

Health, Social Care and Sport Committee

Date: 13th January 2021

Venue: Senedd Cardiff Bay

Title: Scrutiny of Health and Social Services Draft Budget 2021-22

1. Purpose

The Committee's Chair wrote to both the Minister for Health and Social Services and the Deputy Minister for Health and Social Services on 18 November 2020 inviting them to give evidence on their Draft Budget proposals and asking them to provide a paper in relation to the Draft Budget.

2. Introduction

This paper provides information for the Health, Social Care and Sport Committee on the Health and Social Services (HSS) Main Expenditure Group (MEG) future budget proposals for 2021-22 and also provides an update on specific areas of interest to the Committee.

3. Budget Overview

	2021-22
Revenue	£m
2020-21 DEL Baseline as@ Final Budget	8256.527
Baseline Adjustments	(2.296)
MEG allocation	420.576
COVID	10.000
MEG to MEG Transfers	(2.863)
Revised DEL as @ Draft Budget 2021-22	8681.944
Capital	
Indicative Baseline Budget	366.528
MEG allocation	16.000
Revised DEL as @ Draft Budget 2021-22	382.528
Overall Total HSS MEG	9064.472

The table above does not include Annual Managed Expenditure (AME), which is outside the Welsh Government's Departmental Expenditure Limit (DEL).

Details of all transfers are shown in Annex A to this paper.

4. Approach to Budget proposals

This budget has been set at a time when our health and social care sectors are facing an extremely challenging winter period in early 2021. The NHS is treating around 2,000 patients in hospitals suffering from the effects of coronavirus, while cases are continuing to grow. At the same time, the NHS has recently embarked on the largest mass vaccination programme in its history, with the hope of ensuring population coverage by the middle of 2021. When the acute phase of the pandemic recedes during 2021, the NHS will then need to focus on responding to the long term harm that the pandemic has caused, in terms of increased waits for routine care, the impact on chronic conditions, and the impact that the pandemic and the necessary restrictions have had on mental health.

There still remains significant uncertainty of the course of the pandemic, so in this budget we have concentrated on protecting our NHS for the long term, and continuing to invest in our vision of an integrated health and care system as set out in our long term plan for health and social care, *A Healthier Wales*. We intend to make further allocations in the Final Budget to ensure the NHS has the resources it needs to continue the response to the pandemic into next financial year.

The Health and Social Services MEG contains the core revenue and capital funding for NHS Wales, as well as funding to support social care and supporting children. With a focus on protecting the health and social care sector we are investing an extra £430.6m revenue funding in the health and social care system and £16m capital funding.

Investment in NHS Wales

In 2021-22 we will invest a further **£385 million** revenue funding in our NHS, taking total NHS revenue funding to over **£8.4 billion**. This provides long term stability to the NHS to continue the delivery of quality health services, ensuring access to the services people need and delivering good health outcomes.

Our core spending plans for the NHS continue to be based on the evidence contained in the 2014 Nuffield Trust and 2016 Health Foundation reports on the levels of investment required to maintain core safe services, updated to incorporate the additional investment in pay awards for our highly valued NHS staff not covered by these reports.

As well as funding core cost growth in NHS Wales, we will invest in transforming the delivery of health services and in new technologies. This includes new investments in precision medicine, including in Advanced Therapeutic Medicinal Products and genomics, and continuing to invest in education and training of the future NHS workforce.

The experience of the COVID pandemic has highlighted the need for increased investment in health protection. We will provide an extra £10m to Public Health Wales to support the transformation of Health Protection Services in Wales. Building on the investments we have

already made into modernising and increasing capacity in the Public Health Wales microbiology service, this will ensure Wales has a leading edge health protection service for the long term.

We will also invest a further £25m in taking forward the vision set out in *A Healthier Wales*. We will continue our investment in preventative programmes and prioritise digital programmes. These will include national data, digital wards, prescribing and eye care and we will continue to explore further digital transformation and targeted support to maintain essential services. During the pandemic the use of technology has been accelerated across Wales, not only by embedding new ways of working but by improving access to healthcare advice from homes. These new ways of working are providing services out of the hospital setting and show how digital technology can empower patient care.

Capital

The NHS capital budget for 2021-22 will increase by £16m to £383m, and will be invested in infrastructure to support the delivery of sustainable and accessible high quality services and to take forward the transformation of healthcare provision. This funding represents a 4% increase over the baseline budget for 2020-21.

Capital investment next year will include the continuing redevelopment and modernisation works at Prince Charles Hospital along with the completion of the neonatal works at Glangwili Hospital.

At an all Wales level, this budget also provides for national programmes focusing on priority investments across imaging and diagnostic equipment, decarbonisation, mental health, hospital infrastructure as well as supporting digital and informatics developments.

Funding linked to decarbonisation initiatives for 2021-22 will focus on a range of areas including LED lighting and renewable energy installations. Schemes that can deliver significant carbon reductions will be targeted through joint working with the Welsh Government Energy Service and the Carbon Trust.

As well as schemes within the acute sector, the capital budget includes the continued investment in the delivery of a pipeline of primary and community care projects as part of the implementation of the Taking Wales Forward commitment to invest in a new generation of integrated health and care centres.

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

The detailed budget published on December 21st set out our spending plans for the HSS MEG by BEL. An analysis and explanation of the budget changes is set out in Annex A.

5. Local health boards' financial performance

My Written Statement on 6 July set out the financial performance of NHS organisations at the end of the 2019-20 financial year. It also set out the action I have taken to remove the burden of future repayment of cash support and deficits from those organisations that are not in financial balance, to support their future plans as they emerge from the pandemic.

COVID has inevitably impacted on the financial performance of NHS organisations in 2020-21. It is important to note that the funding model Welsh Government have maintained for NHS Wales, based on the evidence set out in the Nuffield Trust (2014) and Health Foundation (2016) reports, is that financial sustainability of NHS Wales is achievable through a combination of annual real terms growth funding and annual delivery of NHS efficiency of at least one percent each year. The need for the NHS to respond at pace to the significant impact of COVID has meant that normal efficiency programmes were inevitably paused, and this will have an impact on NHS underlying positions going forward.

Recognising that decision-making had to be undertaken at pace during March and April to put in place the necessary interventions, my officials took rapid action at the beginning of the emergency period to ensure that sound processes of financial governance and management were secured from the outset by NHS organisations. The Director General of Health and Social Services issued Accountable Officer and financial guidance to Chief Executives on 30th March outlining key considerations in taking urgent decisions in a pandemic environment, in line with the standards of 'Managing Welsh Public Money'.

Officials, with support from the Finance Delivery Unit, established additional financial monitoring arrangements early in the financial year to ensure that the impact on baseline NHS financial plans could be captured and carefully monitored. A detailed analysis of direct cost impacts, efficiency delivery impacts and offsetting resource savings was developed. Financial monitoring processes have sat alongside the quarterly planning processes, ensuring that they validate the financial planning assumptions underpinning the operational and workforce plans.

In addition, bespoke and specific financial reporting exercises were introduced across the system to key interventions, including workforce, PPE, Test, Trace and Protect, Field Hospitals and the mass vaccination programme. This included developing rapid detailed modelling and detailed reporting in key areas such as PPE where systems were not in place prior to the pandemic at the required breadth and scale.

