

Health, Social Care and Sport Committee

Date: 9 November 2017

Venue: Senedd Cardiff Bay

Title: Scrutiny of Draft Budget 2018-19

1. Purpose

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 3rd August inviting them to give evidence on their Draft Budget proposals and asking them to provide a paper in relation to the Draft Budget.

2. Introduction

The Draft Budget process is now in two stages. The outline budget (Stage 1) was published on 3rd October 2017, and the detailed budget (Stage 2) on 24th October. The outline budget focuses on the overall fiscal envelope for Welsh Government and the main MEG level allocations, while the detailed budget covers the Budget Expenditure Level (BEL) spending plans within each MEG.

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 2018-19 and also provides an update on specific areas of interest to the Committee.

3. Budget Overview

	2018-19
Revenue	£m
Revised 2017-18 DEL Baseline	7,018.570
MEG allocation	230.000
Agreed Savings reduction to MEG	(7.292)
Agreed Specific grants savings	(2.400)
MEG to MEG Transfers	(7.670)
Revised DEL as @ Draft Budget 2018-19	7,231.208
Capital	
Capital baseline as at Final Budget 2017-18	260.289
MEG allocation	23.500
MEG to MEG Transfers	10.985
Revised DEL as @ Draft Budget 2018-19	294.774
Overall Total HWB&S MEG	7,525.982

The table above does not include Annual 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 2017-18 to the revised baseline budget for each element of the MEG.

Revenue DEL	£m
Published First Supplementary Budget 2017-18	7,065.650
Transfer to Local Government MEG	(30.000)
Reversal of MEG transfer NHS Bursary Scheme	0.800
Removal of non recurrent funding	(17.880)
Revised 2017-18 Baseline	7,018.570
Capital DEL	
Published First Supplementary Budget 2017-18	251.971
Adjustment to agree with 2018-19 plans (as per 2017-18 Final Budget)	8.318
Revised baseline as @ Final Budget 2017-18	260.289

Compared to the revised baselines for 2017-18, the total revenue allocation for Health, Well-being and Sport has increased by **£212.638 million** and for capital an increase of **£34.485 million**. In summary, the movements are:

Revenue	£m
Additional investment from reserves in line with Welsh Government priority to support the NHS in Wales	230.000
Net savings amount transferred back to reserves	(9.692)
Transfer to Local Government MEG in respect of Grants review (Welsh Independent Living Grant (£27.000 million) and Secure Estates (£0.39m million))	(27.391)
Transfer to Central Services Administration MEG Wales for Africa Grant	(0.050)
Transfer from Central Services Administration MEG for 2017-18 Invest to Save baseline adjustment	9.049
Transfer to Central Services Administration MEG for 2018-19 Invest to Save approvals	(0.278)
Additional Budget Agreement investment	11.000
Revenue net increase	212.638
Capital	
Additional investment from reserves	23.500
Transfer to Central Services Administration MEG for 2018-19 Invest to Save	(0.015)
Additional Budget Agreement investment	11.000
Capital net increase	34.485

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

4. Approach to Budget proposals

The Health, Wellbeing and Sport MEG supports the Welsh Government's ambitions for a healthy and active population. It contains the core revenue and capital funding for NHS Wales, as well as funding for:

- Public Health Wales and other public health programmes
- education and training of the NHS workforce
- other NHS and health programme budgets, including substance misuse and research and development
- supporting social services, including funding for Social Care Wales, the main element of social care is delivered through the Local Government MEG
- supporting community and elite sport, including funding for Sport Wales

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 2018-19 is the additional investment of a further £450 million in the Welsh NHS over the next two years. The evidence from recent reports by the Health Foundation and Nuffield Trust was that health spending would need to rise annually to keep pace with an increasingly elderly population, and with the rising prevalence of chronic conditions, such as diabetes. Through this additional investment, we are planning for the medium and long-term sustainability of health services in Wales.

Details of the allocation of this funding to NHS organisations will be provided in the 2018-19 NHS revenue allocations, which will be published later in the autumn.

We have reviewed and reduced spending plans for some central health and wellbeing programmes, where we can be assured that the impacts of these reductions can be mitigated through other core areas of funding. We will continue to monitor the impact of these spending changes to ensure that they do not prevent us delivering our aims in *Prosperity for All*.

5. Funding arrangements for Local Health Boards

In order to help the Committee's scrutiny and to provide a greater understanding of how the NHS spends its allocation of funds contained within the 'Delivery of Core NHS Services' Action line, the following section provides more information on the funding arrangements for Local Health Boards.

Within the BEL tables shown at Annex A the Core NHS Allocations BEL shows a budget of £6.5 billion for 2018-19. Notwithstanding a few minor adjustments, this budget is the main revenue allocation budget issued to Health Boards at the beginning of the financial year. The allocation provides funding for:

- Hospital and Community Health Service (HCHS) and Prescribing revenue discretionary allocation.
- HCHS protected and ring-fenced services

- General Medical Services Contract allocation
- Community Pharmacy Contract allocation
- Dental Contract allocation

The 2017-18 Health Board revenue allocation was issued in December 2016, setting out the allocations between the various funding streams shown above. The table below summarises the allocation by Health Board.

2017-18 Health Board Revenue Allocations

Health Board	Discretionary & Prescribing Allocation	Ring Fenced Allocation	GMS Contract	Pharmacy Contract	Dental Contract	Total
	£m	£m	£m	£m	£m	£m
ABM	743.608	172.827	75.428	29.335	27.082	1,048.280
AB	841.766	147.338	85.870	31.453	27.107	1,133.533
BC	989.138	202.681	116.087	33.471	27.097	1,368.474
C&V	613.716	124.949	64.568	22.218	24.497	849.948
CT	455.740	91.352	45.617	18.501	11.733	622.943
H Dda	531.815	112.761	60.879	20.923	17.576	743.954
Powys	185.316	42.103	30.659	4.753	5.577	268.408
Total	4,361.099	894.009	479.109	160.654	140.669	6,035.540

The figures in the table above do not include funding issued in year in 2017-18 or the funding I have held back in 2017-18 on a non recurrent basis to manage deficits in the four health boards in escalation. I have still to determine in detail how this unallocated funding from 2017-18 will be used to support delivery and service transformation in 2018-19, along with the **additional £230 million** for the NHS announced in this Draft budget for 2018-19. I set out more detail on my plans later in this paper.

