

Jane Hutt AC / AM
Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MA-P-1226-16

Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Cardiff
CF99 1NA

8 March 2016

Dear Jocelyn

During my appearance at Finance Committee on 24 February, I agreed to provide a note providing some further detail on the Invest to Save Fund.

Schemes included in the Second Supplementary Budget 2015-16

The Second Supplementary Budget contains transfers to fund over 20 different revenue projects, many in the Welsh NHS. This Supplementary Budget helps deliver over £11m of revenue and £10m of capital investments in the 2015-16 financial year.

Full details of these schemes will be included in our annual report on the Invest to Save Fund. In some cases, where previously approved, they will have already been detailed in our last report.

To aid the scrutiny of this budget Annex A provides details of some of the larger schemes funded this year and associated savings are set out below.

Savings reinvested in the Health Service

As the schemes supported through this Supplementary Budget demonstrate the savings achieved will naturally vary from project to project. The level of savings which could be attributed to the Invest to Save Fund will also depend on the percentage levels of support provided from the fund – a maximum of 75% contribution to total project costs is currently the norm.

In assessing the savings generated by Invest to Save, there is also the need to consider whether or not projects would have gone ahead on a smaller scale or been delayed should they not have received support from the Fund.

However, as a general rule the projects will achieve a minimum saving to repay the initial investments over 3 to 4 years. Following repayment to the fund all additional and recurrent savings are available to the organisations supported and the fund is not designed to generate a profit for Welsh Government or charges interest to schemes supported.

Summary of Invest to Save operation

The Committee asked for a collation of the information contained in the reports on the Invest to Save Fund to give an overall view on the operation of the scheme throughout this Assembly and its delivery. I hope to write to you with the requested details prior to the Easter recess.

Report on the Scrutiny of the Welsh Government Second Supplementary Budget for 2015-16

Finally, I note that the Committee's report on its scrutiny of the budget has been published. The report drew four conclusions, of which three related to the Welsh Government budget.

I hope this response is helpful.

*Best wishes,
Jane*

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Y Gweinidog Cyllid a Busnes y Llywodraeth
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Annex A

1. Details on key schemes in the Second Supplementary Budget 2015-16

Patient at a Glance Boards at Betsi Cadwaladr UHB - £586,000

- An electronic solution to allow better prioritisation of workload and making the status of the patient more visible. The aim is to free up staff time from administrative functions to allow more time for care duties.

Estimated savings £300,000 per year

Theatre Optimisation at Betsi Cadwaladr UHB - £225,000

- The project aims to maximise the usage of operating theatre resources by matching up staffing resources, equipment and theatres to patient demand. The aim is that this will ultimately reduce waiting times and increase utilisation of the resources in place so that additional costs are not incurred through outsourcing.

Estimated savings £150,000 per year

LED Lighting and Sensors at Aneurin Bevan UHB £317,000

- Replacement of existing fittings with LED Lighting and associated automatic controls within areas of St Cadoc's

Estimated savings £72,000 per year

Infusion pumps at Hywel Dda £281,000

- Funding the procurement of a pump replacement programme. The stock will go into service across all areas of the Health Board with the added ability to procure lower cost consumables stock associated with infusion therapy practice.

Estimated savings £228,000 per year

Extension of Acute Physicians at Cwm Taf UHB £413,000

- This project builds on a previously successful Acute physicians project and aims to extend the period of cover to 10pm on weekdays and Bam to 5pm on weekends with full internal cover on the RGH site enabling an increase in the proportion of acute medical take patients discharged within 24 hours to increase from 30% to 40%. This provides improved care for patients and reduces the number of patients admitted into the main body of the hospital.

Estimated savings £400,000 per year from 2016-17 - with recurring savings of £800,000 per year from 2017-18 onwards

CAFCASS Cymru £210,000

- CAFCASS Cymru were awarded £210,000 funding to support the development of a bespoke, single integrated IT system (IRIS).

Estimated savings of £120,000 per year.

Sickness Absence Project – Abertawe Bro Morgannwg £201,000

- Funding was provided to reduce the sickness absence rate. To date there has been a reduction in sickness absence and the IS2 team guess that it will reduce further. Rate now stands at 5.4% (previously 6.2%).

Estimated savings pf £178,000 per annum

Transformation and Digital Services at Natural Resources Wales £1.1 million

- The project aims to change the way in which Natural Resources Wales interacts with the multiple elements of the environmental and industrial sectors by proposing a new model of engagement. Using the premises of “Digital First“ will provide a slicker method of engagement for customers underpinned by more efficient systems and business processes internally.

Estimated savings of £800,000 per annum

2. Report on the Scrutiny of the Welsh Government Second Supplementary Budget for 2015-16

Programme for Government

Since 2011 we have delivered on the most ambitious and comprehensive government programme since devolution against the backdrop of austerity in public finances. Last June we reported that the Welsh Government had already met 95% of our commitments in that Programme.

As you also note the Supplementary Budget is part of our in-year management and is focused on how manage our budgets to respond to emerging pressures and opportunities. Whilst we will, of course, look at this in the context of the Programme for Government, ultimately this is an exercise in financial management.

I would also again underline the fact that the additional allocations we are making in this Supplementary Budget, including the additional funding for health and education, clearly align with our stated priorities.

NHS Funding

I welcome the Committee's support for the additional funding we have provided to the Health Service. The additional allocations in this budget are to support improvements in NHS performance during 2015-16, and maintain safe services during the winter. This investment is helping NHS organisations respond to record levels of demand for unscheduled care, which have been particularly evident in Emergency Departments since Christmas.

Funding of £45 million was provided to drive a number of initiatives within the service, targeted at improving performance in the service in 2015-16. These include targeting a reduction in the number of long waiting RTT and diagnostic patients by the end of March 2016. Health Boards are undertaking additional activity to ensure these reductions are achieved.

Local delivery targets have been agreed with each Health Board against which the monies will be allocated by Welsh Government. Funding will only be provided if these targets are achieved.

Domestic Abuse funding in 2016-17

When I gave evidence to the Committee on 20 January, concerns were raised on the proposed budget provision for domestic abuse services. In my response of 28 January, I enclosed a copy of a letter written by Minister for Public Services to Eleri Butler, Chief Executive Officer of Welsh Women's Aid. This letter confirmed that the Domestic Abuse Services Revenue Grant was increasing by £400,000 in 2016-17.

The Welsh Government is committed to tackling domestic abuse and violence against women, including assisting organisations which provide direct support to victims of these types of abuse regardless of age, gender and/or ethnicity.

The Welsh Government's Domestic Abuse Services Grant was established in 2002-03. For 2016-17, the revenue budget for the Grant has been increased by £400,000 to support the implementation of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015.

In 2015-16 over £9 million of Supporting People funding was used to help women and families fleeing domestic violence. The Welsh Government has protected the Supporting People budget from reductions in 2016-17.

The supplementary budget also included an increase of £273,000 to the Domestic abuse action within the Local Government MEG.