>Cardiff and Vale University Health Board (South East Wales Critical Care Network)</p>	<p>Reductions in bed days on Critical Care replaced by a shorter stay in the specialist LTV-TCS unit. Release of capacity to enable UHB and Network strategic goals subject to resource strategy. Timely and appropriate establishment of long-term care packages to move patients into the community avoiding future costly private provider packages. Cash-releasing efficiency benefits of over £0.5million annually from 2011-12 onwards.</p>
<p>Mental Health Rehabilitation - Recovery & Social Inclusion Project for those with complex severe and enduring mental disorder.</p> <p>Investment: £0.564million</p>	<p>Hywel Dda Health Board</p>	<p>Care for individuals will be closer to home and will reduce and prevent access to low-secure services out of area. The funding associated with the return of 8 to PICU (Psychiatric Intensive Care Unit) services will provide an opportunity to pump-prime this proposal. Annual savings of £345,000 expected.</p>

Project	Lead Partner	Benefits
<p>All-Wales Enhanced Recovery 1000 lives Collaborative Programme</p> <p>Improve the outcome and efficiency of Gastro-intestinal surgery across NHS Wales using the Enhanced Recovery Programme (ERP)</p> <p>Investment: £0.9million</p>	<p>NLIAH Public Health Wales, Cancer Services Co-ordinating group, Cardiff Uni, WAG, Aneurin, Bevan, LHB Abertawe Bro, morgannwg LHB, Cwm Taf LHB, Betsi Cadwaladar LHB</p> <p>Cardiff and Vale University Health Board</p>	<p>ERP (Enhanced Recovery Programme) implementation will improve efficiency measures in terms of reducing length of stay, post operative complications, cancelled operations and readmission rates. Improve capacity and productivity across NHS. Savings forecast at £1.15million annually.</p>
<p>Gwent Frailty Programme</p> <p>Investment: £9million</p>	<p>Torfaen CBC and Aneurin Bevan Health Board</p>	<ul style="list-style-type: none"> • bring together professionals to make sure there is access to the right person at the time needed • co-ordinate communication so that people have one key person to guide them through the system and be the main point of contact • deliver the right level of response that can change according to how much support is needed at any particular time • help people remain independent • deliver care in or close to home and avoid unnecessary hospital admissions; and, • deliver efficiency savings of approximately £1 million per annum.

Round III (announced November 2010)

Project	Lead Partner	Benefits
<p>North Wales Regional Telecare Monitoring Service</p> <p>Establishing a joint service for the five councils (Anglesey, Conwy, Denbighshire, Flintshire and Gwynedd) as the first step in creating a wider regional telecare service.</p> <p>Investment: £0.3million</p>	<p>Conwy County Borough Council</p>	<ul style="list-style-type: none"> • cash releasing savings of £400k per year, equivalent to a 30% reduction on current costs; • support vulnerable people staying in their homes longer; • provide greater resilience of service in terms of disaster recovery and staffing cover.
<p>Shared Services Arrangements for NHS Wales</p> <p>Improving the economy & efficiency of support services by adopting streamline processes, economies of scale & elimination of waste; and, the quality of such services by adopting best practice.</p> <p>Investment: £0.25million</p>	<p>WAG Health and Social Services Department – on behalf of NHS Wales</p>	<ul style="list-style-type: none"> • resilience of services; • improved management information and decision making; • staff recruitment and retention; • transparent governance arrangements; • sharing & adoption of best practice; • reduced waste and variation; • cash-releasing gross efficiency savings of £17.4m over 5 years from 2011-12.
<p>Wrap-around Care Provision</p> <p>A partnership involving Betsi Cadwaladr University Health Board to develop services to meet the complex needs of young people who are looked after and currently in out-of-county, independent sector placements.</p> <p>Investment: £0.106 million</p>	<p>Wrexham County Borough Council</p>	<ul style="list-style-type: none"> • repatriation of young people; • improved outcomes for children & young people; • improved quality of service; • cash-releasing gross savings of £1.2m over 3 years starting 2011-12; • re-investment of savings to develop model; • future cost avoidance.
<p>JESG – development and implementation of a pilot shared control room between emergency services.</p> <p>Investment: £0.43 million</p>	<p>Joint Emergency Services Group (JESG)</p>	<ul style="list-style-type: none"> • cross organisational working to provide seamless response to emergency calls; • improved communication & co-ordination; • improved response times; • safer working environment; • pooled expertise; • improved efficiency circa £450k through sharing improved technology.

Project	Lead Partner	Benefits
<p>xchangewales e-Trading implementation</p> <p>Roll out to local government of electronic purchase of goods and services from participating suppliers and electronic invoicing.</p> <p>Investment: £1.755 million</p>	<p>WAG Value Wales team – on behalf of local government in Wales</p>	<ul style="list-style-type: none"> • process efficiencies; • savings of £30m over 5 years; • better value buying opportunities; • process automation; • better contract compliance; • paperless processing; • improved management information.
<p>Mental Health CHC Placement Repatriation – collaborative procurement project.</p> <p>Investment: £0.169 million</p>	<p>WAG Health and Social Services Department – on behalf of NHS Wales</p>	<ul style="list-style-type: none"> • higher quality in-service provision & improved patient outcomes; • improved management information; • introduction of patient outcomes focused on minimum standard service specifications; • improving safety and reduced risk through a standard contract & terms and conditions; • standardising pricing across Wales; • cash-releasing efficiency savings of £3m over 2 years from 2011-12.
<p>Public Sector Broadband Aggregation (PSBA) Connectivity for Gwent</p> <p>Funding to cover set up costs to enable Gwent public sector organisations to move to PSBA connectivity services more quickly.</p> <p>Investment: £ 4.16 million</p>	<p>Aneurin Bevan Health Board</p>	<ul style="list-style-type: none"> • save money on connectivity services; • access to wider cost-savings; • build a common platform for collaboration & shared services more quickly; • savings of over £2m per year.
<p>Non-emergency Patient Transport – 4th pilot</p> <p>The 4th pilot complements existing work on non-emergency patient transport that will generate options for a revised national model.</p> <p>Investment: £0.13 million</p>	<p>Welsh Ambulance Service NHS Trust in conjunction with Betsi Cadwaladr University Health Board</p>	<ul style="list-style-type: none"> • improved patient experience through reduced journey & waiting times; • efficiency savings of £60k per year through reduction of abortive journeys etc; • introduction of new technology including on-line booking.

Welsh Assembly Government: Strategic Framework Dashboard

