

Health, Social Care and Sport Committee

Date: 03 November 2016

Venue: Senedd Cardiff Bay

Title: Scrutiny of Draft Budget 2017-18

Purpose

1. The Committee's Chair wrote to both the Cabinet Secretary for Health, Well-being and Sport and the Minister for Social Services and Public Health on 4 August inviting them to give evidence on their Draft Budget proposals and asking them to provide a paper in relation to the Draft Budget.

Introduction

2. The Draft Budget was published on 18 October 2016. This paper provides information for the Health, Social Care and Sport Committee on the Health, Well-being and Sport (HW&S) Main Expenditure Group (MEG) future budget proposals for 2017-18 and also provides an update on specific areas of interest to the Committee.

Budget Overview

	2017-18
Revenue	£m
Revised 2016-17 DEL Baseline	6757.329
MEG Allocation	285.000
Agreed Reduction to MEG	(1.587)
MEG to MEG Transfers	(4.123)
Revised DEL as @ Draft Budget 2016	7036.619
Capital	
Capital Allocation	245.393
Overall Total HWB&S MEG	7282.012

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

The following table shows the reconciliation from the published First Supplementary budget 2016-17 to the revised baseline budget for each element of the MEG.

Resource DEL	£m
Published First Supplementary Budget 2016-17	6742.971
Invest to Save allocation	14.619
Transfer to Economy & Infrastructure MEG	(0.261)
Revised 2016-17 Baseline	6757.329
Capital DEL	
Published First Supplementary Budget 2016-17	273.376
MEG Allocation	30.189
Removal of non recurrent funding	(53.481)
Transfer to Local Government MEG	(4.691)
Revised 2016-17 Baseline	245.393

3. Compared to the revised baselines for 2016-17, the total Resource allocation for Health, Well-being and Sport has increased by **£279.290 million** and for capital an increase of **£25.498 million**. In summary the movements are:

Resource	£m
Additional investment from reserves in line with Welsh Government priority to support the NHS in Wales including £20m for mental health services from the Budget Agreement with Plaid Cymru	240.000
Additional funding for healthcare professional education, including medical schools from Budget Agreement with Plaid Cymru	7.000
Funding to bolster end of life care from the Budget Agreement with Plaid Cymru	1.000
Funding towards the establishment of eating disorder and gender identity provision in Wales as a result of the Budget Agreement with Plaid Cymru	1.000
Additional allocation from reserves in respect of investment in a Treatment Fund	16.000
Additional funding in respect of non cash	20.000
Net amount transferred back to reserves	(1.587)
Net transfer to Communities & Children MEG in respect of advocacy functions	(0.732)
Transfer to Local Government MEG in respect of funding transferring to the Revenue Support Settlement	(3.391)
Resource DEL Net Increase	279.290
Capital	
Additional investment from reserves including £15m for diagnostic equipment following the Budget Agreement with Plaid Cymru	30.189
Transfer to Local Government MEG	(4.691)
Capital Net Increase	25.498

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

Integrated Impact Assessment at Annex B

5. An Integrated Impact Assessment (IIA) is attached at Annex B to this evidence paper. The assessment covers the impact of our spending decisions on the protected characteristics together with the impacts on Welsh Language, Rights of the Child and Tackling Poverty.

Approach to Budget Proposals

6. The Welsh Government continues to prioritise investment in the Welsh NHS. The most significant budgetary change to the Health, Well-being and Sport MEG for 2017-18 is the additional investment of £240 million in NHS Wales, which is shown within the 'Delivery of Core NHS Services' Action. This additional funding recognises

the cost and demand pressures facing the NHS in Wales which were outlined in the 2014 Nuffield Trust report, and more recently in the Health Foundation report – *The path to sustainability*.

7. Details of the allocation of this funding to NHS organisations will be provided in the 2017-18 NHS revenue allocations, which will be published later in the autumn. Welsh Government will allocate a significant proportion of this additional funding to NHS organisations to enable them to meet pay awards for NHS employees and independent contractors, the costs to NHS Wales of the UK government's Apprenticeship Levy, and other inflationary cost increases. £20 million of this additional funding will be ring-fenced to support more investment in mental health services to support the Mental Health Delivery plan that was launched on World Mental Health Day October 10th.
8. The Welsh Government will set aside funding to support Betsi Cadwaladr and Hywel Dda University Health Boards develop sustainable service and financial plans. Both organisations have been unable to develop approvable plans since the new planning framework was established in April 2014. Betsi Cadwaladr University Health Board was placed in special measures by Welsh Government in June 2015 and, to enable the Board to respond, it was not required to produce a three year Integrated Medium Term Plan (IMTP) for my approval for 2016-17 to 2018-19. Hywel Dda University Health Board faces long-standing challenges and was unable to prepare an IMTP for my approval, which was a factor influencing the decision to escalate the Board to "targeted intervention" in September. Welsh Government officials are working with both organisations through the intervention process to support the development of challenging, but realistic, financial plans for the current and next financial year. Both boards will receive their share of additional funding which will be allocated to all local health boards to meet cost and demand pressures. In addition, both boards will require additional financial support to be able to prepare a deliverable plan in 2017-18, and the extent of the additional funding to be provided for this purpose will be confirmed as part of the 2017-18 NHS planning process.
9. We will also set aside funding to support our key Programme for Government commitments for the NHS to invest in our healthcare staff, through taking action to attract and train more GPs, nurses and other healthcare professionals. This will also support our commitment to move more care from hospitals into communities.
10. In Wales we have an excellent record of investing in and developing the role of pharmacists. As part of a strong primary care service, pharmacies are fundamental to managing the increasing demand on GP surgeries by reducing unnecessary appointments and making sure people are able to see the right professional in the right setting at the right time. Changes announced in England are unsettling for pharmacy contractors. In Wales we are protecting our investment in community pharmacy in 2017-18. The Welsh Government will work with pharmacy contractors to consider how we can both increase the quality of care and range of services pharmacies provided within the considerable investment we already make in the sector.
11. We are committed to improving the introduction of innovative, evidence-based

treatments in Wales. We are therefore investing £16 million in 2017-18 as part of the new treatment fund. This new fund will give people in Wales fast access to new and innovative treatments for all life threatening illnesses.

12. Further information is included within the main budget documentation which was published on 18th October.

Services Transformation

Driving and achieving service change in health and social care.

13. Our letter to Committee dated 12th October, in response to your letter of 21st September, explained that service change can take place at a number of organisational levels and involve interventions at differing levels of scale, scope, complexity and impact. We also outlined much of the work which has been done by NHS Wales that has brought about real change and resulted in improved services for patients.
14. Officials are continuing to consider options arising from the consultation on the Green Paper 'Our Health Our Future', including the potential to establish an expert panel to who service change referrals would be made.
15. The NHS Wales Collaborative is also reviewing governance and decision making issues in relation to identify options for collaborating more effectively in making strategic change decisions. We are, however, clear that much more needs to be done and that the pace of change needs to be stepped up.
16. Many people in Wales rely on services provided by both health and social care systems. It is therefore essential that health and social care work together with other partners, such as the third sector, to provide people with high quality care and support to meet their needs. Our approach has been to encourage partnership working and cooperation and the provision of integrated services, care and support.
17. There has been significant work undertaken in the last few years to increase the pace and scale of change in relation to the integration of health and social care. The focus has primarily been on improving services, care and support, particularly for older people with complex needs

How funding allocations reflect the Welsh Government's aim of moving services from the hospital to the community

18. Within the additional £240m investment announced in the Draft Budget, there is an expectation for Local Health Boards to deliver more care in primary and community care settings in line with the Primary Care Plan (November 2014). NHS organisations are expected, through their IMTPs, to set out clear plans for shifting services, activity, workforce and funding from secondary care to primary and community care in line with prudent healthcare principles.

