

# Health and Social Services Committee

## HSS(2)-12-04(p.1)

Date: Wednesday 3 November 2004

Venue: Committee Room 3, National Assembly for Wales

Title: Budget Proposals 2005-06

### Purpose

1. To present the Health and Social Services Draft Budget for 2005-2006 as tabled by the Minister for Finance, Local Government and Public Services and presented to Plenary on 20 October 2004.
2. Standing Order 19 provides that each Assembly Minister who is a member of a subject committee shall seek its views on the Draft Budget and convey them to the Minister for Finance, Local Government and Public Services.

### Recommendations

3. That the Committee gives me its comments on the Draft Budget.

### Background

4. The budget round was launched in April with a letter from the Minister for Finance, Local Government and Public Services. The Committee set out its priorities for the Budget Spending Review in a letter from David Melding to me on 28 May 2004 (Annex1). It is important to bear in mind that spending in future years is always affected by what we are able to achieve in the current year. During 2004-05 we will have:

- begun pay modernisation, with Agenda for Change and a new contract for consultants
- begun implementation of the new GMS contract
- provided funding of £30 million for Wanless Action Plans including £4 million for Delayed Transfers of Care

The Finance Minister announced the draft Budget to Plenary on 20 October.

## **Committee Priorities**

5. I am pleased that the budget for next year means that we will be able to meet some of the key priorities of this Committee as set out in David Melding's letter to me of 28 May. Specifically:

### **Mental Health National Service Frameworks**

- £1.8 million of the Wanless funding has been directed to Mental Health recurring.

### **Informing Healthcare**

- £36 million has been made available from 2005-06 onwards. This will ensure that we have adequate funding to implement Informing Healthcare, which was launched in December 2003. The implementation of Informing Healthcare will provide the necessary information technology infrastructure to deliver both a single electronic patient record and an all-Wales network. Initial work in readiness for the electronic record has been to ensure appropriate patient safety by removing duplicate records and providing a robust firewall against unauthorised users. All staff are being trained to European Computer Driving Licence (ECDL) competence and access to PC's is being provided. The electronic patient record will provide access to all patient case notes for clinical staff improving patient treatment, preventing unnecessary admissions, accelerating discharge and reducing the cost of paper flows. Telehealth will support the reconfiguration of services. This development is in line with the recommendations of the Wanless Review.

### **Ambulance Service**

- We are awaiting the Business Case for the replacement of the Ambulance Service radio system with a new digital system. It is anticipated that the replacement of the radio system will facilitate improved efficiency of communication and may turn around times for ambulance services. The level of funding has not yet been finalised.

### **Fulfilling the Promises**

- An increase of £4.5 million was provided in the Community Services for Adults BEL within the Other Health and Social Services MEG during last years budget planning round. This money was made recurrent. And funding will be made available to ensure that the resettlement programme is completed.

### **Diabetes Services**

- No additional funding has been specifically set aside for diabetes services although provision has

been made for Diabetic Retinopathy services.

## Consideration

6. The Draft Budget Tables include funding increases as set out below:

**Funding for Health and Social Services - £4,905.4 million in 2005-06; an increase of - £322.2 million over 2004-05.**

7. This is a total increase in 2005-06 of 7.0 per cent over 2004-05.

**Funding for Health - £4,627.8 million in 2005-06; an increase of £289.4 million over 2004-05.**

8. The increase for Health in 2005-06 is 6.7 per cent over 2004-05. This budget allows the continuing implementation of the UK-wide agenda for pay modernisation, including the consultant's contract and Agenda for Change, as well as the new independent contractor contracts, such as the new Dental Contract, as well as the GMS and Pharmacists contracts. They provide a platform for modernisation in enabling a mechanism for more flexible targeted use of human resources.

## Local Health Boards and NHS Trusts SEG

**Funding - £3813.5 million in 2005-06; an increase of £226.0 million over 2004-05**

9. The increase in this SEG in 2005-06 is £226 million, or 6.3 per cent, over 2004-05. Within this we are funding;

- Pay modernisation and Primary Care contracts as specified above. These contracts started in 2004-05 and we now have to meet full year commitments in 2005-06.
- Additional funding will mean that the programme to implement the Informing Healthcare Strategy launched in December 2003 will continue. This addresses Wanless recommendations.
- This additional capital, more than doubles the investment in capital by 2007-08 from £107 million in 2004-05 to £309 million in 2007-08. This investment will support the modernisation of services in Wales in line with the recommendations of the Wanless review of Health and Social Services. Additional funding will also support the first stage of implementation of the Diagnostic Services Strategy, which will modernise radiology and pathology services. This will help reduce waiting times for cancer patients needing MRI scans.
- In June I announced that we would be building a new hospital in Caerphilly. This is one of seven new community hospitals for which business cases are currently being prepared, or have been approved. (Tenby, Rhondda, Ebbw Vale, Cynon Valley, Holywell, Porthmadog, Caerphilly). These new hospitals are being designed around patient pathways and provide integrated and fit for purpose services for patients in accordance with the Wanless Report.

- These increases in capital funding means that the manifesto commitment to invest an additional £550 million in modernising GP surgeries and hospitals will have been achieved and exceeded.
- The budget provides us with the resources to modernised health and social services in Wales in line with the recommendations from the Wanless Review.

## **Education and Training SEG**

**Funding - £164.2 million in 2005-06; an increase of £12.7 million over 2004-05 -**

10. There is an increase in 2005-06 of £12.7 million or 8.4 per cent over 2004-05. The additional funding will help to train more nurses and deliver new courses to support modernisation. It will also contribute significantly to supporting the additional medical students being taught in North Wales and in the graduate medical entry scheme.

## **Family Health Service SEG**

**Funding - £586.6 million in 2005-06; an increase of £48.5 million over 2004-05**

11. This is an increase in 2005-06 of £48.5 million or 9.0 per cent over 2004-05.

12. Provision has been made to fund the new Oxygen and Dental Contracts along with the continuation of the GMS contract. Provision has been made to continue with the manifesto commitment to phase out prescription charges by 2007. In April 2005 a further £1 will be cut from prescriptions taking the price down to £4.

## **Health Improvement SEG**

**Funding - £47.3 million in 2005-06; an increase of £4.2 million over 2004-05**

13. Additional funding has been provided for a research project into patient benefits as a UK wide initiative. The main focus of the research will be in cancer, strokes, diabetes and Alzheimer's, developing drugs for children and mental health. Last November, I announced a two year extension to projects supported by the Inequalities in Health Fund. The additional funding allocated in the draft budget will enable the Fund to continue to support action at grass roots level, which is making a real difference to the health of people in disadvantaged communities.

## **Health Promotion SEG**

**Funding - £4.9 million in 2005-06; increase over 2004-05 - zero**

14. There is no change to baseline over 2004-05 but in the following two years a total of £24.5 million

has been made available for Health Challenge Wales.

## **Foods Standard SEG**

**Funding - £2.4 million; increase over 2004-05 - zero**

15. There is no change to baseline over 2004-05.

## **Welfare Foods SEG**

**Funding - £9.0 million in 2005-06; decrease over 2004-05 – (£2.0) million**

16. This budget is demand led and has been reduced to reflect the fall in demand.

**Funding for Social Services - £277.6 million in 2005-06; an increase of £32.8 million over 2004-05 –**

17. The planned funding for health & social services includes a continuation of a transfer from the Department of Work & Pensions following the abolition for those in care homes of the income support residential allowance and the part III rate of income support. This amounts to £26.840 million per annum and is for disbursement to local authorities.

## **Children SEG**

**Funding - £94.1 million in 2005-06; an increase of £12.1 million over 2004-05**

18. There is an increase in 2005-06 of £12.1 million or 14.8 per cent over 2004-05.

19. The baseline for Services for Children, out of which the Children First grant is funded, increases by some £11 million between 2004-05 and 2005-06. This will assist local authorities with priorities such as implementation of the Children (Leaving Care) Act, the Adoption and Children Act and the Children Bill. Part of this funding will contribute towards the cost of transferring CAF/CASS into the Assembly Government, the amount involved being subject to continued discussion with the Department for Education and Skills.

