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Llywodraeth Cymru
Welsh Government

Our Ref: MA/EM/0367/24

Russell George MS
Chair
Health and Social Care Committee

SeneddHealth@senedd.wales

1 March 2024

Dear Russell

Thank you for sending us the Health and Social Care Committee's report entitled *Welsh Government draft budget 2024-25*.

Please find attached our response to the committee's recommendations.

Yours sincerely

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Written response from the Welsh Government to the report by the Health & Social Care Committee entitled *Welsh Government Draft Budget 2024-25*

A response to each of the recommendations are listed below.

Recommendation 1

The Committee recommends that

The Minister for Health and Social Services should publish a copy of the letter she issued to Health Boards in December 2023 to be used in the preparation of their respective Integrated Medium-Term Plans. Where applicable, she should do this on an annual basis, alongside publication of other Welsh Government draft budget documentation.

Response: Accept

I should clarify that the Framework was published on an annual basis prior to the Integrated Medium Term Planning process pausing as part of our response to the COVID-19 pandemic. When restarting the Integrating Medium term Planning process last year and given the complex planning environment, which involves covid recovery and significant financial challenges, I decided to issue the Framework via a Ministerial letter which streamlined the planning process and provided clearer priorities. I do however welcome the Committee's request for me to publish the NHS Wales Planning Framework and I agree to do so moving forward.

Recommendation 2

The Committee recommends that

The Minister for Health and Social Services should provide an update on discussions with health boards about her priorities for their Integrated Medium-Term Plans for 2024-25.

Response: Reject

My priorities are set out in the NHS Planning Framework that was issued on 18th December 2023. I expect health boards to submit their Board approved plans by the end of March this year. Once received, a robust assessment of those plans will be undertaken to ensure their plans meet the requirements I have set out in the Planning Framework.

I can confirm Welsh Government officials meet with health boards through a range of mechanisms to discuss how they are delivering for their local population. These include Integrated Quality, Planning & Delivery, Joint Executive Team Meetings, planning liaison meetings and also through specific policy meetings.

Following a decision on the status of plans, I will issue an update via a Written Statement.

Recommendation 3

The Committee recommends that

The Minister for Health and Social Services should provide an annual update, in advance of scrutiny of the Welsh Government's draft budget, about the work of the Value and Sustainability Board, the efficiencies that have been implemented during that period, and the further opportunities it has identified to support financial improvement.

Response: Accept

The Value & Sustainability Board established in August 2023 is a key mechanism to strengthen cross-system working. The Board enables the scale and spread of opportunities for financial improvement across organisations in support of local savings plans. There is a clear framework and work programme in place across key focus areas. I welcome the opportunity to share an annual update on the progress of the Board and its work, and to do so on a future basis in advance of the scrutiny of the Welsh Government's draft budget.

Recommendation 4

The Committee recommends that

The Minister for Health and Social Services should provide details of how the Welsh Government will ensure that all health boards in Wales are able to stabilise their finances within the 2024-25 to 2026-27 integrated medium term planning cycle. This should include clear timescales within which the Welsh Government anticipates each health board will achieve financial balance, and how progress will be monitored.

Response: Accept in Principle

The challenge to the Welsh Government budget for 2024-25 is unprecedented, and the draft budget demonstrates that as a Government we have taken steps to protect the NHS in Wales, and local government, over other areas of Welsh government expenditure. This is in the context of significant challenges to NHS finances across all parts of the United Kingdom.

In 2023-24, the NHS had a significant forecast financial deficit due to the unavoidable impact of demand and inflationary pressures. The mid-year budget and written statement on the NHS position outlined additional allocations to the NHS and a control framework that has been issued to the seven Health Boards along with Target Control Totals. Significant work and actions have been implemented with the NHS this year to manage the pressures that organisations are facing. Although we have been able to allocate additional funding, this has also sat alongside cost reduction measures and actions, whilst ensuring safe and effective service provision and focusing on ministerial priorities. Four out of seven health boards have made significant progress and are forecasting to deliver on their target control totals in 2023-24. The draft budget confirmed the additional funding from this year has been made recurrent, and allocated a further £450m to support the NHS.

