Health and Social Care Committee

Meeting Venue:
Committee Room 1 - Senedd

Meeting date:
18 July 2013

Meeting time:
09:15

Cynulliad Cenedlaethol Cymru
National Assembly for Wales

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Agenda

1 Informal briefing session (09.15 - 09.30)

2 Introductions, apologies and substitutions

3 Scrutiny of the Minister for Health and Social Services and Deputy Minister for Social Services - General scrutiny (09.30 - 10.45) (Pages 1 - 24)

HSC(4)-25-13 paper 1

Mark Drakeford AM, Minister for Health and Social Services
Gwenda Thomas AM, Deputy Minister for Social Services
David Sissling, Director General for Health & Social Services/Chief Executive, NHS Wales.
Dr Ruth Hussey Chief Medical Officer.
Albert Heaney, Director of Social Services Wales

Break (10.45 - 11.00)

4 Scrutiny of the Minister for Health and Social Services and Deputy Minister for Social Services - financial scrutiny (11.00 - 12.00) (Pages 25 - 41)

HSC(4)-25-13 paper 2

Mark Drakeford AM, Minister for Health and Social Services

Gwenda Thomas AM, Deputy Minister for Social Services
David Sissling, Director General for Health & Social Services/Chief Executive, NHS Wales
Martin Sollis, Director of Finance

5 Papers to note

6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for items 7 and 8 (12.00)

Private session

7 Inquiry into measles outbreak 2013 – Consideration of key themes (12.00 – 12.15)

8 Approach to scrutiny of the Welsh Government's Draft Budget 2014-15 (12.15 – 12.30)

Health and Social Care Committee
HSC(4)-25-13 paper 1
General Scrutiny Session – Minister for Health and Social Services and Deputy Minister for Social Services

Purpose

1. This paper provides an update on key priorities and issues across the Health and Social Services Ministerial portfolio including specific reference to those areas of interest identified by the Committee and outlined in the Committee Chair's letter of 10 June 2013. A separate paper covers our response on financial matters.

Overview of recent progress and achievements, and portfolio priorities

2. There have been a number of developments across my portfolio since the last update to the Committee in December 2012. Progress has also been made in taking forward the health and social services contributions to the **Programme for Government,** as outlined in the June 2013 Annual Report.

3. Health and social services continue to face an unprecedented level of demand linked to the chronic health problems associated with an ageing population and lifestyle changes. As the Committee will be aware, pressure on NHS services continues to rise in line with patient expectations and treatment costs, all within a very tight fiscal environment. Since taking up office earlier this year I made it clear that there were a number of **priority areas** on which I wanted to focus particular attention.

4. On 21 May I presented the Assembly with the latest progress report on *Together for Health,* in which we set out four key areas – the development and implementation of **delivery plans** for a series of major services (stroke, oral health, heart disease and end of life care); how we make sure that NHS Wales uses **information and data** to drive improvement; achieving high-quality services through **listening to patients and staff**, and progress in delivering our **legislative**

programme as a key tool to make further progress in improving health and social care outcomes. Since that update, plans for the critically ill and local health care have been issued.

5. In order to achieve the aims set out in *Together for Health* there are particular challenges that both the NHS and social services are currently facing which require a new sense of national purpose and urgency to respond to the sustained pressures felt in **Unscheduled Care** services in Wales. Along with the Deputy Minister for Social Services and Minister for Local Government I have initiated a series of meetings with Local Health Boards and their constituent Local Authorities to establish the action they are taking to accelerate social care assessments and discharges in their areas. In addition, every Health Board Chief Executive has been required to produce a statement, signed jointly with the Welsh Ambulance Services NHS Trust, to set out and implement actions to reduce ambulance handover times at A&E departments. Alongside this another important development is the recently launched **National Delivery Framework** for 2013-14 which will drive further improvements and reductions in the number of unplanned hospital admissions, delays for admission, transfer and discharge at Hospital A & E Departments.

6. On 25 June I tabled a motion on **Primary Care and the Inverse Care Law** which outlined the overarching framework and direction of travel for the role of primary care in shaping and delivering health services and reducing health inequalities. I announced the publication of *Delivering Local Health Care*, which sets out a range of actions to accelerate the pace of change in improving primary and community care. Making this happen is reliant on strengthening locality working to ensure services are locally based and clinically led and better integration of health and social services. Alongside 'Delivering Local Healthcare' we are developing a framework for **integrated health and social care plan for older people with complex needs**. Recognising the importance of partnership working, we will work closely with Local Health Boards, Local Authorities and others to secure progress.

7. **Reconfiguration of hospital services** continues in order to ensure the provision of safe and sustainable NHS services across Wales.

8. Turning to the Social Services agenda, progress continues to deliver the ambitions set out in *Sustainable Social Services: a Framework for Action*. Through a sector-wide programme approach we have made significant headway. The Social Services and Well-being Bill, currently undergoing scrutiny by the Committee, provides the legislative framework for a transformation of the sector. The refreshed Carers Strategy for Wales, which was published last month, during national Carers Week, seeks to address issues of carers' health and well-being and supporting carers so that they can have a life outside of the caring role. Alongside this we have seen tangible progress in areas such as a new National Adoption Service, the launch of the a well-being statement setting out our approach to delivering outcomes for citizens, a new national safeguarding board and the launch of phase 3 of our Older Person's Strategy.

Session 1: General Scrutiny Issues

NHS Performance

9. Each LHB and the Wales Ambulance Service Trust has been asked to provide detailed plans and trajectories to demonstrate their commitment to achieving a range of national performance targets. The plans were received at the end of June, and are currently being reviewed and risk assessed by the Welsh Government. Health Board escalation levels will be reassessed based on the evaluation of plans and intervention to drive delivery will be provided as necessary. My officials will support this by weekly evaluation of improvements and delivery against the recovery plans.

Welsh Ambulance Service

10. One of the main priorities over the next 12 months will be the implementation of the McClelland Strategic Review of Welsh Ambulance Services.

11. I made a statement on the review on 9 July and the Welsh Government will work with NHS Wales to deliver against the recommendations made by Professor McClelland. This will include:

- Establishing a new National Delivery arm that will be responsible for the commissioning of ambulance services, with all seven Chief Executives as members of the new organisation;
- A staged implementation plan for the disaggregation of elements of non-emergency patient transport from emergency medical services, resulting in the transfer of responsibility to Local Health Boards;
- A consultation exercise in relation to renaming the ambulance service to better describe the emergency clinical service that it will deliver;
- Appointment of a new interim Chair, open competition for seven non-executive directors, a Chief Commissioner and a Senior Programme Manager;
- delivery of a clinically led emergency ambulance service which is embedded as a pivotal part of the unscheduled care system;
- ensuring funding mechanisms are clear and aligned to accountabilities; and
- up-skilling paramedics where appropriate to increase clinical decision making ability and ensure patients are seen in the right place, at the right time.

12. In May 2013, the Welsh Ambulance Service achieved a 5.3 percentage point increase in the number of emergency responses arriving at the scene within the eight minute target, with performance of 62.5% when compared to 57.2% the previous month. In the same month, 72.9% of patients who required an emergency response received it within 10 minutes, and over 94% received a response within 20 minutes. While this is encouraging we know that more needs to be done to ensure performance improves in the long term.

13. The McClelland Review of Welsh Ambulance Services made it clear that the eight minute target should not be seen as the only measure of ambulance performance, and that ambulance services should be clinically driven. We have begun work with the NHS to develop a new set of indicators that provide an intelligent suite of clinically informed

targets and standards. These will be outcome focused, aligned with the integrated unscheduled care pathway and in place by 1 April 2014.

