

Aneurin Bevan University Health Board

Response to Health & Social Care Committee Inquiry into the NHS Draft Budget

Mental Health

1. Allocated Spend on Mental Health Services (excludes Learning Disability services)

The allocated spend on mental health services for 2017/18 is as follows:

Mental Health Ring Fenced Allocation	£m
Hospital and Community Health Services	88.2
Primary Care prescribing	9.1
GMS (QOF and ES)	1.1
Substance Misuse	2.4
Total	100.8

The allocation has been delegated across three management divisions within the Health Board to deliver the following services:

1. Mental Health Division

Secondary care acute inpatient care, community services and continuing health care (CHC) services.

2. Family and Therapies Division

Provides CAMHS services, Out of county CHC placements and paediatric psychology services.

3. Primary and Community Care Division

Primary mental health services and prescribing in primary care.

2. Spending on Mental Health Strategy and Plan

The Health Board received £3.8m in 2017/18 as part of the national £20m funding, allocated by Welsh Government, for mental health services across NHS Wales. Some of the key areas of service development include:

- Improving support for adults who present in crisis

Investment in increased staff levels in acute in-patient wards and the remodelling of Crisis Resolution Home Treatment teams, providing an

extended service. Following consultation with users, carers and partners increased provision for crisis services has been prioritised.

- Expansion of Psychiatric Intensive Care Unit (PICU)

An increase in local services (4 to 9 inpatient beds) should improve the pathway for patients and reduce the need to commission out of county CHC placements. This should be in place from January 2018.

- Development of sustainable care support packages

Investment in more innovative 'In One Place' schemes, for those patients with complex needs, to access better support arrangements.

- Implementation of WCCIS

The implementation of the new system should improve management information and improve the quality of patient care.

Other services which have been developed and embedded into mainstream mental health services include:

- RAID (Rapid Assessment Interface Discharge) team established and assessing dementia patients in main acute hospitals at an early stage,
- Psychological therapy resources used to extend services and reduce waiting times for patients,
- Perinatal services team fully established, and
- Early intervention teams enhanced through use of CAMHS funding.

New services for children and adolescents with mental health problems have improved access in the following areas:

- Neurodevelopmental service,
- Crisis response,
- Eating disorder services,
- Emergency liaison, and
- Dialectal Behaviours Therapy.

3. Resources for Primary and Secondary Mental Health Services

The following table provides a summary of the main areas of mental health spend across the Health Board:

Resources	£m
Mental Health Division:	
Older Adult services	13.9
Adult services	17.0
Primary Care Measure	3.4
Forensic	3.0
Substance Misuse services (provided by the Health Board)	1.8
Specialist Services	1.6
Local Authority and third sector agreements	1.3
Continuing Health Care (CHC) – excluding LD/EMI	12.2
Mental Health Management/Support services	5.3
	59.5
Continuing Health Care (CHC) – Elderly Mental Illness	17.1
Family and Therapies Division:	
CAMHS	4.3
Continuing Health Care (CHC) – CAMHS	0.3
Paediatric psychology	1.0
	5.6
Primary Care Division:	
Prescribing	8.8
GMS QOF/ES	1.1
Local Authority and third sector provided services	1.5
Other primary care mental health provision (e.g. pharmacist, improved access)	2.5
	13.9
Other Mental Health Services:	
Services provided by other NHS bodies	4.7
WHSSC – specialist commissioned services	11.9
Other secondary care provided services	4.2
	20.8
Total	116.9

4. The Impact of the Mental Health Measure on Spending

The Mental Health Measure was implemented during 2012/13 financial year. Through a combination of additional funding and re-allocation of existing resources, the Health Board reconfigured its mental health services – including CAMHS – to provide a more comprehensive primary care mental health service.

The service has teams based in the five local authority areas and works closely with GP practices, taking referrals from practices and assessing and providing mental health care at an early stage.

The service has been extended over the last two years, through the use of Primary Care and CAMHS funding.

Tier 1 targets for assessing and treating patients have been consistently met for the last few months.

5. Spending on mental Health Services Delivered on the Prison Estate

There are two prisons with the Health Board area at Usk:

- Usk Prison a 250 population Category C closed prison for adult male vulnerable prisoners, and
- Usk Prescoed a 230 population open establishment housing Adult Male Category D Prisoners.

The Health Board provides a small in-reach prison service costing £52k per annum.

The Wales Offender service initiative provides a service to probation officers to help with the management of patients with personality disorder problems, and to avoid re-offending. The funded service is £115k per annum.

In addition, the Health Board is experiencing growing numbers of patients requiring specialist mental health services including continuing healthcare in low secure services, including prisoners at the end of their sentence with Ministry of Justice restrictions.