I have set out my expectations to health boards and NHS trusts via the NHS Planning Framework for 2024-27. It is for the NHS organisations to develop their plans in line with the requirements of the Planning Framework and based on the needs of their local population and within the resources made available to them.

As a result of the increased funding of the Health MEG in 2023-24, and in 2024-25, significant additional funding has been provided to the NHS. The allocation letter and financial planning principles established for 2024-25 see a continuation of the control framework introduced in 2023-24, and it is recognised that further progress is required. This expectation has been clearly set to Health Boards, who will need to deliver significant savings and implement difficult choices to deliver an improved financial position alongside the additional funding that has been provided.

Through the planning process, all organisations' plans will be robustly tested. If organisations are unable to deliver a balanced financial plan, then organisations are expected to develop plans to improve their financial position and develop a trajectory for financial balance. This work will be developed and considered as a part of, and following the planning process for 2024-25. All Health Boards in Wales are subject to a form of escalation for finance, and there are clear escalation mechanisms and

activity that support that process, including monitoring mechanisms to support progress.

Recommendation 5

The Committee recommends that

The Welsh Government should monitor access to social care services, to ensure that budget pressures do not lead to people who are eligible for care and support being denied services.

Response: Accept in Principle

There are specific service-related requirements through the Social Services and Well-being (Wales) Act 2014) which 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.

A report is published annually on the performance and activity data for social services through the Performance and Improvement Framework. The report provides an annual summary of the activity of local authority social services across Wales. The Performance and Improvement Framework for social services, provides data of the volume of people local authorities provide care and support to and the demand on services and functions. This enables local authorities to monitor capacity to deliver against the requirements of the Social Services and Well-being (Wales) Act 2014.

Welsh Government will continue to directly invest in social care and intend to support local authority mainstream spending in relation to specific aspects of service development and improvement. There are no financial implications as data collection and production of the annual report is already established and operational.

Recommendation 6

The Committee recommends that

The Deputy Minister for Social Services should provide information on the timescales for announcements relating to increasing the cap on charges for domiciliary care.

Response: Accept in Principle

We are very aware of profound financial pressures on local authorities and have listened to the case for potentially increasing the non-residential care maximum weekly charge. However, the matter would need to be put to public consultation and any decisions would only be made after careful consideration of consultation findings, with any subsequent timescales for implementation shared as part of any post-consultation publications and announcements. Following preparation of a consultation package, the consultation launched on 19th February 2024 and will remain open for a period of 12 weeks.

Any change to the non-residential care maximum weekly charge amount is not associated with Draft Budget implications, and the financial implications would fall to local authorities and those in receipt of non-residential care. Any decision made to uplift the non-residential care maximum weekly charge amount would be accompanied by full impact assessments.

Recommendation 7

The Committee recommends that

The Minister for Health and Social Services should provide us with details of all the areas where she is considering increasing charges for service provision, including the likely funds that would be generated and indicative timescales for any proposals.

Response: Accept in Principle (Dental Patient Charge – Accept)

We are very aware of profound financial pressures on local authorities and have listened to the case for potentially increasing the non-residential care maximum weekly charge. However, the matter would need to be put to public consultation and any decisions would only be made after careful consideration of consultation findings, with any subsequent timescales for implementation shared as part of any post-consultation publications and announcements. Officials are currently preparing a consultation package, which will be launched shortly, to seek views on the proposed amendment to the policy.

Provisional estimates, based on a data from 2021-22, suggests an additional potential funding between the 22 local authorities of less than £7.2m p.a. for a £15 increase; circa £9.6m based on a weekly increase by £20 and around £12m income based on a £25 per week increase. These are provisional estimates only, based on the potential impact of people either not assessed as being able to meet the increased charge, or their cost of care falling below a new maximum. The full scope of funding benefits would not be realised until any change is implemented.

Any change to the non-residential care maximum weekly charge amount is not associated with Draft Budget implications, and the financial implications would fall to local authorities and those in receipt of non-residential care. Any decision made to uplift the non-residential care maximum weekly charge amount would be accompanied by full impact assessments.