Cancer Delivery and Waiting Times

14. In terms of our performance against the targets over the last year, in general the monthly figures show that the all Wales performance against the 31 day cancer target tends to fluctuate around the 98% target, although the figure fell to 95.2% for April 2013. All Wales performance against the 62 day target for April 2013 was 80.5% against the 95% target, a reduction of 5.6 percentage points on the March 2013 figure. Welsh Government officials have met with Health Board Chief Executives to ensure that all action possible is being taken so that these two important targets are achieved as soon as possible. Health Boards are immediately putting actions in place to reduce the number of patients who have waited over 62 and 31 days. This strategy, whilst effective in the long run is likely to result in a delay in achieving overall compliance against the cancer waiting times target over the next few months. We will be analysing the number of patients waiting over 62 days on a weekly basis.

15. It is also important to note that the number of patients starting their treatment increased in April:

- 1,360 cancer patients (NUSC and USC) started their first treatment in April 2013; this is considerably higher than the monthly average of 1,301.25 for the past year.
- In April 2013, 1,225 cancer patients started their treatment within their respective pathway target (31 and 62 days), this is higher than the monthly average of 1,213.5 for the past year.

16. Analysis of waiting times performance shows that if the first outpatient appointment takes place after 10 days, this has a detrimental impact on meeting the overall target. If the NHS focuses on ensuring that as many patients as possible are seen within ten working days, then it makes meeting the target more achievable. I have therefore written to Chief Executives of Health Boards to ensure that they have robust

processes for measuring performance against this milestone and to plan sufficient capacity to ensure patients are seen quickly at the start of the pathway.

Unscheduled Care

17. Our unscheduled care services were under considerable pressure until recently and this has been particularly marked in emergency ambulance and acute hospital services. Easing pressures on unscheduled care is an operational priority for the Welsh Government, and this includes reducing patient handover delays, improving access to Accident and Emergency departments and improving timeliness of patient discharge.

18. To achieve these goals we have implemented a national improvement programme. It requires our Health Boards to ensure they have right capacity in our hospitals to meet demand. But it also recognises the need for improvements in other areas – for example – in community services, in joint health and social service arrangements and in out of hours GP services. We want to see inclusive planning and inclusive solutions implemented with pace and purpose. The programme includes:

- Broad support of the relevant professional bodies to deliver against the principles outlined in *Together for Health,* inclusive of immediate steps to improve the current position;
- The USC National Clinical Lead post was advertised recently and 5 high quality expressions of interest were received. An interview panel will comprise Kevin Flynn, Director of Delivery, Chris Jones, Deputy CMO and Andrew Goodall (Lead CEO for unscheduled care). All candidates will be invited for interview in July.
- The appointment of Baroness Illora Finlay to lead a small group to discuss how the design and delivery of services for older people in the future should look.

19. The Wales Audit Office is due to report imminently regarding progress with unscheduled care. I will consider the report and recommendations fully.

20. Latest Emergency Department Performance figures for May 2013 for all Emergency Department units stood at 91.3%, a rise of 8.3 percentage points when compared to March 2013. Welsh Government officials and the Delivery and Support Unit (DSU) continue to work closely with major EDs to improve patient flow against the backdrop of a challenging financial position. Latest data showed performance against the 4 hour A&E target for the week commencing 8 June had risen further to 92.6%. Latest data shows there were 1,612 lost ambulance hours in June 2013. This represents a drop of 320% in lost hours when compared with April.

21. Data on number of patients waiting over 12 hours was published for the first time on 14 June 2013, relating to patient numbers in April and May 2013. The data shows a 65% reduction in the number of patients who spent over 12 hours in an emergency department between April and May 2013.

Health Board Re-Configuration Plans

22. There is a now a growing acceptance in Wales that change is essential if current standards of patient care are to be maintained. Difficult decisions must be made and it is inevitable that people will not always be happy with plans affecting local services. However, I have made it clear that processes need to be concluded in timely fashion so we can put an end to public uncertainty and put the NHS in Wales on a more sustainable footing for the future.

South Wales

23. The South Wales Programme is currently consulting on options for the future of consultant-led maternity and neonatal care, inpatient children's services and emergency medicine. Formal consultation has commenced and will end on 19 July 2013. Health Boards will then

make their final decisions at their respective Board Meetings in October 2013.

Hywel Dda Health Board

24. I have received a letter from the Hywel Dda Community Health Council (CHC) explaining that while further dialogue between them and the Health Board has resolved several issues, there remain matters of concern to the CHC. I have asked officials to establish a Scrutiny Panel to examine all relevant documentation and consider the issues. The Panel will provide detailed advice and recommendations on the services in question and which will form the basis of my determination.

North Wales

25. Betsi Cadwaladr Community Health Council wrote to my predecessor on 4 March, referring some of the Health Board's proposals for determination. The Health Board offered to resume dialogue with the CHC over the areas referred, with a view to finding an agreed way forward. However, the CHC has since confirmed it will not be engaging further with the Health Board, and has asked me to make final decisions on the basis of the evidence provided.

26. The referral relates to:

- Minor Injury Services – specifically in relation to those people living in Gwynedd;
- X-ray Services – specifically the loss of x-ray services from Tywyn Hospital;
- Older People's Mental Health Services – specifically in relation to those people living in rural Gwynedd.

27. Once I am satisfied that I have all of the relevant evidence and appropriate advice on the issues referred, I will make final decisions, having considered matters thoroughly and carefully.

Neonatal Services in North Wales

28. The Committee is aware that the Royal College of Paediatrics and Child Health has agreed to undertake a review which will give consideration to the current and proposed arrangements for neonatal care. This will focus specifically on intensive care provision and consider potential alternative models for providing a sustainable, long term and self sufficient neonatal intensive care service within North Wales.

29. This review has been commissioned by the First Minister to remain independent of the reconfiguration process. The Royal College has appointed an authoritative, independent and experienced multidisciplinary review team which has commenced engagement, meetings and a comprehensive listening and information gathering process with all stakeholders. A date for reporting back to the First Minister is in the process of being agreed for late September 2013.Once the report findings are available they will also be made available to Betsi Cadwaladr UHB as a resource to assist their second phase of planning for acute services.

Recruitment Plans for Doctors and Staffing Levels

30. The vacancy rate for medical posts in Wales is favourable compared to other professions standing at 2.3%. That said, there is a UK-wide shortage of doctors in certain specialties which we are tackling actively through the 'Work for Wales' campaign. The campaign supports Health Boards in increasing the number of doctors in post, by promoting the benefits of living and working in Wales and ensuring medical students and established doctors are aware of the opportunities available to them here. The Welsh Government has developed a network of 25 Champions to promote their experiences of working in Wales in order to influence others to join them, and we continue to engage this network to identify all opportunities to promote Wales. Through advertising posts across Europe, Health Boards should increase the pool of highly-skilled, highly trained medical staff available to work in Wales.

31. Turning specifically to nursing, my officials are also seeking assurances from Health Boards and NHS trusts that they are complying with the set of agreed principles for determining nursing staff levels in acute medical and surgical adult wards

Patient Safety

32. Our vision is one of a Welsh NHS which is safe and compassionate. We want to build on all the progress we have made and ensure our system is:

- Providing the highest possible quality and excellent patient experience
- Improving health outcomes and helping reduce inequalities
- Getting high quality from all our services.

33. The consistent delivery of safe and high quality care relies on contributions from a wide range of organisations. This is described in *Safe Care, Compassionate Care* – A National Governance Framework to enable high quality care in NHS Wales. This builds on the *Quality Delivery Plan: Achieving Excellence* issued in May 2012.

34. The many successes we have seen through the 1000 Lives Plus programme shows the deep commitment by those working in the NHS, from ward to the Board, to tackle barriers to delivering safe care.

35. The publication of the Francis report of the Mid Staffordshire NHS Foundation Trust Public Inquiry has provided an opportunity to reflect on the many actions we already have in place in Wales to drive continuous improvements in patient safety and experience of care. This includes the arrangements we have established to make it easier for patients and their families to raise any concerns about their care treatment provided by NHS Wales. I presented the Welsh Government response to the Francis report at a plenary debate on 9 July. This set out the learning for Wales and how we will continue to build on our

achievements and ambitions for a Welsh NHS which is safe and compassionate at all times.