## **Personal Social Services – General capital Funding**

**Funding - £6.5 million in 2005-06; increase over 2004-05 - zero**

20. There is no change to baseline over 2004-05.

## Other Health and Social Services

### Funding - £163.0 million in 2005-06; an increase of £20.7 million over 2004-05

21. This is an increase in 2005-06 of £20.7 million or 14.6 per cent over 2004-05.

This is made up of:

- **Funding for Home Care Services** This relates to our commitment to provide free home care for the disabled. I will shortly consider the advice of a technical working group and thereafter I will consult upon our proposals for implementation, before coming to a final decision. The costings I have included in the draft budget for implementation of £7.5 million in 2005-06, £15 million in 2006-07 and £20 million in 2007-08 are inevitably broad at this stage until we have firmed up, consulted upon and decided the detail of implementation, but I will of course keep these under review.
- **Community Services for Adults** I am maintaining provision at current levels in the draft budget, but I remain committed to the social care resettlement by the end of 2006 of all those in long stay learning disability hospitals who are assessed as having no medical need to remain in hospital. I will keep the provision under review to ensure that it is sufficient in the light of the aggregate cost of individuals' resettlement plans.
- **Flexible Care and Joint Working BEL** - The Flexible Care and Joint Working BEL maintains the existing support to local authorities to support joint working with the NHS (£11 million) Support to the voluntary sector under Building Stronger Bridges (£1.2 million) and funding for the £19.5 Capacity Grant to local authorities introduced in march this year.

Provision increases by a further £12 million in 2005-6 and £47 million in 2006-7 and £52 million in 2007-8 over the baseline of £31.708 million. This additional funding is to help address pressures and priorities in the health and social care system, to increase local authorities' ability to care for people at home and in the community and to raise the standards of care.

- **Older Persons Strategy** I have continued with funding of £3 million a year to maintain the momentum of our ground-breaking strategy. I have also provided £0.5 million a year from 2006-7 for the establishment of an Older People's Commissioner. I am considering the role and functions of the Commissioner following the recent consultation exercise and these will clearly have a bearing on the cost. I will keep the position under review. The timing of the establishment of a statutory commissioner depends upon **primary legislation**.

## Social Services Inspectorate (Wales)

### Funding - £14.2 million; increase over 2004-05 - zero

22. There is no change to baseline over 2004-05 in the draft budget but final increases to these budgets will be included in the final budget. This allows the provision of funding for local authorities for training support for the social services sector; for setting up a register of social care workers; for bursaries for social services students; and the improvement of performance management systems in local authority social services. These were highlighted as priority items in the Wanless Report.

## **Compliance**

23. This paper relates to the Budgets in the Health and Social Services Main Expenditure Group of the Assembly's Budget. The Assembly's procedures in relation to allocation of programme Budgets are covered under Standing order

24. The Assembly Compliance Office has seen this and is content.

## **Financial Implications**

25. The financial implications are as set out in the draft Budget tables.

## **Action for Subject Committee**

26. The Committee is asked to give me its views on the Draft Budget by 17th November.

**Jane Hutt**  
**Minister for Health and Social Services**

### **Contact points:**

Health – Dr Chris Daws, Resource Directorate 3137

Social Services – Mike Shanahan x 3060

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff CF99 1NA

Eich cyf / Your Ref

Jane Hutt AM  
Minister for Health and Social Services

Ein cyf / Our Ref HSS(2)-07-04

28 May 2004

## **BUDGET PROPOSALS 2004 - 2005**

Sue Essex's letter of 30 March to subject committee Chairs asked for Committees' responses to the budget proposals by 4 June.

The Committee considered the issues raised in your budget paper HSS(2)-07-03(p6) when it met on 26 May and identified five priority areas for funding:

- i. Mental Health National Service Frameworks;
- ii. implementing "Fulfilling the Promises";
- iii. implementing "Informing Healthcare";
- iv. the Ambulance Service; and
- v. diabetes services.



I look forward to seeing your detailed proposals in the Autumn.

I am copying this letter to Sue Essex and members of the Committee.

David Melding AM  
Chair

## **ANNEX 2**

### **THE WELSH ASSEMBLY GOVERNMENT'S SPENDING REVIEW 2004**

#### **Aims**

The spending review undertook a detailed examination of all the Assembly Government's expenditure to ensure that the 2004 Assembly budget met the strategic priorities set out in Wales: A Better Country. The aim of the review was to ensure that the budget:

- reflected the Assembly Government's values and priorities
- delivered the specific commitments set out in Wales: A Better Country
- made prudent provision for future contingencies
- was informed by a strategic view of the long-term prospects and pressures
- maximised the benefits to be achieved for the people of Wales

The review examined spending priorities in two ways – through a methodical evaluation of all the main spending programmes and by looking in more depth at some of the key issues and spending areas.

#### **The Spending Review Evaluation Exercise (SpREE)**

For its across-the-board assessment the review used a mechanism adapted from the US Office of Management and Budget's Programme Assessment Rating Tool. This provided the Review team with a consistent basis from which to evaluate the effectiveness of each of the main spending programmes in delivering the Assembly government's aims and values.

The first step was to define these programmes, by grouping together expenditures in a way which would be meaningful. The principles on which the programmes were constructed were

- expenditure in each programme should have a common theme or purpose
- information was available or could be assembled without excessive effort or estimation, by aggregating Basic Expenditure Lines (BELs) or, where necessary, dividing BELs according to

other readily available information

- expenditure had a clear client group, and reflected a customer view rather than a producer view of what constituted the service
- the programme should include the cost of the whole delivery chain – for example grants and expenditure by ASPBs, Local Health Boards and local authority expenditure funded by specific grants
- the set of programmes for each portfolio should provide the basis for a manageable exercise (not too fine a grain) while allowing sufficient distinctions to be informative (not too coarse a grain)

The result was a set of 66 programmes which in a number of cases cut across the conventional budget analysis of BELs and Sub-Expenditure Groups (SEGs). This inevitably involves an element of judgement and estimation. By the end of the review the number of programmes had been rationalised to 61.

Each of the programmes was assessed in terms of the extent to which it contributed effectively to the aims and values set out in Wales: A Better Country. This included the specific priorities of getting more people into jobs, creating better jobs and skills, improving health, and developing strong and safe communities. The assessment also covered programmes' contribution to the broader values of equality, tackling poverty, culture and bilingualism, sustainable development and benefit to all parts of Wales; and it looked at the evidence of effective delivery and co-operative working across institutional boundaries.

The assessments were arrived at in a series of workshops, bringing together the relevant Assembly officials, including the economists and researchers, together with other participants from ASPBs and local government. The workshops drew on available evidence gathered from monitoring and evaluations and from challenges to that evidence from the researchers and economists. The outcomes represented a consensus of those who took part. The results were moderated for consistency and compiled to inform Cabinet's decisions on the allocation of resources in the draft budget. The information also informed individual portfolio ministers' detailed allocation of their own budgets. The exercise is also resulting in a set of further actions to follow up the issues raised – in particular to improve the evidence base of evaluations and to make further improvements in the future budget process.

## **Specific topics**

In parallel with the SpREE exercise the review focussed in on some of the key strategic issues. Substantial effort was devoted to the ensuring that the budget would fund the delivery of the specific commitments set out in Wales: A Better Country.

The review also considered:

- the implementation of Health Challenge Wales, to tackle comprehensively the promotion of better health

- the need to tackle the long term and fundamental factors that can create more and better employment, through a need for better early years interventions and childcare and more focused 14-19 education and training
- implementing the Wanless Report to refocus more effectively the delivery of health services and social care
- ensuring that mainstream services are equipped to deliver in the Communities First areas
- the impact of the Spatial Plan on future budget allocations
- the scope to rationalise grant schemes for more effective delivery and simpler procedures for applicants, including the voluntary sector
- making progress on equal pay for women and men
- the balance between capital and revenue expenditure and the future management of capital programmes

Advice on these also informed the draft budget decisions, and further work is being undertaken on a number of these issues.

The outcome of the review for each programme in this portfolio is summarised on the following pages.

## How money is moving

Overall, the review enabled ministers to take informed decisions which will result in significant shifts in spending over the three year budget period. The SpREE exercise was reassuring to ministers in confirming that at the level of broad programmes there were no gross mismatches between spending programmes and the Assembly Government's aims and values. But there was much that could be done at the more detailed level to improve the targeting of funding, and prioritise the resources available over the next three years to make a major impact in programmes which could most effectively tackle root causes of Wales' more deep rooted challenges of health and deprivation.