Dental patient Charge

Patient charges are an integral part of the overall funding envelope for dentistry. The funding provided to health boards in the 2024-25 draft budget has increased by more than £35.5m since patient charges were last increased on 1 April 2019.

Currently patient charge levels in Wales are 50-75% lower than in England. Given the financial challenge we currently face and our commitment to continue to invest in NHS dentistry we are left with no choice but to increase charges for next year.

Full details of the revised patient charges will be disclosed by the laying of regulations on 8 March 2024 which will then come into force on 1 April 2024.

If activity levels remain broadly similar to those in 2022-23 the changes will generate approximately £8m which health boards can invest directly back into NHS dental services.

Recommendation 8

The Committee recommends that

The Deputy Minister for Social Services should provide details of the findings of the Disability Rights Taskforce's working group on Independent Living: Social Care, including recommendations made to the Welsh Government and the response; how the Welsh Government plans to implement the recommendations, and the timescales for doing so.

Response: Accept in Principle

We are awaiting the final recommendations from the Disability Rights Taskforce's working group on Independent Living: Social Care, when received we will work with policy officials and stakeholders to develop an action plan which will include time scales for implementation of the agreed recommendations.

Recommendation 9

The Committee recommends that

The Deputy Minister for Social Services should provide details of the Welsh Government's assessment of the level of demand for respite care across Wales and the funding that would be required to meet the needs of all unpaid carers.

Response: Accept in Principle

There is a specific duty on local authorities in the Social Services and Well-being (Wales) Act 2014) to meet the needs for support of a carer. There are also specific service-related requirements in the Act which 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.

A report is published annually on the performance and activity data for social services through the Performance and Improvement Framework. The report provides an annual summary of the activity of local authority social services across Wales. The Performance and Improvement Framework for social services, provides data of the volume of people local authorities provide care and support to and the demand on services and functions. This enables local authorities to monitor capacity to deliver against the requirements of the Social Services and Well-being (Wales) Act 2014.

Welsh Government commissioned the Association of Directors of Social Services Wales (ADSSC) to undertake a rapid review of carers' rights and needs, which is published here: [Rapid review of how unpaid carers' rights have been upheld during and after the Covid-19 response \(adss.cymru\)](https://adss.cymru)

This identified that respite care was the most significant unmet need identified by carers. This is recognised by ADSSC and local authorities, albeit there is likely to be local variation. Respite takes a variety of forms: day services; overnight respite care; respite for breaks and holidays, support groups, and to enable someone to work.

Welsh Government has established the Short Breaks scheme with £9m funding for 2022-25. This is additional funding, delivered partly through Regional Partnership Boards and partly through Carers Trust Wales as a third sector grant scheme. The intention of this scheme is to fund the development and delivery of more flexible and creative approaches to respite, to best meet the needs of individual carers. This receives very positive feedback from carers and is on track to provide an additional 30,000 respite opportunities by end March 2025.

The current financial commitment is made through the Social Care Reform fund, to £9m over 3 years (2022-2025)

Recommendation 10

The Committee recommends that

The Minister for Health and Social Services should set out when she expects targets for reducing outpatient waits and eliminating two year waits for treatment to be achieved.

Response: Accept in principle

I have been clear in the planned care recovery plan issued in April 2022 on the dates I expected health boards to deliver against the national commitments for reducing both outpatient waits and waits over two years. The pace of delivery from the NHS however has not been sufficient to achieve the stated targets.

Recognising the size of the challenge, particularly in some specialities, I set two internal milestone targets in 2023-24 to support the achievement to reduction the number of over two-year waits. The first being for health boards to achieve 97% of their pathways to be waiting under two years at the end of December 2023. The second for that to increase to 99% of pathways waiting under two years by the end of March 2024. Since the recovery plan was issued, we have seen 20 successive months of improvement.

In April 2022 when we published our commitment to reduce long waits over two years, we had over 68,000 (10%) of our waiting list to clear. As of November 2023, the percentage of over 2-year waits has reduced to just over 3%. The Welsh NHS has delivered on a much more challenging agenda. England's position as of April 2022 was 12,758 this was just 0.2% of their waiting list, their challenge was completely different. In November 2023 five out of the seven health boards had already achieved the December 2023 Milestone of 97% of pathways waiting less than two years. While not currently achieving the 97% target (as of November 2023) Swansea Bay and Betsi Cadwaladr have made progress in reducing long waiters but continue to be challenged across a small number of areas which they are being held accountable to improve. Swansea Bay have achieved the clearance of outpatient waits over 52 weeks; other health boards still have work to do to improve their position, I continue to hold them accountable to deliver against the agreed commitment.