Health information

36. *Safe Care, Compassionate Care: A National Governance Framework* to ensure high quality care in NHS Wales sets out our expectation that all services should be patient centred and driven by their needs. The use of relevant information by NHS Boards to drive continuous improvement is a cornerstone of this framework. I therefore expect all NHS organisations to have mechanisms in place to ensure that information on the quality and safety of services is drawn from a number of sources and triangulated to form a clear view of how good a service is.

37. In May 2013 I published our Framework for Assuring Service User Experience. An action point of the *Quality Delivery Plan*, this sets out a consistent approach to measuring patient or user experience against three domains:

- First and lasting Impressions, including dignity and respect
- Receiving care in a safe, supportive, healing environment
- Understanding of and involvement in care.

38. This will complement the National Survey and the findings will be published. We are committed to openness and transparency and this year all Health Boards and Trusts are required to publish an Annual Quality Statement, reporting publically on their performance on all aspects of quality. As part of this commitment, NHS organisations published their acute risk adjusted hospital mortality figures earlier this year. We have established a Mortality and Transparency Taskforce to build on this approach and develop a programme during 2013/14 for further publication of meaningful measures and information on quality and safety.

Critical Care Capacity

39. The *Delivery Plan for the Critically ill* was launched on 11 June. The Plan, which seeks to address challenges facing critical care services in Wales, was developed in conjunction with representatives from NHS Wales. The Delivery Plan sets out the Welsh Government expectations for the NHS focusing on five delivery themes with clear aspirations:

- Delivery Theme 1: Delivering Appropriate, Effective Ward Based Care
- Delivery Theme 2: Timely Admissions to Critical Care
- Delivery Theme 3: Effective Critical Care Provision and Utilisation
- Delivery Theme 4: Timely Discharge from Critical Care
- Delivery Theme 5: Improving information and Research

40. The Plan seeks to ensure that those who require critical care receive it in an appropriate environment, cared for by sufficient numbers of suitably qualified and experienced staff.

41. Critical care units need to be able to respond to emergency admissions and other demands. All units in Wales report occupancy rates of greater than 80%. At times patients who should be in critical care, being looked after by appropriately trained staff may be being cared for in other clinical areas which might lead to sub-optimal treatment.

42. At the same time, many of the patients on critical care units may not require that level of care. National critical care data shows that 111,377 critical care bed hours were lost due to patients awaiting discharge to ward beds in 2012/13; this equates to on average of thirteen beds per day across Wales. NHS Wales has an average of 3.2 intensive care beds per 100,000 people. This is lower than the number of beds provided for the population in the rest of the UK. Such a level of beds makes it all the more important that they are used to maximum efficiency and effectiveness by minimising avoidable or unnecessary admissions and ensuring timely discharge.

43. Local Health Boards are now required to develop and publish a detailed local delivery plan to identify, monitor and evaluate action

needed. They will report annually on progress and must deliver the commitments contained in the plan by 2016.

GP Opening Hours

44. The first phase of this work related to reducing the number of practices with half-day closing and ensuring the availability of more appointments between 5.00 and 6.30pm. Good progress has been made with 94% of GP practices offering appointments between 5.00pm and 6.30pm on at least two week nights per week. In addition, the number of GP practices which were closed for half a day on one or more week days decreased from 19% in 2011 to 11% in 2012.

45. The second phase, which is the priority for delivery this year, will focus on ensuring the availability of appointments after 6.30pm. There is currently a Directed Enhanced Service (DES) which enables practices to provide services outside core hours (8.00am – 6.30pm). Where a Health Board is satisfied a practice meets the reasonable needs of patients in core hours and there is evidence to support the need for such appointments, practices will be offered the opportunity to provide the enhanced service. LHBs are currently working with practices to scope the reasonable needs of patients for access outside core hours. An initial review of all enhanced services has been undertaken by LHBs to ensure they are consistent with Welsh Government and LHB priorities . Officials met with LHBs at the end of May and each LHB has been requested to provide a summary report of their enhance service review and plans for development of enhanced access to Welsh Government by 30 September 2013.

46. Work has also been commissioned to develop an innovative model for access to planned appointments outside core hours. A review of the Out of Hours arrangements, which includes proposals for access to GP services at the weekend, is currently being undertaken. Proposals are expected by 30 September with implementation to commence during 2014/15.

Over 50 Health Checks

47. The health checks programme is consistent with the strategic direction set out in Together for Health. In particular, it has real potential to support and empower people aged over 50 to gain greater control over their own health and wellbeing, in a convenient way.

48. The development of an online health check is the first stage in a process, supported by doctors, pharmacists and other healthcare professionals, to improve the identification of individuals who would benefit from lifestyle advice or GP care.

49. We recognise GP teams already provide a wide range of services which are relevant to the concept of 'health checks,' including routine checks for chronic conditions. This work includes systematic approaches for identifying risk, and proactive arrangements for offering care and advice where needed.
The focus of the health checks programme will be on providing a complementary new service rather than duplicating other types of provision. This will allow GPs and other primary care practitioners to prioritise the patients that most need their care and not waste time on checks on 'The worried well'.

50. The health checks programme forms part of a broader long term vision to enable individuals to understand and make choices about their health care, supported by professional advice. We are working towards providing patients with access to their own health care record, enabling them to input information and agree appropriate actions with their primary care team. The health check will over time become embedded within this overall system.

51. The Government will be taking a phased approach to introducing the programme, by firstly looking at how it works in ten pilot Communities First cluster areas. This will allow us to further develop our evidence base to ensure that the over 50 health checks reach those who are most in need.

28-Day Prescription Limit

52. The All Wales Prescribing Advisory Group (a subgroup of AWMSG) published a report in February 2013 which reviewed the available literature and evidence for 28 day prescribing. They concluded the available evidence was not strong enough firmly to recommend one approach over another. Their recommendations included:

- A 28-day repeat prescribing interval is broadly recommended; although discretion should be used for individual patients or medicines. This should be coupled with a rigorous and effective medication review process.

- Repeat prescribing systems that promote synchronised, once per month requests for long-term medication should be developed.

- People who are stabilised on their medicines and are suitable for longer prescribing intervals can be considered for repeat dispensing (28-day prescriptions for 6-12 months).

53. On this basis Health Boards are encouraged to adopt 28 days as the standard duration for prescriptions where possible and appropriate. In general, this is thought to reduce medicine waste and unnecessary prescribing. 28 day prescribing is, however, not mandatory and consideration should be given to individual patient needs.

54. For patient safety reasons, Health Boards are encouraging GPs to move towards systems that require a written request for the medication. There have been problems with telephone and email repeat requests, which have caused patient safety incidents in Wales and the UK, as errors made in transcribing a patient's request have resulted in the wrong medicine or dose being prescribed. The launch of *My Health Online* now allows patients to request, on line, repeat prescriptions from their GP, thereby eliminating some of the problems with previous ordering processes

55. Health Boards are being encouraged to increase Repeat Dispensing, which is a service whereby GPs can prescribe up to 12 repeat prescriptions at once. However, these prescriptions need to be left with a community pharmacist and dispensed when the patient needs the next instalment. This reduces the number of journeys to obtain medication and improves convenience for the patient.

Public Health / Health Inequalities

56. Good health and wellbeing should not depend on where people live or their social circumstances. The importance of reducing health inequalities is highlighted in our five-year vision for the NHS in Wales, *Together for Health* and is reflected across a range of our activities.