Evidence of how the Welsh Government is monitoring activity to ensure delivery of meaningful reform to services and positive outcomes to patients.

19. Health boards' IMTPs set out how agreed service change plans will be implemented, along with the milestones for agreement and implementation on service reconfiguration in development.
20. NHS organisations are expected to have a long-term view and to be clear about the actions they will take in the more immediate future to deliver high quality, accessible and sustainable services within the national policy context. The plans set out by the NHS are regularly monitored via routine quality and delivery meetings and quarterly reporting including through Joint Executive Team meetings between senior Welsh Government officials and NHS executives.
21. A specific example of how investment is leading to service transformation and being monitored is that we have invested nearly £8 million in transforming Child and Adolescent Mental Health Services (CAMHS) and an ambitious Together for Children and Young people programme is in place. This seeks to ensure children are seen in the right place to meet their needs which may not always be within highly specialist CAMHS services This is already delivering significant results with health boards well progressed with recruiting over 130 members of new staff, out of area placements for children are reducing with costs also falling. We have developed new neurodevelopmental teams for ADHD and autism across Wales with waiting times already reducing significantly, with an expectation that children will be seen in a timely clinically appropriate manner. I as Cabinet secretary meet with the LHB Vice Chairs quarterly and CAMHS delivery is high on the agenda for discussion.
22. £9 million of funding has also been provided on an annual basis to nine of the major health conditions delivery plans which include cancer, heart disease, stroke, neurological conditions, diabetes, respiratory health, liver, and end of life and care of the critically ill. This funding has been allocated by the implementation groups for each plan and is being used to strengthen pathways, improve standards and provide care closer to the community. I gave some examples of the outcomes this funding is delivering in my oral statement on 4th October.

What the 2017-18 efficiency targets are in the health sector and how are these monitored / verified.

23. The Welsh Government does not explicitly set productivity and financial efficiency targets for NHS organisations. They are expected to meet the service and financial challenges associated with cost pressures, demographic changes and increased demand from within their allocation. Each NHS organisation will have slightly differing service and financial challenges, depending on the mix and range of services commissioned and provided, and so a generic efficiency target would not be appropriate.
24. The additional £240 million investment in NHS Wales will enable organisations to continue to meet the ongoing growth in demand and costs of services that have been described in the Nuffield Trust and Health Foundation reports. The investment assumes continued delivery of efficiency savings of at least 1% in real terms each year, associated with acute sector efficiency savings and improved management of

patients with chronic conditions to prevent unnecessary hospital admissions.

25. An Efficiency, Healthcare Value and Improvement Group has been jointly established between Welsh Government officials and senior NHS professionals. The Group has been set up to identify and deliver opportunities to improve quality, value and efficiency. It is an engine for change, led by the Chief Executive of NHS Wales, ensuring that organisations adopt evidence-based efficiencies, or justify non-compliance.
26. Financial efficiencies, through delivery against medium term or operational plans, are monitored through the monthly Financial Monitoring Returns submitted by each NHS organisation.

What provisions have been made in this budget for staff severance schemes and redundancies in the health service and what was spent last financial year in the NHS on such schemes.

27. The Draft Budget 2017-18 does not include any specific allocations for staff severance schemes. NHS organisations can apply to the Invest to Save Fund to support staff severance schemes, such as the successful application for the Voluntary Early Release Scheme (VERS). In 2015-16 expenditure on VERS in the NHS amounted to £2.3 million.

Preventative Spending

28. Preventing health problems and intervening early is a core focus on the NHS in Wales, strengthened by the requirements of the Wellbeing of Future Generations (Wales) Act. The NHS planning framework places the sustainable development principles of the Act, including taking a preventative and long term approach, as organising principles of NHS organisations.
29. Representing preventative spend in our resource allocation is highly complex as it can take a variety of forms and is not always easily separated from other forms of spend. To take the example of our increasing investment in primary care, much of the activity resulting from that spend is aiming to promote better health and wellbeing; identifying disease or warning signs of disease early; and providing prompt effective treatment to enable recovery and halting the progress of conditions. All of this activity can be classified as preventative spend and can ease short term demand on services. Local health boards spend approximately a quarter of their budget on primary healthcare services.
30. The breadth of preventative spend can be illustrated by the categorisation of primary prevention; secondary prevention and tertiary prevention and examples can be provided under each. Primary prevention aims to prevent the onset of disease and associated problems: an example would include our extensive immunisation programmes. Secondary prevention aims to halt the progression of disease; an example would be our national screening programmes. Finally, tertiary prevention covers activity aiming to rehabilitate those with established disease to minimise complications and prevent problems from becoming worse: much of primary care spend can fall within this category.

31. £88.7 million will be allocated to Public Health Wales NHS Trust in 2017-18. This funding enables Public Health Wales to deliver a range of public health services that cover health improvement and protection, therefore Public Health Wales has a key role to play in supporting the delivery of many actions in relation to improving public health and reducing health inequalities in children and young people. The funding allocation is not ring fenced for any particular activity to allow maximum flexibility in managing their resources to meet a wide range of priorities and commitments.
32. A focus on prevention is key in the substance misuse agenda. Many of the actions in our Substance Misuse Delivery Plan 2016-18 focus on the importance of prevention and the links with prudent health and care. For example, there is an emphasis in the Plan on actions that will reduce alcohol related harm and the Plan also recognises the important role Primary Care services can play in the prevention, early detection and treatment of substance misuse.
33. Having all the policy levers we need to strengthen our approach to prevention is essential and we continue to make the case for devolution of alcohol licensing as this would enable us to pursue a more preventative and health focused approach to alcohol related harm. However, despite previous representations, the draft Wales Bill, published on 20 October 2015, reserves the sale and supply of alcohol to the UK Government. During the passage of the Wales Bill through the House of Commons an amendment was put forward to delete the reservations on alcohol licensing and on the sale and supply of alcohol but was not agreed. We are returning to this issue during the current House of Lords consideration of the Bill.
34. Preventing avoidable harm releases money for other health and social care purposes. The Welsh NHS is adopting an increased focus on value-based healthcare, where efficiencies can be achieved within a particular disease area through a greater focus on preventing the progress of the disease, is worth pursuing. For example, the Planned Care Programme Board has produced value-based delivery plans for orthopaedics, ENT, ophthalmology and urology services.
35. Prevention is at the heart of the Welsh Government's programme to transform social services. There is a need to focus on prevention and early intervention in order to make social services sustainable into the future. It is vital that care and support services do not wait to respond until people reach a crisis point.