There is always limited scope to shift money in the short term. The spending review enabled ministers to balance the short term pressures, but at the same time to focus on the much more substantial scope to shift priorities for 2007-08 spending, and to do so on an informed basis. The tables attached show the resulting budget proposals by programme. Also attached is a table showing the reconciliation of the programme figures to BELs.

## Health & Social Care

Programme & BEL allocation	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
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LHBs and Trusts and Central Budgets - Revenue Expenditure	374,939	384,345	393,857	401,921
LHBs and Trusts and Central Budgets - Revenue Receipts	-8,181	-8,041	-8,041	-8,041
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	11,786	11,786	11,786	11,786
Depreciation double count in LHB alloc and Trust capital	-14,030	-14,030	-14,031	-14,030
Payments to Contractors	371,261	406,161	416,361	426,761
<b>PROGRAMME TOTAL</b>	<b>735,775</b>	<b>780,221</b>	<b>799,932</b>	<b>818,397</b>

#### A:2 Medicines and Prescribing

LHBs and Trusts and Central Budgets - Revenue Expenditure	467,160	506,499	551,505	608,610
Trust Capital & LHB Capital		1,833	1,833	1,833
Payments to Contractors	84,596	85,596	86,596	86,596
<b>PROGRAMME TOTAL</b>	<b>551,756</b>	<b>593,928</b>	<b>639,934</b>	<b>697,039</b>

#### A:3 Primary Optometric Services

LHBs and Trusts and Central Budgets - Revenue Expenditure	2,036	2,038	2,048	2,058
LHBs and Trusts and Central Budgets - Revenue Receipts	-9	-9	-9	-9
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	14	14	14	14
Depreciation double count in LHB alloc and Trust capital	-16	-16	-16	-16
Payments to Contractors	24,875	24,875	24,875	24,875
FHS Income	-6,310	-3,894	-892	0
<b>PROGRAMME TOTAL</b>	<b>20,590</b>	<b>23,008</b>	<b>26,020</b>	<b>26,922</b>

#### A:4 Primary Dental Services

LHBs and Trusts and Central Budgets - Revenue Expenditure	19,518	17,683	18,124	18,352
LHBs and Trusts and Central Budgets - Revenue Receipts	-357	-351	-351	-351
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	528	528	528	528
Depreciation double count in LHB alloc and Trust capital	-628	-628	-628	-628

Tribunals and Advisory Committees	1,256	1,314	1,342	1,370
Payments to Contractors	85,317	87,217	94,117	94,117
FHS Income	-21,642	-13,358	-3,060	0
Health Inequalities Fund	1,000	1,000	1,000	1,000
<b>PROGRAMME TOTAL</b>	<b>84,992</b>	<b>93,405</b>	<b>111,072</b>	<b>114,388</b>

#### A:5 Hospital Based Emergency Care

LHBs and Trusts and Central Budgets - Revenue Expenditure	599,376	618,338	633,449	646,256
LHBs and Trusts and Central Budgets - Revenue Receipts	-12,676	-12,455	-12,455	-12,455
Trust Capital & LHB Capital	28,332	37,823	47,895	55,809
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	18,736	18,736	18,736	18,736
Depreciation double count in LHB alloc and Trust capital	-22,305	-22,305	-22,305	-22,305
Personal Social Services - General Capital Funding	1,709	1,709	1,709	1,709
<b>PROGRAMME TOTAL</b>	<b>613,172</b>	<b>641,846</b>	<b>667,029</b>	<b>687,750</b>

#### A6: Hospital Based Elective Care

LHBs and Trusts and Central Budgets - Revenue Expenditure	1,085,622	1,116,130	1,145,379	1,165,463
LHBs and Trusts and Central Budgets - Revenue Receipts	-22,431	-22,039	-22,039	-22,039
Trust Capital & LHB Capital	50,135	67,881	85,704	99,714
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	33,154	33,154	33,154	33,154
Depreciation double count in LHB alloc and Trust capital	-39,471	-39,471	-39,471	-39,471
Tribunals and Advisory Committees	164	164	164	164
PHLS/NBSB and central initiatives	22	22	22	22
Personal Social Services - General Capital Funding	3,025	3,025	3,025	3,025
<b>PROGRAMME TOTAL</b>	<b>1,110,220</b>	<b>1,158,866</b>	<b>1,205,938</b>	<b>1,240,032</b>

#### A7: Mental Health

LHBs and Trusts and Central Budgets - Revenue Expenditure	332,588	341,369	354,097	363,204
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LHBs and Trusts and Central Budgets - Revenue Receipts	-6,993	-6,871	-6,871	-6,871
Trust Capital & LHB Capital	15,629	20,849	26,405	30,773
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	10,336	10,336	10,336	10,336
Depreciation double count in LHB alloc and Trust capital	-12,305	-12,305	-12,305	-12,305
Tribunals and Advisory Committees	1,276	1,276	1,276	1,276
Personal Social Services - General Capital Funding	943	943	943	943
<b>PROGRAMME TOTAL</b>	<b>341,474</b>	<b>355,597</b>	<b>373,881</b>	<b>387,356</b>

#### A:8 Children's Health and Social Care

LHBs and Trusts and Central Budgets - Revenue Expenditure	162,645	166,772	170,887	174,373
LHBs and Trusts and Central Budgets - Revenue Receipts	-3,454	-3,394	-3,394	-3,394
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	5,106	5,106	5,106	5,106
Depreciation double count in LHB alloc and Trust capital	-6,079	-6,079	-6,079	-6,079
Research and Development	103	103	103	103
Grants in Support of Child and Family Services	5,624	5,736	5,851	5,968
Services for Children	31,056	42,171	44,709	46,297
Children's Commissioner	1,400	1,400	1,400	1,400
Cymorth including childcare	43,873	44,744	56,733	59,562
Flexible Care and Joint Working	12,049	12,049	12,049	12,049
<b>PROGRAMME TOTAL</b>	<b>252,323</b>	<b>268,608</b>	<b>287,365</b>	<b>295,385</b>

#### A9: Public Health

LHBs and Trusts and Central Budgets - Revenue Expenditure	20,673	21,189	21,712	22,156
LHBs and Trusts and Central Budgets - Revenue Receipts	-439	-431	-431	-431
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	649	649	649	649
Depreciation double count in LHB alloc and Trust capital	-773	-773	-773	-773
PHLS/NBSB and central initiatives	5,485	5,721	5,833	5,946
Public Health (including vaccines)	6,833	6,861	6,874	6,888

Research and Development	602	602	602	602
Health Inequalities Fund	5,000	5,750	5,750	5,750
Health Promotion	2,655	2,655	12,655	17,155
Tobacco Control	1,993	1,993	1,993	1,993
Grants to Voluntary Organisations	220	220	220	220
Food Standards Agency	2,352	2,352	2,352	2,352
Welfare food	11,000	9,000	9,000	9,000
<b>PROGRAMME TOTAL</b>	<b>56,250</b>	<b>55,788</b>	<b>66,436</b>	<b>71,507</b>

#### A:10 Improve Patient Safety & quality of healthcare

LHBs and Trusts and Central Budgets - Revenue Expenditure	4,580	5,080	5,080	5,080
PHLS/NBSB and central initiatives	6,783	6,820	6,838	6,855
Research and Development	17,273	20,449	22,768	24,591
Social Services White Paper Implementation	3,150	3,150	3,150	3,150
Research and Publicity	1,305	1,305	1,305	1,305
Social Services Workforce and Quality	8,738	8,738	8,738	8,738
Social Services Inspectorate (Wales) Cost of Capital and Depreciation	38	38	38	38
<b>PROGRAMME TOTAL</b>	<b>41,867</b>	<b>45,580</b>	<b>47,917</b>	<b>49,757</b>

#### A:11 Informing Healthcare

LHBs and Trusts and Central Budgets - Revenue Expenditure	24,929	43,429	43,929	43,929
<b>PROGRAMME TOTAL</b>	<b>24,929</b>	<b>43,429</b>	<b>43,929</b>	<b>43,929</b>

#### A:12 Workforce development

LHBs and Trusts and Central Budgets - Revenue Expenditure	96,286	140,582	143,388	152,615
Education and Training	148,807	161,415	172,751	176,409
Social Care - Workforce Development.	5,374	5,374	5,374	5,374
<b>PROGRAMME TOTAL</b>	<b>250,467</b>	<b>307,371</b>	<b>321,513</b>	<b>334,398</b>

