



Llywodraeth Cymru  
Welsh Government

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**WRITTEN STATEMENT  
BY  
THE WELSH GOVERNMENT**

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**TITLE**            **Implications of the Draft Budget 2014-15 on Health and Social Services**

**DATE**            **17 October 2013**

**BY**                **Mark Drakeford AM, Minister for Health & Social Services**

Last week the Finance Minister announced the Welsh Government's Draft Budget proposals for 2014-15 and set out its indicative plans for 2015-16. The proposals include an additional funding package for the Welsh NHS of £570 million over three years. That sum includes £150 million to meet new demands and pressures in the current financial year. The scale of the challenge facing the service, however, remains sustained and substantial.

This is good news for the health service in Wales. My task will be to ensure we make every penny count in maintaining and improving our NHS services while facing up to the continued challenges that we will need to meet now and in the future as a result of rising demand and public austerity pressures.

I want to be clear that while the additional funding in the budget is welcome it will not remove the need for further significant changes in the NHS nor will it relieve all of the pressures that the service currently faces. Along with other Welsh public services, the demand and austerity pressures will continue to increase. During the remainder of 2013-14, Local Health Boards and the Welsh Government face difficult decisions in order to maintain services.

In July we announced that we would review the NHS budget following the publication of the Francis report to ensure that any additional resources allocated would recognise and be targeted to meet the major pressures that the NHS in Wales faces in delivering safe and compassionate care.

As part of our review we asked Local Health Boards to submit plans to address areas such as A&E pressures, ambulance response times and access to treatment. We also looked at our nursing levels on wards and at the advice we received from the National Medical Committees regarding immunisation programmes and new drugs.

There is no doubt there are real pressures facing the NHS as demand rises year on year. We continue to wrestle with the challenge of a faster ageing population than any other part of the UK and in particular as a consequence of experiencing a huge increase in the number of people aged 85 and above being admitted to emergency departments.

As I have stated previously during periods of high demand, an already pressured health system becomes the default “place of safety” even when the best place for such people may not be in hospital. The pressures in unscheduled care have an impact across the whole system with patients arriving at hospital facing longer waits to be admitted or seen; scheduled operations being postponed and ambulances being delayed from attending other calls.

The NHS in Wales is not alone in facing these pressures as they are also characteristic of other parts of the UK and more widely in Europe. However we should be very proud of the fact that the Welsh NHS and its staff have done a fantastic job in dealing with the pressures to date while delivering a significant improvement agenda. We continue to perform very well in relative performance to other parts of the UK despite these unprecedented pressures.

The additional £150 million announced for 2013/14 is being allocated to help meet the recognised service pressures arising from the Francis Review and to implement best practice standards including for example the national immunisation advice. The additional funding requirement is significant and has resulted in tough decisions in the face of an extremely difficult budget settlement. The cost of the immunisation programme alone is £7m in 2013/14 and illustrates the significant cost pressures that are faced in delivering recommended best practice and developments in patient care.

The additional money will support the plans that Local Health Boards already have in place to meet these challenges and it will help them maintain performance in the coming months, particularly when winter pressures begin to bite. The allocation of the additional £150m is set out in the table below against each Local Health Board area:

	<b>Nurse Staffing</b>	<b>Unscheduled Care (Including Amb. Pressures)</b>	<b>Immunisation programme</b>	<b>Kalydeco drug funding</b>	<b>VER Funding</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
ABMU	1.80	21.80	1.30		0.55	25.45
Aneurin Bevan	1.90	23.88	1.14		0.00	26.92
BCU	2.20	26.64	1.56		0.50	30.90
Cardiff and Vale	1.40	17.09	1.03		2.33	21.85
Cwm Taf	1.10	13.42	0.66		1.68	16.86
Hywel Dda	1.30	15.51	0.86		1.30	18.96
Powys	0.40	5.16	0.30		0.05	5.91
WAST					0.97	0.97
NWSSP					0.05	0.05
Central Programme			0.15	2.00		2.15
<b>Total</b>	<b>10.10</b>	<b>123.50</b>	<b>7.00</b>	<b>2.00</b>	<b>7.43</b>	<b>150.03</b>
Note: The Ambulance service pressures are included within the total unscheduled care funding and are allocated by LHB to reflect commissioning responsibilities.						

In meeting the significant challenges that lie ahead the importance of modernising services and improving co-operation across Welsh public services was also recognised in the budget with the creation of a new £50m Intermediate Care Fund for 2014-15. This will help to support a more co-ordinated and joined up approach between health, housing and social services. Opportunities to work collectively across public services like this in the future must be maximised so we improve our services.

The budget also announced additional NHS capital funding of £58m, £43m in 2014/15 and £15m in 2015/16. This is made up of £38m in line with health priorities set out in the Wales Infrastructure Investment Plan and £20m in 2014/15 in respect of the Health Technology and Telemedicine Fund as a result of the Budget agreement. This additional capital will be used to improve clinical services on the Moriston site; to continue to develop and refurbish services at Ysbyty Glan Clwyd; provide improved mental health unit facilities at Llandough; continue to develop the Children's Hospital services in Cardiff and provide much needed investment in medical treatment through new health technologies and telemedicine. In 2014-15, in addition, we will pursue actively the possibility of innovative funding methods in the development of a new cancer centre at Velindre Hospital.

To meet the significant challenges that lay ahead we will need to continue to work across the public sector, with our NHS staff and the public to transform the way we deliver our services. We will all need to embrace and work towards these changes as the delivery of this agenda will be fundamental in ensuring that the NHS is in the best shape possible to continue to provide the quality of care patients will expect to see in the future.