I have recognised that health boards have been prioritising cancer outpatients which has reduced their capacity for more routine waits. I expect the transformation and clinical leadership of the planned care programme to support and challenge each health board to improve on this position in 2024-25.

The additional investment provided for planned care will support the targeting of this work. We recognise that the financial challenges the system faces may result in pressure on core resources however there are additional productivity and efficiency opportunities which can also support delivery in this area.

Recommendation 11

The Committee recommends that

The Minister for Health and Social Services should provide an up-to-date position on the development of regional hubs across Wales, including timescales, the investment that is required and being made available to support their development, and the impact this work is expected to have on reducing waiting lists.

Response: Accept in principle

The NHS in Wales already provides a substantial number of services on a regional basis. All radiotherapy and most systemic anti-cancer therapy is provided through three regional cancer centres. In addition, many more specialised surgical services are provided at one or more regional hubs, including cardiothoracic surgery, oesophago-gastric surgery, pancreatic and liver surgery, as well as gynae-oncology surgery. We are committed to delivering more specialist care on regional footprints in order to ensure services are resilient, meet professional standards, and patients get access to the best quality treatment.

There are currently eight sites dedicated to providing protected planned care treatment capacity, these form part of regional resources already in place and financially supported.

Southeast Region

1. **St Woolos** - Theatres Aneurin Bevan
2. **CAVOC** - Cardiff and Vale Health Board
3. **Cardiff eye care theatres** – As a Southeast hub service for cataract surgery
4. **Prince Phillip Hospital** – Hywel Dda Health Board

Southwest Region

5. **Singleton** – Swansea Bay Health Board
6. **Neath Port Talbot Hospital** - Swansea Bay Health Board
7. **Prince Phillip Hospital** – Hywel Dda Health Board

North Wales

8. **Abergele Hospital** – Betsi Cadwallader Health Board

In development- investment already allocated plans being taken forward

- Llantrisant development as a southeast regional resource – National capital was provided to support the purchase of the land and building. The plans to convert the site to provide regional resources is ongoing.
- Llandudno Hospital for regional orthopaedics for North Wales

In addition, through the National Diagnostic board three regional diagnostic hubs are being developed. These will also incorporate regional endoscopy developments.

The National Diagnostic Board will assess and prioritise capital requirements against the plans to ensure maximum benefits against investment. The details will be shared with the Committee once fully assessed.

The Llantrisant Development being managed by Cwm Taf Morgannwg University Health Board is an ambitious project which will serve the southeast Wales area including Cardiff and Vale UHB and Aneurin Bevan UHB. The original thinking behind this project is that the site could provide for a number of specialties in one 'Green' protected site to benefit the communities across southeast Wales.

The timetable at the moment allows for the project to be operational within 2026-27 although every effort is being made to bring this date forward so that the benefits to be gained from the investment in the site can be realised as soon as possible. In the short term, a mobile endoscopy unit is already operating within the Cwm Taf site.

£29.4 million has been identified and agreed to support the regional orthopaedics hub at Llandudno Hospital. The Hub will serve the wider north Wales community and deliver 1,900 procedures per annum.

Recommendation 12*The Committee recommends that**The Minister for Health and Social Services should set out how this budget will contribute to improved cancer outcomes for patients across Wales.***Response:** Accept

Cancer delivery remains a priority for this government and the ring-fenced planned care recovery funding is also targeted to support improvement in cancer performance, recognising that the same resources (staff, beds and infrastructure) are used to treat both cancer and routine pathways.

In addition to support this priority area the Welsh Government has approved a £2 million allocation, for three consecutive years, to support an intervention delivered through the Planned Care Programme of the NHS Executive to recover cancer waiting times for those cancer types with the most challenged cancer performance: lower gastrointestinal, gynaecological, and urological cancers.