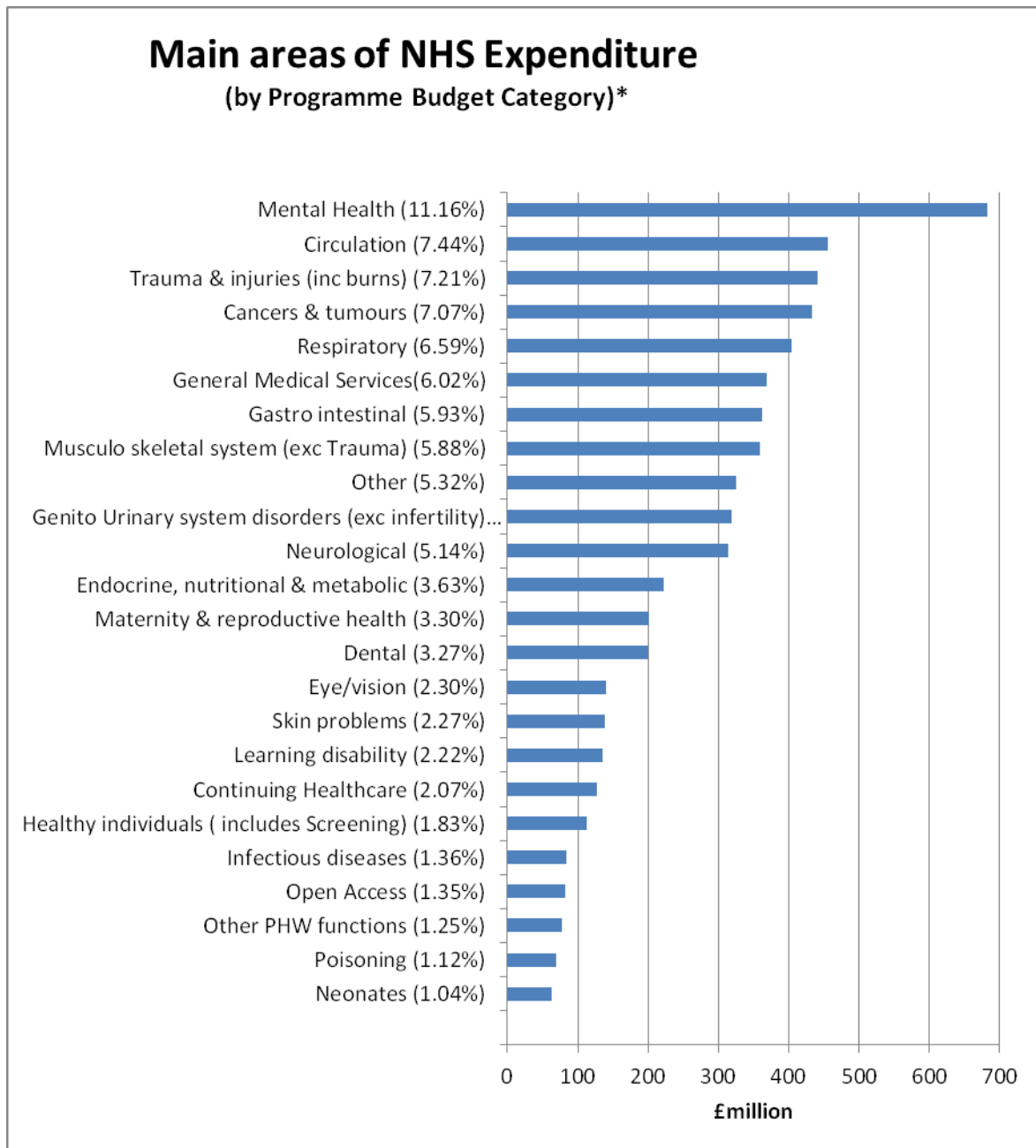
Within the 'Core NHS Allocations' BEL, there are some elements of funding that are issued to Health Boards in year, based on actual costs or agreed criteria which may differ from year to year, so are not included within the above recurrent funding amounts. Examples of these items of expenditure are:

- Substance Misuse funding
- Dental and Pharmacy Trainee costs
- Treatment fund

6. Expenditure by Programme Budget Category

A further analysis of historical expenditure can be shown by Programme Budget category. This information is produced each year but is only available approximately 12 months following the end of the financial year. Consequently the information

shown below has been compiled from expenditure during the 2015-16 financial year. The areas of expenditure are detailed in the graph below:



The categories of spend shown above are based on the World Health Organisation International Classification of Diseases

The chart above illustrates the main areas of spend in the NHS in Wales. The information is drawn from the programme budgeting returns for 2015-16 and covers over 93% of the expenditure in that year (circa £6.1bn). NB The programme budgeting information for 2016-17 is not yet available, and is expected to be published in early 2018.

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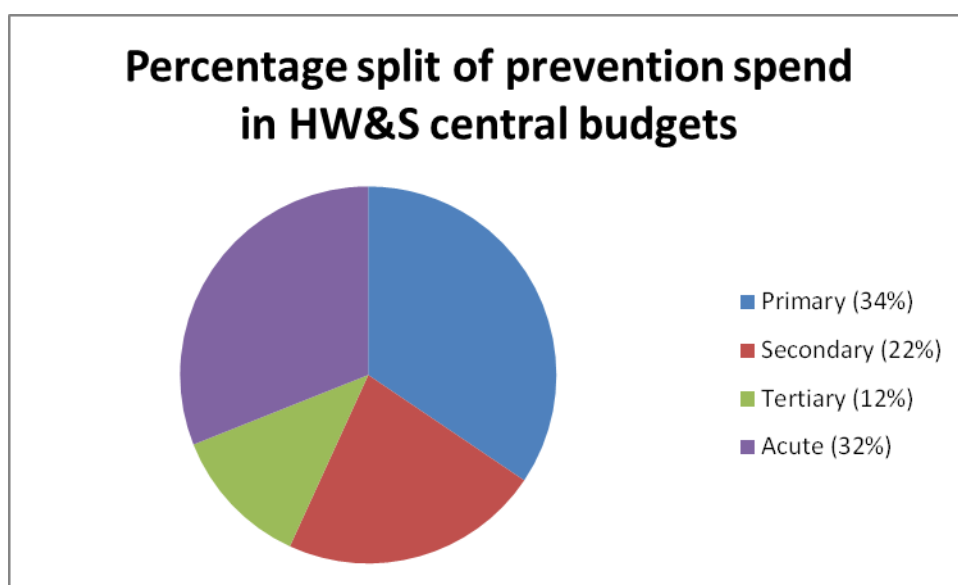
7. Preventative Spending

Our aim is to take significant steps to shift our approach from treatment to prevention. To support this, we have undertaken a review of our spending plans to assess the level of current spending on prevention. The Early Action Task Force, which produced the 'Towards Effective Prevention' report have built on the proposed definitions set out in the National Audit Office's early action landscape review, developing them in discussion with practitioners. Work is underway to determine a set definition of prevention across Welsh Government based on this work. We have classified expenditure using the Early Action Task Force definitions.

In looking at our preventative spend for the Health, Wellbeing and Sport Central budgets we have used their definitions as follows:

Definition	Explanation of Definition
Primary Prevention	Preventing, or minimising the risk, of problems arising usually through universal policies like health promotion or a vaccination programme.
Secondary Prevention	Targeting individuals or groups at high risk or showing early signs of a particular problem to try to stop it occurring. For example screening programmes.
Tertiary Prevention	Intervening once there is a problem, to stop it getting worse, and redress the situation. For example the "Choose Well" campaign or funding for psychological therapies.
Acute Spending	Spending which acts to manage the impact of a strongly negative situation but does little or nothing to prevent negative consequences.

We have reviewed our centrally held budgets against the above categories and the percentage split is shown in the table below:



Welsh Government does not set detailed requirements for NHS organisations on how they should use their discretionary revenue allocation to meet national and local priorities, and the proportion of their funding they should spend on preventative activities. So, in terms of assessing the level of NHS spending on prevention, we have had to use an alternative approach. Within the UK Health Accounts 2015 publication, published by the Office for National Statistics in April 2017, the analysis of expenditure by healthcare function identifies, at a UK level, that spend on prevention equates to £9.6 bn of a total spend of £185 bn. For government funded healthcare, expenditure on prevention equates to £7.4 bn, or 5.05%, of total government healthcare expenditure of £147.1bn.

