

Responses to HSSC Committee on Draft Budget

Recommendation 1. When bringing forward future draft budgets, the Welsh Government should set out who has been consulted or engaged with in the development of the proposals, how this has been done, and what changes have been made as a result.

Response: Accept in principle

There are many well established fora for discussion and engagement with NHS colleagues which all help to inform our policy development, prioritisation process and ultimately budget allocations. These include the NHS Leadership Board, which includes all NHS Wales Chief Executives and also representation from meetings, the Welsh NHS Confederation. I also meet regularly with NHS Chairs.

In terms of mental health and social care, Ministers regularly engage with a wide range of stakeholders, both individually and through representative groups such as:

- the Welsh Local Government Association's Cabinet Member Networks,
- the Care Action Committee,
- the cross-sector Health and Social Care Covid Planning and Response Group, and
- the Wales Alliance for Mental Health.

The Minister for Finance and Local Government also engages with a range of stakeholders during the development of the budget. Stakeholders highlighted a number of priority areas such as supporting the most vulnerable, including children, younger and older people; and progressing decarbonisation and biodiversity. These have been reflected within our 2022-23 spending plans.

The Budget Improvement Plan (BIP) sets out actions to improve budget and tax processes including actions to continue to refine and improve the transparency of budget information. As part of this work, we will reflect on how we can further improve transparency and publish an appropriate level of detail on the formulation of budget plans.

Recommendation 2. When bringing forward future draft budgets, and providing written evidence to inform Senedd committee scrutiny of the budget proposals, the Welsh Government should provide greater clarity about how each allocation within the budget aligns with Welsh Government priorities, what measurable outcomes each allocation is intended to achieve, and how progress made against such outcomes will be monitored and transparently reported

Response: Accept in principle

The draft budget narrative provides the overall context for the budget and sets out how the allocations align to the Government's priorities for a stronger, fairer and greener Wales. In the detailed evidence to the Committee, we have endeavoured to

demonstrate how the allocations within our portfolio align to these overall priorities, particularly when they are supporting specific Programme for Government commitments.

Inevitably, a significant proportion of new allocations to the Health and Social Services portfolio will be needed to support cost and demand growth for NHS Wales, including pay awards for our highly-valued NHS staff, and so it is not always straightforward to align these additional allocations to specific outcome measures. Officials hold NHS Wales organisations to account across a wide range of delivery and outcome measures through regular monthly review meetings and through biannual Joint Executive Team meetings. However, where allocations are being deployed to achieve specific outcomes, we will ensure that the mechanism for monitoring those outcomes is set out clearly in future evidence.

Recommendation 3. The Welsh Government should confirm whether it has had any discussions with health bodies or local authorities about shifting funding from resource to capital in order to fund transformative health and social care capital projects. This should include indication of whether the Welsh Government is willing to consider requests from health boards for funding to be shifted in this way.

Response: Accept

There have been no discussions with NHS organisations about shifting funding from revenue to capital linked to developing combined health and social care capital projects. The provision of £50m in 2022-23 to Social Care is a positive development in this area which will see close involvement of Regional Partnership Boards in identifying priority areas for investment.

Recommendation 4. The Welsh Government should provide an update on e-prescribing. The update should include: details of what needs to be done during each phase of the project, how long each phase is anticipated to take, how the anticipated duration of each phase has been assessed and how deadlines have been set, and what steps are being taken to ensure that e-prescribing is rolled out without delay.

Response: Accept in principle

Welsh Government remains committed to delivering Digital Medicines Transformation (formerly known as ePrescribing) as quickly as possible, within the 3-5 years previously communicated. I will shortly be releasing a written statement setting out a more detailed update, including timelines, on Digital Medicines Transformation. The four workstreams of the portfolio are progressing in parallel, though there are no “phases” in the traditional sense as the application of such waterfall methodologies slows down the delivery of solutions.

By way of a short update ahead of the fuller written statement, tender documents for the procurement framework for a secondary care digital medicines management solution are now live for suppliers to respond to, and we expect the supplier framework to be available for health boards to begin to call-off against by the end of June. Welsh Government are providing funding to health boards and trusts to commence pre-implementation work, including user discovery; this will accelerate the adoption of secondary care platforms by allowing health boards and trusts to bring in dedicated resources to work solely on the implementation of Digital Medicines.

Work is ongoing around the potential implementation of Electronic Prescription Transfer using the existing NHS England technology platform, though this does require work to separate Welsh and English financial systems (for payment of prescription charges by the NHS) and other factors. It also does not facilitate the prescribing activities of non-GP primary care prescribers, and so DHCW are continuing to explore how this can be addressed. The patient app functionality is in the user discovery stage, as the programme explores what functionality users (both clinicians and patients) want from an app; this incorporates the recommendations and findings from the primary care discovery currently being undertaken by the Centre for Digital Public Services through the Digital Services for Public & Patients programme which is delivering the NHS Wales App. The medicines repository work has commenced with consideration of the architectural building blocks; this will be further informed by the open data standards that suppliers on the secondary care framework wish to use, and a confirmation of selection (or otherwise) of the EPT technology platform from England for the primary care workstream.

Recommendation 5. The Welsh Government should provide further information on how any additional capital funding for health and social care that becomes available in year, for example through Barnett consequentials, will be prioritised. This should include details of what preparatory work is being done to ensure that there is a pipeline of projects that could be progressed without delay.

Response: Accept

NHS organisations have long been in the practice of having capital schemes available at short notice should additional funding become available.

