

Information to inform scrutiny of the Draft Budget 2024-25 by Children, Young People and Education Committee

Contents

1. Allocations for children and young people.....	2
2. Impact Assessments.....	5
3. Programme for Government	10
4. Sustainable Social Services Grant Scheme.....	18
5. Care Experienced Children Change Fund	22
6. Children’s Social Care Workforce	23
7. Children’s Health.....	25
8. Cost of living	33
9 . Costs of legislation.....	35

1. Allocations for children and young people

Request 1

Allocations in the Health MEG by Action, and Budget Expenditure Line (as directly relevant to children and young people):

- Draft Budget 2024-25
- Final Budget 2023-24 allocations
- 2023-24 First Supplementary Budget
- Forecast 2023-24 out-turns
- 2025-26 indicative budget (if set)

A description of any changes to baselines used in the Draft Budget 2024-25 from the First Supplementary budget June 2023.

Response

Budget Expenditure Line	2023-24 Final Budget	2023-24 First Supplementary Budget	2023-24 Forecast Outturn P8	2024-25 Draft Budget
	£m	£m	£m	£m
A Healthier Wales – (Early Years) – BEL 0060	7.200	7.200	6.493	6.850
Support for Childcare and Play – BEL 310	100.951	99.727	88.404	82.378*
Support for Children’s Rights – BEL 311	1.020	1.020	0.920	1.020
Supporting Children – BEL 410	3.865	3.865	3.883	3.865
Supporting Families and Children – BEL 1085	11.710	11.710	5.465	5.960*
Children and Communities Grant – BEL 1087	171.045	172.269	171.861	174.583*
CAFCASS Cymru – BEL 1268	15.195	15.195	15.195	15.873
TOTAL	310.986	310.986	292.221	290.529

**Note – elements of budget is moving from BEL 310 and BEL 1085 into BEL 1087 in 24-25 as grants move into the main Children and Communities Grant.*

A Healthier Wales – (Early Years) – BEL 0060

£0.350m budget reduction

A proportionate reduction was made to this BEL as part of the budget review and reprioritisation exercise carried out in the HSS MEG for 2024-25. Impacts were considered and discussed with Ministers. This will also apply below where 'budget reductions' are referenced.

Support for Childcare and Play – BEL 310

A £14.7m budget reduction from the 2024-25 indicative budget of £99.151m and a budget transfer of £2.073m, within the MEG, to BEL 1087 - Children & Communities Grant. There is also a budget transfer included for 1st Supplementary 2023-24 of £1.224m moving to the CCG non recurrently.

The budget reduction was made from the main Childcare Offer budget line £11.2m, the Early Years Pathfinder budget line £3m and the CIW / SCW and Workforce budget £0.5m

Support for Children's Rights – BEL 311

No changes

Supporting Children – Bel 410

No changes

Supporting Families and Children – BEL 1085

A £4m budget reduction and a budget move of £1.1m, within the MEG, to BEL 1087 - Children & Communities Grant.

The £4m budget reduction is, £3.5m from Baby Bundles and £0.5m from the Children & Families Communication budget.

Children and Communities Grant – BEL 1087

A reduction of £7.085m from the indicative 2024-25 Children and Communities Grant (CCG) budget allocation of £178.495m

A budget transfer between BELs of £3.173m, from within the MEG, from BELs 310 and 1085, with grants being added to the bigger CCG brings the total 2024-25 budget to £174.583m.

CAFCASS Cymru – BEL 1268

A budget increase of £0.678m which relates to the baseline adjustment for the 2023-24 pay award for CAFCASS staff.

2. Impact Assessments

Request 2

- **Combined CRIA across all portfolios:** The overall Child's Rights Impact Assessment (CRIA) undertaken to inform allocations in the draft Budget 2024-25.
- **CRIA for Health and Social Services MEG:** The CRIA for the Health and Social Services MEG for 2024-25.
- **Other impacts:** Details and/or examples of any changes made to allocations within the Health and Social Services MEG following considerations of equalities, sustainability, the Welsh language, and the Wellbeing of Future Generations.

Response

The Strategic Integrated Impact Assessment published as part of the 2024-25 Draft Budget gives due consideration to the United Nations Convention on The Rights of the Child. The integrated approach underpinning the SIIA enables us to better understand the intersectional and unintended impacts of spending decisions and to maximise the impact of available funding, reducing the disproportionate effect on any one specific group or area. To consider an area of impact in isolation risks unintended consequences such as the negative impact in one area being driven by a positive impact in another.

This is vital to demonstrate that the Welsh Government is meeting the requirements of the Rights of Children and Young Persons (Wales) Measure. Publishing a CRIA is in line with the arrangements the Welsh Government itself has put in place, which has established the CRIA as 'the agreed' mechanism to support Ministers to meet the duties under that Measure in both the Children's Rights Scheme itself and the associated Children's Rights Scheme: manual for Welsh Government staff.

The stark reality of the extraordinary financial circumstances we are facing has necessitated a more fundamental approach. We have re-shaped the indicative spending allocations within our budget to provide extra funding and protection for the

services which matter most to people and communities across Wales – the NHS and the core local government settlement, which funds schools, social services and social care and other everyday services. We have done so in line with our principles to:

- Protect core, frontline public services as far as possible.
- Deliver the greatest benefit to households which are hardest hit.
- Prioritise jobs, wherever possible.
- Work in partnership with other public sector bodies to face this financial storm together.
- Re-focus funding away from non-devolved areas, which the UK Government should be funding.

We have taken this approach to ensure we continue to focus funding where it can have the most positive impact in the circumstances, and taking action to ensure we mitigate direct impacts to people and places, as far as possible. Spending more in some areas means there is less to spend in other areas. Where hard decisions have been required, we have sought to identify those areas where the relative impacts are lesser than their alternatives, and we have sought to take action to mitigate impacts as far as possible. Given the circumstances, it has not been possible to avoid negative impacts in all cases.

Further details are contained within the Strategic Integrated Impact Assessment, Annex A in the link below:

[Draft Budget 2024-2025 narrative \(gov.wales\)](#)

Health & Social Services MEG

It is important to note that over £10.5 billion (93% of the HSS MEG) is allocated on direct funding to the NHS, with many other budgets lines also supporting NHS services. Following publication of the draft budget for 2024-25, Health Boards have been issued their budget allocation and are required to submit their plans for 2024-25, living within available budgets. All decisions by health boards will be subject to quality impact assessments, balance of risk judgements and potential consultations, if decisions impact on service change. Each health board will face different

challenges in terms of their local population's needs and the configuration of services. Actions taken to manage cost pressures will vary according to each organisation and will be subject to local determination.

The vision under *A Healthier Wales* is to place a greater focus on prevention and early intervention, which we continue to support through universal, as well as more targeted support. This includes information, advice and support for parents through Parenting. *Give it Time* which has been expanded to support parents of children aged 0-18; ongoing support for speech, language and communication (SLC) through the *Talk with me* SLC plan and campaign; and further investment to reduce or mitigate the impact of adverse childhood experiences (ACEs).

Within the HSS MEG allocation, funding will be allocated to support our Programme for Government commitment on Early Years and Childcare.

Our support for the early years, childcare and play contributes to all of the well-being goals, and specifically to those relating to a prosperous and healthier Wales. Investment in quality childcare and play can help young children develop into healthy, active adults. It develops their cognitive and social and emotional wellbeing and mitigates the harmful effects of adverse childhood experiences. Childcare can also enable parents to work and train and lifts families out of poverty.

Our Childcare Offer specifically supports the Welsh Government's well-being objectives, in particular to:

- Support people and businesses to drive prosperity.
- Promote good health and well-being for everyone.
- Support young people to make the most of their potential.
- Build ambition and encourage learning for life.

We have continued to frame our budget allocations in line with preventative activities, focussing on positive interventions that protect and build on existing foundations, including our commitment to children's rights. This is evidenced, for example, by our continued investment in the work of Public Health Wales; our

ongoing investment in key prevention services such as immunisation programmes for children; and broader health promotion activity for children and young people as outlined in section 7 below. However, we have had to reduce budgets which will impact on children, as explained in the examples below.

Early years, childcare, and play, including the Childcare Offer and Workforce

The Childcare Offer for Wales is demand led and there is £2.5m allocated as an Additional Support Grant. Reductions in the budget for 2024-25 have been made modelled on take up in 2023-24. Given the demand-led nature of the programme, additional budget will be allocated if necessary.

Early Years Integration Transformation Programme

The Early Years Integration Transformation Programme is focussed on developing a more joined-up, responsive early years system that puts the unique needs of each child at its heart, which covers the period of life from pre-birth to the end of the Foundation Phase (0-7).

We have been working with PSBs across Wales to explore how to deliver early years services in a more systematic way, applying the lessons from our existing programmes such as Flying Start and Families First.

The majority of the PSBs have engaged in the programme as pathfinders testing the core components for an early years system and piloting different multi-agency delivery models and approaches, building on what works well in existing programmes such as Flying Start and Families First.

This funding will now cease in March 2024, resulting in the programme ending 1 year earlier than anticipated.

As a pilot programme, it was always envisaged that the programme would be time-limited with conclusion planned for the end of 2024-25. Whilst ending the programme earlier than anticipated, we will work closely with PSBs to identify the most appropriate non-financial support to enable them to embed the learning as part of their business-as-usual model.

Bwndel Babi Programme

The Programme intended to offer support to approximately 26,000 new and expectant parents. With reduced budget, the Programme will need to be targeted on a smaller geographical basis such as Flying Start and/or Bwndel contents removed to reduce costs. If delivered within Flying Start areas, approximately 8,000 new and expectant parents could be supported.

The reduction in budget will mean that some families, at risk of or experiencing poverty living outside of the targeted area, will not benefit from the support offered through the Programme.

3. Programme for Government

Request 3

Allocations in the Draft Budget 2024-25 and the latest position on funding for:

3.1 - PfG Commitment: Advocacy services for parents whose children are at risk of coming into care.

Allocations for the roll out of support for parents whose children are on the edge of care, which is to be delivered in accordance with a national framework.

Response

Funding of £506,000 has been allocated from the Looked After Children Change Fund in 2024-25 for the roll out of independent, professional advocacy support for parents whose children are on the edge of care, with the aim of reducing the numbers of children entering the care system in Wales. The total funding allocated to this commitment across the four years 2022/23-2025/26 is £1,606,400.

3.2 - PfG Commitment: Fund regional residential services for children with complex needs.

Allocations for 2024-25 for the Regional Partnership Boards for the 8 projects which are now operational (and how many additional placements this funds).

Allocations for delivery of any new projects (and how many additional new placements this funds).

Response

Since the publication of the Programme for Government annual report in July this year an additional 7 regional projects have become operational. The total number of projects now operational is 15 providing 26 beds for children with complex needs. The projects are funded through different funding streams including the Regional Integration Fund as well as core funding. Information on the total funding allocations for the projects is not therefore held centrally.

3.3 - PfG Commitment: Eliminating private profit from the care of children looked after.

An annual breakdown of how the commitment to spend £68m is broken down by total over the three years 2022-23, 2023-24, 2024-25.

