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Y Gweinidog dros Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Our ref: LF/EH/0015/10
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Dear Angela -

Proposed Mental Health (Wales) Measure

The Finance Committee has asked for further information in relation to the proposed Mental Health (Wales) Measure.

Source of resources

Question 1 - clarification on how much of the required resource is "new" money and how much is being met from existing Mental Health budgets.

In 2010/11, I intend to make £1.5m of additional monies available for pre-implementation work and to continue to fund £0.6m to Independent Mental Health Advocacy (IMHA) under the 1983 Act.

In 2011/12, I intend to make £0.75m available of additional monies for pre-implementation work, and to add £0.5m recurring additional funding to the existing £0.6m available for IMHA (making a recurring fund of £1.1m).

In 2012/13, there will be no additional pre-implementation money, but instead I intend to give an additional £4.0m recurring to support the Measure (in addition to the, then, £1.1m for IMHA). This will mean at steady state £5.1m of funding will be available for the Measure, which comprises £3m for local primary mental health support services and £2.1m for IMHA.

I can confirm that the funds I intend to make available for this Measure which I have set out above, are not being diverted from other mental health programmes.

Question 2 - clarification on how much money will be allocated to LHBs, and how much to local authorities, together with an outline of the expected model for allocation of funding.

I have indicated in the Explanatory Memorandum (paragraph 168 and page 77) that I anticipate that Health Boards will be responsible for making arrangements for IMHA (rather than Local Authorities). Therefore I anticipate the funding for IMHA will be allocated to LHBs. This is partially dependent on the outcome of the consultation on the relevant regulations that flow from the Measure itself, as these will set out that LHBs will be responsible for making the arrangements.

In respect of the funding for Parts 1 and 2 of the Measure, it is not possible to provide a complete breakdown of the funding allocations for Health Boards and Local Authorities at this time. The steady state funding for Part 1 will be influenced by the findings of the local mapping work that we anticipate will be undertaken by the All Wales Primary Care Lead (to be appointed). The funding formulation for the pre-implementation costs associated with Part 2 is currently being developed, but I wish to encourage Health Boards and Local Authorities to work in partnership and the funding distribution is being developed in light of that expectation.

Question 3 – have discussions been held with LHBs and Local Authorities regarding the funding mechanisms.

My officials have met with a number of Health Boards and Local Authorities in recent weeks, and part of their discussions has focused on funding. They have also met with the Health Board leads for IMHA, and IMHA providers. The information and views gathered in all of these discussions is directly contributing on the work currently underway to establish fa ir and appropriate funding mechanisms.

Part 1 of the Measure

Question 4 - more details sought on the figures used in Table 3 of the Explanatory Memorandum, and rationale for the same. For ease, Table 3 is reproduced here:

Factor	Result
Number of adults registered with a GP in Wales	2.34m
Number of operational staff required (based on 1:20,000)	117
Cost of operational staff	£4.1m
Estimated cost of existing provision	£1.1m
Estimated additional costs required	£3.0m

I have set out much of the underpinning calculations for Table 3 in the Explanatory Memorandum, but the Committee will be aware that as drafted the proposed

Measure requires local mental health partners (Health Boards and Local Authorities) to establish local primary mental health support schemes. Each scheme must be established for adults registered with a GP, and the 2007 records put the total registered adult population at 2.34m persons.

For every 20,000 registered adults, we have calculated that one operational member of staff is required – resulting in a total staff population of 117. Some existing services operate on less generous ratios that this - for example 1:27,000, some are even higher still. However, ahead of the national service model being developed I would prefer to be more cautious than 1:27,000, hence 1:20,000 being adopted. This position has received support in discussions my officials have had with existing primary care services.

The range and grade of professionals working in such services in Wales currently varies, and therefore our costings have been based on Band 6 nurses. A significant number of existing services rely on nursing staff, and whilst some are lower than Band 6, again I would prefer to be more cautious. On this basis, 117 nurses at mid-point of Band 6 (including "on-costs") results in an operational cost of £4.1m for the whole of Wales.

I have indicated that there are already existing services in many parts of Wales, but these vary in both services and staffing. These have been conservatively estimated at £1.1m, based on initial identification and scoping work undertaken by my officials. This leaves an additional £3m to deliver the new requirements, on top of existing funding which I expect to see continued by the Health Boards and Local Authorities where they contribute.

I intend to make £3m of new monies available at steady state in 2012/13 to support Part 1 of the Measure.

Question 5 - why the estimated funding is considered to be at the higher end of the range (a reference to paragraph 143 of the Explanatory Memorandum).