#### A:13 Involving the Public

LHBs and Trusts and Central Budgets - Revenue Expenditure	1,908	1,908	1,908	1,908
<b>PROGRAMME TOTAL</b>	<b>1,908</b>	<b>1,908</b>	<b>1,908</b>	<b>1,908</b>

#### A:14 Older people and longer term care

LHBs and Trusts and Central Budgets - Revenue Expenditure	251,335	256,774	262,052	266,525
LHBs and Trusts and Central Budgets - Revenue Receipts	-4,432	-4,355	-4,355	-4,355
Trust Capital & LHB Capital	9,905	13,214	16,735	19,503
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	6,551	6,551	6,551	6,551
Depreciation double count in LHB alloc and Trust capital	-7,799	-7,799	-7,799	-7,799
Personal Social Services - General Capital Funding	598	598	598	598
Older Persons Strategy	3,000	3,000	3,500	3,500
Flexible Care and Joint Working	8,244	20,244	55,244	60,244
DWP Transfers (residential allowances)	25,620	26,840	26,840	26,840
National Insurance Collection Costs	906	906	906	906
<b>PROGRAMME TOTAL</b>	<b>293,928</b>	<b>315,973</b>	<b>360,272</b>	<b>372,513</b>

#### A:15 Learning Disabilities

LHBs and Trusts and Central Budgets - Revenue Expenditure	70,458	72,328	74,113	75,625
LHBs and Trusts and Central Budgets - Revenue Receipts	-1,498	-1,472	-1,472	-1,472
Trust Capital & LHB Capital	3,349	4,467	5,658	6,594
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	2,215	2,215	2,215	2,215
Depreciation double count in LHB alloc and Trust capital	-2,637	-2,637	-2,637	-2,637
Personal Social Services - General Capital Funding	202	202	202	202
Community Services for Adults	70,446	70,446	70,446	70,446
Flexible Care and Joint Working	10,464	10,464	10,464	10,464
<b>PROGRAMME TOTAL</b>	<b>152,999</b>	<b>156,013</b>	<b>158,989</b>	<b>161,437</b>



A:16 Care for other vulnerable adults

LHBs and Trusts and Central Budgets - Revenue Expenditure	19,023	19,782	20,177	20,511
LHBs and Trusts and Central Budgets - Revenue Receipts	-331	-325	-325	-325
LHB & Trust ( Capital Charge, LHB Depreciation & provisions)	490	490	490	490
Depreciation double count in LHB alloc and Trust capital	-583	-583	-582	-583
Flexible Care and Joint Working	951	951	951	951
National Strategy for Carers	6,040	6,040	6,040	6,040
Home Care Services	0	7,500	15,000	20,000
<b>PROGRAMME TOTAL</b>	<b>25,590</b>	<b>33,855</b>	<b>41,751</b>	<b>47,084</b>

A: 17 Wanless

Wanless Review Implementation	24,950	30,000	65,520	167,026
<b>PROGRAMME TOTAL</b>	<b>24,950</b>	<b>30,000</b>	<b>65,520</b>	<b>167,026</b>

<b>Health and Social Care Programme Total</b>	<b>4,583,190</b>	<b>4,905,396</b>	<b>5,219,406</b>	<b>5,516,828</b>
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\*The funding provided in programme baselines are strictly indicative figures and in some cases have been apportioned to programmes where other information is not available

## HEALTH & SOCIAL CARE

### General Medical Practice

This programme funds services provided by Welsh GPs and their practice teams.

### Review conclusions

Expenditure on the General Medical Service is central to delivering the Assembly Government's

priorities for improving health. The review pointed up the concerns about the extent to which the service was doing so in its current form. The review identified that there is variable quality of service possible within the pressures of the current configuration of health provision and some unevenness of quality in more deprived areas. It pointed up the scope for making a wider contribution to the Assembly Government's economic and social priorities. There was also a lack of current available evidence about the quality of overall primary care performance and outcomes by international standards.

## Draft Budget Proposals

£,000

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
735,775	780,221	799,932	818,397

## Taking the programme forward

The new statutory framework for Family Health Service (FHS) contractors will address the concerns highlighted by the review. We have moved from a system of statutory fees and allowances in which contractors were able to pick and chose services to a true local contract. Services are now specified in a contract, monitored for quality and reviewed at least annually. The new contract must be viewed alongside other major developments on training, education and professional regulation. From this year every GP has to undergo an annual appraisal which counts towards a 5 yearly re-validation review with the General Medical Council (GMC). In addition the post-Shipman listing reforms are designed to ensure that inappropriate persons are prevented from being entered on practitioner lists and to ensure that problems with existing contractors are highlighted and dealt with.

The new General Medical Service (GMS) contract signals a significant change in the way that GPs are paid. The new GMS allocation formula will direct funding to areas where workload and ill-health are greatest. We have also switched the emphasis of the payment system from quantity to quality. In the current financial year £36m has been allocated to the quality framework. This will link GP pay directly to the quality of the services they provide. This sum rises to £62m in 2005/6. Under the Red Book less than 1% of GMS funding was directed to quality. By 2005/6 we will be spending 15% of our budget incentivising quality. Quality Framework will be monitored by sophisticated networked software. Due to previous heavy investment in Foundation Programme we are confident that Wales in the lead on this in the UK. Reports on every practice will be downloaded monthly.

# HEALTH & SOCIAL CARE

## Medicines and prescribing

This programme funds the costs to the health service of primary care medicines and prescribing.

### Review conclusions

Medicines & prescribing are a central element of health service provision and as such a key part of the delivery of the Assembly Government's priorities – primarily for better health but also contributing to supporting people in employment and safer communities. Spending is predominantly determined by prescribing and procurement. The review identified some serious concerns about the increasing costs in this area which raised issues about prescribing practice. It also noted that the National Audit Office (NAO) had reported scope for major procurement savings, in view of disparity in price of supplies to primary and secondary care sectors.

### Draft Budget Proposals

£,000

Original Plans	New Plans		
	2005-06	2006-07	2007-08
2004-05			
551,756	593,928	639,934	697,039

### Taking the programme forward

The Welsh Assembly Government is committed to abolishing prescription charges by April 2007; this was the Assembly's number one commitment in Wales: A Better Country. Additional funding has been provided in this financial year to facilitate the reduction of prescription charges from £6 to £5 in October 2004. The Finance Minister has announced additional funding for the next financial year (2005-6). Officials are currently working on this policy with a view to further secondary legislation in 2005.

The UK NHS Confederation is in negotiation with PSNC to agree the terms of the new Pharmacy Contract on behalf of England and Wales. Additional funding has been highlighted through the reduction in the cost of four generic drugs. An initial decrease took place in December 2003 with a

further reduction in September 2004. The aim of the new contract is to make best use of the skills of community pharmacists and their staff in delivering modern NHS services for patients, and this should assist the people of Wales to live healthy and independent lives.

The programme is also focusing on a new Oxygen Contract that will create a modern, integrated, service that better reflects patients' needs and offers them better access to the significant developments in technology. This contract should be in place by October 2005.

The All-Wales Medicines Strategy Working Group (AWMSG) was established to review current prescribing patterns and to advise LHBs in the actions they might take to deliver cost effective prescribing. The working group will assist in the formulation of a prescribing strategy for Wales and a national formulary.

## HEALTH & SOCIAL CARE

### Primary Optometric Services

This programme funds the general optician services, including the centrally funded Wales Eye Care Initiative.

### Review conclusions

The programme had a well established record of success, strongly supporting the Assembly Government's health priorities and with generally robust evidence of its effectiveness. The review noted the importance of early detection of eye disease and the provision of vision aids where sight had deteriorated to the extent it affected work and domestic capabilities.

### Draft Budget Proposals

£,000

Original Plans	New Plans		
	2005-06	2006-07	2007-08
2004-05	2005-06	2006-07	2007-08
20,590	23,008	26,020	26,922

## Taking the programme forward

Evaluation is being extended to the full range of optometric services we fund. The eye examination service requires a repeat of the early effectiveness survey in order to assess targets and performance under the Health and Social Care Race Equality Action Plan. Effectiveness and efficiency reviews are in place for the acute referral and diabetic retinopathy schemes along with a programme of quality assurance.