This funding will be used to provide for a small team of national posts that will work with health boards on a regional basis to improve productivity and efficiency in cancer pathways. This will include changes to how clinical services are delivered in order to improve the throughput and timeliness of pathways of care. For instance, rolling out proven service changes that can improve the timeliness of care. As well as supportive projects that help health boards to better plan and oversee their services, such as further development of business intelligence tools.

This work will also be supported by the wider planned care programme and the clinical implementation networks in General Surgery, Urology and Gynaecology together with support from the National Diagnostic programme recognising the importance of diagnostics (including pathology) in cancer pathways.

Clinical evidence and best practice will drive pathway improvements. The implementation of the recent recommendations from the Get it Right First Time (GiRFT) reviews undertaken in urology and gynaecology will be prioritised in 2024-25 to support both cancer pathways and routine pathways.

Early evidence of this support was the national capital investment of £50k to ensure the GiRFT and NICE guidance for the use of TULA lasers for bladder cancer will be available in every health board in 2024.

The planned care programme is identifying a national implementation plan on how the GiRFT recommendations for urology and gynaecology will be supported in 2024-45. This will be used to identify any supporting investment requirements and will form part of the prioritisation of the £15m transformation fund through the National Planned Care Board in March 2024.

The additional investment in planned care (£170m annually) is ringfenced and will be targeted as highlighted to improve both cancer and long waits.

A key driver to support improved delivery will be more efficiency and productivity, to aid this transformation investment to support changes in pathway will be targeted through the already identified £15m recovery fund.

Diagnostic capital funding will also be used to support cancer delivery in particular endoscopy and pathology business cases.

Recommendation 13

The Committee recommends that

The Minister for Health and Social Services should clarify whether she would increase the 5 per cent pay award made to medical and dental staff in Wales if additional, consequential funding was made available by the UK Government.

Response: Reject

It is an important principle of devolution that consequential funding is not ringfenced for similar purposes in devolved governments. Our Cabinet assess and consider where the greatest impact will be when making funding decisions in line with Welsh circumstances and priorities, noting the range of identified pressures, including active discussions on pay. If the HSS budget was increased as a result of a consequential from the pay award in England I will consider, along with my cabinet colleagues, how these can be passed onto NHS Wales staff which would include medical and dental contracted professions.

Recommendation 14

The Committee recommends that

The Minister for Health and Social Service should provide figures for the estimated cost of offering an additional 1 per cent uplift to medical and dental staff in Wales. In making this recommendation, we note that this is not an offer being made by the Welsh Government.

Response: Accept

In accepting this recommendation, I note this is just to provide figures and it is not an offer to increase the pay award for mental and dental staff in Wales for 2023-24. The Doctors and Dentists Remuneration Body (DDRB) made recommendations for a 6% pay award for doctors and dentists. In addition to a 6% uplift, it also recommended that junior doctors pay points also had a consolidated pay rise of £1250.

The costs for meeting DDRB in full on top of the 5% award already given this year would cost in the region of an additional £21.8m recurring (this includes the additional 1% plus the £1250 consolidated for junior doctors).

The costs for meeting just the 1% increase on medical and dental would be £13.2m recurring. Broken down as follows by doctors and dentists:

- Consultants: £5.5m
- Specialty and associate specialist doctors: £1m
- Junior doctors (1%): £2.9m
- Junior doctors £1250 uplift consolidated: £8.6m
- General medical practitioners: £1.8m
- General dental practitioners: £2m

Recommendation 15

The Committee recommends that

The Minister for Health and Social Services should provide us with details of the cost of the recent industrial action for health boards, both in terms of staffing and also as regards levels of activity.

Response: Accept

Junior Doctors in Wales took 72 hours strike action from 7am Monday 15 January until 7am on Thursday 18 January. While we were be able to provide initial strike impact details on each day, confirmed and finalised information only becomes available following the industrial action period. As this was a full walk out of Junior Doctors, health boards ensured that urgent/emergency cover was provided by consultants and SAS doctors.

There was a significant impact on elective services. NHS Wales organisations had postponed/cancelled circa 41% of outpatients appointments. NHS Wales organisations had postponed/cancelled 62% of operation appointments.