6. Patterns of Demand and Expenditure on Mental Health Services in the Last 5 Years

The Health Board has seen a £4.7m increase in spend on adult mental health services over the last 5 years, with the increase over the last two years proportionately higher. Service pressures from increasing number of patients with acute mental illness and those with long term continuing healthcare needs are putting services under pressure.

Continuing Health Care (CHC) costs have risen sharply over the last 2 years with adult mental health care costs rising by £1.6m (17%). Plans for a new Low Secure and High and Dependency Unit are being developed to provide

more local, accessible services and reduce the reliance on out-of-county placements.

Elderly Mental Illness (EMI) CHC costs have almost doubled between 2012/13 (£8.9m) and 2016/17 (£17.1m). The number of patients with dementia is growing, placing additional pressure on mental health services across the Health Board.

The Health Board has experienced a shortage of mental health junior doctor posts from the Deanery and has had difficulty recruiting to some registered mental health nursing posts.

CAMHS services have experienced increased demand for its services over the last 5 years and responded with specific investments in more capacity to reduce waiting times.

7. Details of the operation of the ring fence for the mental health budget, including the extent to which it has determined spending on mental health; and the purpose and value of the ring fence.

The ring fenced allocation acts as a check in the system. However, the Health Board actively commissions to improve health and deliver improved healthcare services for the whole of its population, including those with mental health needs.

Financial Performance

- **Detail of overspend/underspend and reasons for this & key pressure areas and plans in place to make improvements**

Over the preceding three year IMTP period 2014/15 – 2016/17 the Health Board has achieved its statutory financial duties including delivery of a break-even financial position and has a track record of delivery in relation to financial performance. For 2017/18, the Health Board has received approval of its 2017/18 IMTP by Welsh Government and is forecasting a break-even position for the 2017/18 financial year.

On an in-year basis, as at the end of July 2017, the Health Board has an in-year deficit of £3m, with actions being put in place to deliver the forecast break-even position described. Key pressure areas for the Health Board include:

- Variable pay – in particular the premium cost of agency nursing and medical staff supporting challenges in workforce supply,
- Medicines management – in particular the cost of growth in existing treatments in secondary care,
- Increased costs in relation to growth in specialised services and cancer treatments, and
- Delivery of premium cost activity and demand solutions to support improvements in performance delivery and sustain service delivery.

There are a number of actions in place to improve this position including recruitment, stabilisation of rates of pay, actions to manage growth in demand, and delivering on further opportunities for improvement.

- **Views on the perceptions that there remain opportunities for the NHS to make further efficiency savings**

The Health Board recognises and acknowledges the evidence base outlined by the Health Foundation's 'Path to Sustainability' report, which outlines the planning assumption that Health Board's should be planning on around 1.5% efficiency savings per annum to retain financial balance over the next 10 year period (provided additional funding is sustained and the current share of UK GDP). Historically, the Health Board has delivered in the region of 1.5% - 2% per annum, and there remain opportunities to deliver this level of improvement through:

- Technical efficiency – including use of premium workforce costs, non-pay efficiency, medicines optimisation (e.g. loss of exclusivity)
- Allocative efficiency – optimising high vs low value interventions relative to outcome gain
- Productivity – delivering improvements in productivity and efficiency in line with best performing organisations and healthcare systems.

Whilst progress is being made on delivering improvements in each of these areas there remain opportunities to deliver further savings. Increasingly however, opportunities afforded by technical improvements are reducing and there is a need for a greater contribution from allocative efficiency approaches and gains.

- **Any projected spend on technology and infrastructure to support quality and efficiency**

The Health Board is utilising technological and infrastructure developments to support improvements in quality and efficiency, supported through both capital and revenue programmes which will deliver both quality improvements and future savings. There are examples of local schemes to support Health Board priorities and regional and national developments to support consistent solutions across Wales. From a local Health Board perspective such examples include developing the Digitised Health Record (DHR), use of automated stock control systems in pharmacy (and looking to expand into other clinical areas), and developing Text Remind services to deliver significant improvements in missed outpatient appointments. At a national level, developments include the development of Welsh Community Information System (WCCIS), and the national patient flow system which are envisaged will deliver improvements in productivity, and release clinical time through increased automation to increase available direct patient care.

The Health Board is also developing its system infrastructure in relation to capturing patient related outcomes, which will allow the continued

development of a Value Based Healthcare approach and maximising the opportunities associated with developing a clear alignment and understanding of the relationship between costs and outcomes.

- **Response to Welsh Audit Office (WAO) report on the implementation of the NHS Finance (Wales) Act 2014 (introducing 3 year financial plans to enable longer term planning)**

The Health Board considers that through the implementation of the NHS Finance Wales Act 2014 this has helped to provide:

- Greater clarity on future funding levels,
- A clear planning and delivery framework
- An environment to support the development of robust plans, and
- An IMTP approval mechanism.

