

Jane Hutt AC / AM
Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref MA-P-0300-16

Jocelyn Davies AM
Chair, Finance Committee
National Assembly for Wales
Cardiff
CF99 1NA

18 January 2016

Dear Jocelyn,

During my appearance at Finance Committee on 20 December, I agreed to provide a note on the Committee's questions about specific budget reductions, the local government distribution formula and further information about how the Well-being of Future Generations Act has been used across the Welsh Government to shape the Draft Budget 2016-17.

Domestic Abuse Services Grant

The Welsh Government's Domestic Abuse Services Grant was established in 2002-03. The revenue budget for the Grant has increased to £4.5m in 2016-17 compared to £4.1m in 2015-16. This increase has been agreed to support the implementation of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015, and the budget will be used to provide assistance to organisations which provide direct support to victims of these types of abuse regardless of age, gender and/or ethnicity.

The Minister for Public Services wrote to Eleri Butler, MBE, Chief Executive Officer of Welsh Women's Aid on 13 January, providing details about the Domestic Abuse Service Grant since 2014-15. He also referred to the forthcoming meeting of the Violence against Women, Domestic Abuse and Sexual Violence Advisory Group as an opportunity to discuss funding. I enclose a copy of the letter for the Committee's information.

HEFCW

The Draft Budget 2016-17 includes £21.1m to cover the forecast increase in tuition fee grant payments. The Draft Budget also includes a reduction of £20m in HEFCW's revenue budget for 2016-17, which equates to around 13% when compared with their funding for 2015-16.

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The £21.1m transfer from the HEFCW budget is to fund the additional costs of the tuition fee grant in 2016-17. It reflects the eligibility of another cohort of students, an increase in students in 2016, and an increasing average fee level. The level of funding to be transferred is based on forecasts of the projected spend on the tuition fee grant which are produced by the Welsh Government and HEFCW, and which are agreed by the Student Support Forecast Users Group. A significant proportion of this funding will still be received by Welsh institutions.

The Committee asked about the effect of the transfer of the tuition fee grant on Coleg Cymraeg Cenedlaethol. In recognition of the role of the Coleg in improving Higher Education provision for Welsh speakers, the For Our Future budget line, which includes provision for the Coleg, has been maintained at 2015-16 levels. The Government's priorities for 2016-17 will be set out in a Ministerial remit letter to the Council, which will issue in the next few weeks. Although it is for HEFCW to determine how it allocates its resources in line with those priorities the remit letter will provide a steer to the Council on how the reductions should be applied.

Local Government

You asked whether there are plans to review the local government distribution formula. The Local Government distribution formula is kept under a continual programme of review and improvement, which is overseen by the Finance Sub-group of the Partnership Council for Wales.

This is done in detailed consultation with Local Government through the Distribution Sub-group, whose members include officials from a number of local authorities from across Wales, and the WLGA. It also includes independent experts, who ensure there is no evidence of bias either in favour of, or against, the interests of any individual local authority.

The Minister for Public Services set out proposals for the longer term reform of the Local Government finance system in the Reforming Local Government White Paper. The process of longer-term reform will include a fuller review of the funding formula, in due course.

Well-being of Future Generations Act

Turning to how the Well-being of Future Generations Act (Wales) 2015 has influenced budget preparations across the Welsh Government, as I said in the evidence session, the Act has been integral to our preparations and our Draft Budget plans.

A core part of our preparations was to work across traditional Ministerial boundaries and responsibilities and to use the five ways of working encouraged under the Act to focus on specific service areas and outcomes. We considered the impact of current trends and future projections on public services over the present and longer term in order to identify the pressures on public services.

For example, the projected increase in the number of people over 65 and the projected increase in the number of young people suggest particular medium and longer term impacts for key public services such as schools, health and social services. Inevitably, a key focus of our preparations has been to ensure that there is appropriate service capacity to respond to projected population changes and that the right services are available to meet demands.

The analysis of future trends and projections and the Strategic Integrated Impact Assessment also helped us to focus on interventions that prevent problems from happening now and in the in the future.

As I said in the evidence session, when I undertook my Budget tour and met people working at the front line, I explored how we addressed our priorities in the context of the Well-being of Future Generations Act. I also said in the evidence session that the Act is steering our strategic budget planning which will be crucial in the way we move forward and as a platform in terms of the long term challenges facing our communities and investing for the future.