Poverty

57. The Welsh Government document, *Building Resilient Communities: Taking Forward the Tackling Poverty Action Plan,* which was launched on 3rd July, is a strategy which I strongly support. Officials from my department have been fully engaged in its development and will be fully committed to its implementation, in concert with the NHS and social services bodies. As the Plan recognises, there are already a number of programmes that can help reduce the chances of people falling into poverty, such as action on teenage pregnancy, and help people with limited resources, such as our food co-op initiative. There is also action to help support the Welsh economy more widely, such as reviewing procurement. The over 50s health check and Inverse Care Law work are closely aligned with other efforts to help disadvantaged communities and Healthy Working Wales has an important role in keeping people employed. We are now exploring how the NHS and social services can do more to help reduce the number of workless households. More generally, we are working to refocus existing activities, which better link to other programmes such as Communities First and we are also developing new initiatives to strengthen the contribution of the health and care sector to combating poverty and its consequences.

Health Inequalities

58. We are continuing to implement the broad range of actions in our "*Fairer Health Outcomes for All*" (FHOFA) action plan. The breadth of action involved reflects the fact that tackling health inequalities is highly complex and requires action across different policy areas, and at both national and local levels. In line with the Programme for Government, Local Health Boards have been tasked with identifying health inequalities within their areas and setting out how these inequalities will be tackled.

Inverse Care Law Programme

59. The Public Health Observatory has developed information profiles for each local area to identify areas where socioeconomic challenges and the burden of chronic diseases are greatest. Through the Inverse Care Law Programme we are working closely with two such areas, in Cwm Taf and Aneurin Bevan Health Boards, to develop and test innovative models of primary care. This approach will develop a collaborative approach between GPs, Pharmacists, nurses, Communities First Teams and Voluntary Sector organisations to meet the needs of these local communities.

60. Our public health campaigns and programmes continue to focus on our biggest lifestyle priorities, and also seek to contribute to our overall drive to reduce health inequalities.

Vaccination and Immunisation

Seasonal flu vaccination programme.

61. Last winter the level of flu circulating in the community was relatively low. However, flu remains highly unpredictable and there is still much to do to come into line with the World Health Organisation's recommendation to achieve 75% uptake for all those in at-risk groups. Vaccination uptake rates for our routine programmes have improved

over recent years but we have not seen the same success with seasonal flu. It is important we guard against complacency and strive to achieve higher uptake to protect those most at risk of flu and its complications.

62. As advised by the Joint Committee on Vaccination and Immunisation (JCVI), at-risk groups remain the same as last year. In Wales, an additional group has been included for individuals providing pre-planned emergency first aid support at public events. The list of at-risk groups is not exhaustive and the medical practitioner should apply clinical judgment to take into account an individual's risk from flu.

63. In 2013-14 we will vaccinate 2 and 3 year olds, and school year 7. This is the first stage in a roll out of seasonal flu vaccination which will eventually reach all children under 17 years of age. The detail of the following stages will be confirmed in the light of experience gained in 2013-14. In addition we will introduce new programmes to vaccinate against rotavirus and shingles as well as changing the meningitis C programme to move a dose from 4 months of age to school year 9. These are in line with changes across the rest of the UK.

<u>Communicable diseases</u>

64. The Communicable Disease Outbreak Plan for Wales, first published in March 2011, is used in the management of communicable disease outbreaks across Wales. The recent measles outbreak saw, at the peak, nearly 200 notifications per week. A highly successful multi-disciplinary campaign resulted in over 67,000 additional non-routine vaccinations being given since 1 March 2013. This included over 19,600 people aged 10 to 18 – the age group hardest hit by the measles outbreak centred on the Swansea area.

65. Modelling work suggests that the combined efforts have reduced the length of the outbreak by an estimated 10 weeks and its severity by a factor of 20. The latest report from Public Health Wales shows that for the first time ever, the national average uptake of MMR in two year

olds has reached 95% and that this level is being achieved in a record number of Welsh local authorities. This is the result of the long term positive trend, and boosted by the efforts of Local Health Boards and General Practices in recent weeks.

Antimicrobial Resistance

66. A lack of development by industry in new antimicrobials, combined with increasing resistance, means that antimicrobial stewardship has become more important than ever. Antibiotics are important medicines. They help fight infections that are caused by bacteria. Antibiotic resistance (when an antibiotic is no longer effective) is a major problem and is one of the most significant threats to patients' safety in Europe.

67. We are working closely with other UK health departments, other government departments and expert advisory committees on an overarching five year UK Antimicrobial Resistance Strategy. The Strategy will accelerate progress and build on previous work to address antimicrobial resistance in human and animal health. The focus will be on a number of important areas including surveillance, guidance, infection prevention and control, antibiotic prescribing, improved training and education of staff and patients, and research to better understand resistance.

68. In Wales, antimicrobial prescribing is a therapeutic priority. The All Wales Therapeutics and Toxicology Centre (AWTTC) is the centre of excellence for providing expertise and advice to the Welsh Government and NHS Wales. It does this through the:

- All Wales Medicines Strategy Group (AWMSG) that provides medicines management and prescribing advice to the Welsh
- Welsh Medicines Partnership (WMP) that provides professional support for the AWMSG;
- Welsh Medicines Resource Centre (WeMeReC) that provides educational resources for all prescribers (medical and non-medical);

- the Welsh National Poisons Unit that provides medical toxicology and the Yellow Card Centre Wales (promotes adverse events reporting);and
- Welsh Analytical Prescribing Support Unit (WAPSU) that analyses prescribing data.

69. To inform and support prudent use of antimicrobials, several actions have been taken in Wales including:

- a multi-professional workshop in 2011 to develop a national audit on antibiotic prescribing;
- new antibiotic indicators developed in 2012-13;
- provision of a distance-learning interactive care-based module on appropriate antibiotic usage in November 2012; and
- development of a national clinical Effectiveness Prescribing Programme (CEPP) Audit in March 2013:

70. All this is aimed at ensuring that antimicrobials are used appropriately: only when needed; with the correct dose intervals and for the correct duration – essential to slow down resistance.

<u>Mental Health Strategy</u>

71. A National Partnership Board involving all sectors and agencies, service users and carers – has been established to oversee delivery and implementation of the strategy. We are also developing a specification for the new national Mental Health Core Dataset. This quantitative and qualitative data will monitor and measure the impact of *Together for Mental Health* and the Mental Health (Wales) Measure.

72. The *Mental Health (Wales) Measure,* which is embedded in the strategy *Together for Mental Health,* is integral to the vision for mental health provision in Wales - patients and carers are now more involved in the planning, development and delivery of their care and treatment, and independent mental health advocacy services have been expanded in all Local Health Boards to include all inpatients. Over 12,000 individuals across Wales have already been seen in the first 6 months

of the establishment of Local Primary Mental Health Support Services. The LHBs are on track to meet their requirements under the measure that all those in secondary care have a holistic care and treatment plan with goals that are meaningful to the individual. There is a formal duty to review the Measure and work has started on this process with a team commissioned to review both qualitative and qualitative aspects of the implementation to ensure that the legislations impact is properly understood.

Strategy for Older People

73. Phase 3 of the *Strategy for Older People, Living Longer Ageing Well,* was launched by the Deputy Minister for Social Service on the 22 May 2013. The Strategy was developed with over 2,500 people completing semi structured interviews, engagement events, and 8 focus groups held throughout Wales.

74. The first 10 years of the Strategy for Older People set the scene and direction of travel for Welsh Governments approach to demographic change. Structures were developed at local and national level that engaged older people and supported the implementation of the first 2 phases.

75. Lessons learned from this first 10 years have included;

- A recognition that engagement with older people was critical to the success of the first 10 years, but our review identified that for the next 10 years we would need to look at engagement with wider and more diverse groups of older people in Wales particularly those whose voice was harder to find, e.g. older people in residential care and in some of most rural communities.
- The need, as we embark on Phase 3 of the Strategy, to go further and look critically at those polices from national government that would have a real and discernible impact on the lives of older people in Wales, e.g. Digital Inclusion, transport and employment.

- A recognition that in such constrained times evaluation of the impact of the Strategy had to go beyond reporting on activity and outcomes and into the creation of robust evaluation criteria using both quantities and qualitative data.