The response also required significant repurposing of the capital programme. This has resulted in c.£104m of the programme being directed towards schemes including the early opening of the Grange University Hospital, the additional testing laboratory and equipment for Public Health Wales and digital enabling investments across Wales. The £33m additional 400 bedded surge

capacity on the University Hospital of Wales site has been fully supported from a capital perspective through Strategic Budgeting.

Within Welsh Government, my finance team have worked closely with finance and budgeting officials from other portfolios and with Welsh Treasury and central finance staff. Senior health officials have attended weekly internal finance and budgeting meetings which have ensured robust communications across Welsh Government and ensuring consistent advice to Ministers. In addition, health officials have worked with Welsh Treasury officials to engage with UK Government departments to understand the financial implications of policy development within England on Wales, and to secure appropriate consequential funding.

We have also ensured that the NHS Wales approach is in line with other nations, through regular dialogue and sharing of approaches and assumptions with colleagues in NHS Scotland, Scottish Government, the Northern Ireland Executive and the Northern Ireland Health and Commissioning Board.

Despite the need for a significant and rapid operational response to the emergency, we have maintained a focus on financial performance throughout the duration and looking forward to the end of the financial year. The additional funding announced by ministers in August has allowed us to stabilise the financial position, taking account of the planned deficits that were being managed through the planning process prior to the pandemic. With the inevitable caveat that we cannot predict with any certainty how the pandemic will continue over the next few months, our current assessment is that the funding that has now been allocated in the First and Second Supplementary Budgets will be sufficient to manage the ongoing NHS response to the year end.

6. Future delivery of health care

Details of how Welsh Government is supporting the delivery of more routine care, and addressing the backlog of treatment which is a consequence of the pandemic.

Through a programme of annual investment in performance, we saw year on year improvement in volumes of long waiting patients from 2016 to the lowest point in 6 years in March 2019 (8,985 patients waiting over 36 weeks). A combination of reduced staffing capacity due to the implications of tax changes in 2019/20, and, more significantly, the reduction in capacity because of the pandemic, has seen this trend reverse sharply. By September 2020, the number of patients waiting over 36 weeks had increased by 159,959 since March 2019, with just under 169,000 patients now waiting over 36 weeks.

To put this into perspective, the reduced capacity in 2019 because of tax changes and some COVID impact led to an additional 19,309 patients waiting over 36 weeks. The COVID

pandemic as of September 2020 has resulted in an additional 169,000 patients waiting over 36 weeks.

The significant backlog created in these eight months is likely to continue to grow to March 2021, and beyond. The continued growth being due to both the constraint in capacity, caused by necessary measures to reduce the risk from COVID, and referrals returning to normal levels. Priority for the available resources is urgent patients (including cancer), and those identified as at immediate risk from further waits. This targeting of resources results in minimal impact on routine waits and growth of the backlog in long waiters. The current inability to increase resources significantly, in particular staff, and the estate, constrains the NHS's ability to increase capacity at pace to make any real impact on reducing the backlog.

Addressing the backlog will require a balance between the clinical priority of the patient, the need to treat our long waiting patients as soon as possible, and an awareness of the capacity constraints, particularly staff who have been so hard pressed in dealing with the COVID pandemic. For this reason, we plan to address the backlog through a phased approach over four years, with a mixture of local, regional and national solutions. The option to reduce the recovery period will depend on the available delivery solutions identified as deliverable for Wales.

Significant progress in redesigning services models has commenced during COVID in line with *A Healthier Wales* and the primary care strategy to support movement of services appropriately to the community, promote self- management and joint working between primary and secondary care.

Cancer Services

In line with the Essential Services framework, Health boards have tried to maintain cancer services during the pandemic and have responded extremely well to innovative approaches such as embracing virtual appointments, straight to test and the implementation of FIT testing.

The number of referrals dipped considerably at the start of April (by around 70%) and are now back to normal levels. The evidence suggest that patients have been reluctant to come forward, consequently, cancer referrals are around 18,000 less (October 2020) than we would expect. Assuming that around 25% of these have received treatment elsewhere or no longer require treatment, it is estimated that there are at least 13,500 people with suspected cancer that may be referred at some point in the near future. It is clear, that this number coupled with increasing backlogs at health boards due to diagnostic pressures will take considerable time to clear. Our best estimate is that operating at normal capacity it may take 132 weeks to see and review the additional volume of patients, which we believe is unacceptable. Therefore, we intend to

develop and implement a three-year plan incorporating diagnostic and treatment transformation. We intend to confirm funding for this plan for 2021-22 before the start of the new financial year.

7. Well-being of future generations

Prioritise prevention/early intervention in Health and Social Care

Our focus in this budget is to protect the Welsh population by continuing to invest in our core NHS services for the long term. We are also continuing and increasing our investment in sustainable social services. Ensuring the long term stability of our health and care services is our priority for preventative investment in this budget.

The NHS Planning Framework, which is also the Minister’s Direction to the NHS, always seeks to align with the Wellbeing of Future Generations Act and to continue to strengthen how organisations work to deliver their plans using the five ways of working. Since the beginning of the pandemic there has also been a strong focus on the **four harms** that have been the key quality context within which services and care must be provided.

All four harms are relevant to the well-being of future generations but the need to prevent harm “from wider societal actions/lockdown” also provides a broader and longer term context to planning and investment in health and social care.



The NHS Planning Framework sets an expectation of a broad approach to prevention to be applied in all aspects of planning. This is supported by Welsh Government policy that is set out from a perspective of prevention, whether that is a more traditional public health perspective or in unscheduled care or planned care. Health Board Integrated Medium Term Plans, for example, also considered prevention in terms of models of care and decarbonisation including active travel schemes.

Preventative approaches to all physical and mental health and wellbeing will ultimately avoid escalation of conditions and illness. Opportunities for investment must be considered that will support future generations and inform future service provision. We have sadly learned throughout this public health crisis that those with underlying conditions have suffered

disproportionately. Learning from COVID should provide foundations for the implementation of preventative initiatives that can make an impact on reducing all four harms.

Our aim is to take significant steps to shift our approach from treatment to prevention. The vision we have established in *A Healthier Wales* is to place a greater focus on prevention and early intervention.

Support sustainable, longer term funding of Social Care Services

The Inter Ministerial Group on Paying for Care has been looking at long term options. Our officials have recently provided technical briefing to the Finance, Health and Communities committees

Clearly the financial environment has changed significantly over the last number of months. We are also keen to understand the UK government's developing position on social care funding. Welsh Ministers have always favoured a UK solution of these matters, but we have been working in the Inter Ministerial Group in the knowledge we may need to forge our own path.

The capital limit used in charging for residential care was raised to £50,000. As a result residents can retain up to this level of their capital without having to spend this on their care. A maximum charge of £100 a week for domiciliary care was introduced on 6 April 2020 so as to complete this commitment

Promote integration of Health and Social Care Services

A Healthier Wales is the long-term plan for health and social care in Wales. Two years on from the launch of the strategy, and in the context of COVID, we are reviewing the 40 priority actions.