Capital schemes by their very nature can take significant time to thoroughly develop. As a result, there is an on-going pipeline of schemes that NHS organisations are working on. There are inevitable challenges with this due to the complex nature of the works capital funding is sought for. Priority is given to those works linked to ensuring that NHS sites are safe (which include investments in fire prevention and electrical infrastructure). In addition there are schemes linked to Covid recovery (such as those around endoscopy provision) as well as wider service transformation.

The challenges of annualised funding envelopes (i.e. the need to have utilised funding in the year it is available) means that organisations have well developed schemes “on the shelf” as and when any funding becomes available. This has been an effective mechanism for supporting organisations equipment replacement programmes which have shorter delivery lead times.

Recommendation 6. The Welsh Government should provide further information about the impact of reductions in capital funding on decarbonisation in the health and social care sectors, and any implications for the sectors’ response to the climate emergency.

Response: Accept

The reduced capital allocation will restrict the opportunities available to the NHS around decarbonisation but, where possible, these will be incorporated into scheme designs so we will continue to make progress against the net zero target. All NHS capital business cases reference available decarbonisation opportunities.

The NHS Wales Decarbonisation Strategic Delivery Plan sets out a target to demonstrate we are well on the way by reducing emissions by 16% by 2025. This will present a challenge and organisations will need to consider a range of initiatives and funding sources to deliver against this.

There remain a number of schemes currently in the capital programme for 2022-23 that will help make progress towards to the decarbonisation targets. These include the solar farm being developed by Hywel Dda University Health Board (alongside the solar farm already supported at Morriston Hospital).

In addition, the provision of additional capital for Social care in 2022-23 will offer new opportunities for organisations towards reducing the sectors carbon footprint.

Recommendation 7. The Welsh Government should provide further assurances about how it will ensure that all health boards in Wales achieve financial sustainability and balance within the 2022-23 to 2024-25 integrated medium term planning cycle

Response: Accept

We have provided NHS organisations with a significant uplift in core funding in 2022-23, equating to 2.8% of core hospital and community budgets. This is in addition to the £170m funding we have confirmed for recovery, £20m for value-based healthcare, and the funding for 2022-23 pay awards which will be issued once these have been confirmed.

The NHS Finance (Wales) Act 2014 established a statutory duty for Health Boards and Trusts to provide an Integrated Medium Term Plan (IMTP). Plans must balance over a rolling three year period in order for them to be recommended for approval by the Minister for Health and Social services. The statutory process was paused in

March 2020 due to the pandemic. The NHS Wales Planning Framework was issued in October 2021, requiring NHS organisations to submit IMTPs on 31st March. This will require NHS organisations to set out their financial plans for the period 2022 to 2025 and effectively reset the planning cycle. Plans will be subject to robust scrutiny by officials and the Finance Delivery Unit (FDU) before recommendations on approval are made to the Minister. The FDU works closely with organisations to test financial assumptions and to understand areas that need to be strengthened. The establishment of the NHS Executive functions will enable and enhance the scrutiny and improvement of financial planning.

Recommendation 8. The Welsh Government should set out how it will work with health boards to reduce their fixed operational costs, including any plans it has to set targets or expectations for fixed cost reduction.

Response: Accept

All NHS organisations are expected to deliver efficiency savings in 2022-23 as a minimum at the level they are achieving in the current financial year. Organisations have access to a significant resource of benchmarking and cost data managed by the Finance Delivery Unit to enable them to compare the efficiency of their services with peer organisations.

Through the NHS Wales Decarbonisation Strategic Delivery Plan, some all-Wales actions are being undertaken to reduce carbon usage and assist with fixed cost reduction. For example, good progress has been made to date across the NHS Estate with the installation of LED lighting. The target as set out in the Strategic Delivery Plan is to fully replace all existing lighting with LED lighting by 2025. Going forward the progress on LED lighting and reporting on other initiatives are being considered for inclusion as part of the annual Estates and Facilities Management System (EFPMS) data collection process operated by NHS Shared Services Partnership – Specialist Estate Services (NWSSP-SES). Decarbonisation strategies will also need to target improvements to building management systems. The Decarbonisation Strategic Delivery Plan sets out that all buildings will have up-to-date, standardised, and effective building management systems (BMS), to optimise the use of energy on sites.

Recommendation 9. The Welsh Government should provide clarity about how the impact of value-based health care, and the focus on service transformation and redesign in the recovery plan, will be assessed to ensure that they are driving new ways of working and new models of service delivery, and

achieving better outcomes and experiences for people who are using health care services.

Response: Accept

We have allocated £20m recurrent funding to support the implementation of value-based healthcare, of which £15m has been allocated to local health boards. The remaining £5m will be deployed during 2022-23 to support the development of value based healthcare action by NHS Trusts and Special Health Authorities, further implementation in Health Boards dependent on the maturity of value based healthcare plans, and the overall system requirements to support value across NHS Wales.

We expect organisations to use this funding to support:

- Making progress with implementing evidenced high value interventions that align to local population need and priorities
- Making significant progress in measuring cost and outcome data to inform future value based health care decision making for priority condition areas
- Ensuring a delivery programme of Patient Reported Outcome Measures (PROM) collection and a mandate to sharing PROM data nationally to inform value based decision making and direct clinical care
- Identifying opportunities to reduce unwarranted variation and activity of limited value, and prioritise standardisation of best practice pathways which support delivering improved outcomes
- Ensuring that changes being implemented are monitored in terms of the improvement in outcomes being delivered and change in how resources are utilised to deliver value.

Organisations are expected to deploy this funding on either the direct implementation of high value interventions in priority clinical areas, or organisational infrastructure to support value based healthcare in line with the requirements above.