- **Final outturns for 2022-23** / breakdown of who that was allocated to and for what purpose (by local authority and third sector).
- **Forecast outturns for 2023-24** / breakdown of who that was allocated to and for what purpose (by local authority and third sector).
- **Detailed planned allocations for 2024-25** (or the process by which that will be decided).

Response

Annual Breakdown of £68m

2022/23	£13m
<u>2023/24</u>	£26m
<u>2024/25</u>	£29m

In 2022-23 local authorities were asked to submit 3-year bids for funding (2022/23-2024/25) to support them to deliver the commitment to eliminate profit and help them reduce the number of children in care and support children who are looked after and their families.

These bids were assessed by officials and used to determine the allocation of the £68m over the three years to local authorities in Wales. The bids were clearly focused on building in-house or not-for-profit residential and foster care provision, on moving children out of residential care back into a family setting, on providing locally based and designed services, including specialist provision for children with more complex needs and above all improving outcomes for children. Some examples of the types of proposals received are:

- Better support for foster carers, including the development of specialist support services.
- Enhancing the range of foster care options for children.
- Increased recruitment and assessment of local authority foster carers.
- Step Down foster placements.
- Building in-house residential care provision and resilience, including upskilling of local authority staff and practitioners.
- Developing in-house short breaks respite services.
- Converting Placements with Parents to Special Guardianship Orders.
- Development/Expansion of Crisis Support Teams.
- Discharge of Care Orders.

In 2022-23 the allocated funding was fully spent on these activities to support the Welsh Government's commitment to eliminate profit. It is forecast that funding will once again be fully utilised in 2023-24.

3.4 - PfG Commitment: Specialist support for children with complex needs who may be on the edge of care.

Details of the 32 projects so far identified by Regional Partnership Boards cover the whole of Wales and how these are funded by the Health and Social Care Regional Integration Fund as detailed in the most recent PfG Annual Report.

Response

For our Regional Partnership Boards, the first year (2022-23) of the Regional Integration Fund (RIF) was one of transition, as we amalgamate previously separate funding streams to create greater alignment of resources, so that we maximise impact and reduce administrative burden. As a result, many of the original 32 projects have now been amalgamated into the 20 programmes of work listed. Whilst this may appear to be a reduction in projects, the overall investment level in year 2 (2023-24) has remained close to that of year 1 of the RIF.

The RIF funding goes to each of the 7 Local Health Boards who act as the 'bankers' for the RPBs: partners draw this funding down as and when necessary, with quarterly finance returns and meetings in place to discuss in year progress against plan. It is therefore not possible to project the exact allocation regions will put towards the relevant model of care in year 3 (2024-25) however we would not expect any major changes at this point.

Under the Model of care 'Supporting families to stay together safely, and therapeutic support for care experienced children', the total projected 2023-4 allocation by year end is £18,243,533, which we anticipate will be broadly similar for 2024-25. The allocation is divided as follows:

Cardiff & The Vale £2,084,429

- Right support, right time, right person
- CYP with complex needs – community

Cwm Taf Morgannwg £802,796

- Choice Project.
- MAPSS Therapeutic Support service.
- Systemic Change Model.

Gwent £1,474,163

- Children's Emotional Health & Development.
- Children's Early Intervention & Resilience.

North Wales £9,867,139

- Early intervention.
- Repatriation & prevention services.
- Building Family resilience to prevent escalation.
- Intensive residential support for children with complex needs.
- Specialist support for children with complex / specialist needs.
- Intensive support teams for children with complex needs.

Powys £610,000

- Edge of care.

West Glamorgan £1,894,177

- New Therapeutic Service.
- Working Together Regional.
- Post adoption – Regional.

West Wales £1,510,829

- Step up / Step down.
- Edge of Care.
- Complex Needs.

3.5 - PfG Commitment: Fund childcare for more families where parents are in education and training or on the edge of work.

Overall allocations for the Childcare Offer in 2024-25.

The cost in 2023-24 of the additional 438 families and the total costs allocated in 2024-25 for the estimated 3,000 more eligible families as referred to in the most recent PfG Annual Report.

Response

In 2024-25 over £76m is being allocated to the Childcare Offer for Wales programme. This includes the Childcare Offer Main grant, LA Administration Grant, the Childcare Offer Additional Support Grant, and digital and internal programme costs. This represents a reduction of approximately £11m from the 2023-24 budget.

By the end of the academic year 22/23, 675 additional families were supported because of the expansion of the Offer to include eligible parents in education/training. Parents in education and training are being funded within the Childcare Offer main grant. Due to the way the data and monitoring information is

being developed under the National Digital System; it is not currently possible to disaggregate these costs from the total Childcare Offer grant.

With current take-up rates reflecting around 55% of eligible parents, the allocated budget allows for the Welsh Government to meet all existing obligations and continue to promote take-up, encouraging more eligible parents to use the support available to them.

3.6 - PfG Commitment: Phased expansion of early years provision to include all 2-year-olds, with a particular emphasis on strengthening Welsh medium provision.

Allocations and what they are intended to deliver in 2024-25.

Information on whether it will be a full 30 hour offer for all 2-year-olds, and by when this will be delivered.

Response

Childcare is a key priority for the Welsh Government, and our ambition is to offer childcare and early years provision to all two-year olds in Wales.

The Programme for Government commits to deliver a phased expansion of early years provision to include all 2-year-olds, with a particular emphasis on strengthening Welsh medium provision. This is being delivered through the Flying Start programme which offers of 12.5 hours of government-funded, high-quality childcare per week for 39 weeks of the year, our ambition is for this to be offered universally to all 2-year-olds. Further information on the 2024-25 allocation for Flying Start is provided in response to 3.7 below.

The Childcare Offer for Wales provides 30 hours of government-funded early education and childcare for up to 48 weeks of the year for eligible parents in education/training and working parents of 3- and 4-year-olds in Wales.

Flying Start and the Childcare Offer are separate but interlinked programmes.

With regards to Flying Start childcare, as part of our Cooperation Agreement with Plaid Cymru, we have committed to the expansion of early years provision for all 2-year-olds across Wales.

The current phase of the expansion programme began in April 2023 and is focussing specifically on expansion of Flying Start childcare to more 2-year-olds.

Focusing resources on our most disadvantaged communities, in the first instance, ensures that support reaches families in greatest need at the earliest opportunity.

3.7 - PfG Commitment: Flying Start

Revenue and capital

Response

Flying Start - Revenue

The Flying Start budget is part of the Children and Communities Grant (CCG). The Children and Communities Grant supports local authorities to consider how to deliver the services they provide more strategically. Flexibility within this grant can support and promote joint planning and commissioning to make more effective use of the funding in pursuit of the constituent programmes' aims and objectives.

The Children and Communities Grant addresses the needs of the most disadvantaged and/or vulnerable children, young people and adults in our society through a range of early intervention, prevention and support mechanisms.

The programmes within this grant aim to mitigate or remove disadvantage to disadvantaged and/or vulnerable people to enable them to have the same life chances as others and contribute to a more equal Wales.

The budget for the CCG in 2024-25 is £174.583m. Of this, £142,028m is Flexible Funding covering eight programmes, including core Flying Start.

In 2024-25 we will be investing £32.555m in Flying Start Expansion of which £24.3m is to support more than 5,200 additional children to access high quality Flying Start

childcare to support long-term, positive impacts on the lives of those children and families across Wales facing the greatest challenges.

Childcare and Early Years Capital Programme

The Childcare and Early Years Capital Programme was implemented in October 2022 and is available until March 2025 with a total budget allocation of £70m.

The programme supports both Flying Start and the Childcare Offer and aims to improve and grow new and existing childcare provisions.

The budget is split into two distinct funding streams: small grants funding and major capital funding. Budget allocations available for FY 2024-25 will be £10m for small grants funding with all CIW registered childcare and play providers eligible to apply via their local authority's administration process. The small grants element is used to support projects and items up to the value of £20,000 and the ceiling amount per project is based on the number of CIW childcare places within the setting.

A budget allocation of £15m for 2024-25 will be available for major capital projects for proposals of up to £20,000 and ranges from small refurbishment works through to the introduction of extensions and standalone buildings for childcare provisions. The funding is accessible to CIW registered providers, and local authorities are required to submit a business justification case to apply for capital funding via the CC&EY capital team.

4. Sustainable Social Services Grant Scheme

Request 4

The total amount for the Scheme and a breakdown of all grants relevant to children and young people.

Response

The total value of funding through the Sustainable Social Services Grant Scheme in 2024-25 is £9,299,209, of which £2,912,428 relates to grants relevant to children and young people.

The breakdown of these grants is as follows:

Action for Children	Skills PLUS (Skills+): Skills+ is a service for Care-Experienced Young People (CEYP) aged 14-24. The project will deliver bespoke Pathways that support CEYP's transition to adulthood, through a range of interlinked interventions designed specifically to reduce their vulnerabilities and equip them with the resilience, skills/tools to help them to cope positively with the challenges of independent living.	£599,747
Cyfannol Women's Aid	Ar Trac: Ar Trac will support children and young people who have experienced or witnesses domestic abuse, and who are exhibiting difficulties with their family and peer relationships. By addressing these difficulties and building upon strengths within childhood, Ar Trac aims to minimise the impact of the adverse childhood experiences associated with domestic abuse and	£619,762

	<p>improve physical and mental well-being later in life.</p> <p>The project is delivered by locally based domestic abuse agencies who have a wealth of experience and understanding of their local communities, and will be able to shape the project locally to better meet the needs of children and young people.</p>	
<p>Ethnic Youth Support Team Wales</p>	<p>Supporting BME Children & Young People in Wales: The service aims to improve the wellbeing outcomes of BME Children and Young People with social care needs, through a race-, faith- and culture-sensitive, person-centred and rights-based support service, building on and connecting to EYST's work with BME Children and Young People in Swansea.</p> <p>The services is a referral-based service for BME Children and Young People aged 0-25 with 'additional' or 'multiple' support needs, working directly with them through early intervention and prevention to achieve specific wellbeing outcomes: securing rights and entitlements, improving physical and mental health, supporting transition to independent adulthood, and protecting from abuse and neglect.</p>	<p>£138,552</p>
<p>Lucy Faithfull Foundation</p>	<p>Keeping Children Safe from Sexual Abuse - public education, training and resources to improve the ability of parents, carers, and those who work with children and families to prevent sexual harm and take appropriate action if they have a concern</p>	<p>£97,152</p>

Lucy Faithfull Foundation	Early intervention for vulnerable or at-risk families: a child sexual abuse and exploitation early action and prevention project: Keeping children safe from sexual abuse – public education, training and resources to improve the ability of parents, carers, and those who work with children and families to prevent sexual harm and take appropriate action if they have a concern	£94,612
National Youth Advocacy Service	Parent Advocacy Programme: To support Welsh Government's plans for providing family intervention support with the aim of reducing numbers of children entering the care system in Wales. The project's key aim is preventative intervention whilst ensuring the rights of the child are fully upheld.	£297,399
National Youth Advocacy Service	Project Unity: To break the cycle of children of care-experienced mothers being taken into care and the prevention of children becoming subject to child protection processes. By providing intensive wraparound support and building peer support networks.	£343,707
Platform (formally - Gofal)	Young People's Project 13-16yrs: Platform's Young People's Project, in collaboration with Vibe Youth and Barod, will provide a safe space for young people aged 13-16 years to pause, breathe and connect. Through the provision of a twelve-week wellbeing programme, peer support and one-to-one support, young people will be given the opportunity to explore what mental health and wellbeing means to them. Young people will have the opportunity to meet others facing similar challenges, share stories of recovery and	£362,397

	<p>everyday strategies for wellbeing. The project will provide the opportunity for young people to train to become peer mentors and will give young people a platform to shape the direction of the project.</p>	
<p>The Fostering Network</p>	<p>Fostering Communities: Fostering Communities is a whole systems approach to supporting looked after children and their foster families, throughout Wales. At its heart is a ground-breaking, co-production model, facilitating a shared power approach to programme design, delivery and evaluation. The project will empower the fostering community to improve wellbeing outcomes for looked after children and young people within the national wellbeing framework</p>	<p>£279,429</p>
<p>Whizz-Kidz</p>	<p>Moving On: To increase life satisfaction and happiness of young wheelchair users in Wales through sports and movement based skills programmes in health and education settings.</p>	<p>£79,671</p>

5. Care Experienced Children Change Fund

Request 5

The total amount for the Fund and a breakdown of all allocations.