The Integrated Care Fund (ICF) and Transformation Fund (TF) have continued to deliver integrated health and social care services across Wales and have been used as a mechanism for additional resources to support the COVID response

Transitional funding for the ICF and TF will continue in 2021-22.

£89m ICF revenue and £40m ICF capital, together with £50m revenue for TF and £10m for Transformation Programme (TP). The focus of the next phase of the TF and ICF projects will be on moving successful integrated approaches from projects towards core business and core health and social care funding. Communities of Practice have been established to share best practice and experiences and to consider successful models of care as envisaged by AHW. These started with Hospital 2 Home services and will now continue on the themes of Place-based care; Emotional and Mental Health Services; and Technology Enabled Care.

Up to the COVID emergency, partnerships were making progress on joining up services, scaling up models of care and investing in specialist accommodation, innovating whilst building on

lessons past. During the COVID emergency, Regional Partnership Boards (RPBs) and the services they have developed have shown that partnerships have the strength and agility needed to respond to health emergencies in a cohesive manner.

Most notable has been the hospital to home projects (rapid discharge) and admission avoidance models developed through the ICF and TF that have provided an essential service during the COVID 19 response. The ICF Capital programme has pivoted resources to support intermediate care and reablement, and facilitate hospital discharges. These projects were and are fundamental for hospitals in terms of the capacity and the resources required for the COVID 19 response and have been accelerated significantly. The majority of ICF projects and services continued or were modified during the crisis.

RPBs have refreshed their ICF revenue investment plans for 2020-21 to ensure the care and support needs of their populations are met through the development of integrated services.

RPBs are taking forward integrated projects/services funded from the additional £10 million to support hospital discharge services for COVID patients.

Another essential element of the response has been the use of digital technology to support new ways of working and caring for people. Nearly 100,000 video consultations have taken place across the Attend Anywhere platform. 3,000 NHS clinicians and 207 care home teams have been trained to use the programme, and over 90% of users rated the programme good or excellent. We are running pilot schemes to determine if the service could be rolled out further to pharmacy, dentistry and optometry.

To complement Attend Anywhere, Digital Communities Wales has procured electronic tablets to support care home residents across Wales. This has helped people to maintain a family connection and access vital health services during the pandemic. In the first phase, 1,051 electronic tablets are being provided to 584 care homes. Over 380 front line staff have been trained to support residents in using the digital technology.

Ensure a sustainable health and social care workforce

As part of *A Healthier Wales*, Health Education and Improvement Wales (HEIW) and Social Care Wales (SCW) jointly led the development of a workforce strategy for health and social care in partnership with key stakeholders across Wales. The strategy was launched in October 2020. Among the aims of the strategy is to develop a sustainable and healthy workforce in health and social care. HEIW and SCW have set out the priorities over the winter period in a delivery plan designed to support the Winter Protection Plan and wider health and social care system. Further details on funding for Social Care Wales are later in the paper.

In December 2020, we agreed the NHS Wales education commissioning and training plan for 2021-22, supported by a total investment of £227.901m, an increase of £17.5m from 2020-21.

This is a record level of funding and will increase workforce supply to ensure a sustainable health and social care system, as set out in *A Healthier Wales*.

Reduce and Control Spend on Agency Staff

The Welsh Government worked collaboratively with health boards and trusts to design of a control framework for expenditure on agency and locum staff including increasing board level scrutiny, minimising their deployment and improving value for money through capping rates and more effective procurement. The control framework was issued in health circular WHC/2017/042 addressing the impact of NHS Wales Medical Agency and Locum deployment in Wales, which came into effect in November 2017 and was designed to work alongside the All Wales Framework Contract for Agency Nurses which was introduced in April 2017 and designed to deliver better value for money through economies of scale.

Despite some 6% increase in workforce numbers between June 2019 and June 2020, COVID has had a significant impact on the need for workforce and experienced staff working additional hours via agencies has provided a valuable contribution to the Wales wide effort. Earlier ground work to improve the value for money of agency deployment through framework contracts will have delivered better value for money for this investment. Nonetheless, agency expenditure has increased as part of our investment in additional staff throughout this year.

Forecast spend on locum and agency staff in 2020-21 is £195m, compared to an outturn of £177m in 2019-20, and increase of 10% in year. However, it should be noted that this expenditure remains highly volatile, and the outturn for 2020-21 may be significantly different from current forecasts.

Reduce health inequalities, and ensure fair access to health and care services in rural areas.

Reducing health inequalities across Wales, including rural areas, remains a Ministerial priority and the COVID pandemic has brought reducing health inequalities into even sharper focus.

Rural areas often depend on wider collaborative arrangements for delivery of care and services for its patients and to create equity of access. For example Hywel Dda and Powys health boards have developed strong relationships with partner health boards to ensure patients have access to the services they need.

Technology enabled care and digital innovation, including video consultations and remote working, have become an integral part of primary, secondary and community care, supporting people in receiving care and advice safely in their own homes. For those patients and their families, who live in rural parts of Wales, this has been especially welcome, reducing time and travel costs.

8. The impact of COVID on allocations

Details of how the pandemic has influenced allocations to budget lines within the Health and Social Services MEG, including examples of any changes made to allocations within the Draft Budget from previous years as a result of COVID.

The Health and Social Services MEG has had gross additional funding totalling £1,442m in the first and second supplementary budgets for 2020-21 to support the NHS and social care responses to COVID. Further funding for the mass vaccination programme is due to be allocated in the third supplementary budget. This additional funding is partially offset by the non-recurrent contribution of £114m the MEG made to the central COVID reserve in the first supplementary budget.

Welsh Government has received £766m in total in the Spending Review for 2021-22 as a result of COVID related spending in England. In order to ensure that any decisions on the allocation of this funding best meet the evolving challenges presented by the pandemic, it is prudent to retain as much flexibility as possible now and allocate funding at final Budget as we better understand the impact of the winter months on the spread of the disease. Confirmation of funding for the ongoing health and social care response will be confirmed before the beginning of the new financial year, ensuring that ongoing interventions are able to continue.

In order to ensure that we are able to continue effectively dealing with the current and projected cases of COVID, and maintain an operation that can maximise its ability to help reduce transmission rates, £10m will be allocated initially to sustain the contact tracing workforce. It is important that the contact tracing workforce is maintained through 2021 to have the capacity to investigate and trace new positive cases and close contacts, and to cope with any future peaks in cases. This investment will significantly help with regional recruitment and workforce planning for what is a central part of the Government's strategy to restart the economy while containing the spread of the virus.

9. Transformation

How the Welsh Government intends to support service transformation in the longer term (i.e. beyond the life of the current Transformation Fund), to ensure progress on the transformation agenda can be sustained, and that there is a focus on rolling out the learning from successful pilots;

• How this budget will support the development of a 'whole system approach', with greater integration of health and social care, as described in A Healthier Wales;

- ***Any other specific areas of funding targeted at support for service change or development;***
- ***How the Welsh Government, in setting its budget, will balance the need to meet existing service pressures with the need to transform services and develop new models of care.***

The Transformation Fund (TF) is one of the key funding mechanisms to support the implementation of *A Healthier Wales* launched in summer 2018. The fund's key objective is to enable the scaling of new models of seamless local health and care to regional and in some cases national footprints, and thereby change the way health and social care are delivered in Wales.