In developing plans, organisations are expected to maximise the support of the national infrastructure, which includes the Value in Health Centre, hosted by Cwm Taf Morgannwg University Health Board, the Finance Delivery Unit, as well as the expanding knowledge, evidence base, and products that will support delivery of value based healthcare.

Mechanisms will be put in place by the Value in Health centre, the Finance Delivery Unit, and through regular organisational performance management arrangements to monitor organisations implementation of value-based healthcare approaches in order to measure its impact and support further spread and scale across NHS Wales.

Recommendation 10. The Welsh Government should:

- **Confirm as a matter of urgency whether the COVID-19 statutory sick pay enhancement scheme will be extended beyond March 2022, and whether there is funding available in the 2022-23 draft budget for this purpose.**
- **Consider consolidating the principles of the scheme into the terms and conditions of the social care workforce i.e. an ongoing eligibility for enhanced sick pay for social care workers who are self-isolating or taking sick leave as a result of COVID-19, and who would otherwise receive only Statutory Sick Pay or no income at all.**

Response: Accept in Principle

We have approved the continuation of the Statutory Sick Pay Enhancement Scheme until the end of June 2022. Officials are submitting proposals for the identified £0.5m of the estimated cost of doing so. In the first instance this will be sought from within the MEG by the use of any underspends which may be forthcoming. A transfer from reserves may be needed as part of the in-year supplementary budget process.

The Social Care Fair Work Forum is working in Social Partnership. Members of the Forum come together to determine the priorities and timeframe for progressing the forums work. The Forum is to considering a range of fair work issues and recommendations for the social care sector about improved terms and conditions, which are likely to include sick pay.

Recommendation 11. The Welsh Government should set out the timescales within which it expects the Social Care Fair Work Forum to make urgent recommendations for improving the terms and conditions for social care workers in Wales. This should include recommendations on career progression and broadening eligibility for sick pay for reasons unrelated to COVID-19. It should also confirm whether provision has been included within the draft budget to fund the costs associated with any proposals (including implementation costs).

Response: Accept in principle

The Social Care Fair Work Forum was convened by the Deputy Minister for Health and Social Services in late 2020 and is a Social Partnership Forum Chaired by Professor Rachel Ashworth of Cardiff University. Members of the Forum come together to determine the timetable for progressing its work. The Forum set out its early priorities in a position statement last year. This is published online: [Position statement: Social Care Fair Work Forum | GOV.WALES](#)

In the latter part of 2021, the Forum focussed its activity on the provision of advice for Ministers on implementation of the Real Living Wage commitment. It is now returning to the wider priorities set out in the position statement. As part of this work it will be considering what its recommendations to the sector will be and what the expectation is in terms of timescales for progressing that work. Any costs associated

with implementation of the Forum's work, including where these would fall, will need to be considered alongside the development of those recommendations. We will work closely with and as a member of the Forum regarding any potential calls on the SSID budget to support the development work. £60,000 has been allocated to the evaluation of the Real Living Wage commitment for 2022-23 and this will also provide valuable information to support the Forum's future work.

Recommendation 12. The Welsh Government should provide assurance that the funding available for respite care for unpaid carers in Wales is sufficient, including details of any specific financial assessments that have been conducted on the cost of delivering sufficient respite and breaks to the increasing number of unpaid carers in Wales.

Response: Accept in principle

Welsh Government reacted swiftly to the calls for more support at a local level by providing local authorities across Wales with additional total funding of £3m in 2021-22. Each local authority is using their allocation to support more opportunities for carers to access different forms of breaks, as well as more traditional forms such as an overnight sitting service. Indicative funding of £3million is mentioned in Welsh Government draft budget 2022-23 to take forward our Programme for Government commitment to establish a national short breaks scheme for unpaid carers. However this is not the only funding stream that supports respite care.

Local authorities receive substantial financial support from the Welsh Government through the Local Government Revenue Support Grant (RSG). From 2022-23, the RSG will receive an annual uplift of £180million to support the living wage for social care workers and increased demand due to the pandemic. This is provided as hypothecated funding which offers considerable flexibility for authorities to prioritise their services in line with the needs of their communities, including unpaid carers.

In addition, Regional Partnership Boards will be expected to invest a minimum of 5% of the overall Regional Integration Fund investment into direct support for unpaid carers from 2022/23, focusing on integrated delivery of services to meet the health and well-being needs of unpaid carers.

With ever changing numbers of carers and levels of need in our local communities, carrying out a financial assessment of demand for respite and short breaks would be costly, time consuming and could very quickly become out of date. Allowing local authorities and health boards to use the systems they have in place, such as population needs assessments, to monitor and respond to the needs of their local populations provides a more flexible and cost effective way to measure demand for respite care and short break opportunities.

Unpaid carers will want and need different forms of a break to meet their needs, and level of demand will have changed as pandemic restrictions have eased or been reintroduced. There is no one size fits all. Nevertheless, we will continue to work with Ministerial Advisory Forum on Unpaid Carers to deliver a new vision for respite and short breaks in Wales.

Recommendation 13. The Welsh Government should provide further detail on its strategic priorities for prevention and tackling health inequalities, and how allocations in the draft budget for 2022-23 have been targeted and will be monitored to ensure that spending by health boards and other public bodies delivers the required outcomes.

Response: Accept

The causes of health inequalities are extensive, as too are the interventions which are required to tackle them. For this reason, as noted in our initial evidence paper to the Committee and as debated in the Senedd earlier this year, the Welsh Government has worked to hard-wire action to tackle health inequalities across the breadth of the government's work programmes. This is achieved through the Welsh Government's health in all policies approach (supported by health impact assessments), and through the legislative and strategic context created by the well-being goals of the Well-being of Future Generations (Wales) Act 2015.

