

Health, Social Care and Sport Committee

Date: 7 November 2018

Venue: Senedd Cardiff Bay

Title: Scrutiny of Health and Social Services Draft Budget 2019-20

1. Purpose

The Committee's Chair wrote to both the Cabinet Secretary for Health and Social Services and the Minister for Children, Older People and Social Care on 30 July 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

As last year, the Draft Budget process is in two stages. The outline budget (Stage1) was published on 02 October 2018, and the detailed budget (Stage 2) on 23 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 and Social Services (HSS) Main Expenditure Group (MEG) future budget proposals for 2019-20 and 2020-21 for capital budgets and also provides an update on specific areas of interest to the Committee.

3. Budget Overview

	2019-20	2020-21
Revenue	£m	£m
2019-20 DEL Baseline as@ Final Budget 2018-19	7,528.480	
MEG allocation	289.176	
MEG to MEG Transfers	(4.450)	
Revised DEL as @ Draft Budget 2019-20	7,813.206	
Capital		
Capital baseline as at Final Budget 2018-19	328.138	309.988
MEG allocation	44.958	28.500
Revised DEL as @ Draft Budget 2019-20	373.096	338.488
Overall Total HSS MEG	8.186.302	

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

No indicative revenue baselines have been set for 2020-21.

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

4. Approach to Budget proposals

The Health and Social Services (HSS) portfolio supports our ambitions to improve the health and wellbeing of individuals, families and communities. This will be achieved through delivering the three objectives set out in *Prosperity for All*: quality health and care services fit for the future, promoting good health and wellbeing for everyone and building healthier communities and better environments. We have taken a long term approach in developing our spending plans for 2019-20 and 2020-21, with an emphasis on delivering our vision of integrated seamless health and social care services for the future as set out in *A Healthier Wales, our Plan for Health and Social Care*.

The Health and Social Services MEG contains the core revenue and capital funding for NHS Wales, as well as funding to support public health, social care and supporting children. We continue to prioritise investment in the Welsh NHS and we are investing an extra £287m revenue funding in the health and social care system which together with the planned increase of £220m, bringing our total additional revenue investment in 2019-20 to more than £500m.

The 2019-20 Budget allocates an additional £45m capital funding in 2019-20 and a further £28m in 2020-21 for infrastructure investment to support the delivery of sustainable and accessible high quality healthcare services and to create the environment to underpin the changes required to transforming healthcare provision and promote innovation. More specifically, the additional funding will support the delivery across a range of priorities including the primary care pipeline of projects; the next phase of the programme being undertaken by the Welsh Ambulance Services Trust (WAST) to replace ambulances with more efficient and greener vehicles; the continued support for the development of a new Velindre Cancer Centre to transform the delivery of cancer care services; and improving the provision of neonatal services.

5. A Healthier Wales

A Healthier Wales meets our commitment in *Prosperity for All* to publish a long term plan for health and social care in Wales in response to the report of the Parliamentary Review of the Long Term Future of Health and Social Care. The Plan builds on the philosophy of Prudent Healthcare to make an impact on health and wellbeing throughout life. There is an emphasis on preventing illness and supporting people to manage their own health and wellbeing, enabling people to live independently for as long as they can.

In 2019-20 we will invest a further £50m in our Health and Social Care Transformation Fund to support the development and implementation of new models of integrated health and social care. These models are supported by Regional Partnership Boards, bringing together local authorities, health boards and other partners and are built on a foundation of local innovation. Driven through our

Transformation Programme, the Fund will be used to accelerate progress and scaling up of this new service delivery. I recently announced the first programme to be supported from the Fund – the “*ME , My Home, My Community*” programme supported by the Cardiff and Vale of Glamorgan regional Partnership Board.

In the Draft Budget, we announced £192m new revenue investment to take forward our vision outlined in *A Healthier Wales*. Our Plan was developed through involvement with our key delivery partners, represented by the NHS Confederation, Welsh Local Government Association and the Wales Council for Voluntary Action. Our spending plans reflect this integrated approach to delivering our long term vision, with the new investment being distributed across the health and social system. The investment will primarily be used for preventative activities, keeping individuals as healthy and independent for as long as possible, and enabling a shift to a “wellness” system, supporting and anticipating health needs to prevent illness and reduce the impact of poor health.

We will use this investment in the following ways:

- £60m will be allocated to local health boards to enable them to develop stronger integrated medium term plans for 2019-20 and beyond which take forward the vision set out in *A Healthier Wales*. We will expect health boards to use this funding to take forward key expectations in our Plan, including increasing investment in primary care, embedding value-based healthcare with a focus on outcomes that matter to patients, and quality improvement.
- £30m will be allocated to Regional Partnership Boards to emphasise their leading role in delivering *A Healthier Wales*. We intend this new investment is used to reduce pressure by supporting improvement in children’s services, helping to safely reduce the need for children to enter care. This would focus on family re-unification, and investing in preventative and early years intervention including therapeutic support children in care and adopted children. We will also include support for carers and our valuable third sector organisations.
- £30m will be allocated as a specific grant directly to local authorities to address sustainability issues in social services, including domiciliary workforce pressures. This direct funding from the Health and Social Services MEG is in addition to the £20m being provided for social services through the Revenue Support Grant, bringing the total increased investment in social services to £50m.
- £25m will be used to support nationally directed programmes for digital technology as a key enabler of transformational change, enabling more effective use of resources across the service and empowering both patients and professionals through the provision of information anywhere at anytime. We will prioritise our digital funding to support four key priority areas: infrastructure and supporting technology; innovation to support our citizens; a single electronic record; and investment in data.
- £10m will be allocated to take forward national programmes for prevention and early years.

- £15m will be used for mental health and learning disabilities, in addition to meeting our commitment as part of the 2018-19 Budget Agreement to increase the mental health local health board ring-fenced funding by £20m. We will invest in mental health in schools through the 'whole school' programme approach, wraparound mental health support for those that are homeless or vulnerably housed, perinatal mental health, and prison healthcare. We will also provide central support for learning disabilities Improving Lives programme.
- £22m will be used to take forward other supporting programmes to deliver the commitments in *A Healthier Wales*, including the Transformation Programme, improving quality and transforming clinical services.

6. Core NHS Allocation

In last year's Budget we allocated an additional £220m in 2019-20 for the NHS to meet the Nuffield gap – the Nuffield Trust's calculation of the extra funding required, on top of NHS efficiencies, to maintain the delivery of NHS Wales services at a time of increased demand and pressures. In addition, we have increased core NHS funding in this budget by a further £94.6m to meet the additional costs of the *Agenda for Change* pay deal, bringing a total increase in core NHS funding for 2019-20 of £315m.

This funding enables us to meet our commitment in *Prosperity for All* to continue the drive to improve further the standard, quality and timeliness of treatment across the NHS, ensuring access to the services people need, delivering good health outcomes for all. As well as investing in our highly-valued staff through the implementation of pay deals, we will continue to invest in improving NHS performance and meeting key service priorities, including investment in critical care.

7. Health Education Improvement Wales (HEIW)

Established on 1 October 2018, HEIW brings together three key organisations for health - the Wales Deanery, NHS Wales' Workforce Education and Development Services (WEDS), and the Wales Centre for Pharmacy Professional Education (WCPPE). The Strategic Health Authority will play a leading role in the education, training, development and shaping of the healthcare workforce in Wales; supporting high quality care for the people of Wales.