Response

Project	Allocation for 2024/25 - £3,820,853
National Adoption Service	£669,492
Foster Wales	£2,074,999
Step Up Step Down	£301,300
Fostering Wellbeing	£269,062
Parental Advocacy	£506,000
Total	£3,820,853

6. Children's Social Care Workforce

Request 6

Any allocations associated with supporting local authorities to address the instability of the workforce in children's social care, such as vacancy rates and the use of agency staff, identified both in our [Report on Radical Reform for Care Experienced Children](#) and the recent [Care Inspectorate Wales rapid review of child protection arrangements](#) September 2023

Response

As a government we are focusing on creating a firm foundation on which we can build our social care workforce.

Our significant funding through Social Care Wales aims to lead and support improvement in social care through recruitment and retention of a quality and professional workforce. Areas of work with allocated funding that relate to children's social care include:

£10 million over three years investment in the social worker bursary to make the social work degree financially attainable and an attractive career. The social worker bursary has seen an increase in take up in 2023-24 compared to 2022-23. We are confident that the increased offer of support has helped draw more students into taking up social work as a career, and that this will continue in 2024-25.

The Social Care Wales Workforce Development Programme (SCWWDP). This allocation of grant is available to support local authorities and offers opportunities to fund excellent programmes such as the 'grow your own scheme' which supports paid employment and funded social work training. Take up for this scheme has increased each year and SCW is also estimating an increase in "grow your own" students for the 2023-24 academic year.

Social Care Wales funding is being provided to the WLGA to carry out a piece of work focusing on terms and conditions for social workers including national

approaches. This is to support and attract individuals into the profession and to reduce the movement of qualified staff between local authorities due to variations in terms and conditions.

In recognition of the important role that local authorities play in delivering core social services, the Welsh Government has provided recurrent funding to the sector in the form of a Workforce and Sustainable Social Services grant. The criteria for the use of the grant have been broadly set. Local authorities have been able to use the funding to support increases to pay, but also for other interventions aimed at supporting the delivery of sustainable social care services to ensure that they were better placed to meet increased or unexpected demand. The allocation to local authorities for 2024-25 is £34.4 million.

These positive programmes of work come with the realism that it will take time to feel the impact within the workforce, but this is promising for the future of children's social care.

7. Children's Health

Request 7

Allocations in the Draft Budget 2024-25 and the latest position on funding for:

- Public health as it relates to children and young people, including vaccination.
- Obesity strategy.
- Mental health services, including child and adolescent mental health services, and services to support perinatal mental health and parent-infant relationships.
- Eating disorder services.
- Suicide prevention as it relates to children and young people.
- Substance misuse, including vaping among children and young people.
- Neurodevelopmental services.

Response

Neurodivergence services (Autism services)

Through our Neurodivergence Improvement Programme we continue to prioritise improvements in neurodivergence services, including children's neurodevelopmental services. I announced an additional £12m funding over three years up to March 2025, £6M is available in 2024-25. Through the improvement programme we have provided clear guidance to Regional Partnership Boards on the required transformational change.

Whilst the improvement programme monies are bringing additional capacity to health led diagnostic services, RPBs have been encouraged to invest in new and innovative pilot projects to provide families with information, advice and early intervention prior to referral for diagnosis. A range of projects are being piloted in different areas across Wales. The following are examples of current pilots:

- Cardiff & The Vale are piloting the role of Community Connectors to signpost and connect families of young children to local support services prior to or whilst waiting for a diagnostic assessment.

- Neath & Port Talbot council sought to employ an assistant Education Psychologist to deliver parent/carer community drop-in sessions one day a week within all communities across NPT.
- Betsi Cadwaladr University Health Board are piloting innovation with prescribing models of ADHD medication for children given the current rise in demand to avoid long waits. The aim is to shorten the diagnostic process and complete assessment and consideration of medication in the same day. In BCUHB they are also developing a pathway for parent/carers and professionals to access advice, consultation, and support prior to referring for an assessment or at the point of referral.

We look forward to the progression of this innovation in order to learn and adopt any emerging best practice on a wider scale.

The focus of 2024-25 will be to learn from these local early pilots and scale up successful projects to a national model of service delivery. We have established a Childrens Neurodevelopmental Community of Practice and Steering Group through which we can share best practice. We have already been able to showcase the work of Hwyl Dda and their referral pathway for Tourette's Syndrome. We were also pleased that Aneurin Bevan and Carers Voices Wales presented their NHS Wales award winning work on co-production and re-designing their neurodevelopmental pathway. Case studies of this work will be available and shared across services for further learning.

All regions are tackling waiting lists and creating opportunities for early intervention by reviewing referral pathways. This work is supported by the NHS Executive Performance & Assurance Team who have completed a significant piece of work to understand the barriers and challenges to reducing waiting times. The implementation of their recommendations in the New Year will drive forward service improvement in 2024-25. Regions will be able to re-shape existing services or develop new services based on these recommendations.

We will separately continue to support and develop the successful Integrated Autism Service and the National Neurodivergence Team which is supporting delivery of our improvement aims. The National Neurodivergence Team have established a Family Support ND Development Officer post specifically to develop additional resources for families of neurodivergent children.

Alongside all of this we will be working with RPBs to implement the findings of the review of the implementation of the Autism Code of Practice to further strengthen service delivery and ensure compliance with duties. A final and second phase of the evaluation to ensure improved compliance at a regional level will commence in the summer of 2024.

Mental Health

We will continue to ringfence mental health funding for NHS and the draft budget includes £800m for this. This budget is supporting services across the age range, including child and adolescent mental health services.

We are also investing £2.2m annually in the NHS Executive to develop a Strategic Programme for Mental Health and a Patient Safety Programme. This will provide dedicated resource to NHS Wales to drive improvements in performance, quality and safety and will include a focus on children and young people through a Clinical Network. This work will continue to support health boards to meet waiting time standards on a sustainable basis and to reduce variation through a CAMHS services specification.

We will be publishing our draft mental health strategy early in the new year, the timing of which is enabling us to have greater clarity on our 2024-25 budgets and provides us with an opportunity to reflect on new commitments, cross-Government and multi-sectoral commitments that underpin our strategies to ensure they remain deliverable in the challenging financial circumstances.

We have developed the strategy with the understanding that there will need to be a way of setting priorities, ensuring best use of existing resources and an opportunity to be clear about what can realistically be delivered. This has included consideration

of improving access to mental health services and includes a focus on supporting perinatal mental health and parent-infant relationships. The published strategy will be accompanied by a costed delivery plan which over the life of the strategy will be renewed and refreshed. This will provide the opportunity to provide further detail on the required work to support the strategy and to identify new investments should the economic position change.

In this period of financial constraint, we have worked hard to support continued investment in mental health, and we continue to prioritise mental health as an area that requires this investment and as such no reduction has been made to health board allocations.

Substance Misuse

As part of the Draft Budget for 2024-25, we will continue to invest in our substance misuse agenda totalling £69million, of which over £41million goes to our Area Planning Boards (APBs) through our Substance Misuse Action Fund.

Through the APB Substance Misuse Action Fund the Welsh Government invests £5.25million ring-fenced money for children and young people. Recognising the rise in demand for support, **in 2024-25 this budget will rise by a further £1million to £6.25million.**

The Welsh Government will soon publish a Substance Misuse Treatment Framework (SMTF) for Children and Young People (expected early 2024). The SMTF summarises evidence and best practice to guide those supporting Children and Young People with substance misuse issues. We will also publish child friendly versions of the SMTF.

Out of Work Service

Building on the success and lessons from the European funded Out of Work Service 2016-2022, the Welsh Government are funding a successor Out of Work Service to help people recovering from substance misuse and/or mental ill-health. The primary objective of the service is to support participants towards and into employment

(participants aged 25 or older) or into education, training or employment (NEET participants aged 16-24). The new service commenced in October 2022 and over 900 young people aged 16-24 have enrolled and been supported by the service at September 2023.

The budget for the delivery of the service to March 2025 will be over £13million (£2.64million in 2022-23 and £5.4million in both 2023-24 and 2024-25) and aims to support up to 10,000 people including 3,000 young people across Wales.

The Out of Work Service will deliver against a number of Welsh Government strategic commitments in respect to supporting people with substance misuse and/or mental health conditions, not only through structured treatment and healthcare, but also through a range of other measures. This is set out in a range of Welsh Government key strategies including Stronger, Fairer, Greener Wales – a Plan for Employability and Skills and to Delivering the Young Person’s Guarantee.

Vaping

In July 2022, we published our new Tobacco strategy *A smoke-free Wales* where we set out our ambition for Wales to become smoke-free by 2030. It set out three themes through which we will drive our actions, one of these is Future Generations. *Towards a Smoke-free Wales 2022-2024* is the first two-year delivery plan which sets out our actions which will work towards and contribute to achieving this vision. Our plans will support everyone in Wales to live in a society where smoke-free is the norm.

In taking forward our tobacco control strategy, *A Smoke-free Wales*, we have made it clear that we intend to work closely with those affected by tobacco, including young people, to understand their motivations for smoking or for using e-cigarettes and what interventions and communications methods will work, for example in education settings. Whilst there is evidence that vaping is less harmful than smoking tobacco and can be used as a smoking cessation tool, our message is clear. If you don’t vape, don’t start.

The UK Government announced their new policy priorities on tobacco and vaping devices in April 2023. This included the launch of a call for evidence on youth vaping to identify opportunities to reduce the number of children accessing and using vape products – and explore where government can go further. On 4 October 2023, the Prime Minister made an announcement to address the harms caused by smoking and to curb the rise in youth vaping. The policy proposals they announced covered a change to law to increase the age of sale so that children turning 14 or younger this year will never be able to be legally sold cigarettes. Also, to curb the rise in youth vaping by consulting on measures to reduce the appeal and availability of vapes to children.

The Tobacco and Vapes Bill was formally announced in the King's Speech during the state opening of Parliament on 7th November 2023. The consultation on 'Creating a smokefree generation and tackling youth vaping' closed on December 7th with over 25,000 responses, officials are working closely with UK Government to analyse the responses. We expect the response to the consultation to be published by 18th January 2024.