In the long term, the national indicators (including indicators on healthy life expectancy at birth including the gap between the most and least deprived, adults with two or more healthy lifestyle behaviours, children with two or more healthy lifestyle behaviours, and the mean mental well-being score), will help us understand how successful our policies have been.

In 2021, the Welsh Government laid a number of national milestones before the Senedd to track our progress against the national indicators. This included a national milestone concerning children with two or more healthy behaviours. Work is currently underway to develop national milestones in respect of the other national indicators referenced earlier which will assist in monitoring our progress in tackling health inequalities in Wales.

Within this context, the Welsh Government's revised Programme for Government provides the overarching strategic aim to move to tackle inequality in all its forms and contains significant commitments across all areas of government activity which are designed to tackle health inequalities. In light of the integrated approach we have taken, action on health inequality is a strategic priority across all aspects of

government activity. Within our portfolios, A Healthier Wales confirms the crucial importance of prevention activity and its contribution to tackling health inequalities.

A number of the leading risk factors associated with years of life lived with a disability and years of life lost are attributed to unhealthy lifestyle behaviours such as lack of physical activity, poor diet and smoking. These factors are amenable to change through public health prevention work but we also know that these factors exist on a social gradient, with those in the most deprived areas more likely to be obese or to smoke than those in the least deprived. Consequently, tackling health inequalities through prevention activity in weight management and smoking cessation are strategic priorities for delivery. For this reason, tackling health inequalities is at the core of our proposals to tackle obesity and to help people to stop smoking.

We will provide further detail on our strategic priorities in relation to tackling obesity within the forthcoming Healthy Weight: Healthy Wales Delivery Plan 2022-24 which will be published in March. Furthermore, the consultation on our draft Long Term Tobacco Control Strategy for Wales and its associated Delivery Plan for 2022-24 began in November 2021 and will close on 31 March 2022. Following consideration of consultation responses, we will publish our Tobacco Control Strategy and its action plan later this year.

In the bullet points below, we highlight specific examples of how allocations in the draft budget for 2022-23 deliver against these priorities:

- As discussed briefly at the committee session on 13 January, the Welsh Government has moved to reprioritise the £7.2m annual Prevention and Early Years funding from April 2022. This funding will be used by Directors of Public Health across all health boards and over the next financial year it will be repurposed to support interventions in the obesity and tobacco policy areas to support projects that will directly contribute to the following aims:
 - In conjunction with Public Health Wales, support the rollout of Help me quit in Hospital (the secondary care smoking cessation model) in all local health boards, broadly based on the 'Ottawa' model;
 - To support a reduction in the number of people smoking in pregnancy and support cessation; and
 - To support prevention work in the obesity and overweight space, in line with the Healthy Weight: Healthy Wales strategy and meeting existing population health measures.

To monitor progress, the Welsh Government has already outlined expectations around certain population health measures as part of the NHS Delivery Framework, which focus on measures around tobacco and obesity.

- Through our Healthy Weight: Healthy Wales strategy we are prioritising how we will enable and help to support positive change. The delivery plan for 2022-24 is being supported by a budget allocation of £13m (£6.63m per annum) and offers direct support to a number of preventative actions that also aim to reduce health inequalities. The funding allocation is set out below:
 - £2.9m Investment per year into the delivery of services with Local Health Boards through our All Wales Weight Management Pathway.

- £1.2m Investment into systems based approaches, to help support and drive local action and delivery will include working with local communities to co-design and enable local decision making.
 - £0.6m Investment into a Children and Families Pilot taking place in three areas Cardiff, Merthyr Tydfil and Anglesey. A core part of this approach is the implementation of a secondary prevention Home Based Intervention for families of children in the early years from 3 – 7 years of age in line with the foundation phase.
 - £0.6m Investment through Sport Wales to continue delivering an over 60s leisure offer and to invest funding to work with National Governing Bodies to increase opportunities for children and families.
 - £1m investment into the delivery of an All Wales Diabetes Prevention Programme, which is being trialled across all Local Health Boards across Wales.
 - £0.33m to support the development of evaluation, communications and further research. This provides us with the tools to understand whether what is being delivered is appropriate for the population of Wales and whether there is a need to expand or reprioritise areas to meet the needs of the population.
- The £5.9m Healthy and Active Fund (HAF) available over 4 years (2019-2023) is funding 16 projects aiming to improve mental and physical health by enabling healthy and active lifestyles. Projects funded by the HAF seek to reduce inequalities in outcomes for one or more of the following groups: children and young people; people with disability or long-term illness; people who are economically inactive or who live in areas of deprivation; and older people and those around the age of retirement from work.

In addition to the programmes of work set out above, our Programme for Government also commits the Welsh Government to develop an all-Wales framework to roll out social prescribing. The framework will contribute to facilitating access to prevention services across Wales and work to tackle health inequalities. The framework is currently in development and will be the subject of public consultation in the Spring.

Recommendation 14. The Welsh Government should provide further detail on how specific allocations within the draft budget will contribute to a shift in resources towards primary and community care, and how progress on that shift will be monitored throughout the financial year.

Response: Accept

A Healthier Wales sets a clear vision on health and care services designed to support people to do what matters to them, accessible at or as close to home as possible. No one should access care in a district general hospital unless this is the right place for that individual's needs. To achieve this vision, the whole health and

care system is required to re-balance the focus of leadership and allocation of funding, workforce and other resources away from hospitals and illness towards health and wellbeing in our communities.