The COVID emergency has had a significant impact on transformation projects. Officials have been working closely with regional teams to enable flexibility so that projects were able to contribute to the response. This resulted in reprioritisation and projects in the categories of hospital-to-home, stay-well-at-home, and digital categories were accelerated, whilst other efforts that were less directly relevant to the response but important to system transformation were postponed or slowed down.

The Transformation Fund has been extended by twelve months and £50m to allow regions to recover their transformation activity and project delivery, which has been paused due to the COVID emergency. Funding profiles have been confirmed to delivery partnerships to support delivery and sustainability planning, as well as a managed approach to ending time-limited contracts for some project staff. The total allocated is less than the full TF budget for 2021-22, to allow for targeted support to scaling existing regional projects to multi-region and national coverage, particularly approaches which contribute to COVID recovery. This will also include consideration of outputs from Communities of Practice which have been developed as a part of the TF approach.

Welsh Government is working with regional partners to shape options for a future programme for RPBs, beyond April 2022. This reflects a commitment in *A Healthier Wales* to align funding streams and activity to maximise impact and to provide more co-ordination and coherence to strategic transformation funding across health and social care.

Transformation funding is time limited and all Regional Partnership Boards (RPBs) have been required to develop business cases to support the priorities for on-going investment and how these services will be sustained going forward. All RPBs have submitted their plans to Welsh Government and received feedback on sustainability and impact on outcomes, which will be reinforced through conditions in 2021-22 funding letters.

Evaluation is a central part of Transformation Funding with a framework and measures agreed at the start of delivery and tested through an independent mid-point evaluation. Evaluation requirements have been reviewed to reflect the impact of COVID on timetables, and to capture the impact of COVID response on delivery and outcomes. All RPBs will be required to submit an updated independent evaluation report by end of April 2021, followed by a final report in April 2022. These reports will also inform the publication of two further national evaluation reports.

In order to share experiences and best practice across RPBs a number of thematic Communities of Practice (CoP) are being established. These themes include Hospital 2 Home services; Place-based care; Emotional and Mental Health Services; and Technology Enabled Care.

The CoPs involve practitioners and project delivery managers and aim to:

- bring together teams working on similar models across Wales;
- share progress and learn from each other through joint activities and discussion;
- support the scaling of new models of care across regions;
- provide examples of best practice approaches from the UK;
- contribute towards the future priorities in delivering A Healthier Wales.

The first CoP was established in July 2020 to focus on Hospital 2 Home Services and has been jointly hosted with the Social Care Institute for Excellence (SCIE) and the NHS Wales Delivery Unit. Learning from this first CoP will be used to shape further CoPs in other thematic areas, during 2021.

As we move into the final year of the fund, the Transformation Fund team will continue to work closely with regions to support their delivery and ensure that expenditure and delivery remain on track. Funding will be kept under close review.

By providing additional funding in this structured and nationally managed way we are able to support regions to design and test new services and models of care over a relatively short period of time, then to embed successful projects into business as usual, replacing historic approaches.

Transformation Fund Opportunity

The Transformation Fund's structured approach to supporting "new models of seamless local health and care" through transformation funding has been developed and refined over the past two years. This approach has previously been limited to RPBs, but we will consider how this can be used to support rapid introduction and scaling of new ways of working required in health as part of our stabilisation and reconstruction following COVID. The transformation fund process, governance and evaluation (including Communities of Practice) would be replicated

with a tighter focus on health and hospital challenges and through targeted funding to LHBs specifically. This work would also draw on reviews of COVID response and opportunities such as the NHS Innovation Study which is due to be published in January 2021.

Innovation

We continue to invest strategically in areas that will support and improve services through applied research and innovation, supporting initiatives that seek to systemically spread and adopt new ways of working and models of care.

The Bevan Commission **Innovation Exemplars** and the complementary **Health Technology Exemplars** programme delivered in partnership with WG support NHS Wales' staff to work collaboratively with industry to implement innovative health technology. These programmes aim to improve NHS Wales ways of working, solving health problems and improving health outcomes; and to provide a mechanism to develop, accelerate the scale up and widespread adoption of innovative health technology products and services.

An all-Wales network of **Research, Innovation & Improvement Co-ordination Hubs (RIICs)** was established in 2019, tasked with bringing together all research, innovation and improvement activity within their areas, undertaking a coherent analysis of this activity with a focus on identifying good practice, lessons learnt from successful pilots, and new ways of working / new models of care that are affordable and sustainable.

To help maintain progress and ensure learning is systemically spread and adopted, Welsh Government has supported focussed **Intensive Learning Academies**, a key commitment within *A Healthier Wales*. High quality, professional leadership will be a critical part of the success and resilience of health and social care integration in the future. These academies will play a key role in the development of competent leaders that understand the importance of joint leadership and the strategic and professional development needed to support it. Three academies will be live from April 2021: Applied Learning for Preventative Health Academy; Value Based Health & Care (VBHC) Academy; All-Wales Academy for Innovation in Health and Social Care.

10. Primary care and care closer to home

The budget allocated for primary care services, and how this compares to amounts allocated in the last three years.

We continue to invest in primary care through the delivery of the Primary Care Model for Wales, and in 2021-22 will build on the agreed investment provided in 2020-21 for the primary care contracts.

Planning and implementing the rebalancing of the health and wellbeing system is complex and cannot simply be tracked in terms of budgets and recording of expenditure, but through demonstrating the shift of services being delivered in both primary and community settings. We will continue to support health boards to strengthen their whole system planning through the IMTP process.

Our definition of primary care is broad as set out in the Primary Care Model for Wales. As well as those services contracted from GPs, dentists, community pharmacists and optometrists, our definition also includes the wide range of services, care and support for people's health and wellbeing in the wider community.

The NHS Health Board accounts for primary care report spend for the last 3 years of:

2019-20	£947.338 million
2018-19	£911.739 million
2017-18	£876.346 million

These figures exclude GP prescribing and are net of dental patient charges recovered

To what extent is this achieving the policy aim of shifting care from hospitals to primary care/community settings?

The Welsh Government allocates significant funding to health boards. The majority of this funding is unhypothecated and therefore is not a robust measure for tracking the rebalancing of the system in line with the vision in *A Healthier Wales* of more preventative care closer to home.

New service delivery models such as 111, phone/contact first and the Urgent Primary Care Centres emphasise the urgent primary care agenda which works at the interface of primary and secondary care, breaking down service boundaries on the path to delivering *A Healthier Wales*. This year:

- We have supplemented the 'top sliced' investment in WAST/111 in 2020/21 for the development of the transformative 'contact first' model. This model seeks to signpost patients who want or need urgent advice or an assessment to the right place, first time to optimise experience and outcome. The model will enable booking of patients into emergency department slots over the course of the day to reduce crowding, and navigate people to GP and community services, reducing unnecessary demand on busy emergency care services. An evaluation is underway. Agreement on recurrent funding for 2021/22 and 2022/23 is required at an early stage to enable extension of workforce contracts and recruitment of call handlers and clinical staff to furnish the model.
- Health Boards have been allocated funding to support development and delivery of 24/7 urgent primary care centres in 2020/21. This model will be staffed by a combination of

physiotherapists, GPs, ANPs, APPs and other clinicians able to safely assess and treat patients with urgent care needs in their community, without needing to access the emergency department. This aligns closely to a Healthier Wales and the desire to shift resources to the community, enabling people to be assessed and treated close to home and only present at hospital if essential.