Flying Start

All children and families eligible for Flying Start should receive their programme of health visiting and other health services delivered by the programme from the Flying Start health team.

The Flying Start health programme sets down an enhanced programme of interventions which should be delivered to all Flying Start families. A family receiving Flying Start health services can expect as many as 7 additional 'contacts' from their health visitor. The promotion of key public health messages and of healthy lifestyles is a key part of the additional Flying Start health support offered by health visitors and the wider workforce.

Public Health

There are a range of health improvement strategies that support the health and wellbeing of children and young people in Wales, including our Healthy Weight Healthy Wales (HWHW) and Tobacco Control Strategies. Both take specific actions

in relation to children and young people, including support Children and Family pilots through HWHW, supporting the School Health Research Network and taking action to reduce smoking during pregnancy and take action to reduce the numbers of young people vaping and smoking.

Public Health Wales's (PHW) core purpose is to support improved health and wellbeing, reduce health inequalities and increase healthy life expectancy for everyone in Wales, now and for future generations. This includes work in supporting young people, whether that be through supporting vaccination and child measurement programmes, or the Network of Health Promoting Schools. This is part of their core budget allocation for 2024-25.

Vaccination

All children and young people in Wales receive vaccinations as part of the routine schedule. Funding for this programme sits within health boards core allocations and the implementation of the schedule is the responsibility of health boards.

School Health Research Network

We continue to invest in the School Health Research network (SHRN). In 2021/22, 202 (95%) schools participated in the secondary Student Health and Wellbeing Survey, an increase from 198 in 2019/20. In total, 123,204 students in years 7 to 11 completed (a 75% response rate), which is the largest response to the survey to date.

In 2022-23, SHRN piloted expansion to primary schools with the first Student Health and Wellbeing Survey being undertaken with years 3-6, building on a 2021 pilot with year 6 only. In total, 354 (29%) schools took part, with 32,606 (23%) of students completing.

Indicative funding for next year of approximately £400k from the Health Improvement Budget has been allocated to support the continued development of SHRN to give us population level data to inform our public health approaches to improving the health and wellbeing of children and young people.

Obesity Strategy

Our *Healthy Weight, Healthy Wales* Strategy is our long-term strategy to tackle obesity and overweight. We are currently developing the delivery plan that will span 2024-2026. The plan will be supported by a total of £6.9m in 2024-25. Specifically, we are investing £2.9m into continued delivery of the All-Wales weight management pathway. We have also allocated £600k to Public Health Wales to continue to support Children and Families Pilots for a further year, which are 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.

In addition, the Prevention and Early Years Fund totals £6.85m for the 2024-25 financial year and is invested by Local Health Boards and Public Health Wales to specifically support interventions in the obesity and tobacco policy areas in line with our HWHW and Tobacco strategies.

8. Cost of living

Request 8

- **Health Boards:** The delivery of services to children and young people by the Health Boards in Wales and the impact of the rising costs of energy on this provision.
- **Social Services:** Policy and oversight of the provision of all social service activities of Local Authorities in Wales and any associated discussions with the Minister for Finance and Local Government.
- **Child poverty:** Details of what discussions have taken place with other relevant Ministers in respect of allocations which have a significant impact on children's health and social care, for example the Minister for Social Justice in terms of the budget of the Children's Commissioner for Wales and broader policy issues such as child poverty.

Response

Health Boards

As with other public sector organisations, pressures on energy costs have been a significant challenge for the NHS in 2023-24. The additional funding issued this year to the NHS will cover the pressure of energy costs over and above planned levels. For 2024-25, this additional funding will be baselined and added into the main NHS allocation.

Social Services

The bulk of Welsh Government financial support for social and children's services is delivered through the un-hypothecated local government revenue settlement, although there are also significant specific grant funding streams. The Local Government settlement for 2023-24 saw an increase of 7.9%, following an increase of 9.4% the previous financial year. The level of support for 2024-25 is £5.688bn, an increase of 3.1%. Local Authorities will have experienced significant inflationary and demand increases across the breadth of their functions in 2023-24, a significant proportion of which will be baselined since they relate to staff costs whether in-house or through commissioned services. The Welsh Local Government Association, on

behalf of local government, collectively provides its assessment of the pressures, priorities and opportunities for local authorities each year for discussion at the Finance Sub-Group [[Finance Sub-group meeting: 25 October 2023 | GOV.WALES](#)]. Local Authorities will also be considering the level of council tax each wishes to set for the next financial year.

Local Authorities will set their own budgets for each service prior to 10 March 2024. Details on local authority expenditure by service is published annually [Local authority revenue and capital outturn expenditure: April 2022 to March 2023 | GOV.WALES](#). The trend over recent years has been for social services and education to be allocated an increasing proportion of the total revenue expenditure by local authorities, with social services having seen the biggest increase in expenditure in 2022-2023. Outturn figures are not available for 2023-2024 until summer 2024 but budgeted increases for social services for 2023-2024 were for an increase of over 11% for social services expenditure (i.e. to £2.653bn).

Child Poverty

Discussions have regularly taken place with the Minister for Social Justice in terms of collective impact of decision making on child poverty. Cabinet meetings with a focus on child poverty, including the need to consider the potential for cumulative impacts on programme and budgetary decisions took place in January, April and November.

In May 2023 Bilateral Ministerial discussions took place reinforcing the Cabinet commitment for tackling child poverty and inequality across government as a central driver for budgets and policy development.

The Ministers for Social Justice and the Minister for Education and Welsh Language are responsible for the budgets of our statutory commissioners.

9 . Costs of legislation

Request 9

- Financial implications or anticipated in 2022-23 and 2023-34 of any subordinate legislation relevant to children and young people within the Minister's portfolio.
- Information on the financial impact of any relevant UK Parliament legislation.

Response

No subordinate legislation involving relevant costs has been identified.

Welsh Government's evidence to inform the scrutiny of the Draft Budget 2024-25 by Health & Social Care Committee

Contents

Prioritisation	2
Question 1	2
Waiting times	6
Question 2	6
Mental health	8
Question 3	8
Workforce	10
Question 4	10
Question 5	11
Service transformation	13
Question 6	13
Prevention	15
Question 7	15
Estates and infrastructure	18
Question 8	18
Health inequalities	23
Question 9	23
Question 10	25
Assessing impact/value for money	29
Question 11	29
Health boards' financial performance	34
Question 12	34
Social care	38
Question 13	38

Prioritisation

Question 1

Details of the approach taken by Welsh Government to prioritise areas of spending – across the whole budget and within health and social care, and to ‘target resources towards those at greatest need’ (in light of the ‘significant budgetary pressures’ announced by the Welsh Government in August 2023).

Response:

Since setting the spending plans in the Draft Budget for 2023-24, we have experienced record prolonged levels of high inflation along with continued challenges in the fiscal context, particularly in areas such as public sector pay. In addition, the cost-of-living crisis has increased the pressure on all public services.

As a result, overall, we are having to spend more than previously planned in 2023-24, placing unprecedented pressure on the devolved Welsh Budget. The First Minister published a written statement on 9 August 2023, where he indicated that work would take place over the summer months to address the impact of our budget being worth around £900m less than when it was set in 2021.

In order to deal with the pressures facing public services in Wales this year, particularly the NHS and rail services, Ministers took decisions to reprioritise funding to these spending areas. We have taken prudent action by revisiting spending plans for 2023-24, to enable us to balance our duty of robust fiscal management and this government’s commitment to continue to protect core public services and target support to those with the greatest need.

We made these difficult choices as early as we could in 2023-24 in order to prevent even more difficult decisions in the 2024-25 Draft Budget.

For the Health & Social Services MEG, this meant an additional revenue allocation of £425m as well as a significant reallocation of funding within the MEG in order to

support the NHS. The NHS were also issued with target controls totals for their forecast deficit and tasked with taking actions to reduce their forecast spend by 10%, circa £64m.

The financial challenge for the NHS, common to all areas of the UK, relates to a number of significant factors:

- the challenge in managing higher costs post-pandemic, where new services now exist, and levels of staffing and capacity have increased.
- inflationary pressures across all areas, which are outside of health board control – for example, pay and non-pay inflation, including the costs of medicines and increasing costs of packages of care.
- increasing demand on services.

For the Draft Budget for 2024-25, the 2023-24 in-year budget position was made recurrent, increasing the indicative revenue position by £207m and effectively rebasing the Health and Social Services (HSS) MEG budget. Through the budget process a further £450m was allocated to the MEG, recognising that significant inflation and demand pressures will continue to be faced by the NHS in 2024-25. Even with this significant allocation of additional funding to support inflation and demand pressures, along with the actions to reduce forecast costs, this will still mean savings delivery in line with 2023-24 levels will be required. Further difficult choices will therefore be required in-year and next year for both the Health and Social Services MEG and the NHS to manage within the budgets set out.

The local government Revenue Support Grant (RSG) provides core funding for local authorities through the local government settlement.

Local authorities deliver a wide range of public services, often to the most vulnerable in our society or those who are economically disadvantaged. These include significant services for children, through education and social services, and a wide range of services for adults who may be facing challenges in their everyday lives,

through social services, housing support and other community services. Sixty-six per cent of local authority resources are directed to education and social services.

Recognising the need to protect these important services provided by local authorities, the level of funding through the RSG was not impacted and remained as set out in the original spending plans in 2023-24.

Further information on the decisions taken in 2023-24 can be found in the [Strategic Integrated Impact Assessment document](#).

In reshaping the budget in the HSS MEG for 2024-25, we have reprioritised budget from across the MEG to support frontline services in the NHS (in BEL 20). We will issue the NHS with a revised allocation incorporating the changes for 2023-24 and allocating a new uplift for 2024-25 in recognition of the inescapable pressures from inflation and demand.

We are able to maintain the £170m funding we allocated to support the recovery of planned care, and this will be recurrent for 2024-25 and fully ringfenced within the main NHS allocation.

As part of the rebasing of our budget we were not able to maintain the proposed increases in budget for 2024-25 for Mental Health, Social Care and Children and Early Years. Further information is provided later in this response on these decisions.

We have reviewed the ongoing investment in Covid response areas and have been able to reduce that funding in line with current expenditure forecasts and re-direct that funding towards frontline NHS costs. We also plan to baseline this allocation into the main NHS allocation on a recurrent basis, giving NHS organisations the assurance to effectively plan for the needs of their population in areas such as vaccination.

We have carefully reviewed the funding to support the NHS Education and Training commissioning plan for 2024-25 and will be maintaining the funding level at the level set in 2023-24. This will sustain the largest ever investment in workforce training for

the NHS. We will also continue to maintain our commitment to establish a new medical school in North Wales as well the commitments under the co-operation agreement with Plaid Cymru for the Sanctuary model in mental health, the expansion of early years provision for all 2-year-olds across Wales and eliminating private profit from the looked after children care sector.

Also included in our budget for 2024-25 is a £20m increase in non-cash funding, covering such items as depreciation costs.

The HSS capital budget for 2024-25 remains at £399m as per the indicative position published last year. This includes an increase in funding for the Social Care Capital Fund for 2024-25.