During the development of the Measure my officials visited a number of primary care mental health services, and spoke with GPs, Health Boards and mental health practitioners. They also considered the implementation of WHC(2006)053 *Adult Mental Health Services in Primary Healthcare Settings in Wales: Policy Implementation Guidance.*

Officials have established that some services have been established based on population figures, others have been built around other services and GP requirements. As previously set out, the practitioner to population ratio for calculating possible costs is lower than some services currently work to, to ensure

that services are not underfunded as far as is possible within the resources available.

Because account will need to be taken of existing services, and the work that may need to be done to realign some of those services to the national service model, a cautionary note has been struck in the Explanatory Memorandum, hence the inclusion of the caveat that assuming an equal distribution of funding for each local authority could result in figures on the "higher end" of actual distribution.

Question 6 – hypothecation of funding for Part 1, and duration.

Members of the Committee will be aware that mental health funding is currently ring-fenced. I see no reason to treat this funding differently.

Part 4 of the Measure

Question 7 - breakdown sought of the £2.2m quoted in paragraph 180 of the Explanatory Memorandum.

First, I must correct an error in the Explanatory Memorandum – it should actually read £2.1m not £2.2m. The £2.1m comprises:

- £0.6m of existing funding which is already distributed annually to Health Boards in respect of existing requirements for advocacy under the Mental Health Act 1983.
- an additional £0.5m to be made available for the expansion of advocacy for detained patients
- a further additional £1.0m to be made available for advocacy for informal inpatients.

Question 8 - how the increase in demand of 25% for IMHA (for detained patients) was estimated

25% is the approximate percentage of total use of the 1983 Act in Wales which the short-term emergency sections represent – in other words about 1 in 4 uses of the Act in Wales is under section 4, 5, 135 or 136 (the short term sections to which provision is to be extended). This is based on statistical data on the recorded use of the short term sections of the Act for 2007/08 - the most recent year for which data was available when the Explanatory Memorandum was being developed. Historically this percentage is similar to that from previous recent years.

Question 9 – details of estimate of £0.5m annual funding for compulsory patients

Assuming an additional increase of demand for advocacy of 25%, this would have meant that an additional £150,000 per annum would be required. I was not satisfied that this was a safe assumption to make, as this does not take into account the way that IMHA services are currently provided to patients. These tend to be on a 'business hours' basis, and then only to patients within hospital settings.

This will not necessarily be the case when provision is extended, as the short-term sections last for a maximum of 72 hours, and may not always take place in hospital. Although the increase in the number of additional individual requests for an IMHA may be quite modest when compared to the 2000+ requests that advocates dealt with last year, these requests would require a quicker response, possibly outside of office hours, which the established service has not been configured to deal with.

I therefore felt that the additional allocation should take into account these considerations and I intend to provide a significant funding increase – representing an uplift of 83% in this area alone - to support this part of the scheme.

Question 10 – In relation to the expansion of IMHA to informal patients, the Committee is seeking additional information about the potential uncertainty in estimating demand for IMHA.

There are some difficulties associated with accurately predicting the level of take up of the inpatient advocacy service; however, for the last year for which figures were available (2007-08) there were around 9,400 informal admissions to inpatient units in Wales. In the absence of any hard data on the take up of current non-statutory inpatient advocacy services where these already exist, we have instead sought the views of existing advocacy providers. This has led us to work on the assumption that half of these informal patients may wish to take up their entitlement to IMHA.

It is anticipated that complexity of informal casework could be less than that currently delivered, as assistance in relation to detention and compulsory treatment will not be required. Therefore, we believe that the funding we have identified will provide for some 4,500 cases – or approximately 50% of informal admissions per year.

The 2005 Baseline review of the Wales Audit Office identified that all inpatient services in Wales had some non-statutory mental health advocacy services in place, a position which has been bolstered by the subsequent introduction of statutory advocacy for many detained patients. I have been quite clear that I want to see LHBs and local authorities continue to fund these services where they do so already. These other schemes should also provide us with further additional capacity to which patients

could be referred if theirs are problems which can be dealt with appropriately by these services.

Question 11 – outline of when the various funding for mental health advocacy will be provided.

The Explanatory Memorandum sets out the timetable for implementation of two elements of the advocacy provisions, and the funding will follow this. Therefore:

- Expansion of advocacy to qualifying compulsory patients will commence in 2011. I anticipate that the additional recurring funding of £0.5m will be available in the financial year 2011/12. Ahead of that, I intend to make £0.25m of non-recurring funding available in the current financial year to support implementation planning and roll out.
- Expansion of advocacy to qualifying informal patients will commence in 2012. I anticipate that additional recurring funding of £1.0m will be available in the financial year 2012/13. Ahead of that, I also expect to make a further £0.25m on non-recurrent funding available in the next financial year (2011/12) to support pre-implementation.

My officials have already begun meeting with LHBs and advocacy providers to work on the detail of implementation, and this includes considering the financial timetables.

I look forward to the report of the Committee on the proposed Measure.