Intermediate Care Fund

36. The Programme for Government includes a commitment to continue the Intermediate Care Fund (ICF). We are continuing to invest £50 million in ICF in 2017-18, supporting improved access to integrated health and social care so more frail and older people are being cared for at or near home.
37. Evidence from Regional Partnership Boards indicates ICF is making a real difference and enhanced monitoring arrangements for the current financial year will focus on outcomes for people. This will provide additional clarity on the difference ICF is making.

38. A range of different models of care and support have been established. These include preventative and reablement solutions, single points of access, housing and telecare improvements, rapid response teams, dementia care and seven-day social work support. This has been achieved by the development of a culture of collaboration and partnership working.
39. ICF provides an excellent opportunity to deliver a programme of work that will make a difference to older people across Wales, through the enhancement of existing or new innovative schemes. It promotes collaborative working between social services, health and housing, along with third and independent sector partners.
40. Under the Social Services and Well-being Wales Act Regional Partnership Boards have been established. These bring together health boards, social services and the third sector to plan and provide jointly for the care and support needs of Welsh citizens. These boards have oversight and ensure the effective use and delivery of the ICF. Specific examples of schemes are as follows:
- The Step Up Step-Down service across north Wales aims to provide short stay beds for people coming out of hospital who are medically fit but not ready to go home. The beds are used as a step up for people in the community to avoid hospital admission, long-term placement, and support crisis management.
 - The Extended Reablement for People with Dementia service provides support across Cwm Taf to enable people with dementia to remain as independent as possible. Resources are focused on dementia patients who previously weren't able to access a range of reablement and intermediate care. In 2015-16 the service received nearly 150 referrals resulting in over 100 bed days saved.
 - The Pembrokeshire Intermediate Voluntary Organisations Team provides a comprehensive admission prevention and discharge support service. This third sector partnership, including Age Cymru and the British Red Cross, last year received over 230 referrals resulting in 960 bed days saved and nearly 100 hospital admissions avoided.

How funding changes in local government budgets, and in particular social services, in 2017-18 will impact on the NHS, particularly in light of the recognition that local government social services are a key factor in reducing demand for NHS services.

41. Section 15 of the Social Services and Well-being Wales Act, which came into force in April 2016, requires that local authorities must provide or arrange preventative services to achieve various purposes, including preventing or delaying the development of people's care and support needs.
42. Local authorities and local health boards are required by section 14 of the Act to undertake an assessment of care and support needs, including the support needs of carers. This exercise must also assess the range and level of preventative services necessary. This will allow for budgets and resources to be effectively

allocated to invest in tackling issues preventatively.

Resource allocation formula and distribution of additional funding

The criteria that have been/will be used to allocate funding for NHS organisations in 2017-18.

43. We will allocate additional core funding to local health boards to meet unavoidable cost increases in 2017-18 using the existing Townsend formula shares. Further detail on the distribution of this allocation will be provided to health boards in the revenue allocation issued later in the autumn.

How the Government intends to ensure that a balance is struck between maintaining existing funding distribution and moving towards shares based on the updated Townsend formula.

44. The Townsend formula is only applied to additional allocations, not existing core allocations. Local health board's revenue allocations for 2017-18 will be based on their 2016-17 allocation, with the addition of a core funding increase distributed using Townsend shares. In addition, we will target some funding to meet specific priorities, including support for Betsi Cadwaladr and Hywel Dda University Health Boards.
45. There is no intention to apply the Townsend formula to baseline allocations, as this is likely to cause significant financial instability for those areas of Wales that are over target.

The arrangements that will be in place for 2017-18 to ensure a fair and transparent approach to inter-organisational financial flows within NHS Wales.

46. While there are well established inter-organisational financial flows arrangements within NHS Wales there is recognition both within NHS Wales and Welsh Government that financial flow arrangements need to be improved and updated to both reflect changes in models of care and to reflect the changing patient flow arrangements that will arise through the South Wales programme and other reconfiguration plans.

Provision for legislation

The extent and location of allocations to provide for legislation in the health and social services portfolio.

The amounts and location in the budget of allocations for Welsh legislation that is (a) currently being passed in this Assembly or (b) planned in the legislative programme, which is likely to impact in the 2017-18 financial year.

The amounts allocated for implementation of the Social Services and Well-being(Wales) Act 2014 and the regulation and Inspection of Social Care (Wales) Act 2016.

47. The budget continues to take account of our current legislative programme. The table below sets out the costs for 2017-18 as well as identifying the relevant action where the funding is held.

Legislation	Amount of Funding	Action
Human Transplantation (Wales) Act 2013	£0.2m	Delivery of Targeted NHS Services
	£0.2m	Delivery of Core NHS Services
Social Services & Well- Being (Wales) Act 2014	£0.2m	Social Services Strategy
	£2.8m	Local Government Funding (via RSG)
Regulation & Inspection of Social Care (Wales) Act 2016	£1.8m	Sustainable Social Services

48. A more detailed update of the costs of our legislative programme is provided below.

Human Transplantation (Wales) Act 2013

49. The Human Transplantation (Wales) Act received Royal Assent in September 2013. As part of its implementation, funding was identified within the Health and Social Services MEG now the Health, Well-being and Sport MEG, from 2012-13 onwards. This funding, of £0.4m is split between the delivery of targeted NHS services and the delivery of core NHS services budgets for 2017-18.

50. Under the Act, deemed consent for organ donation was introduced on 1 December 2015 in addition a statutory requirement was placed on Welsh Ministers to promote organ donation and transplantation. The implementation of the Human Transplantation (Wales) Act continues to be supported through funding to process registrations onto the organ donation register (to allow people to opt-out), to promote organ donation and to evaluate the impact of the legislation.

Social Services & Well-Being (Wales) Act 2014

51. £0.2m is being retained to support national activity to ensure consistent approaches to common processes across the regions delivering duties under the Act (e.g. performance management, new approaches of practice), whilst £2.8m is being added to the local government settlement to support delivery through regional partnership boards.

Regulation & Inspection of Social Care (Wales) Act 2016

52. The Regulation and Inspection of Social Care Wales Act 2016 received Royal Assent on 18 January 2016. The annual difference in cost between business as usual and the development of a new regime, combining the fundamental elements of protection alongside an outcome based approach to regulation, is forecast to be £1.765 million. This figure assumes a full implementation of the entire act but will

be lower if some elements are phased (such as ratings).

53. The cost of £1.765 million is from the published Regulatory Impact Assessment (RIA). The RIA set out a five year cost profile for full implementation in which, for purposes of illustration, the first full year was 2017-18. As announced in the last administration, the service regulations under the Act are being developed and are expected to come into force from April 2018 with the expectation that the Act will be fully implemented by April 2019. It is forecast that the costs for CSSIW related to implementation of the Act during 2017-18 will be in the region of £1 million.