The increase in the Annually Managed Expenditure (AME) budget relates to the latest assessment of budget cover needed for such things as expected movements in impairments and provisions, mainly in the NHS.

It is worth noting that the Draft budget table for 2024-25 contains a relatively high number of budget movements within the MEG. These are not part of the budget reprioritisation exercise and simply reflect the process of maintaining our budgets and making sure funding is in the correct place.

Waiting times

Question 2

Allocations to recover the waiting times backlog and provide treatments delayed by the pandemic.

Response:

We continue to support the annual additional investment of £170m to NHS Wales to support the national commitment to reduce delays in treatment.

Since the Planned Care Recovery Plan was issued in April 2022, and the additional investment has been provided, we have seen consecutive monthly reductions in the number of open pathways waiting over 104 weeks.

- The total number of open pathways waiting over 104 weeks was 26,439 at the end of September, down 18 months in a row and the lowest since August 2021. This was 62.5% lower than the high of March 2022.
- At the end of September 2023, there were 17 specialities with open pathways over 104 weeks; an additional 13 specialities have been cleared of long waits since September 2022.

In 2023-24, we held £50m of the annual allocation (£170m) to target a more regional approach to delivery, this has helped to ensure targeting of areas for more longer-term delivery models in regard to regional working.

- For South West Wales - the allocation was targeted at regional orthopaedics with developments at Neath Port Talbot which is open to regional high volume low acuity treatments. Investment has also been targeted at diagnostics in particular endoscopy plans. There is also regional working in ophthalmology across the two health boards for more efficient cataract surgery.

- For South East Wales - the allocation is targeted at regional ophthalmology, and diagnostics, in support of the future Llantrisant development.
- North Wales - targeting regional orthopaedics, and additional capacity to manage areas of fragility.

This allocation has been allocated on a recurrent ring-fenced basis within the NHS allocation, resulting in the full £170m being allocated to Health Boards on a recurrent ring-fenced basis.

Mental health

Question 3

A breakdown of allocations to improve mental health and wellbeing in Wales, including allocations to:

- support implementation of the Welsh Government's new mental health strategy;
- improve access to mental health services and outcomes for both adults and children and young people;
- implement the Committee's recommendations on tackling mental health inequalities.

Response:

We will continue to ringfence mental health funding for the NHS and the draft budget includes £800m for this. This includes an uplift for inflationary and demand pressures for 2024-25 of £25m.

We are also investing £2.2m annually in the NHS Executive to develop a Strategic Programme for Mental Health and a Patient Safety Programme. This will provide dedicated resource to NHS Wales to drive improvements in performance, quality and safety.

We will be publishing our draft mental health strategy early in the new year, the timing of which will enable us to have greater clarity on our 2024-25 budgets. This short delay is providing us with an opportunity to reflect on new commitments, cross-Government and multi-sectoral commitments that underpin our strategies to ensure they remain deliverable in the challenging financial circumstances.

The draft strategy is based around a number of principles which include equity of access, experience and outcomes, and person-centred care and has been informed by the Committee's recommendations.

We have developed the strategy with the understanding that there will need to be a

way of setting priorities, ensuring best use of existing resources and an opportunity to be clear about what can realistically be delivered. This has included consideration of improving access to mental health services and the Committee's recommendations on tackling mental health inequalities. Our first annual update against the committee report will be submitted to the Committee in January.

The published strategy will be accompanied by a costed delivery plan, which over the life of the strategy will be renewed and refreshed. This will provide the opportunity to identify new investments should the economic position change.

In this period of financial constraint, we have worked hard to support continued investment in mental health, and we continue to prioritise mental health as an area that requires this investment.

Workforce

Question 4

Allocations to support implementation of the 10-year strategy for the health and social care workforce and the national workforce implementation plan, including specific reference to retention and improvement of staff wellbeing.

Response:

Despite the difficult financial climate, we continue to invest in the sustainability of our NHS workforce. The Welsh Government has, and will continue, to invest in the workforce required to support our health system in Wales. £281.98 million was invested in 2023-24 and we will maintain this level for 2024-25. This will support education and training programmes for healthcare professionals in Wales.

This continues to be a record level of funding and will support the highest ever number of training opportunities in Wales. The Welsh Government is committed to providing the NHS the workforce it needs to meet ever increasing demand. We are achieving this through increase training places, encouraging young people to take up health professions and recruiting outside Wales when necessary.

Despite the difficult financial climate, we have continued to invest in the sustainability of our NHS workforce.

We provide core funding to Health Education and Improvement Wales (HEIW), our statutory workforce body, to deliver on key priorities such as improving staff retention and taking positive actions to improve staff wellbeing. For example, HEIW have this year delivered the Nurse Retention Plan and the first iteration of a new annual staff survey, the results of which will allow us to gain an overall assessment of the areas that require improvement and ultimately provide the necessary learning to improve staff health and wellbeing.

HEIW also utilise their core funding to continue to deliver on the Workforce Strategy for Health and Social Care and their assigned actions in the National Workforce Implementation Plan.

Primary care

Question 5

How the budget will support delivery of the Welsh Government's commitment to reform primary care, and the shift of more care out of hospitals into primary care/community settings.

Response:

The majority of funding allocated to health boards to provide health services is not hypothecated. It is, therefore, neither practical nor meaningful to singly use core budgets as a way to measure the shift of care out of hospitals towards prevention and community-based care in line with the vision in [A Healthier Wales](#). Nevertheless, the funding and workforce resources associated with services shifting into the community are expected to follow the service.

In addition to the significant core funding which makes up the majority of health board budgets, the Welsh Government's 2024-25 health and social care draft budget includes the following funding for building community capacity and more preventative and integrated service delivery models, making effective use of available resources, skills and digital technology:

- £20m – for clusters to decide how to invest to meet local priorities;
- £146.7m – Regional Integration Fund to develop community capacity;
- £11.95m – anticipatory care plans for people most at risk of urgent care and increased weekend community nursing capacity;
- £5m – increased community based allied health professional capacity.
- Over £55m investment to date, in developing integrated health and care community hubs through the Integration and Rebalancing Capital Fund (IRCF).

The main mechanism the Welsh Government uses to guide health boards and their partners in the use of their funding allocations is the annual NHS Planning Framework, which sets national priorities.

Planning priorities for 2024-25 include the building of capacity and integration of

community-based care to improve access to coordinated care from the most suitable health and care professional close to home.

We have and will continue to work with NHS colleagues to reform the national contracts for the four primary care services to meet the majority of people's health and care needs as part of an integrated community health and social care system.

Service transformation

Question 6

How this budget will balance the need to meet immediate/short-term pressures (e.g. the waiting times backlog, workforce shortages) with longer-term service transformation.

Response:

In developing the budget approach for the HSS MEG for 2024-25, careful consideration has been given to balancing the need to recognise unavoidable inflation and demand pressure, deliver improvements in short-term priorities and continue to support longer-term service transformation.

To illustrate, from a planned care perspective, there is a £15m planned care transformation budget to support local and national transformation projects.

£2 million of the budget is used to staff the Planned Care Programme and clinical leads, who are responsible for developing the transformation projects and driving their implementation within the NHS organisations, reflecting national policy and guidance.

The funding for 2024-25 has broadly been divided into four areas:

1. Outpatient transformation central support - designed to develop capacity within the outpatient teams to drive transformation, including support to embed new ways of working.
2. Outpatient transformation projects - supporting the implementation of innovative approaches and initiatives that contribute towards sustainable transformation, such as alternative to outpatient follow-up through 'see on symptom', patient-initiated follow-up and looking at straight-to-test pathways.
3. Eye Care recovery - supporting the implementation of both recovery activity and innovative approaches and initiatives specific for eye care, linking with primary care optometry in support of the new contract arrangements.
4. National programmes include the implementation of the prostate cancer supported self-management programme, teledermoscopy programme

(dermatology), specialist advice and guidance, clinical leads and the orthopaedic network programme team.

New for 2023-24 was the introduction of the Healthcare Pathway alliance between primary and secondary care referrals, and more focused review of best practice through Getting it Right First Time (GIRFT) reviews in urology, gynaecology and ophthalmology. Orthopaedics has previously been carried out in 2022-23.

GIRFT is also supporting the national theatre optimisation programme, building on the work undertaken at Betsi Cadwaladr University Health board and Cwm Taf Morgannwg University Health board.

This transformation funding is in addition to the £170m ring-fenced funding for planned care, which is focussed on ensuring continued improvement in planned care performance and reducing long waits for treatment.

Prevention

Question 7

Whether the budget demonstrates a greater focus on prevention i.e. by showing a clear shift of resources towards prevention/early intervention. (The Welsh NHS Confederation, for example, says that without this shift the NHS is not sustainable)

Response:

The Welsh Government continues to focus on embedding a shift towards prevention and early intervention, as outlined in *A Healthier Wales*.

It remains the case that prevention is fundamental to a wide range of activity across health and social care and NHS Wales, supporting people in Wales to live longer, healthier lives.

As noted previously, the majority of funding allocated to health boards to provide health services is not hypothecated. It is, therefore, neither practical nor meaningful to singly use core budgets as a way to measure the shift to prevention and early intervention.

We are nevertheless able to highlight specific funding streams aimed at prevention, including funding through our [Healthy Weight Healthy Wales](#) strategy, our Prevention and Early Years funding as well as activity that is preventative by its nature, such as vaccination and screening. The responses to Question 5 above, illustrates the investment in primary care, which is also a demonstration of the shift to early intervention.

We have maintained the highly valued £146.7m Regional Integration Fund which is helping health, social care and the third sector to work together to develop integrated models of care that will help people to look after their own health and wellbeing, live well at home, prevent the need for conveyance or admission to hospital and help them return home quickly if they have needed secondary care.

The Planning Framework issued to Health Boards in December 2023 iterates the

need for a renewed focus on prevention, and there are specific actions in the objectives of health board chairs looking at smoking in pregnancy and on increasing the capacity of weight management services across Wales. The planning framework also outlines our desire to see a greater shift of funding into primary and community care.

Public Health Wales (PHW) will receive funding of over £150m in 2024-25. By the nature of the majority of the work undertaken by PHW, this investment is focused on prevention, whether that be through screening programmes or our work to encourage healthy behaviour change in the population, through activity such as continuing to support people to be of a healthy weight or to stop smoking.

Delivery of the National Immunisation Framework is a key element of our prevention work to protect our population. Funding for vaccination under the national Covid response has been baselined as recurrent discretionary allocation to health boards. This will provide a more sustainable approach to delivering our spring and winter programmes alongside other significant vaccination developments during 2024.

We continue to invest in our *Healthy Weight Healthy Wales* strategy to tackle overweight and obesity, with £2.9m allocated to support health boards to continue to develop and roll out their weight management pathways, and £4.042m allocated to support other activities, such as our Children and Family pilots and systems work across all health board areas.

We will be publishing our draft mental health strategy early in the new year, the timing of which will enable us to have greater clarity on our 2024-25 budgets. The new strategy includes taking action to protect and promote people's mental wellbeing. This will help protect against mental health conditions and help people to cope better when they experience symptoms or have a diagnosis.

