

Health & Social Services Committee HSS-15-00(p.1)

Date **5 July 2000**
Venue **Committee Room 2, National Assembly for Wales**
Title **2001-02 Budget Priorities**

1. Purpose

1. The Finance Secretary's letter commissioning the year 2000 planning and budget round invited Assembly Secretaries to submit an issues paper to subject committees. In line with the agreed arrangements for handling this year's strategic and budget planning round, and following our initial discussion on 7 June 2000, this paper highlights for the Committee's consideration the issues as I see them for the programme areas covered by my portfolio and therefore the remit of this Committee. The eventual outcome of the round will be a rolled forward Strategic Plan and underpinning budget plans (actual budget 2001-02 and indicative plans for 2002-03 and 2003-04).

2. Summary

2. The paper offers an assessment of current performance; progress towards the targets for 2003 and prospects for the 2010 benchmarks in *Betterwales.com*, identifying the key issues which need to be addressed in the current planning round.

3. Timing

3. To meet the Finance Secretary's requirements, I need to receive a note from the Committee setting out its views on the issues raised, including the relative priority to be attached to the specific issues raised, by 14 July.

4. Background

4.1 Against the overall objectives set in *Better Wales* and the expressed priorities of the Committee (summarised at Annex A), there are some key challenges which need to be explored in this round.

4.2 Although there is continued long-term steady improvement in overall levels of mortality and life expectancy in Wales, there has been no change in overall levels of health and well being between 1995 and 1998, and progress against the set of 15 health gain targets is mixed. Whilst there has been satisfactory progress against targets for mortality from coronary heart disease and several cancers, there has been little or no change against many others, and deterioration against targets for low birth weight, back pain, arthritis, adult smoking, alcohol

consumption, and dental decay in young children. Health continues to be poor compared with that in England. There continue to be marked inequalities in health between different communities within Wales. *Better Wales* called for measurable improvement in such key health areas by 2003.

4.3 The immediate challenge is for the NHS and Social Services to be able to respond to the pressures on their services to the public, recognising that there are a number of underlying strategic issues. Principal among these are the needs of an **ageing population**; the quality of care for children and **children's services**; and the need to improve and **modernise** the way in which health services and care are provided in order to meet new clinical standards and growing public expectations.

These challenges will have consequences for:

- the delivery frameworks within which Health and Social Services work;
- levels of support for human resources and ICT;
- future targets and priorities across the services.

Questions.

4.4 The Committee may particularly wish to consider the following questions arising from these points:

Priorities and Standards

(a) Should standards be set for primary care services and, if so, in relation to what areas of performance?

(b) In targeting future standards, should the focus be more on speed of access to treatment (such as reducing waiting times) or equity of access (such as equal access to drugs judged as clinically and cost effective)?

(c) What balance should be struck between, on the one hand, targeting resources at those with the worst health and social disadvantage; and on the other hand expanding core services (whether in acute health, or in community and primary health and social care services)?

(d) Does the Committee accept that the improvement of health and the reduction of inequalities in health requires a better balance of funding to support the work of protection, prevention, promotion and, if so, how much weight should be given to that work when allocating finance?

Delivery Framework

(e) What is the balance between general and specific funding which will best encourage local authorities to raise the standards of personal social services and ensure that work locally reflects assessed needs and agreed national priorities and delivers increased joint working with health?

f. By the same token, should the Assembly retain greater levels of central direction and resourcing in health to focus directly on national priority issues, or continue to allow health authorities (in particular) maximum delegation to address local priorities identified in the Health Improvement Programmes?

(g) The Corporate Strategy for the NHS and the Acute Services review are likely to promote considerable change in the provision of services. Ahead of the conclusions of that work, are there any particular delivery issues which the Committee feel should be reflected in this round?

(h) Is the time right to strengthen the role of Local Health Groups and, separately, to provide a clearer strategic framework for Health-Local Government co-operation?

Human Resources and ICT

(i) Does the Committee accept that education, training and recruitment and retention of healthcare and social care professionals must have priority to ensure that the staff are available to deliver care at the appropriate quality and are in place ahead of any significant expansions in services?