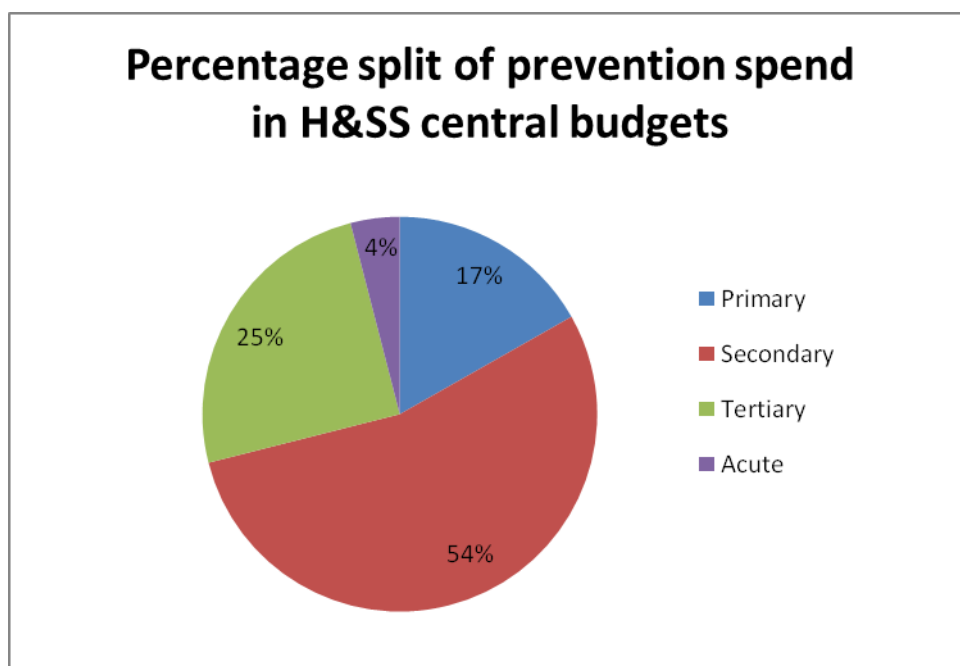
In 2019-20 funding of £195.3m has been allocated to HEIW made up of transfers from various BELs including BEL 0140 Education & Training and BEL 0186 Workforce. Further increases to the HEIW budget will be actioned in Supplementary Budgets during 2019-20 to reflect the full transfer of responsibilities to the new NHS organisation.

8. Preventative Spending

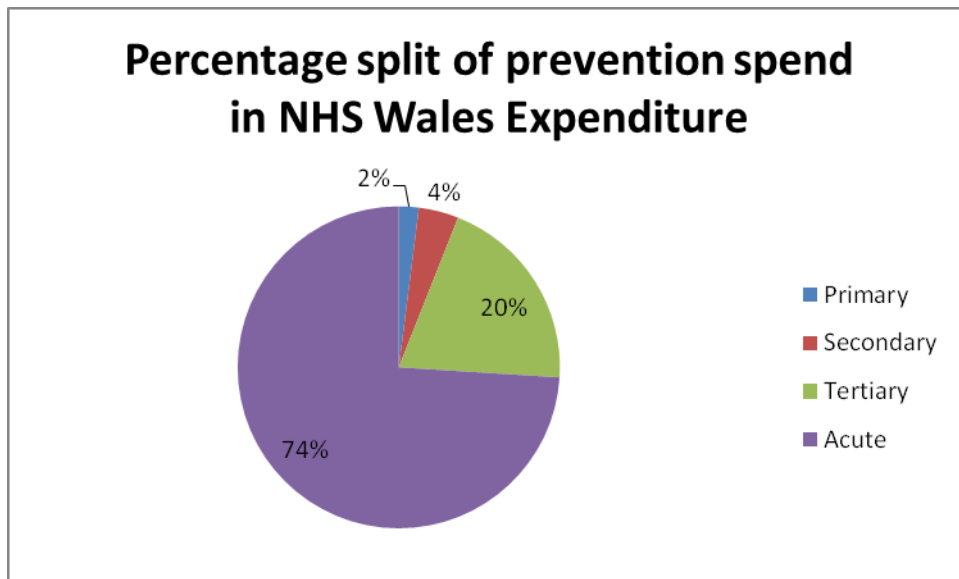
Our aim is to take significant steps to shift our approach from treatment to prevention. In looking at our preventative spend for the Health and Social Services budgets we have used the following agreed definitions:

Definition	Explanation of Definition
Primary Prevention	Building resilience (creating the conditions in which problems don't arise in the future) - Universal approach
Secondary Prevention	Targeting action towards areas where there is a high risk of a problem occurring. - Targeted approach
Tertiary Prevention	Intervening once there is a problem, to stop it getting worse and prevent it re occurring in the future - Intervention approach
Acute Spending	Spending which acts to manage the impact of a strongly negative situation, but does little or nothing to prevent problems occurring in the future - Remedial approach

We have continued the work to improve our understanding of spending on preventative activities. Using the above definitions we have undertaken a further review of our centrally held budgets and the percentage split is shown in the table below:



In addition to the above, for the first time we have reviewed and mapped the £6.1 billion NHS Wales expenditure against the same prevention categories. The indicative percentage split over the categories is shown below:



The vision we have established in *A Healthier Wales* is to place a greater focus on prevention and early intervention. This definition of prevention, now adopted across Welsh Government, will enable us to measure the success by which we shift resources towards primary and secondary preventative activities as we take forward delivery of our vision. We will continue to refine our approach to measuring our prevention expenditure in future budget planning rounds.

Public Health Wales are delivering a range of behavioural change campaigns which aim to drive forward behavioural change across the population. These aim to increase support action in order to promote health, prevent disease and reduce health inequalities. Current campaigns include:

- **Every Child Wales:** To encourage a shift in perception among the public in Wales on their lifestyle choices and their effect on the weight and long term health of their children.
- **'Help me Quit'** aims to increase the number of smokers (who are motivated to quit) accessing NHS smoking cessation services. The campaign directs smokers to the existing number used by Stop Smoking Wales, or a website or text number, where a common triage will direct smokers to the service most suitable for them.
- **Beat Flu:** To raise awareness of the need for people in at risk groups to be vaccinated against flu (September to December) and then to disseminate the "catch it, bin it, kill it" message once flu is circulating (January to March).
- **Choosing Wisely Wales:** To encourage clinicians and patients to engage in conversations about making wise treatment decisions and choosing care that avoids unnecessary tests, treatments and procedures.
- **Anti Microbial Resistance (AMR):** To raise awareness and promote behaviours that cut the unnecessary use of antibiotics, in order to slow resistance. Campaign targets the general public, health care professionals, farmers and the veterinary profession.

- **Men ACWY:** Promote uptake of Men ACWY vaccine among teenagers and new university students to protect against meningococcal group W (MenW) disease.
- **Pre-exposure Prophylaxis (PrEP):** to continued funding for the three year study into the availability of PrEP to reduce the risk of sexually-acquired HIV1 infection in adults of high risk as part of a wider HIV prevention service
- **Investing in preventing cancer:** The HPV immunisation programme started in 2008. There has been a large drop in the rates of infection with the two main cancer-causing HPV types in women and men through vaccination. This year we have agreed to expand the HPV vaccination programme to boys to protect against oral and anal cancers from 2019-20. As of June 2019 new faecal immunochemical testing (FIT) will be fully rolled out as the primary test in the bowel screening programme. The test is more accurate and sensitive and will therefore detect more cancers than current testing.

We are placing a strengthened focus on nutrition, diet and physical activity across the population through the development of a national obesity strategy – Healthy Weight: Healthy Wales, which has been legislated against through our Public Health Wales Act 2017. This will focus on both prevention and intervention and we will be consulting in due course and a final strategy will be published by October 2019. This will consider a range of proposals across government to support population change.

