

Edwina Hart MBE OStJ AM

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

Our ref: SF.EH.0517.10
Your ref:

Jonathan Morgan AM
Chair
Health, Wellbeing and Local Government
Committee
Cardiff Bay
Cardiff



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Bae Caerdydd
Caerdydd CF99 1NA
Llinell Ymholiadau Cymraeg: 0845 010 4400
Ffacs: 029 2089 8131
E-Bost:Gohebiaeth.Edwina.Hart@cymru.gsi.gov.uk

Cardiff Bay
Cardiff CF99 1NA
English Enquiry Line: 0845 010 3300
Fax: 029 2089 8131
E-Mail:Correspondence.Edwina.Hart@Wales.gsi.gov.uk

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Dear Jonathan

Health and Social Services Budget

During my attendance at the Health, Wellbeing and Local Government Committee on the 24th November 2010, I agreed to provide the Committee with the following information:

New Hospitals/Major Hospital Redevelopments – Effect on Backlog Maintenance

The following table sets out the impact of the new hospitals and redevelopments on the cost of Backlog Maintenance:

New Hospitals/Hospital Redevelopments	Estimated Backlog Maintenance (BM) Reduction
Ysbyty Ystrad Fawr	£7.5m - closure of Caerphilly Miners Hospital
Ysbyty Cwm Rhondda	£3.5m – Llwynypia Hospital
Cynon Valley Neighbourhood Hospital	£13.3m - closure of Mountain Ash and Aberdare General Hospitals

Merthyr Health Park and associated investment in Prince Charles Hospital (PCH) and Royal Glamorgan Hospital	£7.4m - St Tydfils Hospital
PCH Redevelopment – Phase 1	£20m decrease in existing PCH BM costs
New Adult Acute Mental Health and EMI Units	£6.7m – Whitchurch Hospital
Redevelopment of Cardiff Royal Infirmary (CRI) - Locality Health and Treatment Centre	£37.5m decrease in existing CRI BM costs
Morrison Redevelopment	£7m decrease in existing BM costs
Cefn Coed Redevelopment	£7m - Cefn Coed Hospital
Cardigan Community Hospital	£5.6m - closure of existing Cardigan Hospital
Bronglais Hospital	£6m decrease in existing BM costs
Prince Philip Hospital	£6m decrease in existing BM costs
Tregaron Community Hospital	£3.5m - closure of existing Hospital
Ysbyty Glan Clwyd	£35m decrease in existing BM costs
Royal Alexandra Hospital	£4m decrease in existing BM costs

Planned Gwent Specialist and Critical Centre – Effect on Backlog Maintenance

The progress on the Gwent Specialist and Critical Care Centre (SCCC) was raised at Committee. This scheme has an estimated cost of £350 to £400m, depending on the extent of phasing involved.

The construction of the SCCC itself will have little impact on the backlog maintenance costs of Royal Gwent/St Woolos and Nevill Hall, which currently total circa £30m. Separate investments will need to be made at these sites in order to redevelop them into LGHs or to build new LGHs to replace existing.

Hospice Funding

The Committee asked for a breakdown of the £7m funding for Palliative Care Services. The central funding being made available to improve Palliative Care services across Wales has increased to £6.888m in 2010-11, of which £2m recurrently is ring fenced for hospices.

In 2010-11, actual funding allocated to hospices is £2.267m to meet the core Specialist Consultant led Palliative Care Services provided on behalf of the NHS, which is based on the funding formula developed by the Palliative Care Implementation Board. In addition to this, some hospices receive the support and financial benefit for Consultant Medical posts, directly funded by the NHS, via the central Palliative Care funding.

The remainder of the central funding is allocated to Health Boards based on the advice of the Palliative Care Implementation Board, to meet the requirements of the Sugar Report.

In the main, the central Palliative Care money funds the following:

- Additional Consultant Posts;
- Improved 24 / 7 medical cover;
- Embeds 7 / 7 Clinical Nurse Specialist working;
- Hospice at home services;
- Increased service access to non-cancer care, as well as all Wales initiatives to improve care including iWantGreatCare evaluation of services;
- Dying Well Matters;
- Child bereavement roll out; and
- Transitional Care Lead and education courses for primary care staff, including nursing homes and short courses for GPs.