As Wales moves from pandemic to endemic, there is a unique opportunity to increase the pace and scale of this system re-balance and end the traditional medical model where hospital-based care attracts the lion's share of resources and attention.

The recent King's Fund paper '*Covid-19 recovery and resilience: what can health and care learn from other disasters?*' states that a successful and sustainable recovery is possible if there is investment in the resilience of communities and community-led approaches.

The Welsh Government has been clear on how it expects this challenge to be picked up at local level through the 2022-25 NHS Planning Framework and Ministerial measures. These Ministerial measures include a category for Care Closer to Home which as the measures evolve together with the Single Outcome Framework being developed will track the improved outcomes for the health and wellbeing of the population of Wales.

Examples of specific allocations in the 2022-23 Budget which support the progressive re-balancing of the health and care system include:

- £170m to recover and reset planned care system across primary, community and secondary care,
- £144.7m five year Regional Integration Fund will launch on 1st April 2022. This fund will drive change and transformation across the health and social care system through the development of at least six new national models of integrated care, two of which are directly centred around community based care: Community based care – prevention and community coordination and Community based care – complex care closer to home
- £60m Digital Policy and the Digital Priorities Investment Fund:

Funded through the Digital Priorities Investment Fund, a number of initiatives are enabling the shift of care away from hospitals.

- Technology Enabled Care Cymru (TEC Cymru), is focussed on the scale and spread of telehealth and telecare (including video consultation) across Wales, across health boards and social care organisations.
- The Welsh Community Care Information System (WCCIS) enables the sharing of care records between health boards and local authorities to provide a richer understanding of the patient/service user through additional data being available to the clinicians or service provider
- The deployment of population health actuarial analysis across Wales will allow more targeted interventions in people's care – helping to understand

how earlier interventions could improve health outcomes, being targeted to patients who would benefit most.

In addition, further investment has been made in primary care contracted services this year to increase prevention:

- *The General Medical Services (GMS) Contract* saw £2m funding made available in year to support additional capacity through the winter period. From April 2022 this will increase to £4m and supports the aim to deliver more care from within the community through an increase in resources.
- The current 3 year agreement *Community Pharmacy Contract Framework* provides an additional £18.3m funding for pharmacies by March 2023, with a clear focus on the provision of a clinical service and move away from a solely dispensing nature of operation.
- In March 2021, the Welsh Government published the *Future Approach for Optometry Services* in Wales. A key priority is the move of the delivery of services from hospitals to primary care to address hospital backlog in patient appointments and delay in follow-up, and to release specialist consultant and GP resource.

Recommendation 15. The Welsh Government should outline its priorities for the £50m additional allocation for mental health, and provide details of how funding will be allocated to health boards and how spending and outcomes will be monitored and reported

Response: Accept

We are working through the detail of the funding allocations but to confirm it will be supporting front line mental health services, alongside areas such as implementation of the Liberty Protection Safeguards, prevention in public health, substance misuse and supporting people to stay in employment where they have mental health / substance misuse issues. The £50m allocated will also make a contribution to support our Programme for Government commitment to prioritise service redesign to improve prevention, tackle stigma and promote an approach to mental health support that ensures people will be directed to the right advice and support at the right time.

Funding directed to mental health services will support both the recovery of services and the priorities laid out in the Together for Mental Health Delivery Plan 2019-2022. However we recognise that Covid19 has had a significant impact on the ability of health boards to recruit to posts that were identified and approved within 2021/22. Whilst we are consulting on our longer term plan for a sustainable mental health workforce, we do need to recognise the challenge for health boards in filling existing vacancies and expanding priority services where recruitment is difficult. Therefore prior to us releasing funds to health boards for 2022/23 we are undertaking an exercise across all health boards to identify any legacy posts / grades that they have not yet recruited to. By working with health boards we will also be able to consider

what further action can be taken nationally to bolster provision in these key areas, whilst allowing time for health boards to recruit to previously approved posts. Following this work we will be in a position to confirm allocations of the additional funding.

Recommendation 16. The Welsh Government should clarify when it plans to publish its “proposals” for women’s health. When the proposals are brought forward, the Welsh Government should ensure that they include:

- **Details about how the proposals reflect women’s multi-layered and intersectional identities and characteristics, and how services, interventions and funding will be targeted to take existing health inequalities into account.**
- **Clear and measurable objectives, and details of how progress will be assessed and reported.**
- **Confirmation of the resources available to deliver against the proposals.**
- **Details of the Welsh Government’s plans to engage and communicate with women and girls about the proposals.**

Response: Accept

Welsh Government’s proposals to support women’s health are still at an early stage of development. Initial work has been undertaken with a coalition of women’s groups and service users to produce a women’s health Quality Statement. The first draft of this document has been received and is being considered by policy officials. The intention is to publish the Quality Statement by May 2022.

Officials attend meetings of the UK Government-led Menopause Task Force and will contribute to actions being driven by that group, which will result in shared best practice to support women experiencing menopause in Wales. The intention is that this will include a new menopause pathway.

Officials have just commenced the development of a women’s health plan. The aim of this plan is to help improve health services and outcomes for women and girls in Wales. This plan builds on and complements the concepts for person-centred care set out in *A Healthier Wales* and needs to be seen in that context. As the plan is developed, officials anticipate there will be regular engagement with both clinicians and women’s groups to ensure it meets the needs of women and girls. Officials intend to publish the plan in the autumn of 2022.

Recommendation 17. The Welsh Government should provide further information on how it plans to earmark financial support for dementia diagnosis and care.