The ONS led Health Accounts Steering Group are considering whether future annual publications could include breakdown of UK expenditure by country. At this stage no decision has been made on this development, however if this was agreed by the steering group (which includes the devolved administrations) it would then be possible to identify prevention spend by country. The next UK Health Accounts publication, UK Health Accounts 2016, is due to be published in early 2018. We will continue the work to improve our understanding of spending on preventative activities.

Some specific examples of where we are providing preventative funding include:

- Funding for the three year study into the availability of Pre-exposure Prophylaxis to reduce the risk of sexually-acquired HIV1 infection in adults of high risk as part of a wider HIV prevention service.
- Investing in prevention of avoidable diseases through expanding the children's flu vaccination programme by an additional school year in 2017-18, and then accelerating the roll out to all primary school children in 2018-19. This is expected to significantly lower the public health impact of flu by preventing a large number of cases of disease in immunised children as well as in unvaccinated infants and older people in clinical risk groups through reduced circulation and transmission of flu.
- Health & Social Services and Education are investing in a cross cutting initiative to pilot the provision of mental health in-reach support for children in school settings. £1.4 million is being jointly invested in three pilots that will run from 2017-18 to 2019-20; one in North East Wales, one between North Gwent and South Powys and one in West Wales. The pilot schemes will test approaches on early identification and intervention for children with emotional and mental health problems. There will also be funding to support a national coordinator to support the pilots. The contribution from the Health & Social Services MEG for 2018-19 will be £0.229 million.
- Investing in preventing cancer. The HPV immunisation programme started in 2008. There is already evidence from Australia, Denmark, Scotland and England that the vaccine is making a difference. There has been a large drop in the rates of infection with the two main cancer-causing HPV types in women and men. The programme is expected to eventually prevent significant numbers of deaths from cervical cancer every year. As it can take

many years for the cancer to develop after infection then the overall benefit of the programme will take some time to be evaluated.

- Investing in genomics for precision medicine. The strategy outlines our plan to harness new genomics technologies to improve the health and prosperity of the people of Wales. Through the strategy, we want people across Wales to have access to quicker, more accurate diagnosis and better information to support treatment decisions. We also want to apply the latest techniques for improved disease prediction and gain a better understanding of disease outbreaks.

8. Capital funding

We are continuing to prioritise investment in NHS infrastructure, and have an ambitious programme over the next three years which will see the delivery of new facilities and the major redevelopments in some of our most strategic assets.

Work commenced on the Grange University Hospital in July 2017 and this is a key component in the NHS Wales Capital Programme going forwards. This 470 bed state of the art hospital is due to open in 2021. Significant redevelopment and modernisation works are also underway at Prince Charles Hospital and Ysbyty Glan Clwyd, and in 2018-19 work will continue to progress on the development of the new Velindre Cancer Centre.

As well as schemes within the acute sector, this budget provides £11m next year to support the construction of the Cardigan Integrated Care Centre as part of the budget agreement with Plaid Cymru. Subject to the approval of the Full Business Case later this autumn, work is expected to commence in April 2018, with an estimated 17 month build period.

Next year will also see £10 million to progress a pipeline of primary and community care projects as part of the implementation of the Taking Wales Forward commitment, which is reiterated in Prosperity for All, to invest in a new generation of integrated health and care centres. This pipeline will see 19 projects across Wales being delivered by 2021. I previously announced £40.5 million of capital funding to deliver this commitment. As part of this budget, I am building on this funding allocation and can now confirm a total of £68 million capital will be used over the coming three years to deliver the schemes.

This budget also provides £3.5 million in 2018-19 to support the delivery of the Emergency Services Mobile Communications Programme (ESMCP). This will provide the next generation communication system for the three emergency services (police, fire and rescue, and ambulance) and other public safety users in England, Scotland and Wales. ESMCP has been established by the Home Office to provide an integrated critical voice and broadband data communications service for the Emergency Services that meets the public safety requirements for coverage, functionality, availability and scrutiny. The earmarked funding will be used by the Welsh Services Ambulance Trust as part of its preparations and implementation

Specific Areas

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

The detailed budget published on 24th October set out our spending plans for the HW&S MEG by BEL. An analysis and explanation of the budget changes since the June 2017 Supplementary Budget is set out in Annex A.

Mental Health

The allocated budget on mental health services: We continue to spend more on mental health services than on any other part of the Welsh NHS. The mental health ring fence currently stands at £629m for 2017-18. In line with the Budget Agreement with Plaid Cymru, we will be increasing the mental health ring-fenced allocation by a further £20 million in 2018-19 and 2019-20, to nearly £650 million. The ring fence allocation for mental health forms a protective floor, below which expenditure on core services must not fall.

Budget agreement: Recurrent funding for Eating Disorders, Gender Identity Services and Mental Health Services

The Welsh Government's 2018-19 budget ensures that the additional £1million of additional funding for 2017-18 to improve eating disorder (ED) and gender identity services is provided on a recurrent basis.

Eating Disorders: This additional funding builds on Welsh Government investment of £1.25 million per annum to improve provision for children and adults. The £0.500 million is being targeted on services for older adolescents, as they transition between children's and adult services. In particular, funding will be used to foster close working relationships between existing CAMHS ED and adult tier 3 ED teams, working together in the best interests of the patient in a clinically- led, rather than an age driven, model of care. This includes improving training and providing additional sessions for existing staff, and recruiting new specialist staff.

Gender Identity Services: The All Wales Gender Identity Partnership Group (AWGIPG) is leading on the development of a new treatment pathway for Wales. This includes the development of a new multidisciplinary service, known as the Welsh Gender Team (WGT). The WGT will provide support to a network of GPs across Wales with a specialist interest in all areas of gender care, including hormone replacement therapy, and will accept direct referrals from GPs. The WGT plans to accept new referrals and repatriate appropriate individuals who are currently on waiting lists for treatment from the end of March next year. This new set of arrangements will result in shorter distances to travel to access services, improved waiting times and better user experience.

Additional funding for mental health services: The Welsh Government's 2018-19 budget includes a further £20 million of funding for mental health services. This will support the ongoing delivery of priorities in Together for Mental Health and Prosperity for All.

Allocations for delivery of the mental health strategy and delivery plan

Spend on mental health services is the largest single area of the budget and health boards are requested to give it proportionate consideration in their Integrated Medium Term Plans (IMTPs). The 2016-19 delivery plan published to underpin the “*Together for Mental Health*” strategy sets out clear priorities and IMTPs are also requested to demonstrate the organisation’s delivery of these priorities. IMTPs should demonstrate how the organisation is meeting its statutory responsibilities under the Mental Health (Wales) Measure 2010 and how the organisation is delivering improved access and outcomes for service-users from the additional significant investment by Welsh Government in targeted areas of provision. More generally, IMTPs should clearly set out the organisational service change programmes to ensure the availability of high quality, sustainable, accessible and timely care with associated timescales and risks.

The allocated budget on mental health services delivered on the prison estate

Mental Health funding for prisoners is not separately identified in the NHS funding allocation. Health Boards are responsible for commissioning services for their resident population for hospital and community health services and this will include the prison population in their area.