(j) Does the Committee agree that provision of an adequate ICT infrastructure for Health Services in Wales is an underlying requirement for delivering both clinical effectiveness, inter-agency working and accurate record and performance management and should therefore be given considerable priority?

5. Issues for this year's budget round

Current Performance and progress to 2003 targets

5.1 I have set out very briefly below some of the key achievements, prospects and issues for the next two years against the objectives set in *Better Wales*:

Improve health and reduce health inequalities by tackling the underlying causes of ill-health and improving access

5.2.1 We have laid a firm basis for delivery against these commitments. We recently consulted on the draft Health Promotion Strategy and have issued the Substance misuse strategy;

Sexual Health strategy and guidance on Health Impact Assessment. Health Improvement Programmes have been submitted by all Authorities and give a partnership view on local priorities and actions, including those necessary to reduce health inequalities. Work is also continuing on Sure Start implementation and on developing mental health strategies. We are progressing with a campaign to protect children and young people against Meningitis C. The Wales Executive of the Food Standards Agency was established in April.

Looking ahead to 2003, the main issues which arise are:

Health Gain

5.2.2 The priority given to health protection, promotion and disease prevention is relatively low. It would be useful to have views on the relative contribution of this work, including: the development of ways to increase the uptake of immunisation (including influenza, which links to winter pressures); improving our information base to target problems more accurately, and implementing promotion strategies (Local Health Alliances, sexual health, healthy schools, and a new coronary heart disease campaign to target disadvantaged at risk groups).

5.2.3 The Drug and Alcohol Treatment Fund will come to an end in March 2002 on current plans. There is an issue about how best to support the Substance Abuse strategy implementation thereafter.

Through financially sustainable organisations improve the quality and responsiveness of health and social services

5.3.1 The Assembly has recognised one of the key messages of the Stocktake Report considered by the Committee last July, namely the importance of ensuring the **financial sustainability** of the NHS. Ensuring it is funded on a realistic basis has been a key priority in determining this year's health authority allocations and by maintaining a strong focus on the development of robust and realistic recovery plans, the NHS began to reduce deficits from £21.7 million in 1998-99 to about £10 million in 1999-2000.

5.3.2 There has been considerable progress in **developing the strategies** and reviews which will create the framework for a new NHS in Wales. The Human Resources Strategy has very recently been published and the Committee has been updated on progress with the NHS Wales Strategy, the Acute Hospital Services Review, the Primary Care Strategy, and the NHS Resource Allocation Review.

5.3.3. Specific guidance on health and social care priorities has been issued in the form of **Joint Guidance for the NHS and Social Services** to ensure that an integrated approach is taken, particularly in areas where the interface between services is a key factor in ensuring effective delivery. We are working with local authorities to develop a comprehensive

performance strategy for social services. The Joint Review programme, together with SSIW inspections, provides independent assessment of social services provision across Wales, helping authorities to build on strengths and good practice, tackle under performance and raise standards.

Capital

5.3.4 The Assembly has established a **Capital Modernisation Fund** which, together with sale receipts from surplus NHS property has allowed it to announce £53 million of new capital projects with a further £28 million in the pipeline.

Support to local authorities

5.3.5 Local authorities have been given additional funding this year to support work on **children and community care for adults**, including specific grants to support carers. Development work is progressing to establish the statutory frameworks for the Children's Commissioner and Care Standards inspection and regulation regime proposed under the Care Standards Bill. These will provide strong new protection for those in need.

5.3.4 Much of this work will need to be pursued consistently over a number of years to deliver the benefits we wish to see.

Key issues for future delivery include:

Financial sustainability

5.4.1. The need to ensure the **financial sustainability** of the Service and maintain progress towards the restoration of financial balance in all NHS trusts and health authorities. To achieve this, we will need to ensure that budgets are set at levels which are challenging but realistic and that the momentum towards the development and implementation of robust recovery plans is maintained.

NHS Framework

5.4.2 Emerging findings from the **NHS Wales Strategy Project**, which is due to report in early 2001, suggest that further integration between different sectors of the NHS should be pursued through the development of managed clinical networks that span all aspects of health provision from the community to the specialist hospital, and that new relationships need to be established with the independent sector to maximize the use of the resources available. Consultation on the strategy and the subsequent planning of the national and local response to the strategy means implementation will probably begin during the course of next year.