76. The review of Phases 1 and 2 of the Strategy has also helped us to shape a root and branch review of the membership, terms of reference and model of operation of the *National Partnership Forum for Older People, the Ministerial Advisory Group on Ageing.*

77. It is interesting to see the considerable synergy between the Older People's Commissioner's priorities, contained in the recently launched "Impact and reach report" and those of the Welsh Government in the last year. The Welsh Government shares the Commissioner's determination to give older people in Wales a voice and real control over their lives, and receive the support and services they need, when they need them.

Legislative Programme

78. The last 6 months we have seen several key **legislative** developments in my portfolio. The Food Hygiene Rating (Wales) Act 2013 received Royal Assent, on 4 March. The consultation on the Food Hygiene Rating (Wales) Regulations 2013 closed on 21 June 2013. These regulations will help to ensure that people have access to easy-to-understand information on the hygiene standards for food businesses. Progress continues on the Human Transplantation (Wales) Bill, which was approved at Plenary on 2 July and the Social Services and Wellbeing (Wales) Bill, introduced on 28 January, is currently undergoing Stage 1 scrutiny. On 10 June I announced my intention to bring forward a Bill enabling greater financial flexibility for NHS organisations. Moving to a three year financial cycle will allow the NHS the scope to make prudent long term decisions. I hope to introduce this Bill in the autumn. On 9 July I led a plenary debate on our response to the Francis Report. We will seek views on the possible future introduction of an NHS Quality Bill that could set out rights for patients, public and staff and what each can expect from NHS Wales.

Public Health Bill

79. The Programme for Government commitment to consult on the need for a Public Health Bill was delivered through a Green Paper consultation. Levels of engagement in the consultation were maximised through a 'Big Health Debate' to consider the role of legislation as well as alternative actions to improve public health. The Green Paper which was published on 29 November 2012 outlined some early ideas for areas which could potentially be explored further through a Public Health Bill. These were:

- ensuring consideration of health issues in policy making;
- reducing health inequalities;
- strengthening the emphasis given to the prevention of poor health; and
- strengthening community action around health and wellbeing.

80. It was also emphasised in the Green Paper that the ideas offered were not pre-determined proposals. Other suggestions were also welcomed, as well as ideas about alternative approaches. The consultation period ended on 20 February 2013, and I was encouraged to note that 371 responses were received across a range of different sectors and members of the public. A consultation summary report was published on the Welsh Government website on 23 May. We are continuing to reflect on the responses as we consider next steps in exploring the role of legislation in helping to improve overall health and wellbeing in Wales.

Cosmetic Piercing (Age of Consent) (Wales) Bill

81. Consultation on how to make cosmetic piercing safer for young people ended in January 2012 and met our commitment in Programme for Government to consult the public on this issue. A written statement was made by the previous Minister for Health & Social Services in May 2012 setting out our intention to proceed with new legislation in relation to cosmetic piercing.

82. Since this time officials have continued to work on the development of the proposals and the gathering of further research. I will be receiving further advice in relation to these proposals in the coming weeks and will then make a decision on the most appropriate way forward. At present a White paper consultation is currently scheduled to take place in early 2014. The current indicative timetable for a Cosmetic Piercing (Age of Consent) Wales Bill is for introduction towards the end of the legislative programme, in 2015.

Sustainability

83. All Health Boards and Trusts will achieve certification to the internationally recognised ISO 14001 environmental management system by 2014. This was achieved for their main hospital sites by the end of 2012 and will be achieved throughout the whole organisation by 2014. All Local Health Boards and Velindre NHS Trust have sustainable travel plans in place for their hospitals

84. An Emissions Reduction Plan Tool has also been completed by all NHS organisations and submitted to the Welsh Government for review. The returns following completion of the Tool will provide a list of environmental schemes that organisations can take forward to reduce their carbon emissions. It will identify the carbon savings and payback from each individual scheme.

85. All new buildings in the NHS Wales estate are built to meet the BREEAM environmental building standard. The developments at Ysbyty Cwm Rhondda Llwynypia, Ysbyty Alltwen, Tremadog and Ysbyty Aneurin Bevan, Ebbw Vale, for example, all incorporate biomass boiler heating systems into their designs.

86. The 2011/12 Estates and Conditions Performance Report indicates that landfill waste has fallen by 8% overall. There are continuing positive signs for recycling which is up to 15%. Efforts to improve recycling will continue. Future legislation changes could require much stricter standards of segregation at the source rather than the current model of mixed recycling bags.

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Health and Social Care Committee
HSC(4)-25-13 paper 2
Financial Scrutiny Session – Minister for Health and Social Services and Deputy Minister for Social Services

The Financial Regime for NHS Wales

1. Short term brokerage arrangements continue to be made available and are facilitated by the Welsh Government in order to inject an element of financial flexibility within the system to allow Health Boards to overcome short term funding requirements e.g. for the financial year end 2012-13, two Health Boards made use of brokerage funds provided from surpluses generated by other Health Boards. This process was overseen and facilitated by the Welsh Government. It is important to note that no additional funding was provided by the Welsh Government at the year end, the funding was agreed between NHS organisations. It is envisaged that this type of flexibility will be made available again in 2013-14 should the need arise.

2. Recognising this is only a short term solution and acknowledging the constraints imposed by current primary legislation, I announced on 10 June 2013 that a new Bill giving NHS organisations greater flexibility to manage their budgets will be introduced in the next Assembly term as part of the Welsh Government's legislative programme. The statement confirmed:

   - That by allowing the NHS greater financial flexibility to manage their responsibilities over a number of financial years, rather than each and every year, will give the NHS the scope to make better and more prudent long term decisions.
   - That a significant downside of the current financial regime is that it may encourage short-term decision making around the current year. Introducing this change will help the NHS focus its service planning, workforce and financial decisions over a longer and more sustained period rather than focusing

too much on a one year, and specifically end of March, approach.

- Moving to a three year financial planning regime, does not in any way mean a diminution of the rigour with which Health Boards have to manage their finances.

3. The Financial Flexibility for Local Health Boards (Wales) Bill will propose that the Health Boards will need to manage their resources within their approved balanced Integrated Medium Term Plan and within approved limits set by Welsh Government over a three year period.

4. This change in the finance regime will facilitate greater flexibility for Local Health Boards and will align financial resources with the profile of their Plans. This financial flexibility will be balanced with financial discipline and will need to be managed within the flexibility allowable within the resources available to the Department of Health and Social Services.

5. The proposed Bill will particularly benefit during periods of transformation of services and should lead to better service, workforce and financial planning through aligning the timing of the resource requirements with the service change and service transfer timescales.

6. The current proposed service changes are an example – where aligning the timing of expenditure and resources with the service change plan implementation profile will not fit neatly within a financial year. In these situations, flexing the annual to, say, a three year statutory financial duty will allow LHBs to focus their service planning, workforce and financial decisions over a longer period and is expected to result in better decision making.

7. A further benefit of amending the statutory constraint each year would be to potentially avoid the automatic consequence of an audit qualification should a LHB's expenditure exceed its Resource Limit.

8. The Bill will support the requirement upon LHBs to develop, approve

and deliver prospective 3 year balanced Integrated Medium Term Plans. Financial Flexibility to align financial resources to match the timing of the service and workforce elements of the Integrated Medium Term Plan is a critical component of this policy aim. The current legislation, which sets out an annual financial duty is a constraint on this policy aim.

9. The aim of the Bill therefore is to change the current financial duties of LHBs under sections 175 and 176 of the National Health Service (Wales) Act 2006 from an annual statutory requirement for expenditure not to exceed resource limit to a regime which considers the financial duty to manage its resources within approved limits over a 3 year period. This change would be backed up by changes to LHB Model Standing Orders/Standing Financial Instructions and to any guidance and directions issued by Welsh Government.