- An evaluation will be undertaken to understand how successful the centres have been over the winter period in terms of managing patients with urgent care needs, value for money, staff experience and other key success factors. This evaluation will contribute to the design of a national 24/7 urgent primary care model. Agreement on funding for 2021/22 at an early stage is required to roll over staff contracts into the new financial year and to enable proper evaluation of the model over a longer period.

The Contract Reform Programme, underway in Primary Care, has a focus on enabling appropriate services to be moved away from secondary care delivery to a community based approach. Taking learning from approaches in Optometry in Aneurin Bevan is key to that progress and it is clear that where services shift, resources will need to follow. This does not come without difficulty and we continue to manage that interface. However, the flexibility within HB funding means they have a degree of discretion in terms of directing funds – particularly evidenced during the COVID response. Through reforming and strengthening contract arrangements, we aim to facilitate the shift towards more community based care. Our approach to delivery of the COVID vaccine will see us contracting this service to all four providers for the first time, which will not only strengthen skills and resilience in vaccine delivery as a whole but also offers a significant learning point on contracting on a Primary Care wide basis which in turn will inform future funding arrangements for the service as a whole.

There are a range new models of care being rolled out across Wales enabling care at or close to home. Examples include:

- the Attend Anywhere digital platform which enables people to have phone and video consultations with health professionals
- Consultant Connect which enables primary care professionals to seek phone advice from hospital specialists to support people to stay well or access care at home
- Virtual group consultations to provide advice to people on how to manage their long term health conditions
- Urgent primary care centres in local communities to provide same day access
- Increased capacity of community rehabilitation support (the 4 discharge to recover and assess pathways)

11. Social care

The planned allocation for social care:

Social Care Workforce grant

As part of the funding to support *A Healthier Wales* we increased the Social Care Workforce grant by £10m to £40m in 2020-21. Given the significant pressures facing the sector as a consequence of the pandemic and in line with previous uplifts, this has been increased to £50m in the draft budget for 2021-22. In 2019-20, and 2020-21, local authorities used this funding to support the delivery of sustainable services and the sustainability of the workforce. For example some local authorities have previously used part of this funding to support providers in the independent sector to meet uplifts to the statutory living wage.

Social Care Wales

Social Care Wales will continue to have a critical role in 2021-22 by supporting the improvement and well-being of the social care sector; continuing the expansion of the social care workforce register; and supporting the sector and workforce to stabilise and recover following the COVID 19 pandemic and EU Exit.

In 2021-22 the Grant in Aid Core Funding to Social Care Wales will increase by £2m to £22.383m. This will enable Social Care Wales to deliver its statutory functions as set out in the Regulation and Inspection of Social Care (Wales) Act 2016 and to fulfil its remit for leading improvement across the social care sector in Wales.

In 2021-22 there will be three key areas that this funding will support:

1. Increased costs due to the expansion of statutory regulatory regime – including the planned expansion of the registration of the social care workforce.
2. Supporting the stabilisation and recovery of the social care sector through delivery of the Workforce Strategy
3. Implementation of research and data strategies, and ongoing work to support service transformation, including the delivery of the Social Care National Data Strategy

The increased work programme is critical to ensure that Social Care Wales is able to continue to meet the needs of the social care sector and workforce post COVID 19, and continue to deliver its functions to support well-being and improvement.

Third Sector Support

We will continue to support Third Sector organisations operating in Social Care by allocating an additional £1.5m in 2021-22. In 2021-22 we will be moving into the second year of the three

year Sustainable Social Services Third Sector Grant. £0.89m is being added to the grant for 21-22 to meet the increased project costs as the projects develop into year two. Over the three years, we will be increasing the total commitment on this grant by £4.9m, bringing the total investment up to £25.9m. Projects have been refocussed in response to the pandemic projects to deliver in the current situation and to respond to needs of people needing care and support or carers needing support arising from the pandemic.

A key requirement of the funded schemes is that they deliver early intervention and preventative actions that address care and support needs in line with the priorities of Taking Wales Forward, Prosperity for All and *A Healthier Wales*. The funded projects will support the well-being goals and principles that underpin the Well-being of Future Generations (Wales) Act 2015. The funded schemes will support carers, children and young people, physical or sensory disabilities, learning disabilities and older people.

In addition to the third sector organisations funded through the Sustainable Social Services Third Sector grant funding is being provided to Third Sector organisations whose activities are essential within the Social Care sector and for organisations that support specific social care policy priorities. In total funding of over £11m will be awarded to Third Sector organisations operating in the Social Care sector.

Any additional funding identified for 2021-22, and details of the targeting – where appropriate - for such funding;

We are investing £0.576m in Foster Wales. Recruitment of foster carers is key to the success and development of local authority fostering. It was identified that a requirement to achieve this goal would be the development of an “all Wales brand for Local Authority fostering”, a consistent national brand for Local Authority fostering that reflects the strengths and personalities of the 22 Local Authorities - ‘Foster Wales’ is this brand. Foster Wales presents an opportunity to rebalance service provision, address demands, and improve quality of placement choice for children. Foster Wales will

- increase local placement accessibility, sufficiency, and choice. Giving control back to the local authorities to make best use of those placements when *they* need them, reducing the reliance on third parties and removing placement blockage.
- enable services to meet the evolving needs of children and families. Recruitment campaigns will be targeted to meet service needs.
- facilitate the recruitment of a new pool of foster carers. Recruitment and training can be focused to develop skills in reunification work, complex needs and parent and child fostering.
- enable children who need a foster carer to have access to the right foster carer, at the right time and in the right location

An investment of £0.319m was provided during 2020-2021 to 'kick-start' the campaign by providing the infrastructure for the campaign. During 2021-2022 £0.576m will be invested to further support the roll-out and implementation of the Foster Wales brand.

Support for ensuring the ongoing viability and stability of social care services, including residential and domiciliary care;

The Inter Ministerial Group on Paying for Care has been looking at long term options. Our officials have recently provided technical briefing to the Finance, Health and Communities committees

Clearly the financial environment has changed significantly over the last number of months. We are also keen to understand the UK government's developing position on social care funding. Welsh Ministers have always favoured a UK solution of these matters, but we have been working in the Inter Ministerial Group in the knowledge we may need to forge our own path.

• Support for carers.

In 2021-22 we will continue funding to support activity that takes forward our three national priorities for carers, allocating £1.245m. This includes £1 million to local health boards and their carer partnerships, for a range of activity to support carers of all ages and covers any new activity which they felt necessary to help carers in their areas manage the impact of the pandemic. We will also allocate £0.236m to the ongoing work of the National Young Carer's ID card project, which is co-produced with Carers Trust Wales and local authorities. In addition to this there are projects within the Sustainable Social Services Third Sector grant that will help improve carers' awareness of their rights, but also support broader cultural and structural changes for the future, in terms of service design, delivery and training of health and social care professionals.