Over three quarters of junior doctors rostered to be in work took strike action. There were no emergency derogation requests and no reported issues from picket lines.

NHS Wales has been working on collating the overall net impact of the recent industrial action by junior doctors. Organisations have been validating information to be clear on those who did participate and those did not. It is taking longer than expected to work through every aspect of where some of those impacts fall and the exact costs. Organisations are working on producing a net cost after taking into account any cost reductions, for example, due to activity being lower from cancelled procedures. This is happening as part of their normal monthly reporting cycle.

The indication we have so far is only from draft returns but suggests that the net financial impact will be between £3m to £4m. This estimate will be refined further once organisations have completed their analysis.

We are expecting an update on staff cover arrangements towards the end of February, after health boards have consolidated their payroll returns.

Recommendation 16

The Committee recommends that

The Deputy Minister for Social Services should provide us with details of the work being undertaken by the Welsh Government to retain the significant number of staff who are planning to leave the social care sector by the end of the year.

Response: Accept

As a Government we are absolutely committed to addressing the recruitment and retention issues in the sector, however we know that programmes of work being developed to create the sustainable workforce we need, are not quick fixes, and come with the realism that it will take time to feel the impact within the workforce.

The Social Care Wales Workforce Survey published in 2023 reported 26% of the workforce are likely to leave the sector in the next 12 months and 44% within the next 5 years. It is important for context to note the response rate for that survey was 6.5% of the workforce. Whilst the survey provides valuable insight this year was the first time the survey had been undertaken. It will be important to build on this and encourage more to respond to the next survey in 2024 strengthening the voice of the sector.

By end January 2024 the total number of workers on the workforce register was almost 61,000. We have seen more than our initial estimates registering with the workforce regulator and these numbers have increased, which shows that people are still joining the sector. However, we are aware that the situation is volatile, and we continue to work with our partners to monitor this situation.

There are a number of programmes of work being undertaken by Welsh Government and through our sponsorship of Social Care Wales to improve conditions for the workforce such as:

- The social worker bursary which we have prioritised to continue funding in 2024-25, as well as 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. More students training to become social workers and entering the sector will help with the resourcing issues and ultimately support social workers already in the sector.
- The WLGA are leading work focusing on national approaches to terms and conditions for social workers. This aims to support and attract individuals to the profession and reduce movement of qualified staff due to varying terms and conditions.
- Through the Social Care Fair Work Forum trade unions, employers and Welsh Government continue to work in social partnership on what steps can be taken to improve terms and conditions for social care workers, with improved opportunities for career progression. This includes the development of a draft

Pay and Progression Framework for the social care sector that aims to provide more consistent pay, progression and development opportunities by setting out broad bands of roles within social care, aligned with skills, learning and pay levels.

- Through Canopi, Welsh Government also provides social care staff confidential and free access to various levels of mental health support.

A Workforce Strategy Delivery Plan will be published shortly and will also set out in more detail the work being undertaken to address retention as well as progress, we can share this with the Committee when published.

Recommendation 17

The Committee recommends that

The Minister for Health and Social Services should provide us with more information on the planned activity being reviewed as part of the reprioritising of the Workforce and Sustainable Social Services Grant, and commit to keeping the Committee informed about any proposed further changes in this area.

Response: Accept

Beyond the intention to utilise anticipated consequential funding from the UK Government to increase the Social Care Workforce Grant to £45m per annum again, no further changes are proposed in relation to this grant, or to the Sustainable Social Services Third Sector Grant.

Recommendation 18

The Committee recommends that

The Minister for Health and Social Services should set out the impact that the shift in the draft budget from longer-term primary prevention to support for frontline services will have on population health, and the sustainability of health and care services. As part of this, she should set out:

- *how progress in delivering her policy aim of shifting more resources out of hospitals towards primary and community-based care is being measured, and*
- *when she expects to be in a position to direct more resources into longer-term prevention.*

Response: Accept in Principle

Despite the constraints on public finances, the 2024-25 budget continues to invest in a number of prevention priorities across the NHS. This is both through bespoke activity to tackle obesity and smoking and support screening and vaccination, for example, as well as part of core services across health and social care. For programmes such as our Healthy Weight Healthy Wales Strategy, funding in 2024-25 remains at similar levels as in 2023-24.