Patterns of demand and expenditure on mental health services in the last 5 years

The most recent information available from the NHS Programme budget returns relates to the period from 2011-12 to 2015-16. This demonstrates that Mental Health spending has risen by over £40 million from £642 million in 2011-12 to £683 million in 2015-16.

Since 2015-16 an additional £25 million has been recurrently allocated to Health Boards to target the provision of Mental Health Services and as part of the budget agreement for 2018-19 a further £20 million will be added to the Mental Health allocation. A total increase in funding over that three year period of £45 million.

Details of the operation of the ring fence for the mental health budget, including the level at which it is set, defining what is included within it, the extent to which it has determined spending on mental health; and the purpose and value of the ring fence and future plans for it.

Mental health funding has been ring-fenced since 2008. The ring fence looks to protect and enhance core services and also includes specialist services and primary care spending. The ring-fence provides a floor below which expenditure on mental health services should not fall and any savings must be re-invested into mental health services.

The Welsh Government have made increases to the mental health ring fence over the last couple of years in recognition of areas where we have seen an increased demand to services. This includes additional funding for CAMHS services, older

people's mental health, community perinatal services and psychological therapies. It is the health boards responsibility to demonstrate an understanding of the mental health and mental well-being needs of their own population across the life course and as part of this work include a capacity and demand analysis which also demonstrates how the health boards is actioning areas for improvement. This will be monitored through the IMTP process.

Other Budget Agreement changes:

Recurrent funding for End of Life Care: Additional funding of £1 million will enable the End of Life Care Board to continue to take forward its national priorities. These include building further capacity in Hospice at Home provision, empowering patients to advance care plan, supporting people to remain in their place of residence, improving bereavement care and will also enable better use of both digital technology and research.

Funding for Welsh Buurtzorg Pilot: This £4 million funding is to be used to introduce elements of the Buurtzorg approach in Wales, in line with Nurse Staffing principles for community nurses. This will be focused on the training of 80 new district nurses.

Funding Transformational Change in the NHS

Prosperity for All sets out our ambition to maintain high quality health services, supporting and promoting good health and wellbeing for individuals, families and communities, and taking steps to shift our focus from treatment to prevention. I am determined to use the additional investment in NHS Wales to support this ambition and drive forward transformation change in our health and care services.

The evidence base contained in the Nuffield Trust and Health Foundation reports points to the need for continued annual investment in the NHS to keep up with cost growth and increases in the demand for services. In 2017-18, I increased NHS allocations and other NHS funding streams by a universal uplift of 2%, equating to approximately £110 million overall, to meet cost growth. I will plan to make a similar funding uplift in 2018-19 from within the additional £230 million funding allocated in this Draft Budget.

My ambition is to use the balance of the additional investment, after allocating funding for cost growth, to demonstrate our commitment to transforming services and to maintain and improve performance. I am also determined to incentivise organisations to attain and maintain the status of having an approved medium term plan, by giving these organisations more flexibility in how they apply additional funding to drive transformation at a local level.

The extent to which we are able to meet this ambition will depend greatly on our progress in addressing operating deficits in those health boards in escalation. In 2017-18, I have had to hold back a significant proportion of the additional £240 million investment on a non-recurrent basis to offset deficits in these organisations. The targeted intervention of these organisations being undertaken by my officials is

creating traction in terms of stabilising the position, but I will need to have assurance that further improvement is being achieved and sustained during the second half of 2017-18 before making any decisions to commit additional transformation funding on a recurrent basis in 2018-19 and beyond.

In using funding to drive transformation change, we should not focus solely on new investment, but also in ensuring that we are taking action to redirect existing spending towards new models of care.

International evidence shows primary care is the core element of a sustainable health system. Our national primary care plan sets out how we will achieve a sustainable and effective health system through a more social model of health and wellbeing. This creates a response to people's needs which draws in and makes prudent and innovative use of all available financial, workforce and other resources, not just those of NHS Wales, helping support people to take responsibility for their own health and wellbeing.

Alongside the additional investment we are making in 2018-19, this budget supports this transformational change and improvement through maintaining several existing targeted funding allocations, including maintaining the primary care fund, the integrated care fund and funding for the national delivery plans. £10 million of the primary care fund has been allocated for the primary care clusters to decide how to invest and is proving successful in demonstrating the benefits of collaboration at a very local level to drive transformation.

Our Budget includes ring fenced funding for health boards for the services contract with GPs, community pharmacists, dentists and optometrists. We continue to explore with the relevant professional bodies how the nationally negotiated contractual frameworks can enable our aim to transform care and support and to meet people's needs as close to home as possible.

We also plan to increase frontline treatment services for substance misuse by increasing the ring fence by £0.920 million in 2018-19, to over £18 million annual investment.

Social Services

Welsh Government is aware of the potential tension between day-to-day cost pressures and preventative spend for social services. Our major legislative and service reform aims to free up local authorities and the wider sector to respond to the demographic and other challenges by taking a longer term approach focusing on prevention and early intervention and meeting personal well-being outcomes in improving the well-being of people in Wales.

We have targeted funding of £1.3 million in years 2013-14 and 2014-15 increasing to £3.0 million in years 2015-16 and 2016-17, through the Delivering Transformation Grant 2013-14 to 2016-17 (now transferred to the revenue support grant from 2017-18), recognising the transitional costs of planning for and then implementing the

changes necessary to drive improvement in the systemic delivery of social care in Wales under the aegis of the Social Service and Well-being (Wales) Act 2014. The evaluation arrangements for the Act are currently being co-developed with stakeholders. However, current indications are that, although implementation is progressing at different rates in different areas, the use of grant funding to advance national priorities has been welcomed as a tool to speed the progress of implementation and encourage the wider adoption of best practice across Wales.

We have also put in place, over and above this, a total of £55 million of additional recurrent funding that was allocated to local government from 2017-18. In supporting front line service delivery, addressing the effect of the national living wage and targeting action on three priority areas of the social care workforce, looked after children, and carers, this funding is intended to give local government and its partners the headroom in order to take forward their prevention and early intervention agendas.

Partnership working and regional partnership boards

On 10 October the Minister for Social Services and Public Health gave an oral statement to the Assembly, setting out the importance of integration and partnership working for health and social services.

The Social Services and Well-being (Wales) Act 2014 recognises that standards can best be raised by partners working together. The Act provides for regional partnership boards to drive the effective integration of health and social services. These boards are now firmly established and are improving the effectiveness of service delivery.

Seven boards, on the health board area footprint, have been established that bring together health, social services, the third sector and other partners. Their purpose is to improve well-being outcomes and make best use of resources to support sustainability.

Regional partnership boards are required to establish pooled budgets including, from April 2018, in relation to the provision of care home accommodation for adults. These pooled budgets will support integrated commissioning, allowing local authorities and health boards to focus on improved quality as well securing better value for money.

The Social Services and Well-being Act also requires regional partnership boards to take an integrated approach to the planning and delivery of services. In April, the regional boards published population assessments, as required by the 2014 Act. These provide a clear and specific evidence base of the full range of care and support needs. Regional boards are now producing area plans in response to those assessments by April 2018 which will set their agenda for the integrated delivery of services.