10. It is the intention that the Bill is introduced and supported through the legislative process in the Assembly in time that its provisions to come into force for the beginning of the 2014/15 financial year.

11. Other work associated with the New NHS Finance Regime includes:

- Integrated Plans

  The traditional approach whereby Health Boards have produced plans for operational services, workforce planning and budget setting as discreet areas will not be sufficient or appropriate to address future challenges.

  Integrated plans will focus on a whole system approach and will need to be developed at all levels within organisations. They will need to demonstrate the relationship and dependencies across all areas of activity and include, Quality, prevention and early intervention, activity and outcomes, workforce and finance.

- Financial and delivery information

  The development of financial information has mainly been a national-led approach to cost returns and programme budgeting returns. While there has been good progress the next

stage is to focus development of financial information around the end user, the clinician, to produce clinically relevant information that brings together financial and non financial information.

Additionally this will also support the Together for Health commitment to improve the delivery of care services and accountability through the transparent publication of data and application of modern business intelligence services.

- Resource Allocation

  Since the 2009 reorganisation created the 7 Local Health Boards, no reviews or changes to resource allocation have taken place. While the clear responsibility for Local Health Boards is to manage their resources within their specified resource limit it is important to ensure that there is an equitable distribution of resources to Local Health Boards to meet the needs of their respective population.

- Integrated Assurance and Governance

  As Local Health Boards have now been established for 3 years it is appropriate timing to assess the existing assurance and governance arrangements. While they are statutory corporate bodies established within the framework of the NHS (Wales) Act 2006 with accountability arrangements to Welsh Government, it is essential that the arrangements are suitable and are effective for such complex integrated organisations.

- Finance Support and Finance Staff Development.

  There is the need to continuously improve and enhance finance support to NHS organisations given the significant challenges facing the service. The Finance Function and Finance Staff have a key role to support NHS Wales deliver a successful and sustainable future.

The Finance Function and Finance Staff Development programme looks to work with, and build upon the work of, the Finance Staff Development (FSD) group which brings together the FSD leads from all health bodies in Wales with key partners and stakeholders.

Development and changes in these areas will follow a phased implementation over the next 12 to 24 months.

Process of Welsh Government Oversight of LHB Finances

Setting and agreeing financial plans and budgets;

12. Each Health Board has a duty under their standing orders and standing financial instructions to prepare a Service and Financial plan, which is approved by their Board prior to the start of the financial. The plans are required to be prepared within the envelope of resources allocated to each organisation following the approval by the National Assembly of the final budget motion in December.

13. To aid this process and achieve an element of consistency the Welsh Government provides guidance and templates to capture key data. The first drafts of the plans prepared by the NHS organisations for 2013-14 were submitted to the Welsh Government in February 2012. Following extensive scrutiny and discussions with the NHS organisations revised plans were submitted at the beginning of April 2013.

14. A further round of challenge and scrutiny has been conducted between Welsh Government Finance Officials and the Finance Directors of each Health Board.

Setting and monitoring performance against savings plans:

15. The submitted plans are required to contain details of the actions developed by the NHS organisations to achieve financial balance. Historically information has been captured using standard headings:

- Workforce
- Procurement
- Medicines management
- Continuing Healthcare
- Externally Commissioned services
- Management Costs
- Estates / Energy

16. Performance against the plans is monitored on a monthly basis and also discussed at the monthly Directors of Finance meetings. Each month NHS organisations are required to provide detailed explanations of any variance from the plans and what actions they intend to take to bring them back into line.

17. Performance against plans in 2012-13 is shown within paragraph 18.

Linking of spending plans to outcomes and wider strategies, and measurement of value for money.

18. The Welsh Government's Programme for Government contained a commitment to measure the impact that the Welsh Government is having on people's lives, including health in Wales. Two strategic documents were developed to underpin this commitment, *'Together for Health'* and *'Achieving Excellence, the Quality Delivery Plan'.* These documents provide the strategic framework within which our health services are delivered and Outcome Standards are key to drive and provide the detailed focus.

19. The new Delivery Framework for 2013/14 has been prepared against this background to drive up standards and outcomes. It sets out the processes which are in place to monitor progress and provide support and intervention as necessary.

20. Five quality 'domains' have been identified to help provide a more integrated view of NHS delivery. These are:

- Need and Prevention
- Experience and Access
- Quality and Safety
- Integration and Partnerships
- Allocation and use of Resources.

Reported Revenue Position of Health Boards for 2012-13 Financial Year

The 2012-13 year end revenue position;

21. At the end of 2012-13, NHS Wales reported a total surplus of £434k, (Local Health Boards £325k and NHS Trusts £109k). Details by organisation are shown in the table below:

Organisation	- Under / Overspend as per the Final Accounts £000's
Abertawe Bro Morgannwg	-141
Aneurin Bevan	-34
Betsi Cadwaladr	-5
Cardiff & Vale	-66
Cwm Taf	-17
Hywel Dda	-56
Powys	-6
Total Local Health Boards	**-325**
Public Health Wales	-50
Velindre	-10
Welsh Ambulance	-49
Total NHS Trusts	**-109**
Total NHS Wales	**-434**

Details of any additional revenue provided since the second supplementary budget 2012-13;

22. Following the allocation of an additional £82m to NHS organisations in December 2012, the Welsh Government did not allocate any further funding during 2012-13 to help organisations meet their financial

targets. It did however facilitate brokerage funding between NHS organisations.

Amounts of brokerage provided/received;

23. Hywel Dda and Powys LHBs received £2.3m and £4.210m brokerage respectively at the end of 2012-13. This was provided by the other NHS organisations. The table below provides further detail:

Brokerage Received from NHS Organisations	**£m**
Abertawe Bro Morgannwg	2.5
Aneurin Bevan	2.3
Cwm Taf	0.4
Velindre	0.9
Welsh Ambulance	0.1
Sub Total	**6.2**
NHS Wales Surpluses	0.4
Total Available Brokerage	**6.5**
Brokerage Provided to NHS Organisations	**£m**
Hywel Dda	-2.3
Powys	-4.2
Sub Total	**-6.5**
Balance	**0.0**

Performance against planned savings in 2012-13;

24. The NHS organisations achieved savings amounting to £187.7m in 2012-13 (Local Health Boards £176.4m and NHS Trusts £11.3m).

Organisation	Annual Plan £000s	Annual Savings £000s	Variance to Annual Plan	
			£000s	%
Abertawe Bro Morgannwg	24,400	21,431	-2,969	-12.2%
Aneurin Bevan	48,000	33,100	-14,900	-31.0%
Betsi Cadwaladr	51,793	49,112	-2,681	-5.2%
Cardiff & Vale	66,886	35,651	-31,235	-46.7%
Cwm Taf	24,100	7,671	-16,429	-68.2%
Hywel Dda	27,592	19,807	-7,786	-28.2%
Powys	14,852	9,610	-5,242	-35.3%
Total Local Health Boards	**257,623**	**176,382**	**-81,241**	**-31.5%**
Public Health Wales	2,317	2,317	0	0.0%
Velindre	3,112	3,112	0	0.0%
Welsh Ambulance	7,970	5,850	-2,120	-26.6%
Total NHS Trusts	**13,398**	**11,278**	**-2,120**	**-15.8%**
NHS Wales	**271,022**	**187,661**	**-83,361**	**-30.8%**

Proportion of savings achieved in 2012-13 which are non recurrent.

25. Of the achieved savings of £187.7m, 83.8% are classified as recurrent.

NHS WALES DEBT POSITION

26. In accordance with their Standing Financial Instructions (SFIs), LHBs are required to monitor financial performance against budget and plans and report the current and forecast position at every Board meeting. As part of the LHB Board papers, financial reports are publically available.