The Award winning Eye Care Initiative leads the way in the detection of eye disease in the UK and has been recognised as such by the Association of Optometrists. The Initiative is efficient, effective and demonstrates value for money, having a beneficial effect on secondary care as well as bringing eye care closer to the community.

The Wales Eye Care Initiative has three parts:

- The Wales Eye Care Examination – a special optometric examination of the eyes of groups particularly vulnerable to eye disease. This is linked to an examination service for those presenting with acute eye problems allowing optometrists to refer patients directly to the hospital eye service for emergency treatment. Optometrists who sign up for the service receive special training and accreditation.
- An All Wales Diabetic Retinopathy Screening Service "The Preservation of Sight in Diabetes, an All Wales Risk Reduction programme". This is a service operated within the recommendations of the National Screening Committee and is part of the programme of treatment of the patient with diabetes. The service is currently being rolled out across Wales.

The schemes are designed to detect early stages of eye disease, allowing for equal access by patients across Wales and providing a fast track to secondary care if necessary. They are subject to quality assurance and help to engage optometrists more in NHS processes.

The Low Vision Scheme helps people to lead as near a normal life as possible in their own homes. By addressing domestic risks it helps to keep people with visual impairments to remain and be more efficient in work. Participating optometrists are specially trained and accredited for this scheme.

These schemes require continuing development to ensure that the maximum number of eligible patients are screened or tested. Each scheme should see an increasing volume of claims and the target for all Wales coverage of the retinopathy screening service is the end of 2006.

The Action Plan for commissioning retinopathy screening is still on course, the database is being refined and better management information leading to more accurate forecasts of diabetes trends in Wales will result from the new BD8 system. The Low Vision Scheme will expand with the continuing uptake of training and accreditation by optometrists throughout Wales. All schemes within the Initiative are

specifically designed to allow equal access. The National Public Health Service has made initial enquiries of the policy team on possible performance target areas within the Initiative.

The priority action plan is therefore to increase the production of management information to monitor uptake and effectiveness of referral (and appropriateness of non-referred cases). The initiative already caters for this and improvements are planned to be in place by March 2005.

Work is in place to run alongside the Initiative, for example, pilot schemes linking optometry and ophthalmology.

Work under the General Ophthalmic Services (GOS) continues. The Reviews of GOS and the General Optical Council in association with the Department of Health will commence soon.

## **HEALTH & SOCIAL CARE**

### **Primary Dental Services**

The programme funds NHS treatment by general dental practitioners, the Community Dental Service and some related grant schemes.

### **Review conclusions**

The review considered that this programme should be contributing centrally to delivering the Assembly Government's main priority for improved health. There were however fundamental concerns about its success in doing so in its current form: the review drew attention to the reduction in NHS treatment by general dental practitioners, the drift to private practice and the resultant difficulties in access being experienced in some parts of Wales. It also highlighted the need to look at the effectiveness and evaluation of the current system and level of expenditure. A number of changes are under way to address these points.

### **Draft Budget Proposals**

**£,000**

<b>Original Plans</b>	<b>New Plans</b>		
<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>

84,992

93,405

111,072

114,388

## Taking the programme forward

Expenditure under this programme is required to meet a statutory duty and also the contractual arrangements of dentists providing NHS dental care.

The Assembly Government has announced the reform of the current system and new contractual arrangements are to be introduced from October 2005. These are aimed at securing a sustainable NHS dental service for the future and will provide a new service framework for primary care dentistry, building in incentives to enable dentists to respond appropriately to clinical need, and removing the unnecessary demands created by the current system i.e. six-monthly checks and a highly interventionist approach to treatment. The introduction of new NICE guidelines will follow the principles that modern teaching advocates a minimal intervention approach which will mean that patients at low risk of disease are seen less frequently than now. Removing these demands will free up capacity over time and tackle the issue over over-frequent examinations.

Discussions on the detail of the new contractual arrangements are on-going but it is proposed that the Assembly Government and the dental profession will jointly review the arrangements and national data after six, twelve, eighteen and twenty four months. The aim of these reviews will be to confirm that the new contractual arrangements are working to the benefit of patients, dentists and the NHS and that the assumptions about NHS commitment under the base contract are correct.

The determinants of oral health are beyond the scope of the dental service programme alone to redress. Prevention is also linked with the wider public health message and issues such as the fluoridation of water supplies. The next steps on this issue will be to commence Section 58 of the Water Act 2003 to consult on the draft regulations governing the public consultation arrangements on proposed fluoridation schemes in Wales.

In addition each LHB must produce a three-year Health, Social Care and Well-being Strategy to be adopted by 31 December 2004 and operative by 1 April 2005. As set out in *Routes to Reform - a Strategy for Primary Dental Care in Wales*, the Strategy must include a Local Oral Health Action Plan, written within the context of national strategies - in line with LHB responsibilities under the SaFF process.

The General Dental Services in Wales is evaluated for probity and quality of provision by the Dental Practice Board. The DPB is the statutory body that administers the GDS and is accountable to the Department of Health and National Assembly for Wales. It is their responsibility to pay dentists promptly and accurately for treatment provided. They also approve more complex treatment for NHS dental patients, monitor the quality of NHS dental treatment provided and carry out regular checks in order to detect and prevent abuse of the service.

The oral health of the nation's children and adults is surveyed decennially by the Office for National Statistics and annually for children by the British Association for the Study of Community Dentistry on behalf of the home health departments.

The Assembly Government has commissioned a review of the Community Dental Service (CDS) (salaried dentists) in Wales which is due for completion in October. The review is considering the arrangement of the CDS, CDS/GDS interface and Personal Dental Schemes within the environment of LHB commissioning, addressing issues of service organisation, management, leadership and future roles of the services. The outcome of the review will assist the development of a clear future direction for the CDS in Wales.

The small grant schemes which operate within the dental services programme have either recently been, or are currently under review (to be completed by end October 2004), to ensure that they are effective and in line with the Wanless recommendations. For example the fissure sealant programme is targeted at deprived areas identified by the Communities First programme. Prevalence of dental caries is strongly associated with socio-economic deprivation and so the fissure sealant programme fits neatly into the overall health and wellbeing strategy of the Welsh Assembly Government. The sealants are provided as part of an overall health promotion package.

## **HEALTH & SOCIAL CARE**

### **Hospital-based emergency care**

The programme funds the delivery of emergency care to patients in hospitals and through the ambulance service.

### **Review conclusions**

The review concluded that the programme had an established record of success that was focused on delivering the priorities set out in Wales: A Better Country and that there was robust evidence of its effectiveness. While the prime purpose of the expenditure is on delivering healthcare it also contributes to helping more people into jobs, creating better jobs and skills and to developing strong and safe communities. Delivery was evidenced as highly effective although there is some room for improvement in terms of partnership working and the review noted the increasing number of emergency admissions, which the implementation of demand management and the redesign of emergency care services in Wales are expected to tackle.

### **Draft Budget Proposals**

**£,000**



Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
613,172	641,846	667,029	687,750

## Taking the programme forward

Improving emergency care services (and notably reducing emergency admissions to hospitals) will free up elective capacity, thereby reducing waiting lists which is one of the main Assembly Government priorities. To help achieve this, emergency care targets, as well as other targets, have been set through the Service and Financial Framework and balanced scorecard discussions. An Emergency Care Lead role has been developed, supported by Health & Social Care Department (HSCD) Management Board, to co-ordinate the management of emergency pressures across Wales. Later in the year, the *Developing Emergency Care Services* policy will set out the Assembly Government's vision on the future development of a more integrated, effective and efficient emergency care service across primary, community and secondary sectors in Wales.

In addition, Innovations in Care is running an Emergency Care Access Collaborative, which aims to support individuals and organisations to develop their capability to apply quality improvement skills and techniques to improve emergency care access. Alongside this, an Innovations in Care *Guide to Good Practice* in emergency care recognises and spreads good practice to help deliver improvement programmes.

Further to this, in June 2004, the Minister for Health & Social Services announced that by the end of March 2007, there should be a 10% reduction in the number of emergency admissions to hospital, compared with current baselines. There is a commitment to improve chronic disease management through local Wanless Action Plans.