We are aiming to increase physical activity levels across Wales by placing a greater focus on work through existing funding to drive change. A collaborative physical activity action plan is being developed through Public Health Wales, Sport Wales and Natural Resources Wales, which will utilise joint resources and delivery. This will target delivery to influence whole population change and aim to reduce levels of sedentary behaviour across the population.

The Welsh Government funds the Food Standards Agency £3.5m per annum in order to protect public health and consumers' wider interests in food. This includes identifying opportunities to deliver consumer awareness and work with schools, catering colleges and other educational settings to increase the confidence and awareness of consumers. There has been an additional £476k allocated to the agency over a three year period in order to drive forward work to protect consumer interests and safety following European Exit.

The Healthy & Active Fund was launched in July, which delivers in an integrated way the Prosperity Fund commitments for a Well-being Bond and Challenge Fund for Sport. They fund a partnership between Welsh Government, Public Health Wales and Sport Wales and places the five ways of working at the cores of its design, delivery, monitoring and evaluation. £5m is available over three years, with the aim of improving mental and physical health by enabling healthy and active lifestyles, with a particular focus on strengthening community assets.

9. CAPITAL

We are continuing to invest in NHS infrastructure as a key enabler for the delivery of sustainable and accessible high quality services and to support the transformation of

healthcare provision. Our programme over the next two years will see the delivery of new facilities and the major redevelopments in some of our most strategic assets.

The largest element of funding is allocated for the ongoing construction of the Grange University Hospital. This 470 bed state of the art hospital is due to open in 2021. Elsewhere, significant redevelopment and modernisation works are underway at Prince Charles Hospital along with the upgrading of neonatal provision in Singleton Hospital, the University Hospital of Wales and Glangwili Hospital. In 2019-20, 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.

As part of this budget, an additional £4.5m has been allocated for 2020-21 to secure investment of £72m over three years to deliver a pipeline of primary and community care projects as part of the implementation of the Taking Wales Forward commitment. This underpins the key messages set out in A Healthier Wales - the long term plan for health and social care and delivers the commitment 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.

At an all Wales level, this budget also provides £25m and £49m over the next two years for national programmes on imaging developments and digital and informatics developments respectively.

10. Committees Specific Areas of Concern

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

The detailed budget published on 23rd October set out our spending plans for the HSS MEG by BEL. An analysis and explanation of the budget changes is set out in Annex A.

Local health boards' financial performance

- *An update on the four health boards which have continued to fail to meet their financial duties, and how the Welsh Government is supporting them to improve this position.*
 - *Progress made by each of these four health boards on delivery of their action plans. (In June 2018 the Cabinet Secretary stated that all health boards reporting financial deficits in 2017-18 have developed and published action plans, and that progress on delivery of these is being monitored by Welsh Government).*
 - *What performance/service improvements the Welsh Government expects to see from the £27m additional recurrent funding provided to Hywel Dda University Health Board from 2018-19.*

The four health boards are being supported by Welsh Government through the Escalation and Intervention Arrangements. This includes monthly Special Measures and Targeted Intervention meetings with the individual health boards focused on performance, planning and finance. As part of the arrangements the individual organisations are receiving support, as agreed with senior officials, from both the Delivery Unit and also the Finance Delivery Unit.

Welsh Government published the Special Measures improvement framework for Betsi Cadwaladr University Health Board in May 2018. This is to ensure the Board delivers on its short and medium-term expectations swiftly, whilst also planning and undertaking transformational change. The framework sets out milestones for the next 18 months in four key areas: leadership and governance; strategic and service planning; mental health; and primary care, including out-of-hours.

Welsh Government is providing intensive support, which will be directed towards supporting improved governance and accountability, focused joint working with clinicians and partners to deliver substantial improvements, especially in planned and unscheduled care, delivery on financial turnaround and working towards developing an integrated medium-term plan for 2019-2022. This also includes funding for increasing capacity and capability within the organisation, funding for mental health and learning disabilities division to extend the pilot project 'Right Care and Repatriation Programme', and to develop the capacity and capability of the turnaround function that will include strengthening programme management and analytical demand capability. The new Health Board Chair is now chairing the finance and performance committee to drive forward improvements especially those that require structural and service changes to ensure longer term sustainability.

Progress has been seen in the three organisations in targeted intervention over the last 12 months, with both Cardiff and Vale and Hywel Dda University Health Boards achieving performance milestones. Cardiff and Vale UHB are forecasting material improvements in their financial outlook, with their forecast deficit reducing to £9.9m in 2018-19 against the £26.9m deficit in 2017-18. Hywel Dda UHB continues to face significant financial challenges, though the additional allocation following the recent zero based review has resulted in their forecast deficit for 2018-19 reducing to £35.5m from the £69.4m deficit in 2017-18.

The £27m funding from the zero based review was to underpin the Board's financial sustainability, recognising the unavoidable excess costs within their healthcare system. This financial sustainability does provide the opportunity for the Board to focus on performance/service improvements for their resident population.

In Abertawe Bro Morgannwg University Health Board, a new Chief Executive has been appointed and there have been changes to the Executive Team. There has been a gradual improvement in performance with expectation this will be sustained. In finance their forecast deficit for 2018-19 has reduced to £20m from the £32.4m deficit in 2017-18.

11. Well-being of future generations

Evidence of how the Well-being of Future Generations Act 2015 and five ways of working have influenced the budget allocations for health and social care. The Committee is particularly interested in receiving details of how, going forward, the budget will:

- *prioritise prevention/early intervention in health and social care;*
- *support sustainable, longer term funding of social care services;*
- *promote integration of health and social care services;*
- *ensure a sustainable health and social care workforce;*
- *reduce and control spend on agency staff;*
- *reduce health inequalities, and ensure fair access to health and care services in rural areas.*

The significant investment we are making in this budget to take forward delivery of the vision set out in *A Healthier Wales* demonstrates our commitment to prioritising prevention and early intervention. A significant proportion of this funding will be spent outside the hospital sector, supporting social services and primary and community health services provide care closer to home which meets the needs and preferences of individuals.

The section above outlines how we have used the five ways of working to promote integration of health and social care, through investing in services overseen by Regional Partnership Boards, as well as providing direct support to improve sustainability of social services. We are also investing £10m in nationally directed prevention and early years programmes, and £15m in support for mental health and learning disabilities, including our commitment to a whole school approach to improving emotional and mental health of children and young people. We are also investing an additional £60m in local health boards to support the development of more robust integrated plans, with a clear focus on transformation of primary care services.

The establishment of Health Education and Improvement Wales, and our investment of £195m in health education and training, demonstrates our commitment to ensuring a sustainable health workforce going forward, which complements our £18m investment in Social Care Wales. The launch of HEIW shows the Welsh Government's continued commitment to strengthening and supporting our workforce and sends a clear message that Wales is a great place for health professionals to train and work.

To ensure that new funding is directed to those areas of Wales that have the greatest health needs, we are reviewing the local health board allocation formula to take account of changes in the availability of needs data and approaches used in other health economies.

12. Transformation

Further information about how the Welsh Government intends to fund service transformation in the longer term (i.e. beyond the life of the 2 year Transformation Fund), to ensure progress on the transformation agenda can be sustained.

In this budget we have announced significant investment to take forward the transformation of services needed to deliver the vision we set out in *A Healthier Wales*. This builds on the £100m Transformation Fund that we announced earlier in

the year. In July, we issued guidance to Regional Partnership Boards and other partners on how the criteria for accessing this Fund, and I have recently announced the first proposals to be supported.

We are clear that our vision for truly integrated and seamless health and social care will ultimately be delivered over the coming years through refocusing the £9 billion that Wales spends on the NHS and social services around the Quadruple Aim. Over the next two years the Transformation Fund will support the rapid development, implementation and scaling up of new models of care, but it is not the only funding to support transformation, and we will increasingly ensure that the outcomes we achieve from all our existing and new investments are aligned to the vision in *A Healthier Wales*.