Capital

5.4.3 There will need to be investment on a scale not seen before, particularly in the infrastructure of the NHS. Meanwhile significant investment is also necessary to address the backlog in the replacement of clinical equipment and estates maintenance.

Primary Care

5.4.4 LHGs are the vehicle which will bring together the various strands of the developing strategy for **Primary Care**. They are deliberately widely based to promote partnerships and to harness the skills of all professionals working in the sector. The issue is to create a clear development path for LHGs to deliver effectively on the Strategy and to set clear goals for the Primary sector. On new initiatives the arrangements for setting up pilots to explore new ways of delivering primary care are beginning to attract attention and will require further investment.

Basic Health Service Infrastructure

5.4.5 There are shortages of key staff which are reducing capacity in the NHS. The **Human Resource Strategy** is seeking to tackle these issues and ensure that there are not structural human resource constraints to long-term improvement in services.

5.4.6 Current levels of spending corporately, and especially in local organisations, on **Information and Communications Technology** are unlikely to permit implementation of *Better Information - Better Health* targets as currently framed. Additional funds are being provided corporately to enable acceleration of health authorities' programmes for the upgrading and networking of GPs' information systems. NHS stakeholders agreed that this would need to be matched as soon as possible by investment in trusts to enable health professionals in hospitals and community services to exchange patient care information electronically, and to benefit from access to the NHS corporate information and knowledge services. These are critical to the achievement of many key developments for improving the quality of patient care, including clinical governance, implementation of National Service Frameworks, direct booking systems, and the development of e-health generally.

Waiting Times and other Service Improvements

5.4.7 Demanding targets have been set for the reduction of **waiting times and waiting lists** this year. Clinical prioritisation, booked appointments, and the work of the Innovations in Care team will provide new ways of further reducing waiting times although progress will also depend on additional investment to increase capacity and support innovation. We will be seeking to build on the progress that, with the benefit of the additional resources made available in the current year, the NHS will begin to make this year towards implementing a range of service improvements to address other key Committee priorities for improving

cardiac care, mental health and cancer services, and other priorities identified in Health Improvement Programmes.

Learning Disability Resettlement

5.4.8 We shall also be seeking to implement plans for the completion of the **re-settlement of those with learning disabilities** from Hensol and to start on a comprehensive programme for re-settlement of residents at Bryn y Neuadd as and when resources allow.

Social Services delivery

5.4.9 Although the Local Government and Housing Committee leads on the **local government revenue settlement** the Health and Social Service Committee will want to influence the outcome for personal social services spending within the overall revenue settlement discussions.

5.4.10 The local government revenue settlement will have a far greater impact overall on local authorities' ability to deliver services than the budgets appearing in the Health and Social Services MEG. In 2000-2001, local authorities expect to spend some £605m on social services, a net increase of £42m (7.4%) on the previous year.

5.4.11 Local government has identified significant new spending burdens arising from implementation of the Social Services White Paper, Children First, Children Leaving Care Bill, National Foster Care Standards, Local Government Act, Mental Health Strategy and National Service Framework, Criminal Justice Act, and the Care Standards Bill. Other pressures identified include the need to do more to address the acknowledged shortfall in Community Care for services to the Elderly and the social services needs of more asylum seekers.

Joint working

5.4.12 A priority for the coming year will be to seek further improvement at the interface between the NHS and local government, such as the proposals emerging from the Emergency Pressures Task Force. LHGs and Social Care plans will need to focus increasingly on providing a seamless package of services, especially for the elderly and other vulnerable adults, such as action to reduce delayed discharge, action in the community to prevent avoidable admissions, improved support at discharge, possibly the provision of care in non-hospital settings, and better rehabilitation services. A major feature will be to exploit to the full the new Health Act flexibilities (pooled budgets etc) coming on stream this autumn, in order to improve access to services and ensuring seamless movement between services, especially for the elderly.