To measure progress of *A Healthier Wales* and the development of preventative community based services, we need to be measuring outputs, such as how many more people are able to access care at home and in the community and reductions in hospital admissions. Importantly, we also need to measure outcomes, such as how well people are supported to stay well at home and achieve what matters to them. The work to develop the Healthy Days at Home measure is progressing.

A Healthier Wales remains our long-term plan for health and social care, which describes our intention to place an ever-increasing emphasis on prevention. The uncertainty around our funding settlements for future years, pending any Comprehensive Spending Review by the UK Government, makes it difficult to inform the Committee of longer-term investment priorities at this stage.

Recommendation 19

The Committee recommends that

The Welsh Government should consider introducing, across all its departments, a 'preventative' category of spend in future budgets, moving towards a longer-term budgeting view in order to help build and protect population health.

Response: Accept in Principle

In line with our longer term aspirations, we remain committed to improving how we embed and demonstrate prevention and will consider what further changes we make as part of our review of the Strategic Integrated Impact Assessment and the wider work on the Budget Improvement Plan. Through the Budget Improvement Plan we will outline, at the appropriate time, updates on our approach to embedding prevention within our budgeting process.

As we have outlined, this is a complex and longer term area of work. Prevention is not just about the quantum of funding it is also about the way funding is spent. Defining the outcomes of spending from a prevention perspective is complex particularly where there are multiple beneficiaries of spending and therefore potentially multiple different types of prevention occurring within a single investment.

Recommendation 20

The Committee recommends that

The Deputy Minister for Mental Health and Wellbeing should set out the services, programmes or initiatives that will be most affected by not making the £15m uplift for mental health, and the likely impact this will have on mental health outcomes, particularly for groups most subject to inequalities.

Response: Accept

In this period of financial constraint, we have continued to prioritise investment in mental health and wellbeing. Overall, we have made savings on central budgets to protect investment and to minimise impact on frontline services.

We are managing the absence of the planned uplift by protecting investment in key areas, for instance NHS mental health services, the Mental Health Workforce Plan and the Strategic Mental Health Programme but slowing progress in other areas. This would include pilots, but also having less flexibility to respond to in year pressures or bids for additional funding.

We have managed the absence of the planned uplift as we have developed our [Mental Health and Wellbeing Strategy](#) (and our [Suicide & Self-Harm Prevention Strategy](#)) with the understanding that strategies will support targeting of resources in priority areas. This will ensure we make the best use of existing resources and provides an opportunity to be clear about what can realistically be delivered. We have also included a focus on inequality and how we can promote equity of access, experience and outcome for all. These documents are currently out for consultation and the links are embedded above. These will be disseminated widely so people have the opportunity to inform our future priorities.

As we have developed the draft strategies, we have considered their impact, for example, on children and young people, Welsh Language, people with protected characteristics, and people living in poverty. We have published draft impact assessments as part of the consultation and will use the consultation to gather further evidence of impact.

The published strategies will be accompanied by a 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.

Financial implications will be confirmed as part of the development of the final published strategy.

Recommendation 21

The Committee recommends that

The Deputy Minister for Mental Health and Wellbeing should provide us with figures for the actual spend by individual health boards against the mental health ring fenced funding.

Response: Accept

Health Boards complete costing returns detailing the fully absorbed costs of services on an annual basis and I will ask my officials to consult with colleagues in the NHS Executive to look at what can be provided, on an annual basis.

It is worth also mentioning that there is already an indication of annual spend by NHS programme budgets which is available on the StatsWales website. This presents fully absorbed costs across a variety of NHS specialties, for each NHS organisation.

Recommendation 22

The Committee recommends that

The Minister for Health and Social Services should provide information about how the capital allocations in the 2024-25 draft budget align to the priorities outlined in her December 2023 letter to health boards to inform their 2024-25 Integrated Medium-Term Plans. In doing so, she should identify any changes that have been made to previous capital allocations or spending plans.