13. Digital

What assessment has been made of the costs of delivering the Welsh Government's vision for digital and data, as described in A Healthier Wales.

During 2016, the NHS was asked to assess the costs of delivering against the aspirations within Informed Health and Care (published December 2015). Their broad estimate totalled £484 million, consisting of £195 million capital, and £288 million revenue. These calculations were for indicative purposes only, and spread over at least 5 years.

Currently, the informatics revenue spend within Wales is approximately 2% of the NHS Wales annual budget, equating to around £128m pa. In addition, the All-Wales Capital programme has supported £70m of investment from 2014-15 to 2018-19, with a further £49m planned over 2019-20 and 2020-21. This funding is over and above local digital and informatics developments funded from LHBs and Trusts discretionary capital funding.

There are also digital components of other national investments, for example Transforming Cancer Services programme in Velindre NHS Trust; Specialist Critical Care Centre in ABuHB; the investment in the development of the 111 service; Efficiency Through Technology funding and Intermediate Care funds to support the changes enabled by the Welsh Community Care Information System programme. More detailed assessments will be undertaken as work on the National Plan for Informatics and local IMTPs and Strategic Outline Plans develop, and individual business cases will be assessed on their value for money.

A Healthier Wales recognises digital as a key enabler of transformational change. It also outlines Welsh Government's ambition to use digital services to enable citizens to become more active participants in their own health and well-being and reinforces the aspirations within Informed Health and Care.

14. Primary care

The budget allocated for primary care services, and how this compares to amounts allocated in the last three years. To what extent is this achieving the policy aim of shifting care from hospitals to primary care/community settings.

This section sets out how the draft budget is supporting accessible and sustainable primary and community care as well as funding to enable the rebalancing of the health and care system to deliver more care closer to home, with people only travelling to hospital when this is right for them. Whilst there is not a discrete published budget line for primary care, a number of budgets across the MEG support these services.

The plans outlined below are complemented by plans for investing in digital technology for the whole health and care system.

Accessible and sustainable 24/7 local care and support

Both *Prosperity for All* and *A Healthier Wales* reinforce the role of primary care clusters as mechanisms for collaboration between health boards, local authorities, the third sector and primary care contractors to plan and provide seamless care and support for populations of between 25,000 and 100,000.

Cluster led models of seamless care and support

Our additional investment in NHS integrated plans will enable primary care clusters to implement new models of seamless care to address locally assessed priorities. These cluster models will be informed by the primary care model for Wales, which in turn supports the vision set out in *A Healthier Wales*.

The funding will also invest in work best done once for Wales, to enable and increase the scale and pace of delivery at local level. This includes national activity to communicate and engage with the public on how they can access primary care and to train the additional workforce needed.

Reformed primary care contracts

Reforming the Primary Care contracts involves four strands of activity across the Primary Care contractors: GPs, community pharmacists, dentists and optometrists. Work is underway in each of these areas to reform the approach to the contracts, with common themes including access to the right source of help for an individual's needs, building on cluster level planning and delivery for a preventive approach to care,.

General Medical Services

In 2019-20 we will continue to increase our investment in General Medical Services. This will include supporting delivery of multi-disciplinary teams through clusters; changes being proposed to the enhanced services to ensure a preventative approach to services commissioned; delivery of much stronger cluster working to develop the action in *A Healthier Wales* and with the reduction of the Quality and Outcomes Framework (QOF), funding is required to ensure an improved clinical pathway and quality provision for a number of treatment areas. Under the General Medical Services (GMS), contract, the direction of reform is to see a far greater emphasis on the delivery of services through collaboration at cluster level; building on the need for scale and overcoming a number of sustainability issues. Whilst cluster working by GPs is still developing, the changes being sought align with this direction of travel.

In May 2018, Welsh Government announced the introduction of a state backed scheme to provide clinical negligence for providers of GP services in Wales. The scheme is planned to come into force from April 2019. Welsh Government is committed to a Future Liability scheme and also to an Existing Liability Scheme (i.e. liabilities incurred before April 2019), subject to the completion of legal and financial due diligence and satisfactory negotiation with the Medical Defence Organisations (MDO).

Detailed due diligence is being undertaken to assess each MDOs position. GPs will be expected to contribute towards the costs of the state backed scheme which will be discussed with GPC Wales as part of the contract negotiations.

Our key priorities for General Medical Services:

- Improved appropriate access to GP and other primary care services
- Building on multi-agency cluster led planning and delivery
- Improve the sustainability of practices : Address premises and last person standing issues
- Professional Indemnity for GPs and wider practice and cluster teams
- Effective, consistent, delivery of Wales-wide Enhanced Services, with specific changes to selected enhanced services.
- Demonstrating and developing quality improvement methodology in General Practice
- Recruiting, retaining and diversifying the workforce
- Appropriate access to data to provide for an improved evidence base

Community Pharmacy

We will continue to maintain our investment in Community Pharmacy in 2019-20. We have set out five key priorities for 2018-21 and beyond for transforming pharmacy to meet its contractual obligations in fulfilling a key health function. Building resilience in high streets in towns across Wales to continue to deliver the most accessible and appropriate professional health care for patients. We want to continue to emphasise their role in access to health care and continue to work with community pharmacy helping the sector to adapt and ensure this contribution is maintained. Moving the emphasis for health care to community pharmacy as the first port of call for patients and integrating services into the wider primary care community through primary care clusters.

Increasing access further to NHS health care services and to provide a wider range of clinical services in community pharmacy - to harness this accessibility, combined with the generalist skills of pharmacy professionals, to deliver meaningful improvements in access to urgent and unscheduled care.

Our key priorities for Community Pharmacy:

- Access to electronic referrals and single shared electronic patient record.
- An improved awareness and understanding of quality improvement embedded in community pharmacy through contractual arrangements.
- Community pharmacists continue to diagnose and treat a wider range of acute illnesses, relieving pressure on other parts of the NHS.

- Community pharmacists accessing the Welsh GP record nationally and across all services where such access will facilitate pharmacists safely and effectively meeting urgent and unscheduled care demand.
- Communication with the public and action by other health services consistently promoting the role of community pharmacy as citizens' first port of call for treatment of common ailments and advice on medicines.

These reflect a shift in policy direction, supporting delivery and reform of the contract via whole system change focussed on health and well-being.

Dentistry

We have set out five key priorities for 2018-21 and beyond for transforming dentistry:

- timely access to prevention focussed NHS dental care;
- sustained and whole system change underpinned by contract reform;
- teams that are trained, supported and delivering value-based quality care;
- oral health intelligence and evidence driving improvement; and
- improved population health and wellbeing.

These reflect a shift in policy direction, supporting delivery and reform of the dental contract via whole system change focussed on health and well-being, with a preventive approach to care. At the heart of the change is the need for new models of care to support a more patient focussed approach and a greater use of skill mix.

Community Optometry

We have set out five key priorities for 2018-21 and beyond for transforming optometry to meet its contractual obligations in fulfilling a key health function. Building resilience in high streets in towns across Wales to continue to deliver the most accessible and appropriate professional eye health care for patients. We want to continue to emphasise their role in access to eye health care and continue to work with community optometry helping the sector to adapt and ensure this contribution is maintained. Moving the emphasis for eye health care to community optometry as the first port of call for a patient with an eye problem and integrating services into the wider primary care community through primary care clusters.

Increasing access further to NHS eye health care services and to provide a wider range of clinical services in community optometry - delivering more integrated eye care service between primary and secondary care for both scheduled and unscheduled eye health care.