12.ICT

An up to date assessment of the costs of delivering the Welsh Government's vision for digital and data, as described in A Healthier Wales, and including increased support for digital and virtual care.

As part of A Healthier Wales the Welsh Government committed to supporting health and social care transformation by making the best use of digital, data and technology. Significant additional investment of £50 million per year was made available across 5 priority areas, linked to stronger delivery and leadership arrangements. The five areas were:

- Services for the public and patients
- Services for professionals
- Cyber security and resilience
- Modernising devices and cloud-ready services
- Investing in data and intelligent information

Independent reviews of Digital Governance and Digital Architecture were completed in 2019, assessing capability against the vision for digital and data set out in A Healthier Wales. Recommendations from these reviews informed decisions on the future configuration of digital health and care, which was confirmed by Welsh Government in September 2019. This work includes establishing a Chief Digital Officer for Health and Care, transitioning NWIS to a new Special Health Authority, a new governance framework for digital health and care, a strategic infrastructure investment plan over several years, and four further strategic reviews.

Assessment of the costs of Digital Transformation

At the strategic level, our assessment of the costs of delivering digital transformation draws on work by the Public Accounts Committee and Wales Audit Office, on comparability with the level of investment in other parts of the NHS (set out in recent reviews of digital transformation in NHS England by the National Audit Office and House of Commons Public Audit Committee), and a realistic assessment of the speed at which investment can be increased in Wales.

The digital response to COVID has demonstrated how targeted transformation can be delivered very quickly, but has also highlighted that there are capacity limits in our digital delivery infrastructure. Ministerial commitments from 2019 on new structures and additional investment reflect the need to develop capacity and capability alongside increases investment, in parallel with each other.

At the operational level, our assessment of costs draw on forecast costs of individual strategic transformation programmes, and estimates of infrastructure investment. This assessment is continually reviewed and available resources are prioritised to essential transformation and infrastructure investment, for example to address network capacity and to replace 'legacy' equipment and systems which are still in use beyond their intended life.

Based on our current assessment, we are increasing our support for digital and virtual care in two ways.

- We will allocate an additional £10m to support the set-up of the new NHS Wales Special Health Authority for Digital, which will support the expanded delivery of national digital services, including several systems which are essential to COVID response and reconstruction, and also significantly enhance capacity for national digital infrastructure.

This is needed to support increased remote working and virtual consultation, and to maintain the resilience and cyber security of our networks.

- Transformation funding through the Digital Priorities Investment Fund will increase from £50m to £75m, to maintain the pace and scale of the digital changes we have seen as part of COVID response, to transition COVID response services to business as usual where they offer lasting value, and in particular as part of COVID recovery and reconstruction.

This additional investment will also develop the capacity and capability of the digital workforce and our digital delivery structures, including the establishment of a new digital Special Health Authority, a Chief Digital officer for health and Care and supporting office, and transition to new governance and decision making arrangements for digital health and care.

Digital and technology enabled working will be an essential part of new ways of working required urgently to address backlogs and waiting lists and to support continued shift from hospital as seen through Transformation Fund projects delivered by RPBs.

Digital Transformation Funding

Since 2019-20 the Digital Priorities Investment Fund (DPIF) has initially prioritised investment towards replacing infrastructure and devices which were beyond end of life, and to essential strategic programmes including the Welsh Community Care Information Services (WCCIS) Programme, and a new National Data Resource (NDR) Programme, and enhancements to digital cancer informatics services. Most DPIF funded programmes are strategic multi-year investment programmes.

The DPIF has been rapidly deployed to support key elements of COVID digital response, including mobile devices, remote working, video consultation, and increased network bandwidth. This has inevitably had an impact on the amount of funding available for digital transformation investment which was planned before COVID, including strategic infrastructure investment. Even so, DPIF has continued to support active programmes and essential investment, and has also supported some new programmes which are linked to COVID response or recovery, such as new digital systems for Intensive Care, which are a key part of COVID response.

Funding for NWIS / Digital Health & Care Wales

NHS Wales Informatics Service (NWIS) is the national digital delivery service for NHS Wales, currently hosted within Velindre NHS Trust. From April 2021, NWIS functions are planned to transfer to a new NHS Wales Special Health Authority (SHA), to be known as Digital Health and Care Wales (DHCW). The DHCW establishment programme has reviewed the additional costs of operating as a Special Health Authority, including for example a chair and board members,

executive directors, and additional corporate governance overheads. These additional SHA costs are approximately £2.0m. Welsh Government are working with NWIS to confirm the future core funding requirement for the delivery of national digital services, including a transfer from capital investment in equipment and infrastructure to revenue costs of cloud hosted services and subscription licence models.

We expect digital transformation to be a major element of COVID recovery through 2021 and 2022, as part of rapidly shifting to new ways of working which use technology, data and digital. These new ways of working must drive efficiency and scale to address backlogs and waiting lists, should aim to reduce face-to-face contact and hospital pressures, and will need to do that without increasing demand for healthcare staff. It is important that the new digital Special Health Authority is adequately resourced to lead the delivery of these new services. We will invest the funding necessary to ensure the new organisation is established with a stable recurrent baseline allocation.

COVID19 Digital Response

The digital response to COVID has been delivered at an accelerated pace, with several all-Wales programmes deployed nationally in 6-8 week cycles. These include:

- An all-Wales video consultation service, led by the Technology Enabled care Programme and supported by NWIS. Since March over 86,000 virtual consultations have taken place and more than 12,000 professionals have been given access to the service which is now available across over 100 specialties in Primary, Secondary and Community care and is being extended to Dental, Community Pharmacy & Optometry. User feedback from clinicians and patients is overwhelmingly positive.
- Significant investment in mobile and remote working has involved support for devices, increased network bandwidth, capacity and resilience, and specific remote working services. This has included an all-Wales deployment of Microsoft Teams and Office 365 in April and May, and remote desktop access for all GPs in Wales. Remote working capability for all staff has enabled clinicians to work from home when self-isolating and has underpinned all of the close partnership working between Welsh Government, NHS Wales and other partners.
- An all-Wales digital contact tracing platform was commissioned developed and deployed by NWIS in less than 40 days in April and May and has enabled local teams to work together as part of a national system. This has delivered notably better performance outcomes than the contact tracing service in England.
- An all-Wales digital vaccine platform has been developed in house as an enhancement of the existing Wales Immunisation System (WIS) and went live in early December. On day one

Wales delivered a total of 1500 vaccines, all digitally recorded, compared to England's delivery of 5000.

- Extensive work has been undertaken to integrate all-Wales digital testing services, building on the existing national Welsh Laboratory Information Management Service (WLIMS). This has ensured that all tests undertaken in NHS Wales labs are immediately reported into contact tracing services and could be reported into the NHS COVID App from launch, unlike England, which had a delay of several weeks before NHS test results were available to App users. WLIMS also ensures that all COVID test results are made available to GPs in Wales as part of the primary care health record. WLIMS was upgraded nationally in early December to provide enhanced functionality and capacity, enabling it to handle increased COVID testing volumes.