Public Health (Wales) Bill

54. In line with the First Minister's statement on the legislative programme, the Bill will be introduced during the first year of the Assembly. It will be a replica of the version as amended at Stage 3 of the previous scrutiny process, but without the previous provisions restricting the use of nicotine inhaling devices (such as e-cigarettes) in certain public places. The Bill is scheduled to be introduced to the Assembly later in the autumn.
55. The estimated financial implications of implementing this Bill are set out in the Regulatory Impact Assessment (RIA) which will be published alongside the Bill. Implementation costs will start to be incurred from 2017-18 onwards. The RIA has identified potential costs for a range of sectors, including the Welsh Government and local government. Welsh Government implementation costs will be met from the budget of the Division within the Health and Social Care Group with lead policy responsibility for each area within the Bill. In most cases this will be from the Health Improvement and Healthy Working budget.
56. It is recognised local government will be a key sector in implementing the legislation, particularly through their existing enforcement responsibilities. Efforts have been made across the Bill to minimise the financial burden on local authorities, for example, through creating new funding streams for local government such as from special procedures licences and fixed penalty notice receipts.

Capital funding

The recent capital prioritisation exercise, including the following information on all ongoing and planned projects: total project budget; funding currently allocated; funding allocated in 2017-18; timeline of future years' investment and estimated completion date.

57. The capital funding allocation for 2017-128 of £245.393m is an increase of over £30m against the recurrent funding baseline.
58. The Wales Infrastructure Investment Plan (WIIP) includes information regarding on-going and planned significant capital schemes across Wales, including NHS Wales. The WIIP is based upon NHS organisations' Integrated

Medium Term Plans (IMTPs) which described the infrastructure investment requirements to take forward service transformation, as well as maintaining, replacing and modernising existing building and equipment.

59. The forward look includes a number of significant capital schemes, the largest of which is the Specialist Critical Care Centre. Given the size and significance of the investment, the proposal needs to evidence a robust case to meet our investment criteria in terms of health gain, clinical and skills sustainability, equity, affordability and value for money. The final business case has been reviewed independently, and we have made clear that a decision will be made before the end of October.

Innovative funding models used in 2017-18 or being considered for raising capital funding for future projects, including the use of the NHS and primary care estate as levers.

60. In respect of innovative funding models, work continues with the Velindre Transforming Cancer Services which is one of a number of schemes that Welsh Government is looking to progress under the Public Private Partnership (PPP) innovative funding model. The proposal is for a new cancer hospital campus on the Whitchurch site. The Trust is due to submit the Cancer Services Strategy, an updated Programme Business Case and the Outline Business Case for the new hospital development by early 2017 with the hospital being built by the end of 2022.
61. Work continues with the development of a Primary Care Investment Pipeline and I have made clear as Cabinet Secretary for Health, Well-being and Sport that I expect to see increased visibility for primary care service in NHS plans, with a shift in focus and resources from secondary care. Officials are working with Health Boards to understand priorities and a statement of progress is to be presented to the NHS Executive Board at the end of this calendar year, which will identify immediate opportunities for investment and set out a programme of activities and resources required to drive this work forward in 2017-18.

Welsh Risk Pool

*The latest estimate for the accounting provision for the Welsh Risk Pool.
The action being taken by Welsh Government to control year-on-year increases*

62. The Welsh Risk Pool Provision to meet potential future claims was £682 million as at 31st March 2016. This is an increase of £8m from the position at 31st March 2015 and this small increase of 1.2% reflects a stabilisation in the growth of this provision compared to previous years. For example growth in 2014-15 was £80 million.
63. This remains a very volatile area of expenditure, which is why funding to meet increases in the provision is met from Annually Managed Expenditure, not the Delegated Expenditure Limit.

Social Care

The allocations for local authorities and whether they will take account of the pressures on social services spending from, for example, increasing demand for services and the introduction of the National Living Wage.

64. The allocations for local authorities is a matter for the Cabinet Secretary for Finance and Local Government.
65. Since 2011 and the launch of Sustainable Social Services we have delivered a strategic response to the issues of an ageing population, enhanced public expectations and limited financial growth. Major legislative and service reforms have been put in place that enable local authorities and the wider sector to respond to these challenges and to improve the well-being of people in Wales. 2017-18 marks the second year of the Sustainable Social Services grant, where over £7 million is allocated for third sector organisations in Wales to deliver the strategic agenda set by Sustainable Social Services.
66. The effect of the national living wage has been acknowledged by the government and we continue to work with the sector to understand the its impact and to discuss potential responses across all stakeholders, including the Welsh government

Mental health

The extent to which the budget allocations would help to achieve greater parity between physical and mental health services.

67. In Wales, we understand mental and physical health are inextricably linked. We have continued to spend more on mental health services than on any other part of the Welsh NHS, and funding increased to over £600 million per annum in 2016-17. We will allocate a further £20 million to the ring-fenced allocation in 2017-18, support the Mental Health Delivery plan that was launched on World Mental Health Day October 10th. In this budget, we are providing an additional £0.5 million to expand the community eating disorder teams, to enable more people to be seen locally. Over the last two financial years, we have announced over £22 million of new funding for a range of new provision across the age span.
68. This additional funding has included £4.05 million per annum for psychiatric liaison services which is being invested in services to improve the experience of older people who have physical and mental health problems in general hospitals, and establish psychiatric liaison teams which will support hospitals to provide timely mental health assessments and reduce length of stay and readmission rates. There is good evidence this approach improves quality of care, outcomes for individuals and saves money. Funding also includes £0.3 million to work with young people between the ages of 14 and 25 who are developing severe mental illness. These third sector support workers will not only support young people in access mental health services but also support them into education, training, employment and to reengage with their community to help them live independently.
69. Encouraging emotional wellbeing, placing the importance of mental health on a par with physical health, providing effective and helpful services at an early stage,

as well as ensuring those in need of specialist services receive the highest quality of care and treatment are central to the delivery of the Mental Health (Wales) Measure 2010. Local Primary Mental Health Support Services set up under part 1 of the measure received £3 million of funding annually at their inception – due to demand created for these services an additional £2.3 million has now been made available annually.

70. Over the last two financial years we have invested an additional £4m per annum of funding into psychological therapies. Last year we announced new mental health targets which reduced the target time for an assessment from 56 days to 28 days and a target waiting time for treatment of 26 weeks, in line with physical health.
71. Finally we recognise those with mental health problems are at an increased risk of poorer general health. Therefore we continue to invest and support in general health improvement initiatives.

Vaughan Gething AM, Cabinet Secretary for Health, Wellbeing and Sport

Rebecca Evans AM, Minister for Social Services and Public Health

ANNEX A to Health, Social Care and Sport Committee Paper – Scrutiny of Draft Budget.

Summary of Changes to ‘Actions’ in 2017-18 when compared to revised Baselines for 2016-17.