We launched our Programme for Government commitment to develop a National Framework for Social Prescribing (NFfSP) at an online event on 7 December 2023.

One of the principles of social prescribing is taking an early preventative approach to

enhancing people's health and wellbeing, with evidence showing it could help ease the burden on more front-line, specialist services.

The NFfSP aims to develop a shared understanding of the language used and the approach taken to social prescribing in Wales; support social prescribing practitioners and drive-up skills; set out the outcomes expected from a user, organisation, commissioner, and referrer perspective; and ensure a quality of provision by community assets. It will also monitor and evaluate the development of social prescribing as it continues to grow across Wales.

Estates and infrastructure

Question 8

Capital and revenue allocations to develop, improve, and maintain NHS estates and infrastructure, including digital infrastructure.

Response:

We are continuing to invest significant sums in the NHS estate across Wales. Whilst there are obvious challenges to the estate posed by an ageing building stock, NHS organisations are actively developing an assessment of prioritised funding requests to the Welsh Government.

Maintaining the existing estate continues to require significant investment with £83m made available to NHS organisations as discretionary capital to support the day to day running of the buildings. Further supporting the provision of a safe and compliant estate, £20m has been made available to support prioritised investment across the following:

- Main site infrastructure
- Fire
- Decarbonisation

The largest investments being supported in 2024-25 remain the refurbishment of Prince Charles Hospital in Merthyr Tydfil (a £220m scheme) which will see the transformation of the site going forward with works due to complete in 2026.

2024-25 will see the completion of the orthopaedic hub development at Llandudno Hospital. This will provide benefits for patients, staff and the wider North Wales community by delivering a planned 1,900 procedures a year. Work is scheduled to start in February 2024 with the expectation that the hub will be operating at full capacity in early 2025.

The development of the Radiotherapy Satellite Unit at Nevill Hall hospital is

continuing at pace – the construction of which is due to be completed early 2025. This significant development will bring oncology services much closer to the residents of East Wales.

The presence of Reinforced Autoclaved Aerated Concrete (RAAC) is requiring continued investment across two main sites in NHS Wales – Withybush and Nevill Hall. These essentially unplanned works demonstrate some of the challenges of dealing with the ageing estate.

Digital, technology and Innovation

The Digital Priorities Investment Fund (DPIF) is used to fund strategic digital transformation opportunities in NHS Wales, and it is intended to support the delivery of NHS Wales' service change priorities through accelerating the delivery of informatics improvements. In delivering this, work needs to align to one of five themes:

- Transforming digital services for patients and public
- Transforming digital services for professionals
- Investing in data and intelligent information
- Modernising devices and moving to cloud services
- Cyber-security and resilience

These themes are aligned with the headline missions set out in the [Digital and Data Strategy for Health and Social Care in Wales](#). The Strategy builds on the strategic direction set out in our 2015 strategy which has been a key enabler of *A Healthier Wales*.

As an example of work in 2023, Welsh Government, with key partners in NHS Wales, has:

- Launched the NHS Wales App, which has been rolled out to over 200 GP practices as of the end of November with planned complete rollout by the end of March 2024.
- Funded the Programme for Government commitment to introduce a joined up electronic prescribing service across Wales that cuts across health settings.

The launch of the Electronic Prescription Service, integrated between primary and secondary care, saving considerable time for prescribers in both primary and secondary care.

- Continued delivery of the NHS Wales Cyber Resilience Unit as part of Digital Health and Care Wales.
- Funded the All-Wales Infrastructure Programme (focused on the delivery of a single identity management solution across all NHS Wales organisations).
- Funded a £6m Capital investment in Cyber security devices and infrastructure across the NHS Wales estate.
- Launched the Welsh Nursing Care Record to all adults' in-patient wards across Wales, with paediatric wards expected to be rolled out in 2024-25.
- Continued delivery of the National Data Resource (NDR) which came into live service on 1 August 2023. It aims to make it easier to join up Health and Social Care data from various sources. This will improve the ability to share, link and use data. The first data pipelines are currently being built to support the shared medicines record by end of March 2024 and delivery on a range of infrastructure and data support items will continue into 2024-25.

The DPIF fund has been reprioritized to focus on essential delivery of transformative digital services. The DPIF budget for 2024-25 is £20m for Capital and £43m for Revenue. This funding will see continued investment in a range of digital infrastructure and data improvements. This includes the continued standardisation of the Welsh Patient Administration System, continued rollout of the award-winning Welsh Nursing Care Record service into paediatric settings, digital ICU in critical care settings, digitising the eyecare referral process, funding for the National Strategic Technology Enabled Care programme and looking at how care can be delivered closer to home.

DPIF will continue to develop the NHS Wales App, transitioning to a continuous development service post-rollout in March 2024, it will also progress the procurement and implementation of an all-Wales Digital Maternity system as well as funding to continue the implementation and adoption of the NDR.

In 2024-25 DPIF will continue funding a combined £16m capital and £1.7m revenue for the essential, at-pace replacement of the Radiology Information System, and Laboratory Information Management System, with a modern service.

DPIF will also continue to fund the Programme for Government commitment to introduce a joined up electronic prescribing service across Wales that cuts across health settings. £5 million capital and £17m revenue funding across Digital Medicines funding streams including the Electronic Prescription Service in primary care, ePMA in secondary care across all seven health boards plus Velindre, the introduction of the Shared Medicines Record, and additional supplementary work.

Additional funding has been allocated centrally for digital programmes and initiatives, which could be used to support *A Healthier Wales* and recovery programmes.

Strengthened national governance is now in place and will be used to ensure these diverse funding streams and DPIF are used to ensure alignment and coordination of investments to deliver and to optimize our return on investments.

As part of the reprioritisation of funding within the HSS MEG, we have reduced our contribution to the work on Digital Inclusion, through the Digital Communities Wales programme, in the Social Justice MEG. Since 2019 the Social Justice and Health MEGs have invested £9.5m in digital inclusion services through the Digital Communities Wales programme. Tackling digital inequalities remains a key commitment and have therefore protected the budget as far as possible. The ongoing investment will focus on maintaining the Digital Communities Wales programme whilst acknowledging that overall activity, outputs, and outcomes will be impacted by the budget reduction. The team will also seek to link up and work with other organisations focussing on digital inclusion and to continue to identify barriers to digital inclusion via stakeholder engagement work.

Separately, the revised £13m Innovation and Technology Programme (ITP) budget for 2024-25 will continue to support a national level profile for innovation across Wales. Our continued commitment to supporting transformational innovation in health and social care delivers continuous improvement in service delivery, financial

prudence, and economic efficiencies which in turn, delivers the strategic change required to improve population health outcomes.

Many of the projects and platforms the funding supports levers significant collaboration and part funding from academia, the public sector and industry. The ITP programme also supports many direct and indirect jobs across the sector, and we have looked to avoid the need for job losses across our funded programmes yet still delivering savings for 2024-25.

We have continued to support investment in the professional development of future senior leaders across health and social services, delivered by the Intensive Learning Academies (ILAs). To avoid significant financial pressures on these successful innovation projects and organisations, we have identified savings by prudent investment in the support of new projects and initiatives in the delivery of Wales Innovates and ensured smarter collaboration and the maximizing of co-production across the existing programmes.

Health inequalities

Question 9

Evidence of a cross-government approach to tackling inequalities and the wider determinants of health, and that 'population health' is a consideration across government department budgets.

Response:

Tackling inequality in all its forms is a 'golden thread' that runs through our Programme for Government. Tackling inequalities in health in its broadest sense means looking not just at healthcare, but at the wider determinants of health, that often lie outside of the NHS. These are areas such as housing, employment, and education. In all of these areas, population health is a key consideration as to the impact and outcomes. This can be seen in the introduction of the Health and Wellbeing Area of Learning Experience as part of the new Curriculum for Wales, the continued investment in our programmes supporting employment and in the engagement with officials in the reform of homelessness legislation.

£10 million of funding will continue to deliver Out of Work peer mentoring support to people recovering from substance misuse and/or mental ill-health back towards education and employment and separately In-Work Support to people absent from work or at risk of becoming absent due to their physical or mental ill-health.

The implementation of the Health and Social Care (Quality and Engagement) (Wales) Act 2020 places a Duty of Quality on Welsh Ministers and NHS bodies to provide a focus on improving the quality of health services and equitable population health outcomes on an ongoing basis. The development of Quality Statements in service-specific areas will help health boards to plan services and make resourcing decisions to ensure quality services are delivered across the whole population.

The Welsh Government will shortly be consulting on a set of draft regulations to mandate the use of Health Impact Assessments in specified circumstances. These regulations will promote a broader consideration of socio-economic factors, so that positive health impacts can be maximised, and potential negative effects eliminated,

reduced, or mitigated. They will go some way to ensuring that public bodies consider the impacts of their decisions on the mental and physical health of their population and support a reduction in health inequalities. There is no budget allocated to this activity.

The Welsh Government has placed a strong emphasis on equity and inclusion in health and care. This means ensuring that everyone in Wales has access to the same high-quality healthcare, regardless of their background or circumstances. A *Healthier Wales* - our long-term plan for health and social care - has addressing health inequalities as a core theme running throughout. Part of our work includes the establishment of an NHS Health Inequalities Group, which is co-chaired by Welsh Government and NHS Wales, to focus and drive efforts towards tackling health inequalities through the lens of the NHS.

Question 10

How the impact of funding allocations on different groups/communities has been taken into account during the development of the budget proposals.

Response:

We expect the financial outlook for the NHS, next year, to be one of the most challenging we have ever faced.

We have considered the potential impact and have reprioritised across the MEG, this exercise will help to mitigate the more serious impacts on frontline services, patient care, access and performance targets. We aim to offset the most severe impacts across all parts of Wales and provide protection for the most vulnerable, including children, disabled, older and vulnerable people.

While we have redirected funding from across the Welsh Government, this still means health boards will face some challenging decisions to manage within their individual budgets. All decisions by Health Boards will be subject to quality impact assessments, balance of risk judgements and potential consultations, if decisions impact on service change. Each health board faces different challenges in terms of population need and the configuration of services; the actions taken to manage any cost pressures will vary according to organisation and will be subject to local determination.

In prioritising funding to the NHS, we have reviewed all centrally held budgets in Health & Social Services and redirected funding from a number of areas. Some examples are:

Integrated Community Services

We have maintained funding through the £146.7m Regional Integration Fund which is developing preventative and capacity building models of care specifically for the following key population groups;

- Older people with complex needs.
- Children with complex needs.

- Unpaid Carers.
- People with learning disabilities and neurodivergence.
- People with poor mental and emotional health.

Mental Health

We will continue to protect the mental health NHS ringfence, which provides core support to mental health services across Wales, including to some of the most vulnerable people in society. We cannot increase additional funding in 2024-25, as originally planned, by £15m, and have also reduced the existing mental health central budget by a further £6m.

As mentioned in Question 3, we will be publishing our draft mental health strategy early in the new year which will outline our priorities for spend. The draft strategy is based around a number of principles which include equity of access, experience and outcomes, and person-centred care. It has been informed by the Committee's recommendations on tackling mental health inequalities. As part of the strategy development, we have considered the impact of the actions on different groups/communities, and this is captured within the relevant impact assessments. These draft impact assessments will also be subject consultation as they will be published alongside the draft strategy.