Key Priorities for Optometry

- Access to electronic referrals and single shared electronic patient record.
- Communication with the public consistently to promote the role of community optometric practice consistently promoting the role of community optometry - Doctors of the eyes.
- Independent prescribing optometrists rolled out across primary care clusters.

- Placements in hospital eye departments to achieve higher qualifications in medical retina, glaucoma, independent prescribing and leadership.
- An improved awareness and understanding of quality improvement embedded in community optometry through contractual arrangements.

These reflect a shift in policy direction, supporting delivery and reform of the contract via whole system change focussed on health and well-being, with a preventive approach to care.

More care closer to home

Planned care

For eye care, we are investing £4m covering the period November 2018 to March 2020 to develop a sustainable service and implement a new outcome focused measure. This investment will be used to ensure that services are developed with primary care and the necessary pathway changes implemented. This would be used to ensure that additional capacity within community services is developed including an expansion of ophthalmic diagnostic treatment centres (ODTCS) and up skilling of staff other than consultants to see appropriate patients in the correct settings. These will be sustainable changes, supported by the implementation of the lean cataract pathway that will result in efficiency savings in future years. Health boards would be required to submit their sustainability plans to the Ophthalmic Planned Care Board before any money was allocated. Claw back of this investment would take place if the plans and the new measures were not implemented by an agreed date.

For audiology services, we have set out three key priorities for 2018-21 and beyond for transforming audiology to meet its obligations in fulfilling a key health function. Building resilience in towns across Wales to continue to deliver the most accessible and appropriate professional health care for patients. We want to continue to emphasise their role in access to health care and continue to work with audiology departments helping the sector to adapt and ensure this contribution is maintained. Moving the emphasis for ear health care to community audiology as the first port of call for a patient with an ear problem and integrating services into the wider primary care community through primary care clusters.

Increasing access from two to all seven in NHS health board services and to provide a wide range of clinical services in community audiology - delivering more integrated services between primary and secondary care for both scheduled and unscheduled ear health care.

Key Priorities

- Access to audiology via direct access for patients in primary care cluster areas.
- Moving services from secondary care to primary care to improve quality and access for patients; embedding an improved awareness and understanding across Wales.
- Communication with the public consistently to promote the role of community audiology consistently promoting the role of advanced practitioners.

These reflect a shift in policy direction, supporting delivery and reform of the current secondary care service delivery via whole system change focussed on health and well-being.

Urgent care

In light of the known pressures faced during winter months and the need to provide stability to the current system of providing clinical advice for patients out of hours, two pilots are being considered.

It is proposed to run a discrete pilot aimed at GP Practices to open for pre determined sessions over the Christmas/ New Year period. In addition, a further pilot aimed at Cluster level working will run for a 4 month window to test how GMS contractors can support Out of Hours. Early indications suggest there is more appetite for GMS contractors to open their own premises for additional time, rather than undertake shifts in traditional Out of Hours settings.

Both pilots have been explored with Directors of Primary Care and Assistant Medical Directors, who are supportive of this activity. Discussions have also taken place with GPC Wales, who do not have a formal negotiating role for a pilot and have agreed to observe.

Optimising digital technology for seamless care

The use of digital technology will give people greater control and enable them to become more active participants in their own health and well-being. We will accelerate progress towards creating an online digital platform and supporting App which will transform the way in which our citizens access and interact with our health and care services. This will help people to make informed choices about their own treatment, care and support: finding the most appropriate service for their needs, contributing to and sharing information about their health and care, managing appointments and communications with professionals, and working with others to co-ordinate the care and treatment they need, so that it is delivered seamlessly. A key aspect of this is the digitalisation of 111.

15. Mental health and learning disabilities

Priorities for mental health services for the next three years. Allocations/projected spend for delivery of these. What mechanisms will be used to track spend on mental health to patient outcomes.

For mental health and learning disabilities there is £15m. There is an expectation that there will be further support made available for children's mental health and the 'whole school' programme approach which is being jointly led by education. We have also identified further work to be undertaken with housing colleagues to address the mental health needs of those whom are homeless or vulnerably housed.

Other identified priorities include support for dementia, managing the increasing demand within perinatal services, prison healthcare, further developing crisis support and central support for the learning disabilities Improving Lives programme

We will also increase the mental health local health board ring-fenced funding by £20m as part of the commitment we made in the 2018-19 Budget Agreement.

Measuring the impact of this spend will be undertaken through the IMTP process and monitoring progress against the implementation of the Together for Mental Health delivery plans in support of our strategy.

Commentary on each of the Actions within the Health and Social Services MEG, including an analysis and explanation of changes between the Draft Budget 2019-20 and the First Supplementary Budget (June 2018).

Within the Health and Social Services MEG, we have reviewed the BEL budget structure and have established two new BELs titled:

Health Education & Improvement Wales

A new BEL to accommodate the funding for the new NHS body – HEIW which was established on 1 October 2018 and brings together three key organisations for health – the Wales Deanery, NHS Wales’ Workforce Education and Development Services (WEDS), and the Wales Centre for Pharmacy Professional Education (WCPPE). The Strategic Health Authority will play a leading role in the education, training, development and shaping of the healthcare workforce in Wales; supporting high quality care for the people of Wales.

A Healthier Wales

This is a new BEL which has seen the addition of £192m next year to deliver the vision in our Plan. Our delivery partners – the NHS, local authorities, the third sector and other partners – are best placed to take forward the local innovation and co-ordination of service provision to support our vision. This funding is shown separately from the increases in core NHS funding.

Action: Delivery of Core NHS Services		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
6,904.793	7,404.337	499.544

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

Explanation of Changes to Delivery of Core NHS Services Action

- £220.000m Additional NHS funding
- £94.600m Agenda for Change funding (part of £287m additional funding)
- £195.322m HEIW transfers to create new BEL
- (£1.267m) HEIW budget transfers within the Action
- (£9.111m) recurrent baseline transfers and changes (previously actioned on a non recurrent basis)

Action: Delivery of Targeted NHS Services		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
7.068	185.620	178.552

This action supports other various health budgets including NHS Workforce (not currently transferred into HEIW), and also includes the new BEL *A Healthier Wales*.

Explanation of Changes to Delivery of Targeted NHS Services Action

- £192.400m into a new BEL for *A Healthier Wales* (part of £287m additional funding)
- (£1.981m) HEIW budget transfers
- (£11.867m) recurrent baseline transfers and changes (previously actioned on a non recurrent basis)

Action: Support Education & Training of the NHS Workforce		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
216.496	25.715	(190.781)

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

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

- (£192.074m) HEIW budget transfers to new HEIW BEL
- £1.293m recurrent baseline transfers and adjustments

Action: Support Mental Health Policies & Legislation		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
3.279	3.279	-

This Action supports a variety of

- Mental health policy development and delivery, including Child and Adolescent Mental Health Services (CAMHS), psychological therapies, suicide and self harm prevention, perinatal mental health support and funding for third sector organisations through the section 64 mental health grant
- Mental health legislation, including the Mental Health (Wales) Measure 2010 and Deprivation of Liberty Safeguards (DOLs)
- The healthcare needs of vulnerable groups, (those defined as having protected characteristics) including asylum seekers and refugees, support for veterans, offender health care, sexual assault referral centres, gypsies and travellers and transgender individuals.

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

Action: Deliver the Substance Misuse Strategy Implementation Plan		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
26.475	26.475	-

The majority of substance misuse funding within this action (£22.663m) is allocated to Area Planning Boards (APBs) via a funding formula to help them address the priorities outlined in our Substance Misuse Strategy 'Working Together to Reduce Harm' and the most recent Substance Misuse Delivery Plan 2016-18.

Under this budget, £2.75m, £1m and £0.300m of the funding to APBs is ring fenced for children and young people, Tier 4 (residential rehabilitation and inpatient detoxification) and counselling services respectively.