Response: Accept

The capital allocations made to organisations have, in the main, long lead times both in terms of drafting sound business cases as well as construction periods over multiple years.

However, the priority areas identified within the Minister for Health and Social Services' December 2023 letter are reflective of where capital is being directed in 2024-25. The Integration and Rebalancing Capital Fund (IRCF) has £70m ring-fenced for non-acute services delivered in local communities. The funding covers the on-going work on the Newport East and Sunnyside (Bridgend) schemes as well as the on-going support for the delivery of a robust pipeline of schemes. The recently announced investment of £14m for the Grange University Hospital Emergency Department improvements will positively enhance the patient experience at this site. A further £14m is being provided to Aneurin Bevan Health Board for the Radiotherapy Satellite scheme at Nevill Hall hospital linked to cancer services closer to home. Funding has been made available to Betsi Cadwaladr Health Board to develop the orthopaedic hub at Llandudno Hospital which will deliver a High Volume Low Complexity approach to tackling challenging waiting times in this area. Funding has also been made available to Betsi Cadwaladr Health Board to finalise the Full Business Case for the Adult Acute Mental Health Unit at Ysbyty Glan Clwyd.

As well as these targeted areas, investment continues to be made in respect of Fire Prevention measure and mitigation works linked to the presence of Reinforced Autoclaved Aerated Concrete (RAAC).

The highest value single capital scheme remains the continuing investment on the refurbishment of the Prince Charles Hospital Site.

NHS organisations have been asked to include their capital priorities within their IMTPs for 2024-27.

The above are to be delivered from within the £400m capital allocation for 2024-25

Recommendation 23

The Committee recommends that

The Minister for Health and Social Services should set out the activities, outputs and outcomes to improve digital infrastructure and inclusion that will be most affected by the cuts to funding for the digital strategy Welsh Government draft budget 2024-25 for health and social care and the digital inclusion budget. This should include an assessment of:

- *the implications of the cuts for those communities most at risk of digital exclusion, who are more reliant on health services undergoing digital transformation, and*
- *the likely impact of these cuts on inequalities regarding people's access to health information and telehealth services.*

Response: Accept

The written evidence I provided ahead of the committee meeting provided some narrative for this recommendation; however, I have expanded upon this below.

Digital inclusion is outlined in the Digital and Data Strategy for Health and Social Care as one of Welsh Government's 6 core missions; digital delivery of our core vision to help people in Wales to lead happier, healthier, and longer lives through user-centred digital services built upon better digital skills, partnerships, data, and platforms. It is a key enabler of a Healthier Wales and remains a core part of our digital strategy.

Health and Social Care has a higher-than-average interaction with members of the public who are digitally excluded, and often overlaps with other forms of social exclusion and disadvantage.

Cwmpas, via the programme Digital Communities Wales (DCW) support Welsh Government's approach to digital inclusion through their involvement in several nationally funded digital transformation programmes.

To date, over 41,000 people have been supported to become more digitally confident through staff and volunteers providing support to citizens working with 24 institutions and over 1800 staff working in health and social care to become more digitally confident.

Officials have been working closely with Cwmpas to minimise the impact of reduced funding from April 2024. Work programmes are developed and agreed on an annual basis has been proposed within the funding envelope provided. Resources have been prioritised towards four thematic areas rather than placed-based as previously being; older people, social housing residents, ethnic minority communities (including Gypsy Roma Travellers) and health from a citizen and staff perspective. Specific work linked to the beta launch of the NHS Wales App will cease.

The plans thematic approach targets a strategic focus on improving the ability of health and social care organisations to deliver digital inclusion activity and build skillsets for those working with service users. This will include working with Health

Boards and local health focused 3rd sector organisations to embed digital inclusion as a critical underpinning to our digital work.

This aligns to our need to solidify mainstreaming digital inclusion in health and social care organisations and to facilitate the dissemination of best practice among professional groups; this includes a requirement to genuinely understand the needs of service users and that the service can be used by everyone, recognising and contributing to the [7 wellbeing goals of Wales](#).

There is currently no anticipated impact on telehealth services or people's access to health information. Whilst it is progressing, the deployment of all-Wales telehealth services is at an early stage.