Response: Accept

In 2021/22 we have allocated an additional £3m for memory assessment services to Regional Partnership Boards to provide additional support for people during the assessment process and following diagnosis. This is in addition to the £9m allocated at the time of the publication of the Dementia Action Plan to develop a joint health and social care approach to dementia support, representing a significant increase in funding directly to support the implementation of the Dementia Action Plan. This is in addition to other funding available for instance through the Regional Investment Fund commencing in 2022/23. We have not allocated any further funding in 2022/23 to directly support the Dementia Action Plan implementation as we are using it as a period to consolidate the use of the additional funding that has been made available from this year. We will be reviewing this in the autumn, with the intention to allocate further funding in this key priority area from 2023/24.

Recommendation 18. The Welsh Government should provide assurances that the draft budget will address both the immediate crisis facing social care in Wales and the longer term challenges. This should include identifying and explaining:

- **Actions that will be taken in the immediate term to address the workforce and other pressures faced by social care providers, and details of any contingency plans that are in place to ensure that people continue to receive the care and support that they need should the pressures faced by the sector worsen.**

Response: Accept

In December, we announced £43m funding to support salary uplifts for social care workers to the Living Wage Foundation's Real Living Wage. The roll-out of this commitment will commence from April 2022 and is for registered workers in care homes and domiciliary care, in both adults and children's services, and for Personal Assistants funded through a Direct Payment. The commitment is a long term commitment which introduces a new baseline for the sector. It is linked to our programme of work aimed at professionalising the sector, improving terms and conditions and making it a more attractive place to work.

On 10 February we announced an additional payment for social care workers aligned with the Real Living Wage. This payment of £1498 will be made to those social care workers who will receive the Real Living Wage plus managers within care homes and domiciliary care. It is estimated the scheme will cost circa £100m. £96m has been budgeted from the HSS MEG for 2021-22 and a further £4.3m has been approved from 2022-23 funding. This additional funding will allow the additional payment to be made to eligible social care workers who have started in the sector from 1 April 2022. We are working with stakeholders currently, but payments are likely to go out in June 2022. The purpose of this scheme is to further underline our commitment to social care workers. This additional payment, coupled with the real living wage, will help us tackle some of the challenges providers are experiencing recruiting and retaining people with the skills needed to undertake these crucial

roles.

We have funded an extensive recruitment campaign from August 2021 that will continue to the end of the financial year. This comprises extensive TV advertising, radio advertising, social media and 'out of home' advertising. This comprises extensive advertising on TV, radio, cinema, along with digital (*YouTube, Facebook, Google*) and on buses, trains and at supermarkets. This has resulted in a 176.5% increase in traffic to the WeCare.Wales national jobs portal, compared to the same period 12 months previously.

Recommendation 19. Actions that will be taken within the duration of this multiyear budget to stabilise the sector, prepare for reforms, and achieve a fair and sustainable balance between funding for health and social care.

Response: Accept

The budget provides a major step up in resources for local authorities; with an additional £180m provided within the Local Government settlement to implement the Real Living Wage for social care workers, and to support the sector's pressures. These allocations reflect our clear choice to invest in the social care workforce, to support those who work so hard on our behalf, to stabilise our care provision, and to better support those with care needs.

In addition, the Health and Social Services MEG will see the creation of a £50m Capital Fund from 2022-23. This will rise to £60m in 2023-24, and £70m in 2024-25. This new Capital Fund will support the development of integrated health and social care hubs across Wales, and the rebalancing of social care through investing in our social care estate. This new funding is in addition to the baseline funding for social care, enabling continued support to activity across the social care sector. This social care allocation will enable the Welsh Government to directly influence the transformation of social care infrastructure in line with aspirations of the Social Services and Well-being (Wales) Act, and 'A Healthier Wales', and is evidence of achieving a fairer and more sustainable balance of funding.

Within the Health and Social Services MEG, from 2022-23 a new £45m Social Care Reform Fund has been created, rising to £55m in 2023-24, and £60m in 2024-25. This Reform Fund will be used to support the reform and delivery of sustainable services across the social care sector, and to deliver the Programme for Government commitments to reform social care and to protect, re-build and develop our services for vulnerable people.

The £144.7m Regional Integration Fund is a combination of several previously separate funding streams. It has taken the learning from both the Integrated Care Fund and the Transformation Fund, building on key successes and making changes where improvement was needed. The key differences for the new Regional Integration Fund include the focus on developing and embedding six national models

of care, a new requirement for match funding to support the mainstreaming of services, dedicated support for Regional Partnership Board infrastructure costs, the development of an outcomes measurement framework from the outset, and a clear exit strategy for the end of the programme. The Regional Integration Fund will be subject to clear and robust monitoring and scrutiny arrangements which are being established to support effective delivery.

Regional Partnership Boards will develop investment plans for the new Capital Fund, alongside their plans for the Regional Integration Fund. This will maximise impact, ensure capital and revenue investment is aligned, and that integrated models of care and delivery can be developed and operationalised.

We need a strong social care sector to overcome both the immediate crisis facing social care in Wales and the longer term challenges, and this Budget is a major step towards a stronger future. “Stronger” and “more sustainable” does not, however, mean staying this same. Our plans for a National Care Service underpin our ambitions for the future of the social care landscape in Wales.

Recommendation 19. The Welsh Government should provide an update on any progress or developments regarding paying for care in Wales, and any assessments of the associated financing implications.

Response: Accept

We have prioritised investment in the social care workforce, rather than reform to the charging regime at this point, because the huge challenges in social care right now are part of the wider labour market crisis which a number of sectors are facing. The immediate priority must be to act to address this.