## HEALTH & SOCIAL CARE

### Hospital-based elective care

This programme includes hospital in-patient and out-patient services other than accident and emergency services.

## Review conclusions

This is the biggest-spending single programme in the Assembly Government's budget and is central to achieving our priorities. As well as its essential role improving health it makes a significant contribution to helping more people into jobs and to developing strong and safe communities. As a major employer it also contributes to creating better jobs and skills.

The review noted the wide range of evidence available on the quantity and quality of provision as well as the extensive work under way to tackle the increasing pressures on the service. The Wanless Review had pointed up the extent to which improvements in elective care were dependent on improvements elsewhere – including reducing the need for emergency treatments and managing demand and effective care at primary care level. It noted the scale of the continuing challenge to improve waiting times in the face of increasing demand including those of an ageing population.

## Draft Budget Proposals

£,000

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
1,110,220	1,158,866	1,205,938	1,240,032

## Taking the programme forward

Improving elective care and reducing hospital waiting times is now one of the Assembly Government's main priorities. Considerable effort is being put into this area, building on several detailed studies and initiatives in recent years. A number of programmes are running aiming to strengthen information availability and resource use practice to drive improvement, including the Innovations in Care *Guide to Good Practice* work that will run from April 2004 to March 2006 across all trusts in Wales. Local action plans produced in response to the Wanless report have focused on better referral and reducing delayed transfers of care. , The Optimising Services Delivery stream of the Wanless implementation programme will look at how services need to change and a modelling system to support capacity planning centrally and locally is being developed. An Orthopaedic Plan has been produced which can serve as a prototype for other specialties.

To help focus on delivery, waiting times targets, as well as other targets, have been set through the Service and Financial Framework discussions. There is also the Second Offer Scheme that was

introduced in April 2004, whereby patients waiting or likely to wait over the target waiting time for inpatient or day-case treatment will be offered the opportunity of having their treatment at an alternative hospital. This scheme will continue as maximum waiting times are reduced.

Further to this, in June 2004, the Minister for Health & Social Services announced that by the end of March 2005 the only patients waiting over 12 months for in-patient or day-case treatment will be those who have refused a second offer of treatment or have accepted an offer and are waiting for the treatment. This will be achieved through an initiative linked to Second Offer, with additional non-recurrent funding of £29 million.

Action on emergency care treatment is also relevant since any reduction in the level of emergency admissions will free resources for elective care.

## HEALTH AND SOCIAL CARE

### Mental health

This programme funds a wide range of services in the field of mental health.

### Review conclusions

The review drew attention to the need for better evidence of the effectiveness of this important area of health and social care expenditure, which also contributes to the Assembly Government's aims of safer communities and helping people to access and retain employment. Mental health services have been the subject of a number of critical reports highlighting concerns about the degree of choice and support available for service users, and the need to provide an integrated service. The review questioned whether funding was sufficiently targeted between the different parts of Wales; and whether there was an appropriate balance between short-term acute care and long-term and preventative care. The review also identified that there might be scope for mental health expenditure to contribute more to the Assembly government's wider values.

### Draft Budget Proposals

£,000

Original Plans	New Plans

2004-05	2005-06	2006-07	2007-08
341,474	355,597	373,881	387,356

## Taking the programme forward

A number of activities which address these points are now under way. They cover issues including the National Service Framework (NSF) review, the collection of baseline data, innovations in care, social exclusion, risk and health promotion. They will contribute to the drafting of an overarching action plan for mental health by Spring 2005.

The Mental Health Bill and Mental Capacity Bill will place new statutory requirements on the NHS and social services. Stage one of the NSF review has already highlighted 4 priority areas to improve the service (service and workforce reform, systems development, the Care Programme Approach and mental health promotion/social inclusion)

In addition:

- The Assembly Government has commissioned the National Public Health Service (NPHS) to produce a "toolkit" for use by local services on health promotion including tackling stigma.
- Priorities for future investment will be to establish crisis resolution and home treatment services and improve conditions on inpatient wards.
- The Commission for Racial Equality is helping to ensure that the needs of Black and ethnic minority people are taken into account.
- Implementation of the Wanless report on health and social care involves a general shift towards prevention and early intervention, with close working between the health service and social care. This approach is equally relevant to the development of mental health services.

## HEALTH AND SOCIAL CARE

### Children's health & social care

This programme includes funding towards activities including Cymorth (the Children and Youth Support Fund) and the Children First programme designed to improve the quality of children's social services in Wales. It also includes local authority expenditure on children's social services and all NHS expenditure on children's health.

## Review conclusions

The review concluded that the programme was well focused on the Assembly Government's priorities while identifying scope for improvements particularly in the quality of the evaluation of evidence available.

Although the prime contribution of the programme is to improving health, and to an extent supporting communities, the review highlighted the extent to which investment here takes the long-term view, tackling the fundamentals of poverty, education and employment.

The programme helps children's ability to participate in a number of areas in later life – including healthy lifestyles, lifelong learning and employment. It makes important contributions to Assembly values and partnerships, but the evidence of the quality of design and delivery of services in Wales is mixed. Not all of the funding is spatially targeted. The review identified a need for a robust evaluation of Cymorth.

### Draft Budget Proposals

£,000

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
252,323	268,608	287,365	295,385

### Taking the programme forward

A number of activities to address these points are under way. Local Children and Young People's Framework Partnerships have the task of deciding on local targets for expenditure on children. The draft National Service Framework for Children is designed to improve the quality of services for children by setting standards, not just across health and social services but also including relevant aspects of other services such as education.

Tenders for a contract to evaluate Cymorth are to be invited at the end of October 2004. The initial contract is a scoping exercise, to review the introduction of these new arrangements, and arrangements for local evaluation, and to produce a forward plan for future evaluative work.

## HEALTH & SOCIAL CARE

## Public Health

The programme spearheads action on Health Challenge Wales as the new national focus for improving health. It supports a wide range of action to help people take steps to prevent disease and other illness by looking after their health and improving it where possible. The programme extends beyond the NHS and includes action delivered through communities, schools and workplaces. It cuts across all the Assembly's policy areas as part of a more integrated approach to improving health by tackling the social, economic and environmental health factors that affect people's health well-being.

## Review conclusions

Expenditure under this programme is clearly focused on the Assembly Government's core priorities, being important both to improving health and well-being and to reducing health inequalities. Targeted action to help people in need is a key feature of the programme. It also contributes to helping more people into jobs, creating better jobs and skills and developing strong and safe communities as well as tackling poverty. The review found strong evidence of the programme's contribution to sustainable development and to long term transformation. It also identified strengths in terms of integrating research and evaluation within programme implementation and there is evidence of successful partnerships leading to changes in service provision. There was scope for some improvement in the quality of evaluation evidence available.

## Draft Budget Proposals

£,000

<b>Original Plans</b>	<b>New Plans</b>		
<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
56,250	55,788	66,436	71,507

## Taking the programme forward

The review drew attention to the need to generate more evidence and a number of activities to address this are under way, including improvements in research, evaluation and the evidence base for health promotion, health improvement and health protection:

- Evaluation of policies and programmes, using robust methodologies, including those that cut across policy areas e.g Health Challenge Wales; the Primary Schools Free Breakfast provision initiative; Inequalities in Health Fund.
- Population survey research to inform policy development, to monitor progress against strategic health targets and to assess overall collective impact of health policies and programmes eg Welsh Health Survey, Health Behaviour in School-Aged Children study.
- Development of capacity and infrastructure to enhance evaluation skills and to provide tools that support efforts to strengthen the evidence base for effectiveness and cost-effectiveness eg publication of an action research manual; developments by the Welsh Health Impact Assessment Unit.
- Involvement in and use of recommendations from high level expert groups to avoid duplication of effort in developing the evidence base and, where appropriate, to share the cost of strengthening the evidence base eg for vaccination and welfare foods.
- Getting evidence into practice to improve the effectiveness of initiatives by disseminating reviews of the available evidence.

The review also highlighted the need to consider linking the Welfare Foods programme into early years' nutrition work in Wales and officials will consider ways of taking this forward.

## **HEALTH & SOCIAL CARE**

### **Improve Patient Safety & Quality of Health & Social Care**

The programme includes the funding of health & social care inspectorates, including the new Healthcare Inspectorate Wales and Social Services Inspectorate Wales, the Assembly contribution to cross border organisations such as the National Institute of Clinical Excellence, the Commission for Healthcare Audit & Inspection, the National Patients Safety Agency, and the Assembly's Clinical Governance Support and Development Unit who support the NHS in Wales to develop and improve clinical governance.