Delivery of Core NHS Services

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
6028.045	323.182	6351.227

The Delivery of Core NHS Services is by far the largest Action in the MEG, with an annual revenue budget of £6 billion. The action provides the main funding for NHS care (hospital and community services). This funding is allocated to local health boards (LHBs) and NHS Trusts. It includes funding for primary care (GPs, dentists and pharmacists). There is a **net increase** of **£323.182** million to this action comprising of allocation from reserves of £256 million, an additional £20 million in respect of non cash funding, a transfer of £0.126 million to the Delivery of Targeted NHS Services action, £0.040 million from the Social Care Wales action and the following transfers into the health board allocations:

Transfers into Health Board Allocation:	£m
From the Support Mental Health Policies & Legislation action in respect of mental health services	15.737
From the Delivery of Targeted NHS Services action in respect of funding for the commissioning of organ donation by WHSSC	3.800
From the Delivery of Targeted NHS Services action in respect of funding for increases in IOS fee	1.350
From the Delivery of Targeted NHS Services action in respect of funding for WP10 hospital prescriptions	14.739
From the Delivery of Targeted NHS Services action in respect of funding for eye care services, including diabetic	8.714

retinopathy	
From the Delivery of Targeted NHS Services action in respect of additional primary care cluster funding	2.928
	47.268

Delivery of Targeted NHS Services

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
249.654	(37.393)	212.261

This Action includes funding for specific primary care services (including Eye Care Initiatives), as well as funding for a range of other developments including: the delivery of information and technology (IM&T), solutions to the NHS in Wales and support for undergraduate Medical Education. The **net decrease** to this Action is **£ (37.393) million** in 2017-18 comprising mainly of £31.531 million of funding transferred into the health boards allocation, £3 million transfer to support the increase in NI contributions and pay award funding for junior doctors and Public Health Wales, and a transfer of £(0.300) million to the Local Government MEG in respect of funding for war pensions to be transferred into the revenue support settlement.

Support Education & Training of the NHS Workforce

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
184.049	8.000	192.049

This Action supports programmes of education and in-service training for the development of the NHS workforce. There is an increase of **£8.000 million** to this action in respect of additional funding to further train the NHS workforce and another £1 million to cover the costs of NI contributions and pay award for junior doctors.

Support Mental Health Policies & Legislation

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
18.411	(14.921)	3.490

Core funding for mental health services is provided via the Delivery of Core NHS Services Action. In addition, this Action provides dedicated funding for the development and improvement of mental health services for child and adolescents, adults and older people in Wales in line with the Mental Health Strategy, the National Services Framework and legislation. It provides support, for example, for dementia services, eating disorders and the Veterans Service across Wales. There is a

decrease of **£(14.921) million** to this action as a result of a £(15.737) million transfer to the health board allocation, an additional £1 million in respect of eating disorders and Gender Identity and a transfer of £(0.184) million to the Local Government MEG. This is to cover the costs of Deprivation of Liberties Safeguards (DOLs) transferring to the revenue support grant (RSG)

Hospice Support

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
1.256	1.000	2.256

This Action provides funding for all Wales palliative care initiatives and also recurrent funding for voluntary hospices. There is an increase to this action of **£1 million** to support end of life care.

Deliver the Substance Misuse Strategy Delivery Plan

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
26.975	0	26.975

This Action provides funding for the Substance Misuse Delivery Plan and related programmes to prevent substance misuse and support substance misusers, their carers and their families. There is no change to this action in 2017-18

Sponsorship of Public Health Bodies

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
86.478	2.702	89.180

This Action provides funding for the Public Health Wales NHS Trust, which delivers; public health services that cover health improvement and protection, public health intelligence and research, and national screening programmes for the people of Wales. The net **increase** to this action is **£2.702 million**. This is in respect of £2.001 million additional funding to cover the costs of NI contributions and pay award for Public Health Wales (PHW) staff, £0.701 million for the transfer of Change for Life scheme, Baby Bump and Beyond and funding to cover the Seasonal Flu Campaign transferring into the core PHW allocation.

Foods Standard Agency

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
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£m	£m	£m
3.516	0	3.516

This is used to fund the Food Standards Agency Wales, an independent Government department set up to protect the public's health and consumer interests in relation to food. There is no change to this action in 2017-18.

Deliver Targeted Health Protection & Immunisation Activity

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
4.421	0.803	5.224*

This provides funding for vaccines for the preventable diseases programme. It also funds a range of public information campaigns, as well as initiatives to tackle healthcare associated infections. The net **increase** to this action is **£0.803 million**. Comprising **£1.1 million** to cover the increase in service fees, **£(0.240) million** to the core PHW allocation in respect of the seasonal flu campaign and a transfer of **£(0.057) million** to the Local Government MEG in respect of the food hygiene rating scheme transferring into the revenue support settlement.

Promote Health Improvement & Healthy Working

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
5.087	(0.461)	4.626*

This supports initiatives and action being developed to support Our *Healthy Future* including the tobacco control strategy and the provision of nurses in secondary schools. There is a decrease to this action of **£(0.461) million** in respect of the two schemes, Change for Life and Baby Bump transferring to Public Health Wales within the Sponsorship of Public Health Bodies action.

Tackle Health Inequalities & Develop Partnership Working

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m

9.681	0	9.681*
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This supports the Inequalities in Health Fund and the Healthy Start programme. There is no change to this action in 2017-18.

New Action – Public Health Programmes

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
0	19.531	19.531*

For 2017-18, the three action described above, have been merged into one new action to cover Public Health Programmes. The actions that have transferred are:

- Deliver Targeted Health Protection & Immunisation Activity
- Promote Health Improvement & Healthy Working; and
- Tackle Health Inequalities & Develop Partnership Working

Effective Emergency Preparedness Arrangements

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
6.712	0	6.712

Funding in this Action is directed towards establishing and maintaining strategic stockpiles of pre-pandemic vaccines, antivirals, antibiotics, facemasks, respirators and consumables. Funding is also provided for the development and maintenance of other health countermeasures stockpiles to respond to accidental or deliberate release of chemical, biological radiological, nuclear and explosive substances.

This budget also funds the Hazardous Area Response Team (HART), which enables the ambulance service to provide treatments in contaminated environments or where access is difficult. There is no change to this action in 2017-18

Develop & Implement Research and Development for Patient & Public Benefit

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
43.365	0	43.365

This Action funds the work of the National Institute for Social Care & Health Research (NISCHR), which aims to support the creation of high-quality evidence to

both inform policy and benefit patients and the public. There is no change to this action in 2017-18

Social Services

With the implementation of the Social Services and Well-being (Wales) Act 2014 from April 2016 and the Regulation and Inspection of Social Care (Wales) Act 2016 in April 2017 the Social Services budget has been restructured. This will align budgets to the main programmes of work enacted through the legislation and reflect the establishment of Social Care Wales (through an expansion of the role of the current Care Council for Wales from April 2017). This re-structure will remove budget lines related to grant schemes which are no longer in operation which have been amalgamated into new grants and work streams and enable more efficient management and deployment of available resources.

Children's Social Services

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
5.588	(5.588)	0

As part of the social services budget restructure funding has transferred to the new Sustainable Social Services action and the new Social Care & Support action.

New Action – Social Care & Support

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
0	31.137	31.137

This new action funds advocacy for adults, safeguarding, the Older People Strategy, the Carers Strategy and support for people with disabilities (including the Independent Living Fund).

Adult and Older People – Renamed Partnership & Integration

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
32.721	(30.887)	1.834

This action funds policy issues around paying for care and continuing healthcare and also support further development and implementation of partnership working and integration of health and social care. There is a decrease to this action of **£(30.887)**

million mainly in respect of the transfer of £(30.262) million to the new Social Care and Support action as a result of the restructure within Social Services.

Social Services Strategy – Renamed Sustainable Social Services

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
16.246	2.957	19.203

This action funds social services improvement which includes funding for social care workforce training, overall service improvement and service transformation enacted through the Social Services and Well-Being (Wales) Act 2014 and the Regulation and Inspection of Social Care (Wales) Act (2016). This action includes funding for the Sustainable Social Services Third Sector grant; a new three year grant from April 2016 which funds third sector projects which support new models of social care. There is an increase to this action of **£2.957 million** as a result of the restructuring within Social Services.