Prehabilitation

A planned £3m increased investment targeted specifically at those on waiting lists who could benefit from extra support to improve their general health and wellbeing won't go ahead. Health Boards are nevertheless investing in these approaches from their core budgets, and we have developed a digital offer which will be rolled out within existing resources. We continue to invest in weight management services through health boards and our national help me quit stop smoking service.

Health Protection

We are reprioritising £22m of funding within our health protection budgets, which supports a wide range of measures aimed at protecting the public from potential health threats. By re-prioritising we will strengthen delivery in some targeted areas,

including emergency planning, antimicrobial resistance (AMR) and delivery of the HIV action plan and allocate funding directly to the NHS to support front line health protection services from the national Covid response.

Social Care

We have reprioritised £10.5m from the Social Care Workforce Grant. To ensure continued delivery of existing activity, including protecting spend on eliminating profit within the care of looked-after children, we are reviewing planned activity and exploring efficiencies and rescoping activity until 2025-26. We are also protecting the core local government settlement, which funds social care.

We have reviewed funding from our Invest to Save budgets including funding for looked-after children. We will continue to support the schemes we have already committed to in 2024-25, totalling £3.8m but we will not be able to take forward further planned schemes.

The Social Care Reform Fund will not receive the original planned £5m uplift. Officials are working to protect spend which relates to services to avoid or minimize potential impact in terms of reduced services, potential staff reductions and avoid the need to reduce support already offered either formally or indicatively, thereby avoiding or minimising impacts on local authorities and social care partners which could affect disabled people, the elderly and the most vulnerable members of society.

An example of taking account of the impact of funding allocations on different groups would be continuing to provide additional funding (£3.5m 2024-25) for unpaid carers to take a break from their caring role and £1.75m in 2024-25 to receive small grants for essential help, thereby sustaining caring arrangements for people within their home and reducing demand on NHS and residential care.

Childcare Offer

The Childcare Offer supports parental employment. Parents surveyed reported a range of positive impacts from accessing the Offer:

- 75 per cent of parents reported that the Offer had made it easier for them to undertake their work;
- 37 per cent of parents reported that they would be working fewer hours had the Offer not been available to them – this impact was greater for parents earning under £26,000 per year (42 per cent reported that they would be working fewer hours without the Offer);
- 10 per cent of parents said they would be in a job with fewer career progression opportunities, and a further 10 per cent said they would not be working at all if the Offer had not been available to them.

The Childcare Offer for Wales is demand led and there is £2.5m allocated as an Additional Support Grant. Reductions in the budget for 2024-25 have been made modelled on take up in 2023-24. Given the demand-led nature of the programme, additional budget will be allocated if necessary.

Baby Bundles

The Bwndel Babi Programme intended to offer support to approximately 26,000 new and expectant parents. With reduced budget, the Programme will need to be targeted on a smaller geographical basis such as Flying Start and/or Bwndel contents removed to reduce costs. If delivered within Flying Start areas, approximately 8,000 new and expectant parents could be supported.

The reduction in budget will mean that some families at risk of or experiencing poverty living outside of the targeted area will not benefit from the support offered through the Programme.

Assessing impact/value for money

Question 11

The mechanisms in place (within the health and care system and at Welsh Government level) to assess whether spending by health boards/trusts and local authorities is achieving its aims and delivering value for money. What/where does the Welsh Government consider are the main challenges in assessing outcomes/value for money.

Response:

NHS

The NHS has long standing processes which report on performance and financial monitoring. The Welsh Government HSS Finance team receive and scrutinise the financial reporting information on a monthly and annual basis.

We also have the Financial Planning and Delivery team within the NHS Executive who work between the NHS and Government to ensure financial sustainability and delivery in the NHS, alongside maximising the impact and use of health and social care spending in Wales. It also supports the pursuit of an integrated quality and safety agenda, focusing on how the NHS uses its resources and the outcomes it achieves to identify opportunities for improvement.

As part of the System Enhanced Monitoring and Recovery Framework, the Utilisation of Resources Group was reframed in August 2023 as the NHS Wales Value and Sustainability Board, which meets monthly. The Board will drive a systematic approach to strengthen cross system working, to deliver actions for financial improvement and to deliver more sustainable health care on a consistent basis.

The principle is for the strengthened national approach to support and compliment local planning and delivery arrangements to progress identification, development, and implementation of opportunities for both in-year and recurrent financial improvement across NHS Wales.

The establishment of the Value and Sustainability Board in Welsh Government is used to highlight the variation across several significant budget areas, across the

health and social care system.

This work commenced earlier this year and has provided an oversight mechanism into a number of value pathways to drive value for money. Some early examples in medicines management, procurement and continuing health care have demonstrated more focus on variation and standardisation is and will have an impact on value for money differentials across the health and social care system.

Work is underway to identify clinical pathways through the value in health centres to support the medium-term aims of this work. We are looking at a number of high-value low-impact pathways, which support not only improved value for money but also improve clinical outcomes and patient experience. This work is supported by all the NHS Wales Health Boards and has currently identified five health conditions as its focus for this year and next.

Further opportunities to standardise approaches and pathways will continue to be developed, but these remain challenging to deliver without clear clinical engagement and patient communication. Using the strategic national programmes in Wales, the NHS and Welsh Government are engaging with clinical colleagues and stakeholders to embed best practice and value for money approaches.

It remains a challenge to deliver a once for Wales approach in all areas due in part to the variation in public health across different communities, and also the availability of workforce in some areas will restrict an efficiency led approach. Work is underway to assess further sustainability issues in service provision and identify opportunities to eliminate excessive cost drivers in these challenged areas.

We will continue to invest in a value-based approach to recovery over the medium term, with a focus on improving outcomes that matter to patients; £14m is allocated in 2024-25 for this. This allocation will also support NHS recovery, with a focus on delivery of high value interventions that ensure improved outcomes for patients and support service sustainability and reducing waits for treatment over the medium term. This investment will give greater focus on delivery of outcomes that matter for

patients and will complement the implementation of plans currently being developed to tackle the immediate backlog of patients waiting for treatment.

In recent years, we have improved and embedded our planning and delivery frameworks with the NHS. This has included a focus on a number of areas to deliver on improvements in financial sustainability, for example, the implementation of Getting it Right First Time (GIRFT) related initiatives and priorities such as patient initiated follow-ups in planned care and implementing a value-based healthcare approach in a number of condition areas, to improve outcomes relative to resources utilised.

We also have the Welsh Value in Health Centre, hosted by Cwm Taf Morgannwg University Health Board in 2023-24 (but moving to the NHS Executive for 2024-25), which provides capacity and support to Local Health Boards in the delivery of value based healthcare activity which will improve the outcomes of our population.

Social Care

Welsh Government direct investment in social care is intended to support local authority mainstream spending in relation to specific aspects of service development and improvement. Such investment is subject to individual grant agreements which include proportionate provisions in relation to the assessment of outcomes and value for money.

Almost all of the funding for local authority social services is funded through the un-hypothecated general revenue settlement and local authorities' own resources from council tax, fees and charges and other income. This expenditure in relation to social care is under the control of individual local authorities, including the determination of intended outcomes for that spend and the associated assessment of value for money, within the requirements of relevant statutory provisions.

There are both specific service related requirements (such as through the Social Services and Well-being (Wales) Act 2014) and more general provisions, which establish or update Local Government in Wales (such as in the Local Government and Elections (Wales) Act 2021) and set the framework within which local authorities

operate and are accountable. Through this the Welsh Government ensures that there is a local and national general framework of assurance and control.

Key elements of this framework are:

- requirements on local effectiveness and efficiency, on scrutiny and on performance
- requirements for external audit
- the publication of data (such as the Local Authority Social Services Annual Report) to enable local and national transparency, monitoring and scrutiny and inspection through Care Inspectorate Wales (CIW).

Local Authorities have a general obligation to secure economic, effective and efficient services which Authorities must keep under review (The Local Government and Elections (Wales) Act 2021).

Similarly, to provide for a general culture where councils in Wales continually aim to do better, Welsh Government has legislated to require that Councils must keep their overall performance under review. This includes requiring they seek the view of citizens and publish an annual self-assessment of how effectively they are exercising their functions. Each local authority must also periodically ensure that a panel assessment of its performance takes place.

Local scrutiny is an essential element of this assurance, in addition to local authority-specific scrutiny, the role of which was strengthened for all services through the Local Government and Elections Act 2021.

The Auditor General for Wales is responsible for auditing both the accounts of and the value for money of local authorities.

The Welsh Government publishes data on social service and other local authority services budgets and expenditure each year. To complement this, local authority social service provision is monitored, on a monthly basis, via the Social Services Checkpoint report. This provides, for example, data around the number of contacts,

the number related to safeguarding, assessments, children and adults receiving care and support, and children looked after.

This is further complemented by the measuring activity and performance data of the Performance and Improvement Framework for social services. Such data is an important asset in understanding the environment of social care both locally and nationally, being used to assess the volume of people local authorities provide care and support to and the demand on particular services and functions. It also serves as a tool that can be used by local authorities to monitor their capacity to deliver against the requirements of the Social Services and Well-being (Wales) Act 2014. A report on measuring activity and performance data of the Performance and Improvement Framework for social services is published annually. This data provides an annual summary of the activity of local authority social services across Wales.

The above is underpinned by arrangements to consider the operations, efficiency, etc, of local authority social services departments through the regulator, Care Inspectorate Wales.

Health boards' financial performance

Question 12

An update on the overall financial performance of health boards, including:

- projected end of year financial position for health boards, and which have continued to fail to meet their financial duties;
- which health boards have received additional end of year and in-year financial support, the extent of that support and the planned duration;
- details of how the Welsh Government will support and work with health boards to bring NHS Wales back into financial balance.

Response:

At the outset of this financial year, the planned deficit outlined by Local Health Boards totalled £648m. NHS Strategic Health Authorities and Trusts outlined plans to deliver a balanced financial position.

The drivers of this position for Local Health Boards relate to a significant underlying deficit from last financial year, and significant inflationary and demand pressures over and above available funding. These pressures are not unique to NHS Wales but are challenges facing all healthcare services across the UK. In setting out this position, NHS organisations planned to deliver savings of £221m, a level of savings delivery in excess of what has been delivered previously.

NHS organisations have been facing in-year challenges to deliver the plans that were set out, due to operational challenges and persistent inflationary pressures.

In recognition of these challenges, an additional £425m was allocated to the Health and Social Services to help support the NHS this financial year. In addition, we reviewed central budgets and repurposed funding towards NHS organisations where possible. Whilst this additional funding support was welcomed and was essential, Health Boards still faced some difficult decisions to balance their budgets both this financial year and next.

As a result of our actions, funding will be also provided to organisations in support of the pay award commitments that have been agreed with and committed to our union partners. Local Health Boards have also been notified of the additional allocations being made in recognition of the challenges that are being faced, we confirmed that each Local Health was required to reduce planned deficits by 10%.

Following these allocations and deficit reduction expectations, revised target control totals have been set for Local Health Boards which across the seven Boards combine to total a deficit of £123m. These are target deficit positions for Local Health Boards to work towards achieving and are offset by funding within central budgets.