### **Review conclusions**

The review concluded that the programme was well focused on the Assembly Government's priorities for improving standards of care and that as well as being important in improving health it contributed to helping more people into jobs, creating better jobs and skills and to developing strong and safe communities. The work on quality and standards made a strong contribution towards effectively tackling inequalities in healthcare provision. The review found strong evidence that inspection is a leading enabler of improved health and social services. There is strong cross-boundary working with commitment to integrating health and social care further in inspection regimes following recent organisational changes.

<b>Original Plans</b>	<b>New Plans</b>		
<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
41,867	45,580	47,917	49,757

**Taking the programme forward**

Improving the quality of healthcare in Wales is recognised as an essential element in the drive to improve standards. Following the creation of the new Healthcare Inspectorate Wales (HIW), the Assembly will continue to sponsor and work closely with cross-border organisations to ensure that Welsh healthcare priorities are fully included in their work, and to ensure that all recommendations and guidance issued by them is fully implemented in Wales. HIW announced their planned programme for the inspection of NHS organisations in Wales in September 2004.

A Statement of Standards for the delivery of healthcare in Wales was published in March 2004 and will take effect from 1 April. In the longer term, it is anticipated that minimum standards currently applied to the independent sector will be aligned with those standards.

The Welsh Assembly Government will shortly be bringing forward proposals for a new common framework of healthcare standards in Wales. The aim is to simplify the current complicated array of healthcare standards and produce a framework of high level standards that will be easy for everybody to understand and apply. The new framework will form the basis of the inspection and review mechanisms being developed by Healthcare Inspectorate Wales (HIW). In the longer term the aim is to harmonise standards and the inspection and review mechanisms that apply across the NHS, social care services and the independent and voluntary sectors. The final standards will be published and come into statutory effect for all providers of NHS care and treatment from 1 April 2005.

Work is also under way to develop a concordat between bodies inspecting, regulating and auditing health and social care in Wales. This concordat, which is intended to be in place by March 2005, will support the improvement of services for the public and to reduce unnecessary burdens on front line staff.

SSIW will carry out a new cycle of reviews (under the Health and Social Care Act 2003) as planned, including joint reviews with the Audit Commission in Wales (and successor body). Further development will be required for joint work with HIW and for integrated children’s inspections (with Estyn and



others). This will deliver a further five-year programme of joint reviews and inspections over the period 2004/05 to 2009/10.

Performance evaluation is now established as an annual exercise, contributing significantly to the Wales Programme for Improvement, and will continue to develop.

SSIW's growing high-profile role in dealing with performance issues in local authority social services will require further capacity. We plan to expand the existing link inspector role for performance evaluation to take on a wider brief, linking as appropriate with other inspectorates and audit bodies. We are also working with other stakeholders, including the Welsh Local Government Association (WLGA) and the Association of Directors of Social Services (ADSS), to develop greater improvement capacity for social services.

This programme also includes SSIW work to improve performance management systems, including ICT in Social Care (informing social care). The programme continues in 2005-06 to improve performance management and IT systems in social services departments in Wales, a Wanless recommendation. This will support implementation of the unified assessment process and the integrated children's system by March 2006. It will also provide for delivering the e-government agenda and the better sharing of information with health and other partners alongside the single patient record. Time-scales for this will be in keeping with targets and progress in Informing Healthcare.

## **HEALTH & SOCIAL CARE**

### **Informing healthcare**

The programme funds the major initiative to upgrade the IT infrastructure supporting the health and social care services.

### **Review conclusions**

The review concluded that the programme was central to achieving the Assembly Government's health aims as well as having wider spin-off benefits for jobs and skills. The programme is fundamental to delivery of the Wanless agenda for health and social care reform.

The review found that there was well-researched evidence of need. It is in its first years of a 10-year programme so too early for evidence of outputs. It noted the need for robust management of delivery and recommended consideration of a Gateway review process.

### **Draft Budget Proposals**

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
24,929	43,429	43,929	43,929

## Taking the programme forward

Informing Healthcare was launched in December 2003. Early work has been to establish the readiness of NHS organisations for implementing the *Informing Healthcare* programme: the programme has set a framework in conjunction with Trusts and LHBs and plans have been submitted to deliver improvements in the identified areas.

There is increasing demand for a higher quality and more robust and resilient network across all of Wales. Applications such as PACS, telemedicine, Single Record and video conferencing amongst other demand this. Therefore an all-Wales network approach is currently being prepared with the assistance of networking experts and drawing on local expertise and experience across the NHS. This should provide a clear picture of the way forward in the long term as well as identifying opportunities for rapid benefits immediately.

The assessment will be run in three phases

- Information Gathering
- Options and recommendations
- Implementation and Procurement.

The scope of the study extends from the clinical point of practice to data sources used by clinicians which may be in several locations within multiple organisations – a true "end to end" study. All organisations providing healthcare in Wales are covered, including Primary care, Secondary and Tertiary care. Future use will not be limited to the NHS only, but could include other sectors. Individual components being considered include the local network (LAN), any wide area IT networks, and remote LANs.

One of the key elements of Informing Healthcare is a single electronic patient record. In order to evidence base its development a technical proof of concept project was carried out. It demonstrated that the Single Record can be developed and implemented as envisaged in *Informing Healthcare* from a technical perspective. Stakeholders are now being invited to contribute to the Single Record

Development project; work started in August 2004.

As part of the restructuring of the Information Division within Health and Social Care, a business case scrutiny process is now being developed which will include the use of Gateway type reviews - called "Health Checks".

The Single Record projects of Informing Healthcare will be the first projects to undergo this scrutiny process and we have already determined where in the business case process these "Health checks" will take place.

## **HEALTH AND SOCIAL CARE**

### **Workforce Development**

The programme covers workforce development in social services and the NHS. It includes the funding of pre-registration education and training of all health professional staff, which is aimed at increasing the workforce capacity. The programme also includes provision for the costs of changes in conditions of service including the NHS Agenda for Change initiative.

### **Review conclusions**

The review confirmed that the programme was essential to delivery of the Assembly Government's health priorities and made major contributions to the employment and skills agendas. The development of social care staff was also important in underpinning the strength of local communities.

The review drew attention to the need for clear mechanisms to be in place for ensuring that benefits of the new consultant contract, the GMS and other primary care contracts and Agenda for Change in the NHS are achieved and evaluated.

### **Draft Budget Proposals**

**£,000**

<b>Original Plans</b>	<b>New Plans</b>		
<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>

250,467	307,371	321,513	334,398
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## Taking the programme forward

A number of activities which address these points are under way. They cover benefits realisation and monitoring and evaluation. NHS Trusts and LHBs will be monitored to ascertain productivity contract initiatives. Links have been forged with Innovations in Care, the National Leadership and Innovation Agency for Healthcare, local Wanless action plans, and Assembly performance management processes. The Audit Commission is monitoring and reporting on the benefits and efficiencies gained from the implementation of the new consultants' contract.

The broad objective of the strategic social care workforce development programme is to improve social care by ensuring that social care services are delivered by appropriately trained, qualified, and regulated staff.

There are over 70,000 social care staff in Wales. Most are employed in direct care roles, in residential, domiciliary and day care services. Most are unqualified, many work part time. We are taking forward a programme to increase levels of qualification in these groups, which provides funding to supplement employers' own resources and covers the whole social care sector. It focuses on the achievement of national targets and the need for all care providers to meet National Minimum Standards in settings regulated by the Care Standards Inspectorate.

The Social Services White Paper "Building for the Future" set out the Government's agenda for introducing regulation of the social care workforce in Wales. A phased programme is being taken forward by the Care Council for Wales.

Social work training is provided by higher education institutions and funded by HEFCW. About 50% of qualification takes place in assessed practice. A programme of incentive bursaries commenced in 2004 to reverse the falling numbers entering training and secure appropriate numbers in the future workforce. The target is to increase registration on social work training courses in Wales by between 5-8% each year for 5 years from 2002 with a final target of 380 registrations in 2007.