CAFCASS CYMRU

CAFCASS CYMRU Programme Money is allocated between three areas:

- **Case Management System (CMS):** ongoing contractual commitment to provide support and maintenance to an electronic case management system - £90k pa;
- **Contact Centres:** the administration of Welsh Assembly Government grant aid to services and centres that provide opportunity for parents and carers to meet and have contact with their children - £198k pa; and
- **Children and Adoption Act 2006 (Contact Activities):** these are statutory services, which have been designed to enable contact to happen, or to improve

the quality of the contact that the child experiences. A court may order parents or carers who are unable to reach an agreement about decisions affecting their children's lives to complete a Parent Information Programme that has been specifically designed to address these situations. This funding is also used to train, maintain and quality assure (as the legislation requires) the Contact Activity Providers servicing the demand. Nine service providers have been procured and commissioned to provide a service for the whole of Wales. However, it is a court decision as to whether a Contact Activity will be ordered or not - £170k pa to be reduced by £36k by 2014.

The reduction to the CAF/CASS CYMRU programme budget of £36k will be achieved by reducing the budget allocation to the *Children and Adoption Act 2006* (Contact Activities) programme, as the referral rate from Courts has been lower than anticipated.

Training and Education

Overheads

You asked for details of the level of overheads that can be taken out of the system to mitigate the impact of the £8.7m reduction in the Training and Education Budget.

From a post graduate medical and dental perspective, the Service Level Agreement with the Deanery provides for overheads paid to Cardiff University for hosting the Wales Deanery. There is currently a review of these arrangements so that efficiencies can be identified.

In relation to contracting for non-medical education, this budget funds both student support (bursaries and salaries) and a fee per student, which is paid to the schools of health studies. Overheads are paid to all Higher Education Institutes incorporated into the fee per student. There is also a review of non-medical education provision, which will again release efficiency savings.

Both reviews will be formally reporting early in 2011.

Workforce Planning and Budgetary Decisions

Committee was also interested in the way in which workforce planning fed into budgetary decisions on training provision. Workforce Plans are integrated with Service and Financial plans and are submitted from the Service annually, signed off by the Chief Executives. Data is also accessed from Local Authorities where appropriate.

The system of workforce planning is not an exact science but processes have improved over the past 3 years. Data submitted to the National Leadership and Innovation Agency for Healthcare (NLIAH) is analysed based on labour market intelligence and trends from within Wales and beyond. Plans are then re-visited with all stakeholders including professional organisations and trade unions. The resulting workforce figures are then used to inform the non-medical education commissions for the following year.

An analysis has been undertaken of the numbers of doctors in training across Wales, which was then compared with Health Boards' Service and Workforce Plans. This identified a need to increase the numbers of doctors training as GPs. The Wales Medical and Dental Workforce Committee has established a Task and Finish Group to take this work forward, which will report to that Committee in March 2011.

Retention of Healthcare Professions

The Committee discussed the issue of retaining students in the NHS in Wales who trained in healthcare professions in Welsh Universities. It is important that we can both attract students to Welsh Universities, as well as retain them in the NHS in Wales when they graduate.

In relation to introducing formal contracts to retain students, care is needed to ensure that there is not indirect discrimination on the grounds of nationality or restriction of freedom of movement of workers. However, there is a need to encourage students who train in Wales to see their future careers in the Welsh NHS. The development of a comprehensive and rewarding career framework, such as the Post Registration Career Framework for Nurses in Wales, is one way that students will see how their future career can be supported in Wales.

It is also important to ensure that our students experience high quality academic teaching and clinical experiences. Health Boards are already running, or developing, both general work experience schemes for school students and specific work observation programmes for those school students wishing to apply for medicine at University. These are combined with widening access initiatives run by Universities in many parts of Wales. These all give students at different stages the information on how they could contribute to the vision of the NHS in Wales.

Wales offers free accommodation for medical graduates entering F1 posts, which is proving very attractive. Wales also piloted a shadow induction scheme for those entering F1 posts in 2010, to give them a longer period of induction prior to taking up their posts. This has been evaluated well by the F1 doctors and will be continued in 2011. All these initiatives can act as incentives to attract and retain our students.

20 January 2011

We are striving to make NHS Wales an employer of choice, not only to retain our Welsh trained students, but also to demonstrate our commitment and value of the whole of the NHS workforce.

Food Standards Agency and the Pennington Report

I promised to provide information to the Committee on the funding to implement the recommendations of the Pennington report.

Following a request for funding from the Welsh Local Government Association (WLGA), the First Minister has commissioned the Food Standards Agency (FSA) to conduct a review of food law enforcement across Wales. An interim report is to be provided by the end of 2010 and a final report by the end of February 2011.

The £200k included in the FSA draft budget for 2011-12 in respect of the Pennington report is a provisional sum. The First Minister has not yet taken a decision on this funding and will not do so until he has considered the outcome of the FSA Food Safety Review.

I trust this information will be of interest to you.

A handwritten signature in black ink, appearing to be 'L. Jones', written in a cursive style.