Digital response to COVID has been achieved at a relatively modest cost (compared to total COVID expenditure) of less than £30m, with around £10m of that invested in devices and equipment which will have at least a 2-3 year life. We will build on these examples of rapid and effective all-Wales deployment of digital services as part of COVID response to drive further digital transformation into non-COVID areas, and as part of post COVID recovery and reconstruction.

13. Withdrawal from the European Union

Information about budget allocations within your portfolio as a result of the UK's exit from the EU.

The UK Government's negotiations with the EU on the future relationship have continued throughout the year. We still do not have full clarity about whether an agreement can be reached by the end of the Transition Period, or if so, what the nature of that agreement might be. This context of uncertainty regarding the nature and impact of the future relationship has continued to make budgetary planning very challenging.

EU Transition cuts across a broad range of policy areas within health and social care, meaning that relevant activity is mainstreamed across different budgets. It is therefore not always possible to disaggregate specific 'EU Transition' funding from overall policy budgets.

Nevertheless, there are some specific parts of the budget which make a particular contribution. During the process of withdrawal from the EU, a specific budget allocation (£0.260m in 2020-21) has been included to support the activities of some of our key partners in ensuring as smooth a transition as possible for the health and social care system. This allocation has most recently

been used to fund activities in the Welsh NHS Confederation, Public Health Wales in relation to health security and FSA Wales in relation to new functions. Whilst some of these current activities end in 2020-21, we anticipate that we will need to keep this ability to fund projects where a particular need is identified.

The Committee has been briefed on EU Transition in health and social care at various stages of the UK's departure from the EU. An important part of these preparations has been to ensure robust arrangements for ensuring continued supply of critical goods (including medicines and Medical Devices and Clinical Consumables - MDCCs) throughout any potential periods of disruption. We have continued to participate in UK-wide continuity of supply programmes where these are appropriate for Wales, and anticipate that we will contribute £0.237m towards the implementation of these arrangements in 2021/22.

In addition to the required short term support in managing the transition to a new relationship with the EU, the 2021/22 year is an important one in maximising our ability to influence future policies and programmes in ways which benefit health and well-being in Wales. After leaving the EU we will need to maintain resilient supply chains, protect devolved powers, and pursue new opportunities arising from changing relationships with the UKG and EU. This will include NHS supply chain development opportunities which should support SME cluster, foundation economy and circular economy priorities. It will also include NHS engagement with universities and industry in securing opportunities from new trade relationships, UK Common Frameworks (Internal Market Bill); and securing our share of UK research funding and successor EU structural funding.

Separate to any costs of future development, the budget has needed to take account of direct costs of additional functions coming to FSA Wales as a result of leaving the EU. Additional funding will be allocated to FSA Wales in the Mental Health, Wellbeing and Welsh Language MEG in 2021-22.

Health, Social Care and Sport Committee - Date: 13th January 2021

Commentary on each of the Actions within the Health and Social Services MEG, including an analysis and explanation of changes between the Draft Budget 2021-22 and the Second Supplementary Budget (October 2020).

Action: Delivery of Core NHS Services		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
9267.236	8347.301	(919.935)

This Action supports the main funding to the NHS in Wales as well funding to Public Health Wales and the NHS body Health Education & Improvement Wales.

Explanation of Changes to Delivery of Core NHS Services Action

Remove 20-21 in-year Covid Allocations & Adjustments

- **£(842.400)m** in year COVID allocations (2nd Supp)
- **£(497.104)m** in year COVID allocations (1st Supp)
- **£75.910m** in year COVID re-directed funding (1st Supp)

MEG to MEG changes for new MEG on MHW&WL

- **£(16.803)m** Budgets moved to MHW&WL MEG

New allocations for 21-22

- **£10.000m** 21-22 COVID allocation in respect of Contact Tracing
- **£230.000** NHS Growth (approx)
- **£20m** Mental Health
- **£81.986m** Other NHS allocations inc, Genomics, ATMPs and Primary Care
- **£16.372m** – HEIW as part of £17.5m for Workforce
- **£10.000** - Public Health Wales, new Health Protection Service

MEG to MEG transfers for 21-22

- **£(3.863)m** MEG to MEG

Allocations within MEG for 21-22

- **£(4.033)** – technical adjustments

Action: Delivery of Targeted NHS Services		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
130.818	136.424	5.606

This action supports other various health budgets including NHS Workforce, A Healthier Wales and other health budgets.

Explanation of Changes to Delivery of Targeted NHS Services Action

Remove 20-21 one off in-year Adjustments

- **£(0.5)m** in year COVID allocation adjustments (1st Supp)
- **£(20.9)m** in year allocation of immigration surcharge income
- **£(2.296)m** baseline adjustments for Invest to Save and EU exit funding

MEG to MEG changes for new MEG on MHW&WL

- **£(10.000)m** Budgets moved to MHW&WL MEG

New allocations for 21-22

- **£37.700m** – additional allocation to A Healthier Wales BEL

Allocations within MEG for 21-22

- **£1.554m** – technical adjustments

Action: Support Education & Training of the NHS Workforce		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
23.542	27.905	4.363

Education and training is fundamental to securing sustainable NHS services in the future. This action supports a range of activities undertaken in support of ensuring a sustainable workforce with the skills to address the demands on the service both now and in the future. The majority of the funding within this action covers the additional costs incurred by NHS UHB and Trusts in Wales for teaching (hosting) medical and dental students as part of their undergraduate studies. In addition it supports the training of a number of postgraduate training places across Wales, including clinical academic posts. Funding within this action also support Consultants clinical excellence awards which are given for quality, excellence, and exceptional personal contributions.

Explanation of Changes to Support Education & Training of the NHS Workforce Action

Remove 20-21 in-year Covid Allocations & Adjustments

- £3.300m in year COVID re-directed funding (1st Supp)
- £(1.047)m in year COVID allocations (1st Supp)

New allocations for 21-22

- £1.142m additional allocation as part of £17.5m for Workforce

Allocations within MEG for 21-22

- £0.968m Technical adjustment

Action: Public Health Programmes		
2020-21 Supplementary Budget October 2020 £m	Draft Budget 2021-22 £m	Change £m
22.669	14.941	(7.728)

This action funds a variety of public health programmes such as Organ & Tissue Transplantation, Immunisation, Payments to Public Health England who provides a number of specialist health protection services and some reference laboratory services to Wales, Healthy Start and NICE

Explanation of Changes to Public Health Programmes

20-21 in-year Covid Adjustment

- £0.665m – re-directed Covid funding (1st Supp)

MEG to MEG changes for new MEG on MHW&WL

- £(7.189)m Budgets moved to MHW&WL MEG

Allocations within MEG for 21-22

- £(1.204)m – Technical adjustments

Action: Effective Health Emergency Preparedness Arrangements		
2020-21 Supplementary Budget October 2020 £m	Draft Budget 2021-22 £m	Change £m
6.025	6.025	-

This action enables Welsh Government to ensure that NHS Wales is fully prepared and resilient to deal with the full range of hazards and threats identified in National Risk Assessments. This includes the highest risk of influenza pandemic and managing the health consequences of a terrorist incident involving hazardous materials.