Integrated Care Fund (ICF)

The now rebranded **Integrated** Care Fund (ICF) was established in 2014-15 to support older people to maintain their independence, avoid hospital admission and prevent delayed discharge. It also aims to drive partnership working and the delivery of integrated services across health, social services, housing and the third sector. The fund was expanded in 2016-17 to support the development of integrated care and support services for other groups of people.

As a key delivery mechanism for the Social Services and Well-being (Wales) Act, from 2017-18 the objectives of the ICF are linked to regional partnership board's priority areas of integration:

- Older people with complex needs and long term conditions, including dementia;
- People with learning disabilities;
- Children with complex needs due to disability or illness; and
- (for the first time) Carers, including young carers.

Regional partnership boards have oversight and ensure the effective use and delivery of ICF.

With the £130 million funding provided through ICF to date and the £60 million in 2017-18, the Welsh Government is supporting improved access to integrated health and social care so more frail and older people are being cared for at or near home.

ICF funding is being used to develop a wide range of innovative models of integrated working. These have created increased capacity in the care system and improved consistency in the provision of services within regions.

The emerging evidence indicates funding is making a real difference to many people's lives as well and reducing the pressure on vital NHS and social care services. This has been achieved by the development of a culture of collaboration and partnership working between social services, health and housing, along with third and independent sector partners.

The Programme for Government includes a commitment to retain this important fund.

Any allocated budget for technology and infrastructure to support quality and efficiency

Investment in ICT and digital technologies supports wider service transformation, enabling more effective use of resources across the service, and empowers both patients and professionals through the provision of information anywhere at anytime.

Through our £55 million investment in NHS Wales Informatics Services (NWIS), we have an established national architecture, with health boards using common clinical systems such as the Welsh Patient Administration System and the Welsh Clinical Portal (WCP). Investment has improved the IT infrastructure, allowing replacement of ageing equipment and strengthening systems against cyber attack.

The WCP is the main access point to information for hospital clinicians. It pulls together key information from the many systems used by hospitals, allowing the clinician to view a patient's record in one place and use a common system to perform various tasks e.g. requesting tests, reviewing results or creating a discharge advice letter.

Other examples include My Health Online through which GPs are able to offer online appointment booking and repeat prescription requests.

The Welsh GP record is available to GPs in out-of-hours settings as well as clinicians and pharmacists in secondary care. Choose Pharmacy is used by 51% of community pharmacists. It supports delivery of the common ailments and the discharge medicine review services. Pharmacies using the Choose Pharmacy service are able to view the patients GP record and supply prescribed medicines to patients in an emergency.

The Welsh Community Care Information System (WCCIS) supports the delivery of integrated health and social care services. It allows staff working in health and social care to use a single system and a shared electronic record of care.

Welsh Government hypothecated funding for innovation through the Efficiency through Technology Fund will reduce by £4 million in 2018-19. The Programme has been developed and delivered by Welsh Government as a competitive grant, with funding allocated to specific accelerated projects. This differs from the traditional consolidated funding arrangements for health boards and trusts. The Programme and its approach are considered to be a proof of concept or demonstrator and has been externally reviewed, receiving positive endorsement and recommendations.

Welsh Government believes that this approach should be more widely adopted across NHS Wales. We will share this model and learning with health boards and trusts, so that they can use it to drive technology adoption and innovation from their own resources, as part of core business. We will use IMTPs to agree with health boards and trusts how they will do that, including the level of resource which they will individually and/or collectively commit to this important area. We will monitor activity and outcomes through our regular oversight and reporting mechanisms.

Views on how the Welsh Government can effectively balance the need for preventative spending whilst addressing day-to-day cost pressures.

The day-to-day cost pressures facing the NHS in Wales, as with all other modern healthcare systems, are very challenging. The predicted change to Wales' population is a rise from 3.1 million to £3.3 million by around 2039, mainly through immigration from England and to a lesser extent from outside the UK. Within this overall rise the proportion of over 65s is projected to increase from 20% of the population to over a quarter. With a growing and ageing population, and the associated patterns and burden of disease that accompanies that, we will have need, and have come to expect, timely access to high quality treatment and support.

A very significant proportion of the population of current and future generations will be needing treatment and support- many individuals who will have taken full responsibility for their own health, and been lucky enough to enjoy the broader circumstances that are conducive to good health, will still have a call on costly and complex treatment.

It is not always right to assume that preventative approaches will reduce the costs of healthcare provision. A recent analysis by the Nuffield Trust¹ considered various initiatives beneath the umbrella of shifting care out of hospitals. Of 27 common schemes, they found only seven to be cost saving and found six to have actually increased costs. There are two main factors: i) expanding care outside of hospitals (even assuming the expanded workforce can be attracted and then paid for) can mean uncovering previously unmet need or providing extra services that patients effectively use on top of what already exists, and ii) there is a tendency to assume that preventing an admission means that all the associated costs can be chalked up as savings, when in truth the reality is that taking costs out can be extremely complex.

Despite the challenges, Welsh Government takes a number of steps towards securing an optimum balance of spend:

- Being clear on our expectations of Health Boards to focus on prevention – not only through legislation such as the Wellbeing of Future Generations (Wales) Act and the Social Services and Wellbeing (Wales) Act, but also in setting out prevention priorities through the planning framework and through performance and accountability discussions;
- There is a section of this document that categorises prevention spend within the budget. Improving transparency of spend is one way of supporting a greater shift towards prevention;
- Supporting Health Board and partners to invest in prevention through the provision of evidence and advice on interventions with return on investment. For example, Public Health Wales published a *Making a Difference: Investing in Sustainable Health and Well-being for the People of Wales*² document last year, which provides evidence on what works in prevention, and details where returns of investment can occur.
- Welsh Government also makes a number of direct investments, such as through the introduction of screening and immunisation programmes.

Financial performance by LHBs and health inequalities

An update on the four health boards who failed to meet their financial duties and mechanisms in place for monitoring progress;

The four health boards (Abertawe Bro Morgannwg, Betsi Cadwaladr, Cardiff and Vale and Hywel Dda University Health Boards) who failed to meet their financial duties are currently being managed through the Escalation and Intervention

¹ <https://www.nuffieldtrust.org.uk/research/shifting-the-balance-of-care-great-expectations>

² <http://www.wales.nhs.uk/sitesplus/888/page/87106>

Arrangements, either under Special Measures or Targeted Intervention. This includes additional monthly Special Measures or Targeted Intervention meetings with senior Welsh Government officials to agree support, actions and delivery. For the three organisations subject to the Targeted Intervention arrangements, independent Financial Governance Reviews were commissioned, produced and presented. Each Board considered the recommendations and agreed actions at their respective September Board meetings. These actions will be monitored through the monthly Targeted Intervention meetings. In light of the continuing financial performance in Betsi Cadwaladr a further Financial Governance Review has been commissioned and due to be completed by mid November.

Details of when the Welsh Government's review of the funding formula for health boards to ensure fairness across Wales will be completed

The aim for Phase 2 of the resource allocation review is to develop an updated funding formula by summer of 2018 to inform the distribution of any additional discretionary hospital and community health services allocation in 2018-19. It is recognised that this will be a complex technical exercise that will need to reflect the most appropriate needs measures and any recognised unique factors. Additionally the new formula will be designed to be transparent and, regularly updated with available and reliable updated population and needs data.