The funding compliments the Local Health Board substance misuse allocations (circa £18m) and is used to commission/purchase a range of education, prevention treatment and enforcement initiatives.

Remainder of funding within the Action supports the following:

- All Wales Schools Liaison Programme (£1.98m) - the Programme aims to operate in 100% of primary and secondary schools across Wales to deliver consistent substance misuse education at all key stages of the curriculum.
- Drug & Alcohol Initiatives (£1.002m) – this budget includes a number of areas of work which implement the Substance Misuse Delivery Plan 2016-18, through research, policy development and monitoring of work related to drug and alcohol interventions. It also supports work and resources for the Public Health (Minimum Price for Alcohol) (Wales) Bill, which going forwards – will include associated costs for communications, evaluation and implementation.
- It also includes a match funding contribution of £0.830m to the Out of Work Peer Mentoring Service – a jointly funded European Social Fund Project with Health and Social Services.

Explanation of Changes to the Deliver the Substance Misuse Strategy Implementation Plan

There is no change to this action over the June Supplementary Budget although compared to the 2019-20 budget as per Final Budget 2018-19 there is an increase of £1,980m. This is as a result of funding for the All Wales Schools Liaison Programme being reinstated after being removed in last years Draft Budget.

Action: Foods Standard Agency		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
3.516	3.712	0.196

This Action provides funding for the Food Standards Agency (FSA) Wales. The FSA receives funding of £3.516m annually. This sum includes ring fenced funding of £0.490m for the FSA to take forward feed law enforcement work.

This budget allocation is provided to meet the cost of the work priorities set out in FSAs broad 'FSA Wales Service Delivery Agreement'. The funding is provided on the basis that where there is a joint interest FSA Wales will assist the Welsh Government to take forward its priorities, including continued assistance in delivery and implementation of a statutory food hygiene rating scheme in Wales, as established by the Food Hygiene Rating (Wales) Act 2013. Additionally, that Wales' needs will be taken into account in accordance with the Welsh Government's Position Statement in response to 'Regulating our Future' as the FSA progresses its programme of regulatory reform.

Explanation of Changes to Foods Standard Agency Action

- The additional £0.196m is in respect of additional funding from the EU Transitional Fund in support of extra staff costs to support FSA Wales' preparations for EU exit.

Action: Public Health Programmes		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
19.795	19.639	(156)

This action funds a variety of public health programmes such as:

- Organ & Tissue Transplantation
- Immunisation
- Payments to Public Health England who provides a number of specialist health protection services and some reference laboratory services to Wales.
- Healthy Start
- NICE

Explanation of Changes to Public Health Programmes

- (£0.156m) recurrent baseline transfers and changes (previously actioned on a non recurrent basis)

Action: Effective Health Emergency Preparedness Arrangements		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
6.059	6.025	(0.034)

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

Explanation of Changes to Effective Health Emergency Preparedness Arrangements

- (£0.034m) recurrent baseline transfers and changes (previously actioned on a non recurrent basis)

Action: Develop & Implementation Research & Development for Patient & Public Benefit		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
42.505	42.075	(0.430)

This action supports the work of the Welsh Government's Division for Research and Development (R&D) which sits within the Department for Health and Social Services and leads on strategy, policy, commissioning, funding, contract management and governance of health and social care R&D in Wales.

Through its 'external brand', Health and Care Research Wales, the R&D Division provides an infrastructure to support and increase capacity in R&D, runs a range of responsive funding schemes and manages resources to promote, support and deliver research. It also participates in partnership and cross-funder activities where these bring advantages to Wales. It supports translational research with a particular focus on applied and public health research. This includes research into the prevention, detection and diagnosis of disease; the development and evaluation of interventions; and the provision, organisation and delivery of health and social care services. The Division also works to support the implementation of research findings into practice.

The Division has key relationships within Welsh Government with the Department for Economy, Science and Transport's Life Sciences and Innovation teams, the Chief Scientific Adviser for Wales and the Department for Education and Skills. The Division also works very closely with colleagues with similar roles in the other UK nations, the UK research councils, other research funders and the European Commission.

Explanation of Changes to Develop & Implementation Research & Development for Patient & Public Benefit

- (£0.430m) recurrent baseline transfers and changes (previously actioned on a non recurrent basis)

Action: Social Care & Support		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
3.462	4.562	1.100

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

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

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

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

The Funding also partly supports the delivery of the ASD Strategic Action Plan 2016 and delivery plan, including support for the ASD National Development Team hosted by the WLGA to support delivery of the strategic priorities. This will include advice in relation to the passage of the Autism (Wales) Bill which was introduced into the Assembly in July 2018.

Explanation of Changes to the Social Care & Support Action

- The addition of £0.550m to this Action is as a result of transferring the budget for Children’s advocacy from the Supporting Children Action.
- Additional £0.550m MEG to MEG from Local Government & Public Services transfer in respect of National Approach to Advocacy funding

Action: Partnership & Integration		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
0.606	0.606	-

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

provide the anticipated funding required in future to meet the increasing demands for social care resulting from an ageing population.

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

Action: Sustainable Social Services		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
11.215	11.315	0.100

The majority of this Action (£6.8m) funds the Sustainable Social Services Third Sector grant. 32 projects are being supported following a competitive bidding round which support children, young people and their families, looked after children and care leavers, older people, disabled people and carers

The balance of the funding in this Action (£4.5m) is used to support delivery of the Social Services and Well-being (Wales) Act 2014, implementation of the Regulation and Inspection of Social Care Act 2016 (RISCA) and improvement of Social Care Services which deliver the changes required to achieve our vision for a social care in Wales that improves well-being and puts people and their needs at the centre of all care and support. Our principles include cultivating practice that promotes voice and control, independence, coproduction, person-centred care and prevention and early intervention approaches.

Explanation of Changes to the Sustainable Social Services Action

- The £0.100 million is as a result of non recurrent funding in respect of Disability Wales

Action: Social Care Wales		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
18.038	18.038	-

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

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

Key priorities include:

- set standards for the care and support workforce, making them accountable for their work

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

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

Action: Older People Commissioner		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
1.545	1.545	-

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

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

The previous Commissioner submitted her annual income and Expenditure estimate in late 2017, illustrating a need for stability in funding. The need for a stable platform of funding into 2019-20 continues. As well as operating costs, key work programmes run over financial years and will continue into 2019-20, for example Ageing Well in Wales; work to support advocacy in care homes and increased take up of adult advocacy services; Section 3 Reviews; Older people and human rights work, case work supporting older people who contact the OPCW for support and advice.

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

Action: Supporting Children		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£m	£m	£m
39.090	49.996	10.906

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

Explanation of Changes to the Supporting Children Action

- £(1.000)m transfer to the Children and Communities Grant in the LGPS MEG in respect of the St Davids Day Fund;
- £15.000m increase in respect of additional funding for the Childcare offer which has increased from £25m in 2018-19 to £40m in 2019-20;
- £(2.300)m transfer out of Support for Childcare and Play BEL in respect of the Out of School Childcare Grant; and,
- £0.306m allocated to the Childcare and Play BEL during restructuring of the MEGS during 2018-19 draft budget
- £(1.100)m transfer to the Social Care and Support Action in respect of Safeguarding & Advocacy

Action: CAFCASS Cymru		
2018-19 Supplementary budget June 2018	Draft Budget 2019-20	Change
£'000	£'000	£'000
10,267	10,267	-

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

The organisation seeks to influence the family justice system and services for children in Wales, providing high quality advice to Ministers and ensuring the needs of Welsh families and children are reflected in process and policy developments.