27. The form of financial reports to the Board is for each LHB Board to

decide. There are minimum content requirements set out in the SFIs which includes income and expenditure to date showing trends and forecast year-end position, movements in working capital etc. The reporting of the value and make-up of debtors is not a specified requirement, not all LHBs provide debtor analysis in their Board financial reports on a regular basis.

28. LHBs are however required to publish details of their debtors as part of their statutory annual accounts. The LHB debtors per the NHS Summarised Accounts as at 31 March 2013 are as follows:

	Abertawe Bro Morgannwg	Aneurin Bevan	Betsi Cadwaladr	Cardiff & Vale	Cwm Taf	Hywel Dda	Powys	Total
	£000's	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Non - Welsh NHS	115	331	1,683	1,476	754	587	95	5,041
Total NHS Debtors	***115***	***331***	***1,683***	***1,476***	***754***	***587***	***95***	***5,041***
Local Authorities	1,363	2,704	2,815	1,164	1,937	1,823	373	12,179
Other debtors	7,614	10,585	6,940	13,776	3,497	3,863	1,945	48,220
Other prepayments and accrued income	4,423	3,552	10,080	2,223	1,941	1,325	763	24,307
Total Non NHS Debtors	***13,400***	***16,841***	***19,835***	***17,163***	***7,375***	***7,011***	***3,081***	***84,706***
Total	**13,515**	**17,172**	**21,518**	**18,639**	**8,129**	**7,598**	**3,176**	**89,747**

These figures exclude intra-Welsh NHS debtors and money owed by Welsh Government for reimbursement of agreed programmes and projects, e.g. the Welsh Eye care Initiative.

29. Non Welsh NHS – amounts due from Non Welsh NHS bodies for provision of NHS services in accordance with Service Level Agreements, the terms of which vary but are typically 30 days payment.

30. Local Authorities – amounts due from local authorities for care package costs, recharges for the provision of services and recharges on joint working initiatives such as Flying Start and Sure Start.

31. Other debtors – significant items include amounts due from HMRC for VAT recoveries and amounts due from Non-Welsh Government Departments under funding arrangements, and amounts due from the Department of Work and Pensions Compensation Recovery Unit under the Injury Cost Recovery Scheme.

32. Other prepayments and accrued income – largely prepayment items on maintenance contracts for equipment.

Movement of Monies within NHS Wales: Cross-Border Services

33. In October 2009 the NHS internal market was abolished in Wales, removing the organisational split between commissioners and providers of healthcare to establish the seven integrated Health Boards. As a consequence, there is no need in Wales for a complex system of inter-organisational financial flows such as the Payment by Results system in England.

34. Health Boards receive the majority of their funding through Welsh Government Annual Revenue Allocations. From this allocation, Health Boards are responsible for funding the healthcare for their resident population for community, secondary and specialist services, general medical services for the population registered with their GPs, and for community pharmacy and general dental services provided within their geographical boundaries.

35. Patients will generally receive treatment within the Health Board they are resident or registered in. The funding for this treatment is within the Health Boards revenue allocation, so there is no requirement for any flow of funding between organisations for this activity.

36. When patients are treated in an NHS organisation other than the Health Board in which they are resident or registered, there is need for a flow of funds between organisations. For patients treated by another NHS organisation in Wales, the Welsh Government does not dictate the basis on which the flow of funds is agreed between organisations. This is agreed locally between the organisations, although the Welsh Government does operate an arbitration process for resolving disputes between NHS Wales organisations in the limited situations this arises.

37. The Welsh Government does have an agreement with the other UK nations for the financial arrangements arising when Welsh patients receive treatment in other parts of the UK (and vice versa). Welsh residents treated in England are paid for using the Payment by Results tariff where this applies. Patients treated in Scotland and Northern

Ireland, and in England where the tariff does not apply, are paid for at locally agreed rates.

38. There are separate arrangements for financial flows within Wales for specialist treatments. All Health Boards make an annual financial contribution to the Welsh Health Specialised Services Committee (WHSSC), hosted by Cwm Taf Health Board, to cover the costs of specialist treatment for their residents. This also currently includes a contribution to fund Emergency Ambulance Services provided by the Welsh Ambulance Services NHS Trust. WHSSC then enters into financial agreements with the providers of specialised services, which include Health Boards, Velindre and Welsh Ambulance Services NHS Trusts, and providers in other parts of the UK. Again, the Welsh Government does not dictate the basis on which the flow of funds is agreed between WHSSC and other NHS Wales organisations, but the arbitration process it operates extends to these financial arrangements. WHSCC follows the same agreements for patients treated outside Wales to those for Health Boards.

39. NHS Wales organisations are exploring options to introduce a more regulated approach to inter-organisational financial flows within NHS Wales. The proposals which are being developed would use a Welsh standard cost as the basis of payment for non-specialist patient flows between Health Boards and to Velindre and Welsh Ambulance Services NHS Trusts. Plans to introduce these arrangements in 2013-14 were postponed as further work is required to confirm the regulatory arrangements, as well as work to ensure the underpinning activity and financial information flows are sufficiently robust to support such a system. Whilst this work is being led by NHS organisations, Welsh Government officials are engaged in the process.

Capital Investment

40. The overall capital budget for the Health & Social Services MEG in 2012-13, as a result of transfers during the February Supplementary Budget, is £228 million. This includes a budget of £214 million for the NHS All Wales Capital Programme.

41. As is usual for capital programmes of this size and complexity, slippage on individual NHS schemes and on the other capital grant programmes supported by the MEG (including substance misuse, modernising pharmacy and pandemic flu) is redirected to approved projects to allow the maximum utilisation of funding. The 2012-13 outturn against the overall capital budget of £228 million, based on audited figures from NHS bodies' accounts, is an underspend of £0.559 million. This equates to 0.2% of the budget available.

42. With regard to evaluating the impact of reconfiguration on capital requirements, this is an on-going and iterative process and reflects the fact that NHS organisations are at different stages of their engagement and consultation processes.

43. The forward programme is being reviewed to ensure that it is fully aligned with the *Together for Health* vision and the service change plans. It includes schemes arising out of the consultations for both Hywel Dda and Betsi Cadwaladr Health Boards.

44. The five organisations in the South Wales Programme are currently undertaking their consultation exercises and it would not be appropriate to pre-empt the outcomes to these. However, we continuing to work closely with organisations so we are well placed to move forwards once the consultation responses are announced.

45. The affordability of the forward programme is being actively considered and we are liaising with NHS organisations to challenge their cost assumptions and timescales for delivery. In addition, my officials are working with the Finance Minister's team to consider alternative funding sources potentially to pump prime the service change agenda.

Health Technology Fund

46. The Health Technology Fund has been established to provide capital funding of £25 million over a 3 year period for new technology to

support the transformation of health care delivery through the introduction of new ways of working and treatments, helping to deliver the vision as set out in *Together for Health* of high quality, safe and sustainable services and improved patient benefits.

47. Applications have been received from NHS bodies which are currently being considered by officials. Each application is being assessed against the following eligibility criteria and will only be considered if they:-

- Relate to medical and/or IT equipment;
- Require investment of £250,000 or above; and
- Demonstrate that all associated revenue costs are affordable and can be met by the organisation and that no further Welsh Government funding support is required.

48. The Fund is not intended to:

- · Cover funding for drugs;
- · Support the standard replacement of equipment;
- · Support research and development in technology; or
- · Support core NHS IT infrastructure.

49. Applications will be assessed using the measures of quality as set out in the Welsh Government's Healthcare Quality Improvement Plan, namely patient experience, effectiveness, safety, timeliness and efficiency.

50. We are anticipating that an announcement will be made by the end of July 2013.

Social Services: Protected Budgets and Domiciliary Care

51. The social services element of the Settlement has been subject to a degree of funding protection for the period 2011-12 to 2013-14. The

protection equates to the increase in the funding provided being 1% better than the overall uplift in the Welsh Government budget.

52. The following table details what this means for the annual increase in the notional social services element of Revenue Support Grant (RSG).