Response to Wales Audit Office report on the implementation of the NHS Finances Act.

Welsh Government welcomed the findings of the report and provided the following response to the two recommendations contained within it.

Recommendation 1

We recommend that the Welsh Government:

- a) sets out more clearly in its guidance how, working in partnership with the Welsh Government, NHS bodies that have incurred a deficit should plan to recover their financial position in order to meet the duty in future years; and*
- b) enhances its monitoring returns to include the position against the three-year rolling periods, not only the annual picture.*

Welsh Government Response: Partially Accepted

Welsh Government do not accept that NHS bodies require additional guidance from Welsh Government on the action they need to take to recover a deficit in order to meet the duty in future years. The operation of the duty was detailed in the Explanatory Memorandum to the Act, and also has been set out in Welsh Health Circular (2016) 054 – Statutory Financial Duties of Local Health Boards and NHS Trusts. However, Welsh Government recognise the need to ensure that all new board members fully understand the organisation's duties, and this requirement will be addressed in the Independent Member's Induction Programme.

Welsh Government accepts the recommendation that our regular monitoring process needs to include a three-year perspective as well as the annual position for those organisations working to approved three-year plans. Welsh Government will consider the additions we need to make to the monitoring process to include this perspective. This will be completed by 31st October 2017.

Recommendation 2

We recommend that the Welsh Government swiftly completes the review of its funding formula for health boards to ensure that variations in funding levels properly reflect differences in population health needs and other determinants of healthcare costs

Welsh Government Response:

Accepted

Phase 1 of the resource allocation review was completed within the Finance Regime element of Together for Health. Welsh Government intend to take forward Phase 2 in due course.

Workforce pressures

Details of particular pressures and staff shortages and further financial plans to address this;

NHS Wales is not alone in experiencing difficulties recruiting to some posts. There are not only UK wide challenges, but world wide shortages for some professions.

In such a competitive market and to address these issues the Welsh Government has allocated funds to undertake a national and international marketing to recruit campaign, developed in partnership with the professions, university medical schools, royal colleges, NHS employers and the Wales Deanery, to market Wales and NHS Wales as an attractive place for doctors (including GPs), nurses, pharmacists and allied health professionals (AHPs) and their families, to train, work and live. The first phase launched in October 2016 was primarily focussed on doctors (including GPs) and has been re-launched this month; the second phase launched in May 2017 centred on nurses and the third and fourth phases for pharmacists and AHPs will be launched in March 2018.

These campaigns are intended to support local recruitment undertaken by health boards and trusts.

Social Care Wales, the Welsh Government sponsored body which came into operation from 1 April 2017, has responsibility for driving service improvement and incentivising high quality care, as well as raising the profile of the workforce and supporting its professionalization. It is taking forward a range of actions to deliver these responsibilities including developing career pathways, reviewing social work degrees and developing a national dataset to identify future trends for demand for social care. This will help to raise the profile of the sector and address current

difficulties around recruitment and retention, contributing to the longer term sustainability of the social care sector.

Details of plans for new skills and career paths for health and social care staff and any allocations in this regard (recommended in the Interim Parliamentary Review report which says these need to be planned on a large scale without delay);

In NHS Wales robust workforce planning remains the responsibility of health boards and trusts, as they are best placed to ensure their organisations are appropriately staffed to deliver services that are matched to the needs of their local population – both now and in the future.

In order to meet the challenges the health system faces both now and in the future it is important to ensure the workforce of the future is sufficiently agile to enable changes in service models to be supported through adaptive education and training programmes. It is equally important to enable as many individual as possible to aspire and achieve a career in the health system. This will include the nature of programmes and the access routes. New part time programmes for nurse education have been introduced in 2017, while these are limited at present the intention is to build upon this approach in future years. The health care support worker framework continues to evolve and provide more flexible career routes for individuals.

In addition advanced practice and extended skills programmes are in place, with specific allocations for individuals in general practice to gain additional skillsets.

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

We are not able to make any financial projections about the impact of Brexit on staffing costs until we have seen the outcome of negotiations and what those mean for NHS from the EU and those from elsewhere in the world. The Welsh Government are clear that we want to enable all those dedicated staff working in the NHS in Wales to remain here to contribute to the life of Wales and the running of the operation of our NHS.

We are working with the NHS to continue to consider the impact of Brexit proposals as they develop and employers are working in the wider UK Cavendish coalition to both assess impact and influence the UK Government on these issues.

Integration of health and social care

Funding allocations to drive integration e.g. development of health/social care professionals who are able to work across service boundaries.

One of main principles of the Social Services and Well-being (Wales) Act 2014 focuses on partnership, and the Act makes it possible for health and social services to be delivered in a more joined-up way. This means services will work together

more closely, and new types of services and jobs will be developed that work flexibly across organisations.

A learning and development framework for Occupational Therapists in Social Care has been developed to provide guidance for Occupational Therapists working in social care in Wales. It will facilitate Occupational Therapists' professional, clinical and management development to ensure skills are maximised and services are effective. It will assist in meeting the career needs of Occupational Therapists and shaping future Occupational Therapy careers in Wales, in order to maximise the impact of the Occupational Therapy workforce in their delivery of social care services. The framework aligns with the new NHS Allied Health Professional framework, "Modernising Allied Health Professional Careers in Wales", the Continuing Professional Education and Learning (CPEL) framework for social workers and the forthcoming general career framework being developed by the Royal College of Occupational Therapists to facilitate movement towards more integrated health and social services.

Similarly, a Health and Social Care Induction Framework for Wales has been developed for social care workers and healthcare support workers employed in community-based settings for adults and children and young people. It provides a structure for induction and outlines the knowledge and skills new workers need to evidence in the first six months of employment. The induction framework supports Welsh Government's commitment to deliver health and social care services in a seamless, effective and efficient way to promote well-being and achieve the best possible outcomes for people in Wales.

Sport Wales

Funding allocated to Sport Wales, the monitoring of spend and whether allocations are being used effectively to delivering outcomes for people in Wales.

Sport Wales has the dual remit of supporting elite and performance sport, for which it uses Lottery funding, and delivering community sport and physical recreation to the population, for which it uses a mix of Lottery and Welsh Government funding.

Physical activity is shown to play a significant role in health and prevention of illness, and can contribute to mental well-being and reducing isolation. Sport has a meaningful role to play in contributing to physical activity levels. It is for this reason that Sport and Public Health were brought together in this Government.

According to the National Survey for Wales, people participating in sporting activities are more likely to meet the physical activity guidelines. And people who take part in sport and physical recreation are also less likely to smoke, more likely to eat five fruit and vegetables a day and less likely to be obese

Sport Wales is tasked with increasing the number of people meeting the CMO guidelines for activity and has a number of established programmes in place,

delivered by a range of established partners. In addition their Calls4Action programme has worked with new partners to target specific under-represented cohorts, whether by gender, ethnicity or area of deprivation.

The Minister for Social Services and Public Health in 2017 commissioned an independent review of Sport Wales and subsequently made a policy statement making clear her priorities for the organisation in delivering physical activity outcomes. Sport Wales' is currently undertaking evaluations of its long-established programmes to challenge delivery outcomes and to respond to these priorities. The current remit letter tasks Sport Wales with developing a new outcomes framework and measures which will demonstrate its contribution Prosperity for All.