The UK Government has chosen a different path, favouring charging regime reform in the short-term but our immediate choice to stabilise the sector by supporting the workforce is the right choice for Wales.

However, we have a long term ambition, shared with Plaid Cymru, to create a National Care Service which is free at the point of need and continuing as a public service. An Expert Group is being established to work rapidly to propose practical next steps towards this.

Clearly, providing care free at the point of need will not be without cost; nor can an ambitious agenda such as this be implemented immediately. Our current view is that realising our ambition for “care free at the point of need” will not be fully delivered within this budget period, given the potential complexity of implementation or potential requirements for legislative change. It will be important to look at the practical next steps the Expert Group proposes, including their timescales for delivery and costs, in order to define the associated longer-term budgetary implications.

Recommendation 20. The Welsh Government should explain how the replacement of the integrated care fund and the transformation fund with the health and social care regional integration fund will provide the drive for the rollout of innovation and transformation across health and social care. This should include clarity about how the Welsh Government will ensure that its priorities are reflected in the plans developed by regional partnership boards, how good practice will be rolled out and mainstreamed, and how such plans will be transparently scrutinised and monitored by the Welsh Government.

Response: Accept

The Regional Integration Fund is a key lever to drive change and transformation across the health and social care system. Our aim is that by the end of the five year programme we will have established and mainstreamed at least six new national models of integrated care so that citizens of Wales, where ever they live, can be assured of an effective and seamless service experience in relation to;

- Community based care – prevention and community coordination
- Community based care – complex care closer to home
- Promoting good emotional health and well-being
- Supporting families to stay together safely, and therapeutic support for care experienced children
- Home from hospital services
- Accommodation based solutions

These six national models of integrated care have been identified and prioritised for investment based on experiences and learning from the ICF and TF and through extensive engagement and co-design work with Regional Partnership Boards and key partners. Therefore, all activity funded by the RIF must directly support development and delivery of the six national models of integrated care. RPBs will be required to submit their proposed programmes of work via investment plans, they will have the flexibility to determine which projects and services align to which model of care but essentially all RPBs will need to ensure plans meet Welsh Government priorities by;

- investing in the development and embedding of the six priority models of care.
- demonstrating they are meeting the needs of all the priority population groups within each of the models of care (noting some priority groups will be more relevant than others for each model of care).
- maximising the use of key enablers to ensure their models of care are innovative, integrated and transformative, these include; integrated planning and commissioning, technology and digital solutions, promoting the social value sector, integrated community hubs and workforce development and integration.
- seizing every opportunity to increase the ‘active offer’ of integrated services through the medium of Welsh across all population groups.

While the RIF will provide opportunity to support the further creation of new models of care, it will also enable the RPBs to mainstream and embed effective models of

delivery tried and tested under the ICF/TF and will also support the strategic alignment and integration of existing services.

The fund architecture for the RIF has been co-designed with Regional Partnership Boards to further encourage the testing, embedding and mainstreaming of national integrated models of care. Alongside long-term funding, matched resources and tapered support is a key feature of the new RIF. Its purpose is to ensure national models of care are embedded and mainstreamed into core service delivery by attracting support from the core budgets of statutory organisations, which themselves have received budgetary uplift through the Welsh Government's recent budget announcement for the next three years.

Learning from the ICF and TF, the RIF required a clear outcomes framework that clearly identifies key outcomes and measures. This framework will enable us to clearly see the changes that are taking place across the system as a result of the RIF investment. We will continue to work with RPBs and delivery partners to shape our outcomes framework, which will have continual review through our Communities of Practice. As a minimum, six Communities of Practice, one for each model of care, will be established to share learning and actively support the development and embedding of these integrated models of care.

A status report will be used to collate a set of agreed data each quarter maintaining the integrity of the reporting and support a successful audit and evaluation process. Welsh Government will meet with RPBs on a quarterly basis to undertake progress meetings, covering finances, key activities, progress and risks. In addition to the reporting requirements, periodic audits will be carried out over the lifetime of the RIF. The aim of the audits is to support the effective mainstreaming of these six models of care and to assess the perceived and/or potential impact of the RIF in long term prevention, integration, collaboration and involvement to help public bodies undertake better planning for the well-being of our population and future generations.

Recommendation 21. The Welsh Government should set out the next steps and associated timescales for the development of the role and operation of regional partnership boards, including how their governance and accountability arrangements will be strengthened and how the Welsh Government will ensure that all regional partnership boards are operating at the level of the most successful ones.

Response: Accept

Wales has been firmly on the journey towards integration since launch of the Social Services and Wellbeing (Wales) Act in 2014 including;

- Regional planning and delivery through seven regional partnership boards (RPBs)
- Regional Population Needs Assessments and Area Plans to ensure planning is joined up and based on clear evidence of need

- Investment in Integrated models of care through the Integrated Care Fund and Transformation Fund (now to be replaced by the Regional Integration Fund).
- The promotion and establishment of pooled funds in relation to commissioning older peoples care homes placements
- The development of WCCIS as a national cross sector digital information tool

The 2021 Rebalancing Care and Support White paper proposed resolving some of the governance and accountability challenges faced by RPBs through making them corporate legal entities. However statutory partners were clear that this was not a necessary or desirable step and so there was agreement to work within existing legislation and structures to strengthen the role of RPBs.

Therefore the rebalancing care and support programme has been established to further strengthen regional partnership boards by clarifying and strengthening five key areas;

- governance and scrutiny,
- planning and performance,
- citizen engagement and voice,
- integrated delivery of services
- rebalancing the market.