Of the £10.267m budget, 92% is attributed to staffing costs and 8% to commissioned services and infrastructure costs. Aside from staffing and running costs for the organisation, the budget provides grant funding to support separated parents, when directed by the Family Court, to have contact with their children. The budget also funds the provision of the Working Together For Children programme which supports parents who have separated, or are separating, to better manage their own behaviour to ensure the emotional, practical and physical needs and best interest of their children are paramount.

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

ANNEX B

Progress update

This Annex provides an update on progress against the Health, Social Care and Sport Committee's December 2017 recommendations, as set out in its report on the 2018-19 draft budget. This includes details of relevant budget allocations for 2019-20.

The Committee recommends that the Welsh Government should identify ways in which transformation and transition funding is prioritised and made available for NHS organisations from within existing budgets.

Progress update:

The Fund is intended to meet the time-limited additional costs of introducing new models of health and social care. It is aimed at accelerating the wider adoption and scaling-up of new ways of working which are intended to replace or reconfigure existing services.

In particular the Fund is designed to quickly validate the 'scalability' of new models (their ability to expand from a locality to a region, or from a region to other regions) and to test whether they are 'transformative' (affordable and sustainable, changing or replacing existing approaches rather than adding an extra layer on to them).

The Fund will provide revenue funding to support time limited 'transformation projects' which support the introduction of new models. The Fund will not support the additional costs of delivering new models on a recurring basis. It will support costs which relate specifically to the 'transformation project', for example:

- Staff time – freeing up staff to develop and test new models of care, including backfilling of existing roles where necessary
- Programme infrastructure – at a national and local level, but proportionate to the scale of change
- Physical infrastructure – where possible from revenue funding, particularly application of ICT
- Double running costs – to support the transition from existing to new models of care.

Transformation Funding was originally announced as being for a two year period, covering 2018-19 and 2019-20 financial years. Based on feedback from regional partnership boards the funding period has been revised to allow more flexibility – still a two year funding period but starting from now and therefore spanning three financial years 2018-19 to 2020-21.

Ministers and officials have also been clear that the Transformation Fund is only intended to accelerate selected projects, particularly new models of care, over a time limited period. Service transformation should be a core activity for all health and social care partners, supported from their recurrent funding – "it is the £9 billion which needs to transform". We expect strong system leadership to drive the

transformative change needed across Wales, going well beyond the relatively small amount made available through the Transformation Fund itself.

There is no proportional allocation of transformation funding to geographic regions or to types of models. The Transformation Programme will aim to ensure an appropriate distribution across Wales, and to different types of models, but the ability to do this will depend on the strength of proposals received. The Transformation Programme will work with RPBs and delivery projects as required to support the development of projects across Wales, including for example targeted funding for 'second wave' adoption into new regions.

The Committee recommends that the Welsh Government and NHS Wales must prioritise prevention. This must range from interventions that deliver timely outcomes for patients to invest to save programmes such as health prevention campaigns. Investment in a preventative approach must be integral to the transformational change of NHS Wales.

Progress update:

There is a pressing need for us to prevent, and intervene earlier in long-term conditions (non-communicable diseases or chronic conditions) such as cardiovascular and chronic respiratory disease, cancer and diabetes in an evidence-based way that will bring about the maximum impact in improving health and well-being in Wales. The operational challenges of the current health and care system are not sustainable and there is a pressing need to focus on creating a healthy and sustainable society.

A Healthier Wales places a strong focus upon the role of prevention, to enable people to be supported and to remain active and independent, in their own homes, for as long as possible. This will be driven forward through enabling and encouraging good health and wellbeing throughout life and by anticipating and predicting poor health and wellbeing. This aligns with the commitment within *Prosperity for All* to develop public health campaigns which will help to shift behavioural change across the population.

To meet these aims we have placed a greater focus on the work of Public Health Wales to enhance work and capacity around behavioural insights. Work to evaluate current approaches and to scale population messages has been driven forward; this includes assessing the quality and impact of existing campaigns. There is a strong role to ensure that we are providing information, advice and taking action across sectors to promote health, prevent disease and reduce health inequalities. Plus developing essential which aim to protect the public and to continuously improve the quality, safety and effectiveness of the services we deliver.

We are placing a strengthened focus on nutrition, diet and physical activity across the population through the development of a national obesity strategy – Healthy Weight: Healthy Wales, which has been legislated against through our Public Health Wales Act 2017. This will focus on both prevention and intervention and we will be consulting in the autumn and a final strategy will be published by October 2019. We are also driving partnerships and collaborative delivery through existing funding. A

collaborative physical activity action plan is being developed through Public Health Wales, Sport Wales and Natural Resources Wales, which will utilise joint resources and delivery to engender change.

The Healthy & Active Fund was launched in July, which delivers in an integrated way the Prosperity Fund commitments for a Well-being Bond and Challenge Fund for Sport. The HAF a partnership between Welsh Government, Public Health Wales and Sport Wales and places the five ways of working at the cores of its design, delivery, monitoring and evaluation. £5m is available over three years, with the aim of improving mental and physical health by enabling healthy and active lifestyles, with a particular focus on strengthening community assets.

The Committee recommends that the Welsh Government should develop an all-Wales efficiencies programme in order to ensure that local good practice is translated in to all Wales service-wide change.

Progress update:

Welsh Government has established a Finance Delivery Unit, which is being hosted by Public Health Wales NHS Trust. As part of its work programme, the Unit has developed an Efficiency Framework which is available to all NHS Wales organisations. The Framework provides a large range of costing, benchmarking and other intelligence to provide organisations with a core resource to identify opportunities for improvement and efficiency. The framework also allows sharing of good practice and examples of effective delivery of improvement programmes across organisations. The Unit will support and challenge the adoption of these opportunities by organisations in the context of support for Welsh Government intervention in organisations in escalation, and more widely in reviewing the robustness of integrated medium term plans.

The Committee recommends that the Welsh Government's all-Wales efficiencies programme (our Recommendation 5) should include a clear focus on how capital investment will deliver efficiency savings and support transformational change.

Progress update:

The guidance that health organisations are expected to follow in preparing bids for accessing capital funding sets out the relevant process and considerations including fit against the criteria listed above. The Infrastructure Investment Board considers major capital investment projects. Its remit includes ensuring that all investments fit with the strategic direction of the NHS and meet the criteria

The Committee recommends that the Welsh Government should support and hold health boards to account to prioritise capital funding for primary care and ensure it improves the physical capacity for multi-disciplinary working and promotes new models of care.

Progress update:

The pipeline of 19 primary care projects is being progressed. The funding for delivering these projects has increased to £72m through the provision of a further £4.5m for 2020-21 in the draft budget.

The Committee recommends that the Welsh Government to make the strongest possible case to the UK Government / National Offender Management Service for increasing what is a relatively modest financial allocation for prisoner health in order to ensure that individuals in the secure estate in Wales, who often have above average needs, particularly in mental health, are able to receive a quality level of healthcare.