Children

5.4.13 We have made significant progress on children's services but there is still a long way to go to bring all authorities provision up to the level of the best. The Committee may want to consider how best to ensure that authorities target resources on the key services for children in need and with disabilities, and for children who are looked after. The corporate parenting responsibilities of authorities are of the highest priority, to be addressed through the Children First programme and related work. There will also be new responsibilities for authorities arising from the Children (Leaving Care) Bill. The Children's Commissioner should be in place well before the end of the current financial year: developing that office will be a continuing priority.

Assembly Themes and Schemes

5.5 The Health and Well-being portfolio makes a strong contribution to the delivery of the Assembly's themes, including taking a lead on social deprivation and the voluntary sector.

The Voluntary Sector

5.5.1 There are four sets of considerations:

- The scope for examining whether there is a greater role for the voluntary sector in the delivery of services and initiatives.
- The scope for continuing to improve in real terms the funding of voluntary bodies which are supported by the Assembly in the fields of health and social care particularly where, as noted in some of the headings above, the bodies will be expected to provide an increased response to new policies and initiatives. We include within this a number of national and local umbrella bodies and networks.
- The level of support for volunteering under the Active Community Initiative in Wales. The outcome of interdepartmental work on the Active Community for the Spending Review in England will be relevant here.
- The recommendations of the Strategic Funding Review of Voluntary Sector (commissioned by the Voluntary sector Partnership Council) form part of the background papers for the Budget Planning Round and will need to be addressed.

Deprivation and Communities First

5.5.2 Positive action will need to be taken to ensure full Health & Social Services contribution to the **Communities First** Initiative. The Health Act flexible funding arrangements will be an important driver to enable authorities to work together to target action effectively on local areas across agencies.

5.5.3 More precise information is likely to be needed to identify populations with the poorest health and baselines from which to monitor progress will need to be agreed. To achieve the outcomes a real focus of resources on the target communities may be necessary.

5.5.4 There is considerable scope for the **rationalisation of programmes** and plans tackling social deprivation and children's services. I will be looking at the scope for a more focused approach which creates fewer pots of money which are easier for people to access.

Rolling *Betterwales* forward

***Betterwales* 2010 Benchmarks**

5.6.1 In my judgement, the 2010 benchmarks remain valid and a worthy and realistic objective for the longer term. Additional money for health will help to achieve these targets sooner but it is difficult at this stage to quantify the impact of the additional resources. Most of the mechanisms for promoting change are already in place or are likely to be so in the near future. The main area where we are likely to need some change to these goals are in following up the implications of report on Long Term Care of the Elderly and in targeting action more effectively on those in most need.

Annex B shows some relevant Health Gain targets

6. Compliance

6.1 The Assembly's procedures in relation to allocation of programme budgets are covered under standing order 19. This paper relates to the budget expenditure lines in the Health and Social Services Main Expenditure Group of the Assembly's budget. The Assembly Compliance Office are content that there are no compliance issues at this stage.

7. Action Required

7.1 The Committee is invited to comment on the issues and questions raised in this paper. I would particularly welcome views on how best we strengthen the delivery framework for the Health and Social Services and indications of relative priority to be attached to the detailed issues raised.

Jane Hutt

Health and Social Services Secretary

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Annex A

National Assembly for Wales

1. Better Wales.com: priorities

- **Improve health and reduce health inequalities by tackling the underlying causes of ill health and improving access**
- **Through financially sustainable organisations, improve the quality and responsiveness of health and social services**

2. All Assembly Themes

- The promotion of equal opportunities
- Tackling social disadvantage
- The commitment to sustainable development, as set out in the Assembly's emerging Sustainable Development Scheme
- The need to simplify programme. Improved delivery mechanisms by working with partners

3. Health and Social Services Committee's priorities are:

- Joined up working/putting people first
- Improving health and tackling inequalities
- New approach to primary care
- Quality regulation and inspection
- Children's services
- Clinical and service developments, including
 - Services to the mentally ill and to progress the resettlement of people with learning difficulties from long-stay institutions
 - A strategic approach to capital developments