In addition the Minister is requiring Sport Wales and Public Health Wales to work together to deliver the commitment to significantly increase physical activity levels contained with the Healthy and Activity action plan which is being developed.

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

Rebecca Evans AM, Minister for Social Services and Public Health

Commentary on each of the Actions within the Health, Well-being and Sport MEG, including an analysis and explanation of changes between the Draft Budget 2018-19 and the First Supplementary Budget (June 2017).

Realignment with the Health, Well-being and Sport MEG

Within the Health, Well-being and Sport MEG, we have reviewed the BEL budget structure, and have made a number of changes, necessitating a number budget transfers between BELs, that are detailed below.

In particular, you will wish to note that we have made the following changes:

- In response to repeated call from previous committees on the transparency of health funding, we have established a new BEL titled “Other Direct NHS Allocations” which will contain funding issued to NHS bodies outside of the core local health board revenue allocation, for example funding for NWIS and funding for demand led primary care services such as sight tests.
- As a consequence, this will ensure there is a closer alignment between the “Core Allocations” BEL and the health board revenue allocations that we will issue later in the Autumn.
- We have closed a number of BELs that contained specific budgets which are all eventually allocated to NHS organisations, for example the Information Central Budgets BEL, that included the NWIS funding and the Primary Care BEL, that included the centrally managed demand led primary care budgets

BEL 0020 Core NHS Allocations

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
6,353,668	6,344,788	174,530	6,519,318	220,000	6,739,318

Explanation of Changes to Delivery of Core NHS Allocations BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- Removal of in year non recurrent funding (Immigration Surcharge and Contaminated Blood)

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- £230,000 MEG allocation in respect of NHS services
- (£1,531) to the Other NHS Budgets - Expenditure (BEL 0682) in respect of the realignment exercise of HW&S BEL tables (miscellaneous budgets)
- (£53,939) to the Other Direct NHS Allocations (BEL 0030) in respect of the realignment exercise of the HW&S BEL tables (other NHS direct budget allocations issued)

2019-20

Change between 2018-19 Draft Budget and 2019-20 new plans (Draft budget)

- £220,000 MEG allocation in respect of NHS services

BEL 0030 Other Direct NHS Allocations

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
0	0	251,935	251,935	0	251,935

Explanation of Changes to Other Direct NHS Allocations BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes, new BEL created in Draft budget

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- £53,939 from the Core NHS Services (BEL 0020) in respect of the realignment exercise of the HW&S BEL Tables (other NHS Direct budget allocations issued)
- £42,319 from the NHS Primary Care (Closed BEL 0180) in respect of the realignment exercise
- £129,192 from the Other NHS Budgets - Expenditure (BEL 0682) in respect other realignment exercise of the HW&S BEL Tables (various other NHS Direct allocations issued)
- £28,369 from the Information Central Budgets (Closed BEL 0257) in respect of the realignment exercise of the HW&S Tables (Other Direct NHS allocation (NWIS))
- £1,116 from the Hospice Support (Closed BEL 0286) in respect of the realignment exercise of the HW&S BEL Tables (Other direct NHS allocations (Hospice funding))

- £1,000 from Central Reserves: Budget agreement in respect of End-of-life funding
- (£4,000) contribution to agreed savings reduction to HW&S MEG for Efficiency through Technology

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0250 Public Health Wales

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
88,880	88,880	-464	88,416	0	88,416

Explanation of Changes to Public Health BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£464) to the Targeted Hlth Protection & Immunisation (BEL 232) in respect of the realignment exercise of the HW&S BEL Tables (Health Protection Agency)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0180 NHS Primary Care – CLOSED BEL

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
46,906	46,906	-46,906	0	0	0

Explanation of Changes to NHS Primary Care BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£42,319) to the Other Direct NHS Allocations (BEL 0030) in respect of the realignment exercise of HW&S BEL tables (other NHS direct budget allocations issued)
- (£4,587) to the Other NHS Budgets - Expenditure (BEL 0682) in respect of the realignment exercise of the HW&S BEL tables (other miscellaneous budgets)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0257 Information Central budgets – CLOSED BEL

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
28,369	28,369	28,369	0	0	0

Explanation of Changes to Information Central budgets BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£28,369) to the Other Direct NHS Allocations (BEL 0030) in respect of the realignment exercise of the HW&S Tables (Other Direct NHS allocation (NWIS))

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0265 Patient Safety Quality & Involvement – CLOSED BEL

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £,000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
2,588	2,588	-2,588	0	0	0

Explanation of Changes to Patient Safety Quality & Involvement BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£2,588) million to Health Improvement & Healthy Working (BEL 231) in respect of the realignment exercise of the HW&S Tables (miscellaneous health budgets)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0275 Chronic Diseases – CLOSED BEL

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
72	72	-72	0	0	0

Explanation of Changes to Chronic Diseases BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£72) to Other NHS Budgets - Expenditure (BEL 0682) in respect of the realignment exercise of the HW&S Tables (miscellaneous health budget)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0682 Other Health Budgets - Expenditure

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
95,674	104,723	-77,368	27,355	-13,247	14,108

Explanation of Changes to Other Health Budgets - Expenditure BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- Removal of in year non recurrent funding (Invest to Save)

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- £1,531 from the Core NHS Services (BEL 0020) in respect of the realignment exercise of the HW&S BEL Tables (various miscellaneous budgets)
- (£129,192) to the Other Direct NHS Allocations (BEL 0030) in respect of the realignment exercise (Other direct NHS budget allocations issued)
- £4,587 from NHS Primary Care (Closed BEL 0180) in respect of the realignment exercise of the HW&S BEL Tables (various miscellaneous budgets)
- (£63k) to the Health Improvement & Healthy Working (BEL 0231) in respect of the realignment exercise of the HW&S Tables (miscellaneous budget changes)
- (£4,190) to the Targeted Health Protection & Immunisation (BEL 0232) in respect of the realignment exercise of the HW&S BEL Tables (Organ & Tissue budget)
- £72k from the Chronic Diseases (Closed BEL 0275) in respect of the realignment of the HW&S BEL Tables
- £140k from the Hospice Support (Closed BEL 0286) in respect of the realignment of the HW&S BEL Tables (miscellaneous budget change)
- £53,000 to the Other NHS Budgets - Income (BEL 0682) in respect of the realignment of the HW&S BEL Tables (PPRS Income budget)
- (£24k) to Mental Health (BEL 0270) in respect of the realignment of the HW&S Tables (miscellaneous mental health budget) £230,000 million MEG allocation in respect of NHS services

- (£278k) in respect of agreed Invest to Save adjustment with CSA MEG
- (£522k) contribution to agreed savings reduction to HW&S MEG for Ser Cymru grant funding
- (£300k) contribution to agreed savings reduction to HW&S MEG for Choose Pharmacy pilot funding
- (£2,129) contribution to agreed savings reduction to HW&S MEG for HSS Central reserve

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- £1,131 MEG allocation in respect agreed Invest to Save adjustments with CSA MEG
- £20k MEG to MEG transfer for Secure Estates
- (£13,881) contribution to agreed savings reduction to HW&S MEG for HSS Central reserve
- (£517k) contribution to agreed savings reduction to HW&S MEG for Ser Cymru grant funding