Care Council for Wales- Renamed Social Care Wales

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
10.034	(0.040)	9.994

The Regulation and Inspection of Social Care (Wales) Act (2016) from April 2017 gives the Care Council for Wales new powers and provides for a name change to Social Care Wales. It will combine responsibility for workforce regulation, workforce development and service improvement within one body. There is a decrease of £0.040 million to this action in 2017-18 as a result of non cash requirements. The funding has been transferred back to the main depreciation budget for the MEG.

Older People's Commissioner

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
1.545	0	1.545

This provides funding for the Older People's Commissioner. This is an independent post – the first of its type in the world - which was established to ensure that the interests of older people in Wales, who are aged 60 or more, are safeguarded and promoted. There is no change to this action of in 2017-18

Delivery of Effective Sports & Physical Activity Programmes – Renamed Sports & Physical Activity

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
22.344	0	22.344

The majority of this budget supports Sport Wales actions in increasing sport and active recreation provision and uptake in communities across Wales, with an increasing focus on those in socio-economically deprived areas. National Governing Bodies for sports are also funded (via Sport Wales) to provide appropriate governance for their sport, develop athletes with high potential and ensure that their talent pathway to elite sport enables those athletes to compete at the highest possible level.

The remainder (about 3%) of the budget is used to support sport-related activity such as the sports facilities review and smaller scale programmes related to health improvement through physical activity such as 'Let's Walk' There is no change to this action of in 2017-18.

Capital

2016-17 First Supplementary Budget Revised Baselines	Budget Changes	2017-18 Draft Budget
£m	£m	£m
219.895	25.498	245.393

The NHS Capital Programme is supporting the delivery of 21st Century Healthcare through improving health outcomes by ensuring the quality and safety of services is enhanced; improving access and patient experience; and preventing poor health and reducing health inequalities. Examples include funding for ambulance vehicles and primary care resource centres, as well as new community hospitals and wellbeing centres. After an adjustment of £(53.481)million to the 2016-17 start position in respect of non recurrent funding, there is a net increase in capital funding of **£25.498 million**. This comprises £31.189 million additional allocation and a £(4.691) million transfer to the Local Government MEG in respect of the general capital funding grant which will be administered by the Local Government department.

ANNEX B

Health, Wellbeing and Sport Integrated Impact Assessment on the Budget 2017-18

OVERVIEW OF THE PORTFOLIO

The portfolio develops and delivers policies that provide a sustainable health and social service for Wales and provides the foundation for other interventions aimed at creating a healthy and active Welsh population.

Our aim is to help people take care of their own health and wellbeing through the co-production approach – people making informed and shared decisions about their health with their healthcare professionals. We are transforming the NHS so more care is provided in local communities, closer to people's homes rather than in hospital. This requires a sustained shift, through collaboration in financial and workforce resources, to deliver more healthcare in communities – we are continuing to improve access to GP surgeries and investing in the primary care workforce. We will also work with schools to promote physical activity and awareness of healthy lifestyle choices.

Our decision to allocate additional funding of £265 million for health in 2017-18 recognises that providing a sufficient and sustainable settlement is a vital consideration not just for society as a whole, but also recognises the disproportionately positive impacts on protected groups

Spend Profile

Fiscal Resource DEL Limit				
SPA	Supplementary Budget 2016-17	Baseline Changes	2017-18 Changes	2017-18 New Plans Draft Budget
	£m	£m	£m	£m
NHS Delivery	6263.080	14.619	285.789	6563.488
Health Central Budgets	230.691		(14.921)	215.770
Public Health & Prevention	159.260		3.044	162.304
Social Services	67.335		(3.622)	63.713
Sports & Physical Activity	22.605	(0.261)		22.344
Totals	6742.971	14.358	270.290	7027.619

Key Changes to Spend

- Additional funding for NHS of £240m;
- An additional £1 million for End of life Care
- Investing £1 million in gender identity and eating disorders programmes
- An additional £7 million to support recruitment and retention of healthcare professionals, including attracting more GPs and training more nurses and other health professionals.
- We are continuing to spend £50 million on the Intermediate Care Fund to keep people out of hospital

ANNEX B

- Social Services – targeted an additional £25m in the Revenue Support Grant for social services;
- Public Health – we are protecting investment in programmes to improve public health; and
- New Treatment Fund – an additional £16m a year over the life of this Government, to facilitate access to innovative medicines.

Health - Impacts

Spending on the NHS is important but providing high quality care when people are sick is only part of the solution to good health. We also have a collective responsibility to prevent poor health arising where possible. A renewed focus on prevention is particularly important when we consider the need to safeguard the future health of children and young people

We must meet the health needs of our ageing population, while also responding to the growing demand for healthcare and the persistent gap between the health of the richest and poorest communities in Wales. Our decision to provide an additional £240m for the NHS in Wales will ensure the sustainability of the service and help to transform the provision of care.

For the additional NHS funding of £240m within the Delivery of Core NHS Services, each Health Board will be required to consider the impact of their spending decisions when their main allocations are set out as part of the Health Board Revenue Allocations that are issued in December. Each Health Board now has to produce a three year integrated plan and as part of the planning requirements within the NHS Wales Planning Framework they are required to demonstrate how their integrated plan is reflecting the responsibilities of the Equality Act 2010. Health Boards are therefore required to demonstrate how they are considering all of the protected characteristics as part of their duty under the Act and also ensure the rights of children are considered.

Evidence and Engagement

Additional investment in the NHS will enable continuation to meet the ongoing growth in demand and costs of services that have been described in the Nuffield Trust and Health Foundation reports. The increase in funding to the NHS is based on evidence from the latest Health Foundation model to reflect the latest assumptions on spending pressures and efficiencies in the NHS. The NHS in Wales has already had significant success in these areas, through measures such as improvements in efficiency and productivity, reductions in the length of stay in hospitals and reductions in hospital admissions

Public Health

With an ageing population it is vital we work with people to help protect their health as they get older. By protecting our investment in public health we are committed to providing greater control over health and well-being and faster access to advice and services for those who need it most.

ANNEX B

The Public Health Wales NHS Trust (PHW NHST) grant budget is £88.7 million, and funds core NHS public health services, such as screening and health protection. As an NHS organisation, PHW NHST will face ongoing inflationary cost increases, and some demand and service pressures. Therefore, it is proposed at this point to maintain the current PHW NHST budget at current levels in cash terms, which will require the organisation to find annual efficiencies to offset cash growth.

Budgets for health promotion, health protection and prevention have remained the same in 2017-18. Programmes such as immunisation and screening are protected and the impact of these programmes include around 140,000 children in Wales having primary immunisations and boosters every year; over 99,000 children and more than 420,000 people aged 65 or over having flu vaccinations and providing more than 111,000 patients with Diabetic Retinopathy Screening services. With these services the aim is proportionate universalism, helping everyone in the community, but targeting support in accordance with need. So for example, more effort is currently being put into making sure that groups who are not taking up health screening opportunities are helped to do so.