Full details on the NHS position of these allocations and the target control totals set for each organisation were published as part of a [written statement](#) by the Minister for Health and Social Services on 8 November 2023.

On the 17 of October 2023, the Minister for Finance and Local Government provided an [oral statement](#) to the Senedd on the Welsh Government's 2023-24 financial position. That statement detailed the outcome of the work over the summer to address the impact of the Welsh Government budget being worth around £900m less than it was when it was set in 2021. The statement also contains information on the target controls totals for Health Boards.

Performance against these target control totals has been closely monitored since they were issued, and this continues to be an on-going process. We continue to work with all NHS Wales organisations on a consistent national basis, and organisational specific basis, in progressing delivery of the target forecast positions set out for the remainder of this financial year.

The expectation is that each Local Health Board makes progress recognising that whilst there are some challenges which effect all organisations which have been recognised with additional funding such as inflationary pressures, other challenges will be unique to organisations given different population needs, geography, and configuration of services across Health Boards. Delivery actions which may be possible in some Health Boards may not be possible in others.

All Health Boards are expected to be making the best decisions possible to balance service, workforce, and financial risk within these delivery parameters. Organisations are expected to ensure that decisions are robustly impact assessed in terms of quality, safety, risk, and deliverability, and that balance of risk judgment and decision making are optimised. Local Health Boards will be best placed to determine what actions are the most appropriate to deliver financial improvement whilst balancing all other variables and risks.

The Health and Social Services MEG is reporting a forecast deficit position on Fiscal Resource (revenue) at M08 of £92.7m for 2023-24.

Included within this is the following forecast picture for the NHS:

Organisation	M08 Forecast	Target Control Total	Distance to TCT M08
Surplus/-Deficit	£000s	£000s	£000s
Swansea Bay	-17,134	17,000	-134
Aneurin Bevan	-57,627	13,000	-44,627
Betsi Cadwaladr	-33,033	20,000	-13,033
Cardiff & Vale	-16,460	16,000	-460
Cwm Taf Morgannwg	0	0	0
Hywel Dda	-72,700	45,000	-27,700
Powys	-12,000	12,000	-0
HEIW	0	0	0
DHCW	0	0	0
PHW	0	0	0
Velindre	0	0	0
WAST	0	0	0
NHS Wales	-208,953	123,000	-85,953

At present, of the seven Health Boards, four are forecasting delivery of target control totals and three are not and are likely to have challenges in doing so.

The actions being taken to manage this position down further focus on:

- Ensuring all organisations are clear on the requirement and are identifying actions to deliver the Target Control Totals outlined.

- Ongoing review of all options and choices in the MEG through robust financial controls, to deliver savings and improve the overarching forecast position (over £240m of savings and opportunities rated green at M08).
- Enhancing system processes, controls to support financial improvement.
- As mentioned above, formal review meetings with all NHS organisations have been undertaken with emphasis on reporting improvements for month nine.
- On 13 September 2023 the Minister for Health and Social Services confirmed that all seven LHB's were now in escalation measures, with the escalation framework supporting financial delivery strengthened.
- Actions to deliver increased savings being identified and progressed via the National Value & Sustainability Board chaired by the Director General.
- WG officials working with the NHS Executive, to monitor progress against the target control totals set out, alongside implementation of actions with each organisation as part of the escalation framework. This includes working with organisations to support the delivery of savings that health boards have identified within plans and implementing processes to strengthen actions on a consistent national basis to support local savings delivery.

Social care

Question 13

Planned allocation for social care, including:

- Any additional funding identified for 2024-25, and how such funding will be targeted.
- How the allocations will help to ensure the ongoing viability and stability of social care services, including residential and domiciliary care.
- What support the draft budget will provide for unpaid carers, including evidence of any new support schemes and specific spend on respite care and financial support for carers.
- Measures in the draft budget that will improve the sustainability of the social care workforce, particularly domiciliary care staff shortages.
- How the draft budget will help the social care sector to respond to the increased cost of living, including specific spend to support domiciliary care workers, and unpaid carers and disabled people, and their families.
- Details of planned spend on the National Office of Care and Support including staff costs.

Response:

As noted above, almost all of the funding for local authority social services is funded through the un-hypothecated general revenue settlement and local authorities' own resources from council tax, fees and charges and other income, and is under the control of individual local authorities.

The Welsh Government's direct investment in social care is intended to support local authority mainstream spending in relation to specific aspects of service development and improvement.

An example of the latter would be the Social Care Reform Fund, which was introduced in April 2022 to support activity to promote reform and improvement in social care, to complement the funding provided in the Local Government settlement.

The Social Care Reform Fund is used to support the reform of Social Care, to improve delivery and increase the sustainability of services across the social care sector. The funding is used to help deliver the Programme for Government commitments to reform social care for looked after children and to protect, re-build and develop our services for vulnerable people and for unpaid carers, and establish a National Social Care Office.

In relation to unpaid carers, the Carers Support Fund (£1.75m in 2024-25) will support unpaid carers to cope with the rising cost of living via the provision of grants to buy basic essential items, such as food, household and electronic items or access to counselling, financial advice, well-being and peer support.

The Short Breaks Scheme for unpaid carers (£3.5m in 2024-25) is also funded from the Social Care Reform Fund and provides opportunities for unpaid carers to have a break from their caring role.

There is no additional funding to enable expansion of financial support/ new schemes for unpaid carers.

In addition to this funding, £1m is provided to health boards via the Regional Integration Fund to support unpaid carers where the cared-for person is admitted to hospital or being discharged.

Finally, funding to national organisations is made from the Sustainable Social Services Third sector grant scheme to provide services and support to unpaid carers and to deliver the objectives of the Welsh Government strategy for unpaid carers.

In addition, our Programme for Government contains a number of commitments that set out our vision for children's services in Wales. Our ambition is for whole system change and, at its heart, we want to see more children and young people being enabled to live with their families and in their home neighbourhoods with many fewer needing to enter care. We also want to ensure the period that young people are in care is as short as possible.

We are committed to keeping families together. Our vision is to redesign how we look after children and young people so we can do the best for our young people, their families, and communities by providing services that are locally based, locally designed and locally accountable. It is about putting in place the right type of care for each child: reforming and joining up services for looked after children and care leavers, providing additional specialist support for children with complex needs and better supporting those who care for children.

Sustaining the previous year's £10m increase in the Social Care Reform Fund to £52m into 2024-25 will be used to enhance the support provided to the Programme for Government Commitments and thus to our vision for children's services in Wales. Funding has been awarded to Local Authorities to support proposals to deliver these commitments.

Eliminating profit from the care of looked after children

In particular, the allocation in the Social Care Reform Fund for eliminating profit from the care of looked after children has increased from £10m in 2022-23 to £20m in 2024-25.

As part of the Co-operation Agreement between the Welsh Government and Plaid Cymru, there is a clear commitment to 'eliminate private profit from the care of children looked after' as a key component of our radical agenda.

Feedback from children and young people suggests they have strong feelings about being cared for by privately owned organisations that make a profit from their experience of being in care. The Welsh Government does not believe there should be a market for care for children, or that profits should be made from caring for children facing particular challenges in their lives and intends to bring forward legislation to end this. This means the future care of children that are looked after in Wales will be provided by public sector, charitable or not-for-profit organisations.

Our aim is to ensure that public money invested in the care of children looked after does not profit individuals or corporate entities, but instead is spent on children's services to deliver better experiences and outcomes for children and young people,

addressing service development and improvement and further professional development for staff. We intend to focus, in the first instance, on children's residential care and foster care.

Over the remainder of this Senedd term we need to focus on working with care experienced children, local authorities and partners to increase public and not-for-profit provision, so there is a strong foundation to make a transition to not-for-profit care that meets the needs and entitlements of children and young people.

Radical Reform

Similarly, the allocation in the Social Care Reform Fund for radical reform of children's services has increased from £3m in 2022-23 to £9m in 2024-25.

We have committed through our Programme for Government to explore radical reform of current services for looked after children and care leavers in order to deliver a new vision and ambition for children's services, based on consistent practice, less risk averse behaviours and national restorative approaches adopted across Wales. Achieving this vision is not solely the responsibility of local authorities; it requires partnership working across public services and third sector organisations.

The programme will deliver preventative interventions for families with children on the edge of care including parental advocacy services, family group conferencing, Family Justice reform and a national practice framework. It will also require greater intervention and support for local authorities who are not delivering on our ambition to substantially reduce the number of children in care.

Real Living Wage

The Draft Budget for 2024-25 includes funding to raise the wages of social care workers, as part of our wider commitment to protect frontline public services. The uplift will apply to registered workers in care homes and domiciliary care (both adults and children's services) and registered domiciliary care workers in supported living settings. It will also be received by all personal assistants funded through a local authority direct payment.

Delivering improved pay through the Real Living Wage will help to address low pay associated with the sector, including in the context of a rising cost of living and increase the attractiveness of social care work. This delivers not only improvements for social care workforce, but improved workforce retention and outcomes for people receiving care and support. While the uplift to the Real Living Wage alone will not address all challenges within Social Care, it will contribute to the sustainability and longer-term ambition to raise the profile of the sector as a professional place to work, enhance opportunities for individuals to progress their careers, and to help improve recruitment and retention. The Real Living Wage for Social Care workforce aims to integrate with the Social Care Fair Work Forum's recognition of low pay challenges in the sector. It also connects with policy objectives in the Welsh Government Health and Social Services Group around the promotion of the health and well-being of people using services. It contributes to allow individuals to achieve positive outcomes and can positively impact workforce capacity and morale.

Social Worker Bursary

Funding for the social worker bursary is provided to students taking up the social work degree and offers additional financial support. This makes the social work degree more financially attainable and will ensure we have a sustainable supply of future social workers. The increase to the bursary of £10m over three years announced in 2022 has been available to students who took up the course since 2021-22.

The enhanced financial support will be available for both undergraduate and postgraduate students in Wales via the Social Work Bursary. The increase to the bursary brings our funding for this programme to almost £10m over three years to assist with the training of future social workers. Of this £10m package of funding, the changes we are making total £3.5m across the three years. This represents a more than 50 per cent increase on the original bursary for both undergraduates and postgraduates.

Social workers carry out a vital role within our communities, supporting people to take charge of their own lives. They are at the core of our social care system and key to the delivery of effective care. The student Social Work bursary supports people

with the right skills and attributes to be able to undertake social work training and aims to contribute to the growth of a sustainable social work workforce in Wales and is a contribution to the costs incurred by individuals training to be social workers.

Workforce and Sustainable Social Services grant (workforce grant)

In recognition of the important role that local authorities play in delivering core social services, the Welsh Government has provided recurrent funding to the sector in the form of a Workforce and Sustainable Social Services grant. The criteria for the use of the grant have been broadly set. Local authorities have been able to use the funding to support increases to pay, but also for other interventions aimed at supporting the delivery of sustainable social care services to ensure that they were better placed to meet increased or unexpected demand. In practice, the funding has been used for a variety of measures from salary uplifts to actions aimed at supporting the delivery of services. This grant has been issued annually to local authorities since 2019 and will total £34.4m for 2024-25.

The staffing cost allocation for National Office for Care and Support posts is £464,512.