BEL 0682 Other Health Budgets - Income

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
0	0	-53,000	-53,000		-53,000

Explanation of Changes to Other Health Budgets - Income BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes, new BEL created in Draft budget

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£53,000) from Other NHS Budgets - Expenditure (BEL 0682) in respect of the realignment exercise of the HW&S BEL Tables (PPRS Income budget)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0140 Education and Training

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
194,051	187,851	8,985	196,836		196,836

Explanation of Changes to Education and Training BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- Removal of in year non recurrent funding

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£15k) million to Health Improvement & Healthy Working (BEL 0231) in respect of the realignment exercise of the HW&S BEL Tables (miscellaneous budget change)
- £9,000 from Central Reserves: Budget Agreement in respect of Development Fund North Wales (£7,000) and Welsh Buurtzorg pilot (£2,000)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0185 Workforce Development Central Budgets

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
2506	2506	-50	2,456	0	2,456

Explanation of Changes to Workforce Development Central Budgets BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£50k) in respect of agreed grant funding transfer (Wales for Africa) to CSA MEG

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0270 Mental Health

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
3,255	2,255	1,024	3,279	0	3,279

Explanation of Changes to Mental Health BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- Removal of in year non recurrent funding

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- £24k from Other NHS Budget - Expenditure (BEL 0682) in respect of the realignment exercise of the HW&S BEL Tables (mental health budget transfer)
- £1,000 from Central Reserves: Budget Agreement for Eating Disorders and gender dysphoria services

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0286 Hospice Support – CLOSED BEL

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
2,256	1,256	-1,256	0	0	0

Explanation of Changes to Hospice Support BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- Removal of in year non recurrent funding

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£1,116) to the Other Direct NHS Allocations (BEL 0030) in respect of the realignment exercise of HW&S BEL tables (other NHS direct budget allocations issued)
- (£140k) to the Other NHS Budgets - Expenditure (BEL 0682) in respect of the realignment exercise of the HW&S BEL tables (other miscellaneous budgets)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 1682 Substance Misuse Action Plan Fund

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
26,975	26,975	-500	26,475	-1,980	24,495

Explanation of Changes to Substance Misuse Action Plan Fund BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No change

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£500k) contribution to agreed savings reduction to HW&S MEG from Operation Tarian funding. This is accompanied by a recurrent increase to LHB ringfenced allocations for substance misuse treatment services.

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- (£1,980) contribution to agreed savings reduction to HW&S MEG from All Wales Schools Liaison Core Programme (AWSLCP)

BEL 0231 Health Improvement & Healthy Working

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
3,903	3,903	9,641	13,544	-156	13,388

Explanation of Changes to Health Improvement & Healthy Working BEL 2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No change

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- £15k million from Education & Training (BEL 0140) in respect of the realignment exercise of the HW&S BEL Tables (miscellaneous budget change))
- £63k from the Other NHS Budgets - Expenditure (BEL 0682) in respect of the realignment exercise (miscellaneous budget changes)
- £2,588 from the Patient Safety Quality & Improvement (BEL 0265) in respect other realignment exercise of the HW&S BEL Tables (miscellaneous changes)
- £7,500 from the Welfare Food (Closed BEL 0400) in respect of the realignment exercise of the HW&S Tables (Healthy Start budget)
- £125k from the Safeguarding & Advocacy (BEL 0460) in respect of the realignment exercise of the HW&S BEL Tables (Children's Health budget)
- (£600k) contribution to agreed savings reduction to HW&S MEG from Healthy Start budget
- (£50k) contribution to agreed savings reduction to HW&S MEG from Health Quality Initiative budget

2019-20

Change between 2018-19 Draft Budget and 2019-20 new plans (Draft budget)

- (£156k) contribution to agreed savings reduction to HW&S MEG from Health Improvement budget

BEL 0232 Targeted Health Protection & Immunisation

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
3,987	3,987	4,597	8,584	0	8,584

Explanation of Changes to Targeted Health Protection & Immunisation BEL 2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No change

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- £4,190 from the Other NHS Budgets - Expenditure (BEL 0682) in respect of the realignment exercise of HW&S BEL tables (organ & tissue budget)
- £464k from the Public Health Wales (BEL 0250) in respect of the realignment exercise of the HW&S BEL tables (Health Protection Agency)
- (£57k) contribution to agreed savings reduction to HW&S MEG from Special Initiatives budget

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No change

BEL 0400 Welfare Food – CLOSED BEL

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
7,500	7,500	-7,500	0	0	0

Explanation of Changes to Welfare Food BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No changes

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£7,500) to Health Improvement & Healthy Working (BEL 0231) in respect of the realignment of the HW&S BEL Tables (Healthy Start budget)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No changes

BEL 0230 Health Emergency Planning

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
6,712	6,712	-653	6,059	-34	6,025

Explanation of Changes to Health Emergency Planning BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No change

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£53k) contribution to agreed savings reduction to HW&S MEG from Hazard Area Response Teams budget
- (£600k) contribution to agreed savings reduction to HW&S MEG from Health Emergency Planning

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- (£34k) contribution to agreed savings reduction to HW&S MEG from Hazard Area Response Teams budget

BEL 0260 Research and Development

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
43,365	43,365	-860	42,505	-430	42,075

Explanation of Changes to Research and Development BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No change

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£860k) contribution to agreed savings reduction to HW&S MEG from DHSCR budgets

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- (£430k) contribution to agreed savings reduction to HW&S MEG from DHSCR budgets

BEL 0460 Safeguarding and Advocacy

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
985	985	280	1,265	0	1,265

Explanation of Changes to Safeguarding and Advocacy BEL

2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No change

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£125k) to Health Improvement & Healthy Working (BEL 0231) in respect of the realignment of the HW&S BEL Tables (Children's Health budget)
- £405k from Sustainable Social Services (BEL 0920) in respect of the realignment of the HW&S BEL tables (miscellaneous budget change)

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No change

BEL 0661 Older People Carers & Disabled People

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000

29,197	29,197	-27,000	2,197	0	2,197
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Explanation of Changes to Older People Carers & Disabled People BEL 2018-19

Change between First Supplementary and revised Baseline for 2017-18

- No change

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£27,000) MEG to MEG transfer to Local Government for Welsh Independent Living Grant

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No change

BEL 0920 Sustainable Social Services

2017-18 First supplementary budget £'000	2017-18 Revised Baseline £'000	Change £'000	2018-19 New Plans Draft Budget £'000	Change £'000	2019-20 New Plans Draft Budget £'000
42,132	12,132	-817	11,315	0	11,315

Explanation of Changes to Sustainable Social Services BEL 2018-19

Change between First Supplementary and revised Baseline for 2017-18

- MEG to MEG transfer of Local Government Grants

Change between 2017-18 Revised Baseline and 2018-19 New plans (Draft Budget)

- (£405k) to Safeguarding & Advocacy (BEL 0460) in respect of the realignment of the HW&S BEL Tables (miscellaneous budget change)
- (£391k) MEG to MEG transfer to Local Government for Secure Estates funding
- (£21k) contribution to agreed savings reduction to HW&S MEG from Sustainable Social budget

2019-20

Change between 2018-19 Draft Budget and 2019-20 New plans (Draft budget)

- No change