Over half of adults and a quarter of 4-5 year olds are overweight or obese, and we continue to invest a range of policies and programmes to tackle obesity. The cost of overweight and obesity to the NHS in Wales runs into hundreds of millions every year, with type 2 diabetes, for which obesity is the major risk factor, taking 10% of the total NHS budget. Those with a BMI greater than 40 are now also offered the seasonal flu vaccine.

The increase in funding to **Public Health Wales (PHW)** mainly represents a transfer of budget and commitments into the core funding allocation for PHW. The core funding enables Public Health Wales to deliver its functions as set out in legislation, including services that cover health improvement and protection, public health intelligence and research, and national population screening programmes for the people of Wales. PHW supports the delivery of many of the actions in relation to improving public health and reducing inequalities in healthy life expectancy.

Immunisation funding will support the new meningitis B and meningitis ACWY programmes as well as expansion of the seasonal flu campaign for children. Immunisation is a universal service impacted by increasing populations. The aim is to create 'herd immunity', so protecting all parts of the community equally.

Public health actions can contribute to the **prudent healthcare agenda**, and so improve the impact of spending by for example by:

- helping empower people and their communities to take more control of their health on the basis of co-production; and
- developing effective prevention and early interventions that can avoid expensive problems later on.

ANNEX B

For example, Healthy Working Wales (£0.195m) supports employers across all sectors to develop policies and interventions to promote the health and well-being of their staff and reduce the impact of ill-health on work. Healthy Working Wales attracts joint funding from the economy portfolio (£0.6m) and currently impacts on 460,000 employees in over 3000 employers in Wales. The programme now includes an In-Work Support Service (0.214m) which is supported by £3.2m of European Structural Funds to support people who are most at risk of long term sickness absence, to return to work – it aims to support 4000 people and 500 employers over 3 years...

With an ageing population it is vital that we work with people to help protect their health as they get older. We also recognise that the health service and wider health sector play a crucial part in underpinning and stimulating our economy, helping to tackle economic deprivation and reducing the economic drivers of ill health. The NHS has a considerable weight in the national economy, in employment, procurement, capital investment and innovation. Increasingly the opportunities are being taken to use the influence and budget of the NHS to influence people's chances of good health through enhanced employment and contributing to prosperity. Our programmes seek to mitigate the impact of poverty and improve people's life chances supporting objectives outlined in the Welsh Government's Tackling Poverty Action Plan.

In 2015 the then Health and Social Services Minister announced a protected investment of £10m to support an Efficiency Through Technology Programme (ETT programme). This funding is awarded on a competitive basis to NHS organisations to support the rapid evaluation and adoption of new technology products and services, with an emphasis on efficiency, improved outcomes for patients, and scaling approaches to the all-Wales level. The ETT Programme also supports national projects to encourage technology development, innovation, industry engagement, and international partnerships (including EU networks and funding opportunities). All projects are actively managed to ensure value for money and the ETT funding has achieved a good match funding ratio. Evaluation is embedded in all projects, as well as at programme level. The ETT Programme will continue into 2017-18.

New Treatment Fund

The introduction of the new treatment fund will support the early introduction of the newest and most innovative high-cost medicines which have been recommended by NICE or AWMSG. We will make £80m available over the life of this government to ensure new medicines, which address unmet clinical need and represent a significant step forward for the treatment of life-limiting and life-threatening diseases are available. This will be delivered consistently across Wales as soon as possible following a positive recommendation by either NICE or AWMSG.

The fund has developed from our experience of making new high-cost treatments for a range of life-changing conditions available to people in Wales. In 2015-16, the Welsh Government provided significant funding from its central reserves to enable the NHS to fund four new treatments for hepatitis C and a new treatment for a rare, genetic and progressive disease

ANNEX B

called atypical Haemolytic Uraemic Syndrome (aHUS). The medicines represented a major step forward in treatment and secured significant health and social benefits for patients. It is essential the new treatment fund is operated transparently and is widely understood. Work is progressing to develop a mechanism to manage the fund effectively. We anticipate the fund will be operational by December.

Mental Health

There has been a commitment to a mental health ring fence since September 2008 to protect the amount of money within this NHS budget and an explicit statement that whilst savings can be made any savings accrued cannot be spent outside the ring fence. We continue to recognise the important role of mental health services in improving patient outcomes.

Impacts

Our Strategy *Together for Mental Health* aims to address stigma and discrimination and tackle inequalities. Tackling stigma and discrimination continues to be a priority area within the *Together for Mental Health* 2016-19 delivery plan. In addition a priority within our new Programme for Government is to 'Work to ensure that mental health discrimination is ended'. The new delivery plan also includes a key action 'To reduce inequalities for vulnerable groups with mental health needs, ensuring equitable access and provision of mental health services'

Child and Adolescent Mental Health Services (CAMHS)

In relation to our requirements in legislation to account for the specific needs of children and young people, the provision of Child and Adolescent Mental Health Services (CAMHS) continues to be a priority area for improvement. We continue each year to make an additional £7.968m available to improve the range of CAMHS provision. Specifically this funding will help improve specialist child and adolescent mental health services (CAMHS) ability to respond out of hours and at times of crisis, expand access to psychological therapies for young people, improve provision for children and young people in local primary mental health support services, ensure services intervene early to meet the needs of young people who develop psychosis and to develop appropriate services for young people with neuro-developmental needs, such as ADHD and autistic spectrum disorders.

The CAMHS improvement programme (*Together for Children and Young People*) has been in place since 2015 and will continue in 2016-17. This involves a cultural shift in provision to ensure the small and specialist CAMHS resource can focus on those with the most enduring mental illness. Taking this forward CAMHS will need to build, maintain and strengthen partnerships with other agencies in local authority social care and elsewhere. Multidisciplinary teams working in Integrated Family Support Services and initiatives such as the health component of Flying Start are central to ensuring those with the most need have access to specialist CAMHS at the earliest opportunity; and also ensuring no disadvantage to those with lower level

ANNEX B

mental illness, who can be dealt with by other agencies, with appropriate CAMHS support, reducing stigmatisation.

Actions included within the plan also include preventative services – both universal and targeted, the latter of which focuses at higher risk areas and therefore links in with goals defined in the child poverty strategy

Looked after children and young offenders

Evidence shows that looked after young people have higher levels of attachment disorder. Similarly those in the youth offending system also have higher levels of mental ill health. Identifying and addressing the mental health needs of these vulnerable groups early can ensure that they are able to fully integrate and engage in school and their wider communities. It can also help rehabilitation and reduced recidivism among young offenders. To support this we have made an additional £250,000 available since 2015-16 to improve the way in which CAMHS works with youth offending teams.

Additionally there are actions in the 2016-19 delivery plan, which health boards working with support of the Welsh Government (Health and Social Services) to publish an agreed care pathway for vulnerable young people such as looked after and adopted children to ensure appropriate referrals and support services are provided between CAMHS / other specialist mental health services / local authority and youth justice system by December 2017.

Vulnerable Groups

In July 2015 'Travelling to Better Health' was published. This responds to an identified and evidenced need to improve access to and improve healthcare services for Gypsies and Travellers. The guidance was produced in liaison with Gypsies and Travellers throughout all stages and provides advice on professional practice which could encourage greater participation in health and health services. The Travelling to Better Health guidance is supported by a number of outcome measures for health boards to assist with its effective implementation. Whilst financial implications in the current year are marginal, in the longer-term, following consultation and further implementation of the guidance, there may be further financial implications, particularly in respect of ensuring the NHS has knowledge, understanding and training of healthcare staff in relation to this community.