Annex B: Health gain targets for Wales

Indicator	Sex / Age group	Measurement	Target Targed	Year Blwyddyn
Lung cancer	Males aged under 75	Mortality rate (<i>per 100,000 population</i>),	22.6	2010
	Females aged under 75	European standardised	18.2	2010
Breast cancer (<i>female</i>)	Females aged 50 to 74	Mortality rate (<i>per 100,000 population</i>), European standardised	58.7	2002
Cervical cancer	Females all ages	Registration rate (<i>per 100,000 population</i>), European standardised	11.0	2002
Coronary heart disease	People aged under 65	Mortality rate (<i>per 100,000 population</i>),	25.2	2002
	People aged 65 to 74	European standardised	615.0	2002
Cerebrovascular disease	People aged under 65	Mortality rate (<i>per 100,000 population</i>),	9.2	2002
	People aged 65 to 74	European standardised	163.8	2002
Accidents	People all ages	Mortality rate (<i>per 100,000 population</i>), European standardised	17.6	2002
Suicide and undetermined deaths	People all ages	Mortality rate (<i>per 100,000 population</i>), European standardised	11.1	2002
Low birth weight	Babies	Percentage of babies of low birth weight (> 2,500 gms) (<i>per cent all births</i>)	6.0	2002
Back pain	People aged under 65	Percentage reporting back pain treated by a Doctor	24.7	2002
Arthritis	People aged 65 or over	Mean Physical Component Summary Score of people who report they have arthritis which has been treated by a doctor	34.9	2002
Mental health	People all ages	Mean Mental Component Summary Score	50.0	2002
Smoking	Males aged 18 to 64	Percentage who smoke (<i>daily or occasionally</i>)	20.0	2002
	Females aged 18 to 64		20.0	2002
	Boys aged 15 Girls aged 15	Percentage who smoke (<i>at least weekly</i>)	16.0 20.0	2002 2002
Consumption of fruit and vegetables	People all ages	Percentage who eat green vegetables or salads most days	40.0	2002
	People aged 18 to 64	Percentage who eat fresh fruit most days	55.0	2002
Alcohol consumption	Males aged 18 to 64	Percentage consuming more than 21 units per		

	Females aged 18 to 64	Week Percentage consuming more than 14 units per Week	18.0	2002
			7.0	2002
Dental caries	Children aged 5	Percentage of children experiencing	48.0	2002
	Children aged 14	dental caries (<i>DMFT of 1 or more</i>)	59.0	2002

Actual Figures

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1994	1995	1996	1997	1998
53.6	49.2	44.0	44.5	42.7
22.9	23.0	22.6	22.9	23.4
93.2	83.9	86.6	82.2	77.0
11.5	..	..	..	..
53.2	50.3	47.5	44.9	39.2
841.5	820.1	784.2	732.9	703.0
12.0	11.5	11.7	12.2	11.5
215.7	218.4	219.3	213.6	208.0
17.8	20.5	19.9	21.7	20.4
11.7	12.3	10.5	11.0	11.6
6.8	7.3	7.1	7.2	7.4
..	27.4	..	..	29.0
..	32.4	..	..	31.8
..	49.5	..	..	49.5
..	..	33.5	..	..
..	..	29.5	..	..
..	..	23.0	..	..
..	..	29.0	..	..
..	..	33.2	..	..
..	..	46.4	..	..
..	..	27.4	..	..

..	..	11.2	..	..
..	53.1	..	57.3	..
63.9	..	..	..	62.9

The Welsh Office published a set of 15 Health Gain targets for Wales in June 1997 (DGM(97)50). Together they are intended to measure progress toward improved health in Wales. Health Authorities are expected to work with other local agencies to develop plans, over 5 years, for health improvement that cover the targets, and which address inequalities in health between Local Authority populations within each Health Authority.

The set of targets were developed where improvement was thought to be realistic, by an expert group, to include a broad range of conditions that cover premature death, quality of life, and lifestyles; and which are measurable with a known baseline. The target levels take account of past experience in Wales, in other parts of the UK, and in other comparable countries in Western Europe. These comparisons give a realistic idea of the scope for improvement and of the time-scale over which improvements can be expected.

It is not a comprehensive list of important conditions, and is not a list of priorities - either for the health service, or for other agencies. What it does represent, taken as a package, is the best available set of indicators and targets for overall improvement of health and well-being in Wales.

Further details of the targets are contained in "**Better Health, Better Wales**" a consultation paper published by the Welsh Office in May 1998.

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