

Vaughan Gething AM
Cabinet Secretary for Health and Social Services

Huw Irranca-Davies AM
Minister for Children, Older People and Social Care

30 July 2018

Dear Cabinet Secretary and Minister

Welsh Government Draft Budget 2019–20

I would like to invite you both to attend a meeting of the Committee on the morning of Wednesday 7 November to give evidence in connection with the Welsh Government's draft budget 2019–20.

The evidence session is scheduled for 09:15 – 10:30 and will take place in the Senedd, Cardiff Bay. The Clerk will confirm the venue nearer the date.

We have received correspondence from the Finance Committee which sets out their agreed principles of financial scrutiny, along with a number of areas they would like to see Committees focus their scrutiny on, these are:

- How the Welsh Government should use taxation and borrowing powers, particularly in relation to the Welsh Rate of Income Tax
- Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early), particularly in relation to the financing of local health boards and health and social care services
- Sustainability of public services, innovation and service transformation
- Welsh Government policies to promote economic growth, reduce poverty, gender inequality and mitigate welfare reform



- The Welsh Government's planning and preparedness for Brexit
- How evidence is driving Welsh Government priority setting and budget allocations
- How the Future Generations Act is influencing policy making.

The Committee would be particularly grateful to receive information on the budgetary matters highlighted in Annexe 1 to this letter. It would be helpful if you could provide the Committee with a bilingual paper in relation to these matters by Thursday 25 October.

Yours sincerely

A handwritten signature in black ink, reading "Dai Lloyd". The signature is written in a cursive style with a large initial 'D' and 'L'.

Dai Lloyd AC / AM

Cadeirydd / Chair

Annexe 1

Request for information from the Cabinet Secretary for Health and Social Services and the Minister for Children, Older People and Social Care from the Health, Social Care and Sport Committee to inform scrutiny of draft budget 2019–20

Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations

- A breakdown of the 2019–20 Health and Social Services MEG allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL).
- Indicative 2020–21 Health and Social Services MEG allocations.
- Commentary on each of the Actions within the Health and Social Services MEG, including an analysis and explanation of changes between the Draft Budget 2019–20 and the First Supplementary Budget (June 2018).

In addition to the four usual themes of value for money, prioritisation, preventative spending and affordability, the Committee would like to receive information on the following (where not already covered in the commentary on each Action):

Local health boards' financial performance

- An update on the four health boards which have continued to fail to meet their financial duties, and how the Welsh Government is supporting them to improve this position.
 - Progress made by each of these four health boards on delivery of their action plans. (In June 2018 the Cabinet Secretary stated that all health boards reporting financial deficits in 2017–18 have developed and published action plans, and that progress on delivery of these is being monitored by Welsh Government).
 - What performance/service improvements the Welsh Government expects to see from the £27 million additional recurrent funding provided to Hywel Dda University Health Board from 2018–19.

Progress update

- An update on progress against the Health, Social Care and Sport Committee's December 2017 recommendations, as set out in its [report](#) on the 2018–19 draft budget. This should include details of relevant budget allocations for 2019–20.

Well-being of future generations

Evidence of how the Well-being of Future Generations Act 2015 and five ways of working have influenced the budget allocations for health and social care. The Committee is particularly interested in receiving details of how, going forward, the budget will:

- prioritise prevention/early intervention in health and social care;
- support sustainable, longer term funding of social care services;
- promote integration of health and social care services;
- ensure a sustainable health and social care workforce;
- reduce and control spend on agency staff;
- reduce health inequalities, and ensure fair access to health and care services in rural areas.

Transformation

- Further information about how the Welsh Government intends to fund service transformation in the longer term (i.e. beyond the life of the 2 year Transformation Fund), to ensure progress on the transformation agenda can be sustained.

ICT

- What assessment has been made of the costs of delivering the Welsh Government's vision for digital and data, as described in *A Healthier Wales*.

Primary care

- The budget allocated for primary care services, and how this compares to amounts allocated in the last three years. To what extent is this achieving

the policy aim of shifting care from hospitals to primary care/community settings.

Mental health

- Priorities for mental health services for the next three years.
Allocations/projected spend for delivery of these.

What mechanisms will be used to track spend on mental health to patient outcomes.