Five stakeholder groups are being established to oversee the progress in relation to each of these key areas and it is intended that they will review and strengthen current arrangements culminating in amended Part 9 guidance in mind 2023. Much work is already underway in taking this strengthening work forward.

During this time Welsh Government Officials will continue to work very closely with Regional Partnership Boards to provide ongoing support and challenge on implementation of the Part 9 guidance. Officials meet with RPB leads at least once a month to support sharing of learning across Regions and Ministers will meet with RPB Charis and leads on a quarterly basis to monitor progress and to support the sharing of best practice across Wales.

An Integrated outcomes framework for health and social care is in development to help us measure the impacts of integrated services delivery.

Recommendation 22. The Welsh Government should provide a breakdown of the current and anticipated energy costs for health boards in Wales, and what, in practice, it will mean for health boards and the services they deliver if energy costs and the demand for heating and cooling continue to rise significantly. It should also provide details of any guidance provided to health and social care bodies in respect of energy costs or planning for energy needs.

Response: Accept

NHS Wales has co-ordinated its purchasing of energy since 2015 through an Energy Price Risk Management Group (EPRMG). The Group has both Estates staff with Energy Management responsibilities and finance staff – with representatives from all LHBs and Trusts in NHS Wales. It is also supported by British Gas. During regular meetings, the EPRMG receives a Market Overview session provided by an expert from British Gas who has detailed knowledge of the market conditions and the issues that are influencing prices, both up and down. This briefing is received before the group considers its pricing strategy.

In normal market conditions, the NHS spends approximately £13.5m on natural gas, and £26m on electricity per annum. Given the unprecedented position of the Energy Market over the last 6 months, the EPRMG has been meeting monthly with a full agenda to determine the purchasing of Energy approach for the period ahead. NHS Wales has benefitted substantially from the strategy that had been put in place by the EPRMG. This strategy has protected NHS Wales to a degree from the massive increase in market prices for 2021/22. Given the unprecedented price increase, the group has been reluctant to purchase for many months ahead in order to avoid 'locking in' high prices if the market prices improved, and took the position of monitoring the position on a month by month basis. Given the ongoing volatility in the market, the approach has been to only purchase at these high prices for the month ahead, when there is little or no option to avoid the cost for NHS Wales.

For 2022-23, advanced electricity purchases at low price levels were made previously which will continue the protection for NHS Wales to September 2022. Thereafter, a new contract or an extension will have to be established. If the market price levels remain at a high level, then this may put pressure on NHS budgets later in 2022-23.

For Gas, a new contract was established for April 2022 onwards, and no purchases had been made against this new contract since the market had started increasing when purchases could be considered. The approach considered at recent meetings is to continue the monthly EPRMG meetings and consider the purchases to be made on largely a month by month basis.

There is no reliable advice as to whether the current market conditions and prices levels will continue at current levels for a prolonged period of the year ahead. Cost forecasts have been produced to inform 2022-23 budget setting, based on current market pricing. Current prices are around four times normal levels, and so this could place an added financial risk to NHS Wales if prices at these levels continue during 2022-23. Welsh Government will continue to monitor the impact of this risk on NHS finances during next financial year.

In terms of monitoring NHS Wales energy usage, data is collected annually by NHS Shared Services Partnership-Specialist Estate Services (NWSSP-SES) from all health boards, Velindre University NHS Trust and the Welsh Ambulance Services NHS Trust as part of the Estates Facilities Performance Management System (EFPMS). The data relates to the previous year. A dashboard report is produced and the supplementary data for all organisations is shared for benchmarking purposes.

There are limited changes from year to year unless different energy solutions are introduced recognising that energy costs are currently rising significantly.

The NHS Wales Decarbonisation Strategic Delivery Plan was launched in March 2021. The Strategic Delivery Plan includes 46 initiatives that will help NHS Wales to decarbonise and contribute to the ambition for the public sector to be net zero by 2030. The Plan includes targets for both new and existing buildings.

The initiatives in the plan include low carbon heating, building management systems and increased renewable energy use. A renewable energy example is the Swansea Bay Solar Farm which has been shared by NWSSP-SES, as an example of what could be achieved, with all organisations.

Swansea Bay University Health Board secured land by way of a 26-year lease agreement to develop a 4-megawatt solar farm at Brynwhilach Farm, near Llangyfelach in Swansea. The solar farm comprises 10,000 panels on 14 hectares of land which will provide power to Morriston Hospital via a 3km private wire connection meaning Morriston Hospital will become the first hospital in Wales, and it is believed the UK, to develop its own full-scale solar farm. The solar farm will supply almost a quarter of Morriston Hospital's power, cutting the electricity bill by around £500,000 a year and significantly reducing carbon emissions. At peak production times it could meet the electricity demand for the entire hospital

Recommendation 23. The Welsh Government should explain how the impact of rising energy costs and increased demands for heating and cooling have been taken into account when setting health and social care allocations in the 2022-23 draft budget (and the indicative allocations for 2023-24 and 2024-25).

Response: Accept

The draft budget included a revenue increase of £824m in 2022-23 for the NHS, rising to £1.3bn by 2024-25. This represents a significant recurrent investment in the NHS. We have already allocated an additional £180m to NHS organisations for 2022-23, an increase of 2.8% on core hospital and community budgets, to help them manage these and other demand and cost pressures. NHS organisations are due to submit their integrated medium term plans for 2022-23 to 2024-25 by the end of March, and we will use these plans to assess any risk to managing energy and other pressures with the funding we have made available.