## HEALTH & SOCIAL CARE

### Involving the public

This programme funds the promotion of the Assembly's health (and social care) policy to improve the involvement of patients and the public in decision-making about their own care and in the design, delivery and monitoring of health services.

## Review conclusions

The review noted that involving patients and the public was central to delivering the Assembly Government's priority for improving health and could make a contribution to wider aims such as strengthening local communities. Although there was sound evidence for the success of schemes elsewhere the review found that there was a need to evaluate the effectiveness of delivery in Wales before developing the programme further.

## Draft Budget Proposals

£,000

Original Plans	New Plans			
	2004-05	2005-06	2006-07	2007-08
	1,908	1,908	1,908	1,908

## Taking the programme forward

Given the importance of public and patient involvement to the delivery of the Wanless agenda, there is recognition that performance is patchy, and that more needs to be done by the various NHS organisations to ensure PPI enters the corporate bloodstream. An assessment of the effectiveness of Individual NHS Trusts and Local Health Boards PPI activities has been undertaken in the past by the Commission for Health Improvement (now the Healthcare Commission), and by the Assembly through scrutiny of PPI annual plans. These indicate that, PPI is still not part of everyday practice within the NHS, is not central to core NHS activities, and is not having a major impact on policy and practice. While there are pockets of good PPI practice in place, this is not widespread across Wales.

We have suggested to the Healthcare Commission and to Health Inspectorate Wales that a joint evaluation of the effectiveness of PPI across England and Wales would highlight what needs to be done to mainstream it within NHS organisations. It would also identify best practice, and allow NHS organisations to benchmark their performance with others.

Health Inspectorate Wales is supportive, and we await the reaction from Healthcare Commission. We are still awaiting the response of the Healthcare Commission to our suggestion that this could be a subject for a future thematic review, on which we might base a future workplan on what needs to be done to mainstream PPI. In the meantime, we are continuing to develop capacity across Wales by

allocating LHB shares of the PPI programme monies (this has now happened for two consecutive years); holding regional PPI networks and making links into social care through the Wanless Involving People Subgroup. We are also encouraging innovative projects by inviting bids against the remaining PPI programme budget. This year, bids were also invited for joint PPI projects and these will be evaluated for their effectiveness.

## HEALTH & SOCIAL CARE

### Older people and longer-term care

This programme includes the Older People's Strategy, which provides a framework for statutory bodies to address the implications of an ageing society and improve services for older people; a commissioner to safeguard and promote rights and interests of older people; ensures that older people receive timely, people-centred services appropriate to their needs; and assists older people who wish to remain at home for as long as practicable.

### Review conclusions

The review affirmed that this programme gave strong support to a range of key Assembly Government priorities. The expenditure was important in improving health and in developing strong and safe communities and also made a significant contribution to helping more people into jobs and creating better jobs and skills. The Older People's Strategy had the potential to deliver effectively against the priorities and values, though it was too early to have collected evidence of effectiveness.

### Draft Budget Proposals

£,000

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
293,928	315,973	360,272	372,513

### Taking the programme forward

We propose to put the response into action through the existing Strategy mechanisms. These include an

Older People's Strategy Programme Board, an Older People Cabinet Sub Committee, and a dedicated Deputy Minister with responsibility for Older People and charged with oversight of the implementation of the Strategy and related policies. From December 2004, external scrutiny will be provided by the National Partnership Forum for Older People. This work will be supplemented by a research strand and an annual report.

The establishment of a Commissioner for Older People in Wales (Manifesto commitment) has been the subject of a public consultation. The timing of a statutory Commissioner is dependent on primary legislation. New funding will be made available to support this commitment.

Local health boards, local authorities and their partners have worked together to produce Wanless Local Action Plans that will promote the Health, Social Care and Well-being reform agenda in Wales. Funding has been allocated to local health boards in 2004-05 and will be provided recurrently from 2005-06 to take forward these plans, which will deliver improvements for older people and longer-term care.

## HEALTH & SOCIAL CARE

### Learning Disabilities

The programme funds the completion of the Learning Disability Strategy to resettle this client group out of the remaining old-style institutions and to provide related support.

### Review conclusions

The programme had a long-standing track record of success that was well focused on the Assembly Government's priorities and there was robust evidence of its effectiveness. As well as its importance in improving health it contributed to helping people into jobs and developing strong and safe communities. The review also highlighted the wider strengths of the programme in the way it had taken a consistent long-term view and had tackled an important aspect of promoting greater equality.

### Draft Budget Proposals

**£,000**

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08

152,999

156,013

158,989

161,437

## Taking the programme forward

The Wales learning disability strategy was first introduced in 1983 and reviewed and updated in 1994. It is a whole life approach encompassing education, training, employment as well as health and social care. One of the key objectives is to resettle into social care arrangements in the community those people living inappropriately in long-stay learning disability hospitals. The completion of the social care resettlement programme by the end of 2006 was a firm commitment made with all-party support by the Partnership Government of the first Assembly.

Over recent years resettlement programmes have been completed at the Ely and Hensol hospitals enabling these hospitals to be closed. There are now two hospitals where social care resettlement programmes remain to be completed. Firstly Llanfrechfra Grange, where the construction of new accommodation is proceeding and should be completed during the first quarter of 2005. The second is Bryn y Neuadd hospital where there is an agreed a social care resettlement plan for the hospital which is targeted for completion by the end of 2006. Around 80 people are encompassed in this social care resettlement plan and the implementation of the plan is being project managed by the North Wales Resettlement Project Group which includes representatives from the hospital and all the receiving local authorities.

The implementation of the Welsh Assembly Government's responses to the report 'Fulfilling the Promises' continues. Progress includes:

- the publication in August 2004 of new guidance for authorities on Service Principles and Services Responses for adults and older people with learning disabilities;
- the introduction in 2003 of a new grant scheme to further develop the availability of advocacy services for people with a learning disability
- the development of new guidance for authorities on adopting a person centred approaches in undertaking care assessments for people with learning disabilities under the unified assessment process. This guidance will be issued in the autumn of 2004.

The implementation of the Welsh Assembly Government's responses to 'Fulfilling the Promises' is being monitored by the external Learning Disability Implementation Advisory Group which was established by the Minister in 2002. Its membership includes representatives from statutory agencies; the voluntary sector and people with learning disabilities and their carers.

## HEALTH & SOCIAL CARE

### Care for other vulnerable adults



The programme includes funding streams for the carers' strategy and programmes to support a wide range of different specialist client groups including carers and the disabled.

## Review conclusions

The review noted that while the main contribution of this programme was to maintaining and improving health it also contributed to wider social aims. It was particularly important in its contribution in tackling inequalities related to disability and age. Investment in care was important in reducing the pressure to spend on emergency and other hospital care. Overall the programme makes a contribution to Assembly Government aims but the review concluded that it would benefit from greater coherence with a strategic approach. The review found that the lack of an overarching strategy made it more difficult to make an overall assessment. This might partly be a function of the way in which a number BELs had been pulled together to form a programme for the purpose of the review exercise.

## Draft Budget Proposals

£,000

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
25,590	33,855	41,751	47,084

## Taking the programme forward

Given the diverse range of clients and the need to link with clients covered by other portfolios, it is not possible to develop a single strategy for care for other vulnerable adults. Working with Social Services Inspectorate Wales (SSIW), some policy responses have already been commissioned for adults with physical and sensory disability that includes proposals for the development of professional networks; the development of benchmarking for visual and hearing impairment services and the development of care pathways. These will be in place during 2005-06. The scope for introducing new regulatory and national minimum standards regimes for services using the powers in the Care Standards Act 2000 to raise the quality of services and provide safeguards and improved protection for vulnerable adults will also be kept under review. Existing regulatory and national minimum standards regimes for services such as care homes and domiciliary care will also be kept under review to ensure that they are effectively and appropriately focussed.

In terms of the strategy for implementing the Wales: A Better Country commitment to free home care for disabled people, the Free Home Care for Disabled People Task and Finish Working Group is presently considering options for developing the scheme. This Group will be reporting back to the Minister in October 2004. Implementation will take place in 2005-06 and will take full account of likely resource implications.

## HEALTH AND SOCIAL CARE

### Wanless

Additional heading added to Health and Social Care SpREE programme budgets

### Draft Budget Proposals

£,000

Original Plans	New Plans		
2004-05	2005-06	2006-07	2007-08
24,950	30,000	65,520	167,026