In September 2015 the service framework for the treatment of people with a co-occurring mental health and substance misuse problem was published. This guidance is designed to inform and influence the delivery of integrated and collaborative practice in the delivery of mental health and substance misuse services for adults, children and young people. Again financial implications are considered marginal within this current year however there maybe further financial implications following receipt of the actions plans from local mental health partnership boards / substance misuse area planning boards

Work has been ongoing in a number of additional areas including supporting the introduction of a Crisis concordat between Police, NHS and other partners

ANNEX B

to improve responses to people in contact with the police with mental health problems, a working group of key stakeholders is in place to ensure the implementation of the published *Crisis Care Mental Health Concordat*.

We will also issue a pathway for care, to ensure access for refugee and asylum seekers to general mental health and specialist Post Traumatic Stress Disorder (PTSD) provision **by January 2017**.

Mental health is 1 of the 4 priority areas for early action identified in the strategic Welsh language framework – *More than Just Words*. The June 2013 User Satisfaction Survey (Fundamentals of Care Audit) showed that 98% of patients were “receiving full information about [their] care in a language and manner sensitive to [their] need”. To support this further we have ensured the four most popular books under the *Book Prescription Wales* Scheme have been translated into Welsh and are available on CD. Locally, Betsi Cadwaladr UHB’s Welsh Language initiatives include developing a bilingual service user pathway to match Welsh speaking service users with bilingual mental health workers and identify unmet need.

There is a clear link between mental health problems and poverty. Studies have found that people with mental illness have the lowest employment rate for any group of disabled people. They also arguably experience greater poverty, less adequate housing and greater social isolation. It is important that our efforts to tackle poverty recognise this. We know that reduced incidence of mental health problems are important for healthy functioning communities, improving social cohesion, social inclusion and prosperity. We know that those in the most deprived areas of Wales are more likely to suffer the most from poor mental health and a higher incidence of mental illness.

Budgets impact directly and indirectly on socio-economic disadvantage, tackling poverty and building sustainable communities, contributing to direct employment of people within the mental health field, particularly the Third Sector supported through S64 grant funding. Our work also supports vulnerable people by promoting recovery which helps them live independently and participate economically. Evidence shows mental illness is one of the key reasons for workforce absenteeism and a significant factor for a number of the long term economically inactive. Being in employment is particularly protective against living in poverty. Promoting mental wellbeing and establishing accessible support services will reduce the numbers of people unable to work due to mental illness and for those in work, promote speedier recovery, reducing time off work and enabling them to return to work sooner. In September we launched a new programme of peer support to help nearly 6000 people with substance misuse and mental health issues into or closer to employment supported in part by the European Social Fund. There is another peer support programme that will also help people who are in work and experiencing health problems sustain employment.

A key theme of our approach is to address problems early in life to prevent them developing into more serious issues during adulthood. 1 in 10 children between the ages of 5 and 16 will have a mental health problem, and many

ANNEX B

more have behavioural issues. In addition many children act as carers and have to support parents/guardians who are themselves mental ill health sufferers. They require support to fulfil their role, including information and advice.

At the other end of the age spectrum, improving care, support and awareness of Dementia is a key priority. Dementia is a considerable cost to both public and private finances, with numbers increasing as the population ages. A large proportion of the cost is borne by carers and can be a significant contributor to household poverty. Dementia UK estimates £690m p.a. is lost in income for carers who have to give up employment or reduce work hours. The cost is also personal, as the carer often has to sacrifice their social life to provide dedicated, 24/7, care. Within the 2016-19 delivery plan we have committed to produce a dementia strategic plan by the end of the calendar year which will be then subject to formal consultation.

Evidence

Recurrent investment from 2011-12 of £3.5 million is supporting ground breaking mental health legislation the Mental Health (Wales) Measure 2010, which commenced in 2012. This investment has meant that there are now Local Primary Care Mental Health Support Services delivered locally across Wales. Between April 2013 and August 2016, over 110,000 primary mental health assessments were undertaken (prior to the implementation of the Measure this service was not available).

A mental health core data set, including outcomes from a service user perspective will evaluate the impact of the strategy. It will include measuring outcomes from a service user perspective and will also capture ethnicity data in all NHS psychiatric inpatient settings. We are continuing to develop this with the NHS Centre for Equality and Human Rights and Diverse Cymru The Together for Mental Health Strategy (2012) describes how mental health is a key driver for social and economic development. The increased mental health budget, for both adult and children's services will ensure Wales is at the forefront of promoting good mental health and tackling mental illness when it arises. The Strategy is an integrated cross Government strategy ensuring health social care and wider partners such as housing education and police work collaborate to achieve its outcomes. Age inclusive for children it embeds UNCHR within the approach. The strategy seeks to ensure continuous improvement and consequently has three year delivery plans across its ten year lifespan, to ensure that there is consideration as to next steps for improvement, it has considered the first three year plan and the findings, alongside significant stakeholder engagement have informed the next delivery plan being drafted to cover the period 2016-19. This plan will be subject to formal consultation between January – March 2016 and is due to be published in June 2016.

Many people with mental health conditions are regarded as disabled under the definition of the Equality Act 2010. This strategy aims to reach positively to the heart of tackling inequalities. Welsh Language matters are fully considered in relation to the Strategy and its delivery plan and for those where

ANNEX B

need is highest particular attention given e.g. those with dementia who have a clinical need for assessment in their first language.

This investment will directly impact the long term economic development of Wales through the creation of specialist and high quality posts within the NHS. It will also help grow the workforce for the future. For example the nursing workforce in CAMHS is expected to increase by around two-thirds as a result of this investment.

More generally the investment will support tackling poverty by improving educational attainment in children and young people, which is at the heart of the spending plans. Evidence shows that the increase in referrals to child and adolescent mental health services in recent years (with over a 100% increase in referrals over four years) is, in part, attributable to referrals for neurodevelopmental conditions. £2m of funding is being targeted at developing services to diagnose and treat these conditions which will bring direct benefits to the attainment of young people, as a result of their being able to engage fully in their education. Funding is also being targeted at young people in the criminal justice system, which research by the Prison Reform Trust shows have higher levels of mental health needs. Ensuring their needs are met in a timely manner will reduce recidivism among this group promoting their rehabilitation back into society.

For adults with mental health problems this supports recovery and keeping people in work if they develop mental health problems and allowing them to re-engage with the workplace as they recover which supports economic development as does support for their carers to continue within the workplace to reduce poverty.

The Welsh population is aging and as a result the incidence of dementia will increase. Improving services for dementia sufferers not only improves their quality of life but also those of family members who have to shoulder the burden and cost of caring for them, many of whom have to give up work to support their relations. This impacts their own quality of life and investment in new services will also therefore prevent poverty amongst the wider population and promote the priorities of the Future Generations (Wales) Act.

Continuous Improvement

Together for Mental Health enables us to measure the success of our work through a range of outcome measures, both specific to mental health and more general indicators of wider change