Independent work such as the Health Foundation and Nuffield Trust reports have also contributed to understanding and providing clarity around future funding and spending outlooks.

The WAO report reflects a position the Health Board recognises. In addition, the Health Board would support that there is a need to shift towards a three-year delivery environment aligned with approved IMTPs, but recognises the challenges associated with ensuring in-year delivery in large complex organisations.

- **Views on the effectiveness of the 3 year plans**

The Health Board considers that the 3 year plan system is an improvement on the previous planning arrangement, and through the IMTP process a clear planning and delivery framework has emerged which provides the Health Board with a clear framework and mechanism to plan and deliver its services and associated strategic objectives and key performance targets. In addition, the Health Board is incentivised to ensure it has an approved 3 year plan with Welsh Government in relation to the increased autonomy that this enables, and incentives this may bring such as increased discretionary capital allocations.

In developing 3 year plans however, there remains a natural inclination to have an increased focus on the first year and ensure in-year delivery of key performance deliverables and service quality improvements in addition to financial balance. Through each annual IMTP process the Health Board is developing its approach to ensuring that future year's plans are developed with the same degree of robustness as the first year component and focus on medium term financial sustainability as well as in-year financial balance.

- **The reasons why none of the NHS bodies have so far made use of the new financial flexibilities under the Act**

Given the Health Board's ability to achieve its statutory financial duty in recent years there has been no detailed consideration of the need to use some of the new financial flexibilities under the Act. In relation to the position of NHS Wales as a whole, a key consideration in exploring the use of the financial flexibilities under the Act is how the system as a whole would retain financial balance, and how longer term plans are developed with a sufficient degree of assurance and robustness that future flexibility can be planned with certainty and any risks mitigated.

The pace of change

- **Views on how effective current funding mechanisms are in driving transformational change**

The Health Board recognises that Welsh Government are allocating funding for specific purposes which at a national level is intended to support transformational change in areas such as developing out of hospital services, integrated care, use of technology to support increased efficiency, and mental health services. Whilst this approach is positive in support of those particular areas, having additional funding allocated in a defined way reduces Health Board flexibility to allocate additional resources in line with local priorities developed through the IMTP process. In addition, new funding whilst welcomed is relatively modest in comparison to the Health Board's total allocation, and the main focus for delivering transformational change needs to be delivered through Health Board approaches and utilisation of its total resource.

- **The extent to which a preventative approach to funding services is currently possible**

There is evidence of funding services to support a preventative approach, both through Welsh Government directed policy and funding, and through local priorities as determined through the Health Board's IMTP. For example, the Health Board's Living Well Living Longer programme, and other programmes to support improved public health are key developments in looking to secure improvements in the population health. However, the ability to invest significant at scale in preventative health programmes is constrained by short term financial pressures and targets taking priority, and ensuring the Health Board remains in a sustainable financial position. The Health Board's Value Based Healthcare approach considering outcomes aligned to cost of services is a key strategic lever in considering relative outcome gain and ensuring this plays a greater part in prospective resource allocation and utilisation.

- **Actions NHS bodies would like to see from Welsh Government to address these issues**

The Health Board's value based approach focuses on greater allocation of resources to improve the health outcomes for its population. The Welsh

Government's revenue resource allocation formula, in part, recognises population health. Refining this further, to reflect current population health challenges would enable prospective funding allocations to be greater aligned to the health needs of the population. This should also enable a focus on where the need for preventative approaches is greatest, recognising that balancing long term investment in prevention versus short term investment in immediate priorities will always present a challenge.

Workforce Pressures

- **Details of particular pressures and staff shortages, and plans to address this;**

The Health Board has particular challenges in relation to the workforce which is consistent with the rest of NHS Wales and the wider NHS in the UK:

- Registered nursing workforce supply with a reliance on premium rate agency staff
- Secondary care Medical workforce supply with a reliance on premium rate agency staff
- General Practitioners demand to sustain existing service models
- Sustaining specialised workforce in key specialties and sustaining multiple services on various sites

Plans to address these issues include recruitment (including innovative approaches to recruitment), developing increased pay standardisation in relation to premium rate temporary staff, and developing alternative roles ensuring all professions operate at the top of their licence and capacity where appropriate is released.

- **Any planning / assessment undertaken on future funding needs post-Brexit, for example given possible changes in agency staff costs**

The potential risk of lower economic growth, as a result of Brexit, leading to lower tax revenues and public spending is understood. Alongside this, the Health Foundation (Path to Sustainability) reported that approximately 6% of NHS Wales's staff are from other EU countries, representing a risk to sustaining an appropriately skilled workforce. There is already a significant focus on workforce pressures, as outlined previously. Whilst these are potential significant threats, at this stage the impact of Brexit negotiations is not clear.

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