Progress update:

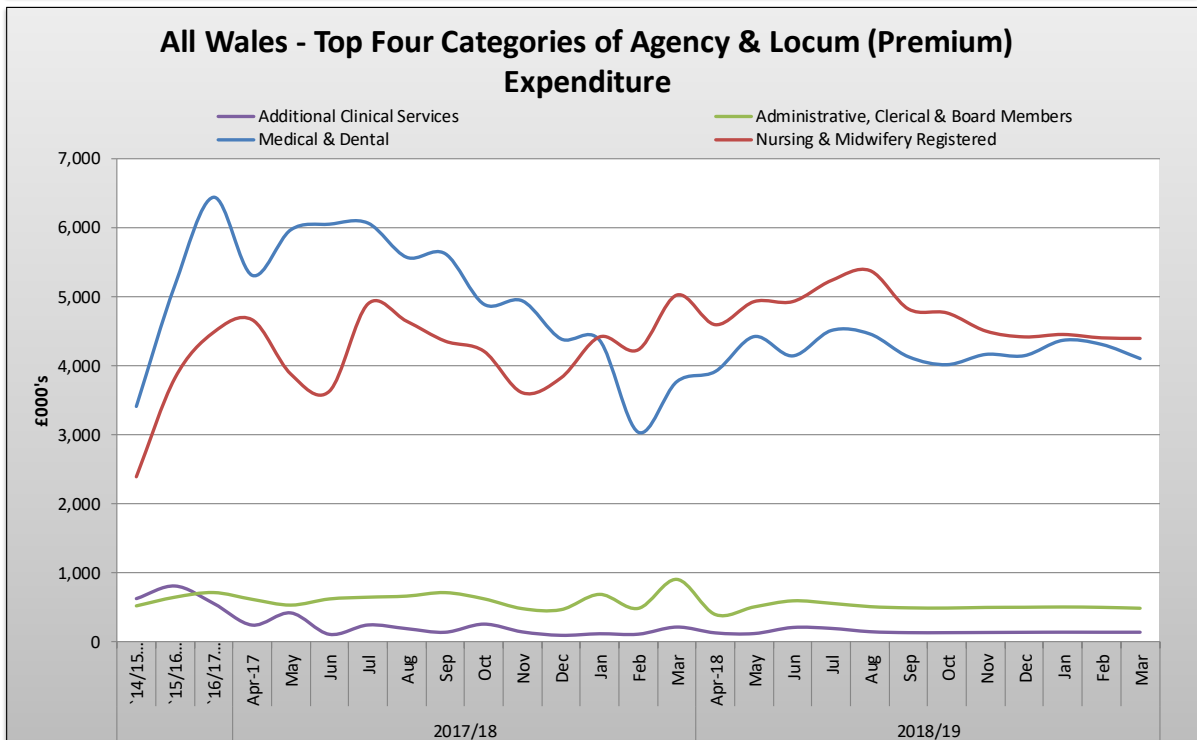
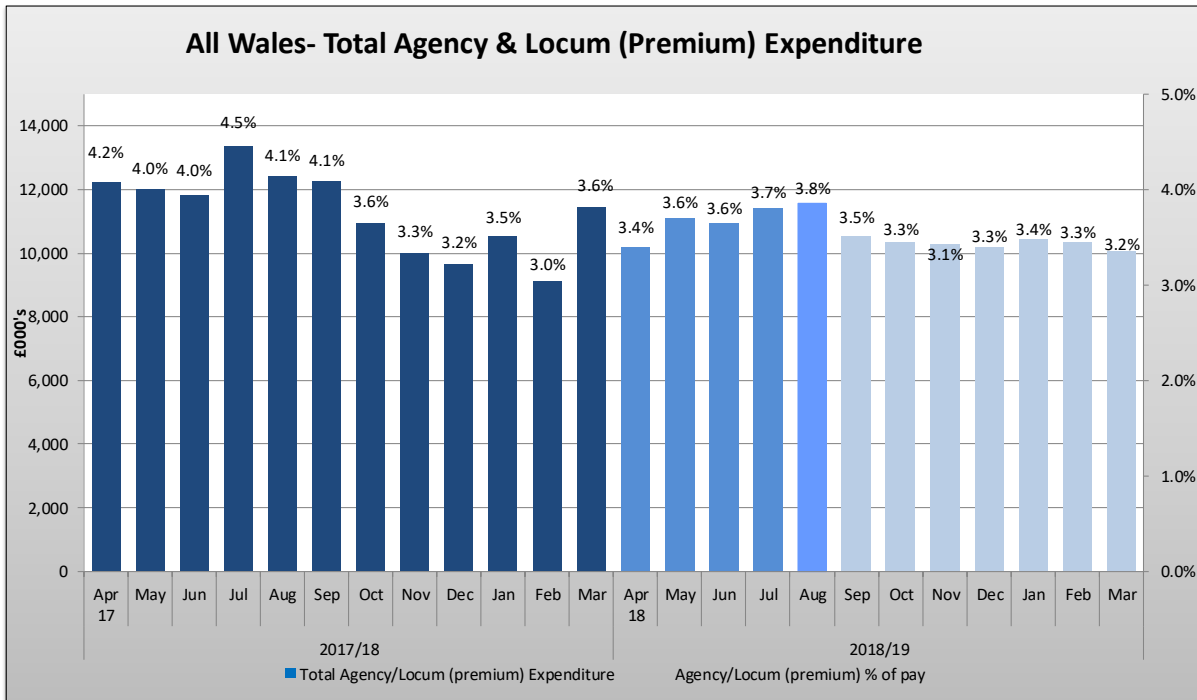
In response to the recommendation, officials have worked closely with health boards and HM Prison and Probation Service to develop a set of shared priorities, underpinned by a whole prison approach to improving health and well-being in public sector prisons. The priorities are being finalised and once agreed will provide the basis, along with the increasing prison population in Wales, to approach the SoS to raise concerns

The Committee recommends that, given the significant amount of NHS Wales's expenditure on agency staff, the Welsh Government should commission a review of the anomalies and perverse incentives across agency / bank arrangements with a view to making changes which significantly reduce spend.

Progress update:

Health Boards and Trusts have been implementing the requirements of the Circular and Welsh Government officials have remained in close touch with them on the practical issues arising during implementation. In addition, work coordinated through the Temporary Nurse Staffing Group has continued to focus on reduction in Agency nurse expenditure.

There is evidence of progress to reduce agency and locum spend which is reflected in the data table below.



We have not yet established a Workforce Delivery Unit as we are considering how this capacity should fit with the establishment of the new NHS Executive function set out in Healthier Wales. However, this has not been a barrier to progress as the system is still working to realise the full benefits from the controls introduced as part of the Circular and from the transfer of procurement of temporary nurse staffing onto the new all Wales Framework contract.

Officials and key colleagues working on delivering change to deployment of agency and locum staff across the NHS met on 12 October to consider experience so far

and to advise the Cabinet Secretary on the next phase of coordinated action across Wales to both reduce spend and deployment and continue to remove perverse incentives and anomalies across the system. The Cabinet Secretary will announce the actions to be included in the next phase of this work once he has considered the advice of the group.

The Committee recommends that the Welsh Government should invest in a whole-system approach to health and social care. It must ensure there is planned year-on-year additional funding available for social care and that it is sufficient to reflect increasing demands.

Progress update:

In this draft budget we are investing a further £30m in social services from within the Health and Social Services MEG, and a further £20m will be provided through the Revenue Support Grant from the Local Government and Public Services MEG.

In addition, we have provided £30m in 2019-20 for Regional Partnership Boards to take forward the development of new models of integrated health and social care services.

The Committee recommends that the Welsh Government should ensure that recent portfolio changes do not have an adverse impact on the alignment between policies in respect of physical activity and sport and those that aim to improve health and well-being outcomes.

Progress update:

There is continued dialogue and action taking place across departments to drive delivery. This has included joint work on the development of 'Healthy Weight: Healthy Wales' to prevent and reduce obesity levels across Wales, which includes forward actions to increase levels of physical activity. This will be driven by an implementation board across departments. Furthermore, Sport Wales, Public Health Wales and Natural Resources have been tasked to develop collaborative actions on physical activity, which includes aligning joint outcomes and actions across organisations.

The Healthy and Active Fund (HAF) was launched in July by the Cabinet Secretary for Health and Social Services and the Minister for Culture, Tourism and Sport. The first phase investment of £5m over three years will focus on improving physical activity levels. The development and delivery of the HAF is a partnership across departments with Sport Wales and Public Health Wales.