£ thousand

	2010-11	2011-12	2012-13	2013-14
Uplift in Welsh Budget		-1.33%	0.58%	1.08%
Social Care Protection Increase		-0.33%	1.58%	2.08%
RSG with protection	**1,007,098**	**1,003,775**	**1,019,634**	**1,040,843**
RSG without protection	**1,007,098**	**993,704**	**999,467**	**1,010,261**
Difference between 2010-11 and 2013-14				33,745
Additional money made available to social care due to protection				60,819

53. The local government settlement is un-hypothecated and it is for Local Authorities to determine spending priorities.

54. It is not possible to ring-fence any element of the settlement but it is possible to set out explicitly where funding has been added to the settlement for a specific purpose and to then work with Local Authorities to ensure this funding is directed in line with Welsh Government spending priorities.

55. In respect of social care, this means by 2013-14, an additional £34 million per annum compared to the 2010-11 local government settlement. The protection provided in 2013-14 is the last settlement planned to include a 1% protection for social care. There is no commitment currently to continue this protection beyond 2013-14.

56. The latest available data is from the 2011-12 Revenue Outturn returns. Therefore it is not possible to assess accurately how the protection has impacted on spending beyond the first year, 2011-12. Information for 2012-13 will be available in October.

57. Based on the 2011-12 outturn data, the key points are:

- Total social services expenditure including specific grants increased by £25 million.

- The average increase in social service expenditure in 2011-12 was 1.7%, compared with the -0.33% protection built into the RSG;
- Overall gross expenditure by local authorities increased 1% indicating how social services expenditure was protected relative to other expenditure;
- This continues the trend of social services expenditure increasing in recent years by around 1% more than the total gross revenue expenditure growth rate in Wales.
- The children and families services element of social services expenditure has grown the most in the last 3 years, whilst the older people and under-65 expenditure elements have shown minimal year-on-year growth since 2010-11.

58. The evidence indicates how overall, Local Authorities have delivered on the protection of social services. At individual authority level, the picture is more varied.

59. Given this and the fact the data is limited to the first year of protection, the Minister for Local Government recently wrote to Local Authorities to remind them of the commitment and to seek information on how they are delivering. These responses are currently being received and will be collated for a briefing to the relevant Ministers.

60. Local authorities have reported a rise in their income foregone arising from the £50 per week maximum from £10. 1 million p.a. as they previously estimated to £15.9 million p.a. In most authorities this was due to a mix of an increase in service users, inflation and changes to Welfare Benefits so that 15 authorities account for £1.1 million p.a. of this increase. However, with 7 authorities who had not previously set a maximum charge in their local charging policy, these factors were magnified so that they reported in total £4.8 million p.a. of this rise. While it is clear that income foregone is influenced by factors such as increases in demand, this is not always the case. Some authorities, for example, reported relativity large increases in services users with little effect on their level of income foregone. Consequently the level of

income foregone on authority experiences is also significantly influenced by the local charging policy it has decided to have in place.

61. As a result we are providing an additional £3.2 million p.a. from 2013-14 to further reimburse local authorities for the income they have foregone. This is a significant contribution to bridging the gap between the original estimate provided and the actual level now reported. This we consider to be a fair allocation of additional support taking into account that in some cases an authority's local charging policy has been a significant contributor to the rise in income foregone it is reporting.

62. The monitoring has identified a rise in those receiving services for which a charge was levied. Of the 31,132 service users across Wales who received these in 2011-12, 7,858 received services for the first time. Previously these individuals would have paid for services privately, received support from family or friends, or gone without care altogether. The assurance the weekly maximum charge has given has meant these individuals could now seek care and support from their local authority in the knowledge that the most they would be asked to pay for this would be £50 per week at present.

63. There is a need, however, to ensure this initiative remains sustainable and does not by default become untenable due to the financial pressures on local government. The £50 weekly maximum was set in 2011 and has now been in operation for over 2 years, during which time there has been increases in the cost of service provision and changes to Welfare Benefits and the level of their awards. As a result we plan to revise the level of the maximum charge from April 2014 to take account of these changes. We also intend to undertake a wider consideration of the impact of the maximum charge, and its level, for April 2015. We will consult will representatives of local government and services users alike on our plans once we have finalised the detail of what we propose.

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Agenda Item 5

Health and Social Care Committee

Meeting Venue:	Committee Room 3 – Senedd
Meeting date:	Wednesday, 10 July 2013
Meeting time:	09:30 – 12:35

Cynulliad Cenedlaethol Cymru
National Assembly for Wales

This meeting can be viewed on Senedd TV at:
http://www.senedd.tv/archiveplayer.jsf?v=en_400000_10_07_2013&t=0&l=en

Concise Minutes:

Assembly Members:	David Rees Leighton Andrews Rebecca Evans William Graham Lynne Neagle Gwyn R Price Lindsay Whittle Kirsty Williams
Witnesses:	Dr Helen Bedford, UCL Institute of Child Health John Burge, Neath Port Talbot County Borough Council Mark Drakeford AM, Minister for Health and Social Services Dr Sara Hayes, Abertawe Bro Morgannwg University Health Board Dr Ruth Hussey, Chief Medical Officer Andrew Jones, Betsi Cadwaladr University Health Board Dr Marion Lyons, Public Health Wales Joff McGill, Sense Dr Ian Millington, Abertawe Bro Morgannwg Local Medical Committee Nick Morris, Sense Dr Gillian Richardson, Aneurin Bevan Health Board

	Andrew Riley, Senior Medical Officer Dr Quentin Sandifer, Public Health Wales Dr Andy Williams, Cardiff School of Journalism
Committee Staff:	Llinos Madeley (Clerk) Catherine Hunt (Deputy Clerk) Philippa Watkins (Researcher)

TRANSCRIPT
View the meeting transcript.

2 Motion under Standing Order 17.22 to elect temporary Chair

2.1 David Rees was elected as temporary Chair.

3 Introductions, apologies and substitutions

3.1 Apologies were received from Vaughan Gething and Ken Skates due to their appointments as Deputy Ministers in the Welsh Government and from Elin Jones and Darren Millar. Leighton Andrews and David Rees attended as substitutes.

3.2 Leighton Andrews declared, for the purpose of item 4b, that he is an honorary professor at Cardiff School of Journalism.

4 Inquiry into measles outbreak 2013 - oral evidence

Evidence from Local Health Boards and Neath Port Talbot County Borough Council
4.1 The witnesses responded to questions from members of the Committee.

Evidence on the role of the media
4.2 Dr Andy Williams responded to questions from members of the Committee.

4.3 Dr Williams agreed to provide a copy of the guidelines for journalists produced by the Science Media Centre.

Evidence from Sense and UCL Institute of Child Health
4.4 The witnesses responded to questions from members of the Committee.

Evidence from Public Health Wales
4.5 The witnesses responded to questions from members of the Committee.

4.6 Dr Sandifer agreed to provide details of the number of MMR vaccinations administered in the Swansea area following the national campaign to raise uptake in 2005-6.

Evidence from the Welsh Government

4.7 The Minister and Dr Hussey responded to questions from members of the Committee.

4.8 Dr Hussey agreed to provide clarification on the difference between the figures provided by the Welsh Government and Public Health Wales in their written evidence on the national catch-up campaign in 2005. Dr Hussey also agreed to confirm whether the letter issued from the Welsh Government to health boards in 2009 encouraging compliance with the *Welsh Health Circular 2005* was generic or geographically specific.

5 Papers to note

5.1 The Committee noted the minutes.

5.2 The Committee formally noted that it had agreed its report on Stage 1 of the Social Services and Wellbeing (Wales) Bill, and that it would be published by 19 July.

Inquiry into measles outbreak 2013 - Written evidence from BMA Cymru Wales

5.3 The Committee noted the paper.

Inquiry into measles outbreak 2013 - Evidence from RCN Wales

5.4 The Committee noted the paper.

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