Funding remains at the same level as in the October Supplementary Budget.

Action: Social Care & Support		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
5.615	4.562	1.053

This Action provides funding for both Safeguarding and Advocacy and Older People Carers and People with Disabilities.

The programme of work for Safeguarding and Adult Advocacy primarily supports the continued implementation of the Social Services and Well-being (Wales) Act 2014 (The 2014 Act) and promotes a preventative agenda to improve outcomes for children and adults at risk. In 2019-20 the implementation of the NPP (now Wales Safeguarding Procedures) will be a priority, supporting Regional Safeguarding Boards to take this forward, along with continued support to NISB. The role of Safeguarding Boards encompasses both prevention and protection for children and adults at risk of abuse, neglect or other forms of harm.

It also funds programmes of work to support carers in carrying out their roles as carers whilst maintaining their own health and well-being. This is central to ensuring that the rights for carers in the Social Services and Well-being (Wales) Act 2014 make a real difference in supporting carers and involves a strong element of investing to save since informal, unpaid carers are estimated to provide 96% of the care in Wales, care that would otherwise have to be provided from social care budgets.

Funding to support taking forward programmes to improve the life chances of disabled people and in particular the Improving Lives Programme for People with a Learning Disability, launched in June 2018. Funding is also used to take forward actions within the Framework of Action for People with Integrated Framework for Action of Care and Support for People Who are Deaf or Living with Hearing Loss.

Explanation of Changes to the Social Care and Support Action

Remove 20-21 in-year Covid Allocations & Adjustment

- **£(1.053)** - in year COVID allocation (2nd Supp)

Action: Partnership & Integration		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
0.526	0.526	-

This Action provides funding to assist with the integration of health and social services and the implementation of the Social Services and Well-being (Wales) Act 2014. In addition it also funds improvements to advice and guidance on continuing healthcare which should help people to access the support they need to meet their health needs. It also supports the consideration of a social care levy contributing to the wellbeing goals of a prosperous and resident Wales by considering options to provide the anticipated funding required in future to meet the increasing demands for social care resulting from an ageing population.

Funding remains at the same level as in the October Supplementary Budget.

Action: Sustainable Social Services		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
51.215	12.715	38.500

The majority of this Action funds the Sustainable Social Services Third Sector grant. Funding in this Action is also used to support delivery of the Social Services and Well-being (Wales) Act 2014, implementation of the Regulation and Inspection of Social Care Act 2016 (RISCA) and improvement of Social Care Services which deliver the changes required to achieve our vision for a social care in Wales that improves well-being and puts people and their needs at the centre of all care and support. Our principles include cultivating practice that promotes voice and control, independence, coproduction, person-centred care and prevention and early intervention approaches.

Explanation of Changes to the Sustainable Social Services Action

Remove 20-21 in-year Covid Allocations & Adjustments

- **£(40.195)m** in year COVID allocations (1st Supp)
- **£0.195m** in year COVID re-directed funding (1st Supp)

New allocations for 21-22

- **£1.500m** – Allocation for 3rd Sector support

Action: Social Care Wales		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
19.398	22.613	3.215

This Action provides grant in aid funding to Social Care Wales a Welsh Government Sponsored body.

Social Care Wales (SCW) is funded to regulate the social care workforce, build confidence in the workforce, and lead and support improvement in social care.

Key priorities include:

- set standards for the care and support workforce, making them accountable for their work
- develop the workforce so they have the knowledge and skills to protect, empower and support those who need help
- work with others to improve services for areas agreed as a national priority
- set priorities for research to collect evidence of what works well
- share good practice with the workforce so they can provide the best response
- provide information on care and support for the public, the workforce and other organisations.

Explanation of Changes to the Social Care Wales Action

New Allocation for 21-22

- **£2.000m** – New allocation for SCW

Allocations within MEG for 21-22

- **£1.215m** – 20-21 Technical adjustments

Action: Older People Commissioner		
2020-21 Supplementary Budget October 2020	Draft Budget 2021-22	Change
£m	£m	£m
1.589	1.589	-

This action funds the Older People’s Commissioner for Wales, an independent statutory commissioner. The Commissioner’s role and statutory powers are defined by the Commissioner for Older People (Wales) Act 2006 and accompanying Regulations. The Act outlines the action that the Commissioner is able to take to ensure that the interests of older people are safeguarded and promoted when public bodies discharge their functions and the assistance the Commissioner may provide directly to older people in certain situations.

The Commissioner for Older People (Wales) Act 2006 and the Commissioner for Older People in Wales (Amendment) Regulations 2008 require the Commissioner to produce and submit an estimate of the income and expenditure of their office, to be examined by Welsh Ministers and laid before the assembly before the start of the financial year.

Funding remains at the same level as in the October Supplementary Budget.

Action: Supporting Children		
2020-21 Supplementary Budget October 2020 £m	Draft Budget 2021-22 £m	Change £m
96.359	93.691	(2.668)

The bulk of funding in this action supports the childcare offer (which is subject to scrutiny by the CYP&E Committee). This action also contains his action funding for the Looked after Children Transition Grant (LACTG) which provides funding for a number of initiatives which improve outcomes for looked after children so that all children in care have the same life chances as other children. It also contains the Vulnerable Children budget which supports children who have been adopted to ensure they and their family have the necessary access to support services to begin their family life.

Explanation of Changes to the Supporting Children Action

Remove 20-21 in-year Covid Allocations & Adjustments

- **£(24.500)m** in year COVID allocations (2nd Supp)
- **£(30.000)m** in year COVID allocations (1st Supp)
- **£30.956m** in year COVID re-directed funding (1st Supp)

New allocations for 21-22

- **£19.876m** – new allocations as part of Draft Budget

MEG to MEG transfers for 21-22

- **£1.000m** MEG to MEG, budget correction from EPS.

Action: CAF/CASS Cymru		
2020-21 Supplementary Budget October 2020	Draft Budget 2020-21	Change
£m	£m	£m
12.152	13.652	1.500

Cafcass Cymru is a demand-led operational service delivers a statutory service to the Family Court in Wales on behalf of Welsh Ministers. Cafcass Cymru practitioners work with nearly 9,000 of the most vulnerable children and young people in the family justice system, ensuring our interventions promote the voice of the child, is centred on their rights, welfare and best interests to achieve better outcomes for the child involved in the Family Justice System in Wales.

The organisation seeks to influence the family justice system and services for children in Wales, providing high quality advice to Ministers and ensuring the needs of Welsh families and children are reflected in process and policy developments. Of the £10.267m budget, 92% is attributed to staffing costs and 8% to commissioned services and infrastructure costs. Aside from staffing and running costs for the organisation, the budget provides grant funding to support separated parents, when directed by the Family Court, to have contact with their children. The budget also funds the provision of the Working Together for Children programme which supports parents who have separated, or are separating, to better manage their own behaviour to ensure the emotional, practical and physical needs and best interest of their children are paramount.

Explanation of Changes to the CAF/CASS Cymru Action

Allocations within MEG for 21-22

- **£1.500m** in respect of additional core funding agreed in 20-21.