The Budget narrative document describes how the evidence we used has been reflected in our spending priorities for 2016-17 and in turn, how these priorities contribute to the seven Well-Being Goals in the Act. The evidence papers which individual Ministers have submitted to budget scrutiny committees also reflect the results of this work.

We have seen this year's Budget as a preparation for the changes which we be required once the Act is fully implemented. This year's preparations have been shaped by the current Programme for Government. The successor to the Programme for Government will reflect the Act and form the foundation for subsequent Budgets.

Additional Allocation to Primary Healthcare

Finally, in my letter of 7 January to the Committee, I agreed to provide a note in due course about the allocation to the health budget for primary healthcare. The Minister for Health and Social Services wrote to the Health and Social Care Committee on 21 January about this, and I enclose a copy of the letter for the Finance Committee's information.

I hope this response is helpful.

Beob Wisher,
Jane

Jane Hutt AC / AM
Y Gweinidog Cyllid a Busnes y Llywodraeth
Minister for Finance and Government Business



Ein cyf/Our ref LA -/00791/15

Llywodraeth Cymru
Welsh Government

Eleri Butler MBE
Chief Executive Officer
Welsh Women's Aid

TinaReece@welshwomensaid.org.uk

13 January 2016

Dear Eleri,

Thank you for your letter of 25 November 2015 regarding the funding of services for victims of violence against women. As the Minister with lead responsibility for these issues, I am also responding on behalf of the Welsh Government and my fellow Ministerial colleagues.

As you recognise in your letter, the Welsh Government demonstrated its commitment to tackling all forms of violence against women in the passing of the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015. To support the implementation of the Act, the Welsh Government has allocated additional funding over the last two years, as outlined in the table below. We have also, and will continue to, work to re-align our budget to ensure a focus on implementation of the Act and the support of front-line service delivery.

	Domestic Abuse Service Grant - Revenue	Domestic Abuse Service Grant – Capital	Additional In-Year Capital	Total
2014/2015	£4m	£0.3m	£0.2m	£4.5m
2015/2016	£4.1m	£1m	£0.2m	£5.3m
2016/2017	£4.5m	£1m	-	£5.5m

In addition to the specific budget for tackling violence against women and domestic abuse, the Supporting People programme provides vital support to people who find themselves in very difficult personal circumstances. In 2015/16 over £9m of Supporting People funding has been used to help women and families fleeing domestic violence.

The Welsh Government has protected the Supporting People budget for 2016-17. This does not in any way reduce the importance of Local Authorities and their partners maximising the use of the available funding and deploying its funding effectively in response to local needs and priorities. However, it does help to avoid the sort of impacts which might have accompanied a significant reduction in the budget.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

As you will be aware, we are also continuing to support increased collaborative working between Supporting People Regional Collaborative Committees and regional violence against women and domestic abuse groups, with Gwent as the pathfinder for this work. We will continue to monitor and support this work through the Violence against Women, Domestic Abuse and Sexual Violence Advisory Group, and a further discussion on this work and, specifically issues about refuges has been scheduled for the next meeting of the Violence against Women, Domestic Abuse and Sexual Violence Advisory Group on the 4th February. This meeting will also be an opportunity to discuss all the issues around funding you raise in your letter.

In relation to the so-called 'tampon tax', whilst VAT is a non-devolved matter, we would anticipate the funding collected from this tax to also be used to support women's charities working within Wales. My officials are in discussion with the UK Government on this matter.

Best wishes,



Leighton Andrews AC / AM
Y Gweinidog Gwasanaethau Cyhoeddus
Minister for Public Services



Ein cyf/Our ref: MA-P-MD-0289/16

David Rees AM
Chair
Health and Social Care Committee
Cardiff Bay
Cardiff
CF99 1NA

21 January 2016

Dear David

I write in response to your request for additional information at the Committee session on 14 January 2016.

1. An outline of how the £200 million additional to support core NHS delivery has been distributed;

As requested, I attach the letter that was issued to Health Boards at Annex 1. For clarity, a budget cannot be allocated until the budget is approved so the physical allocation of resources will take place in 2016/17. In line with previous Committee recommendations, we try to provide as much information as possible about the resources available and how they will be allocated through the issue of an allocation letter in December of each year i.e. around the draft budget time, and then follow that up with further information as I stated in the Committee.

The allocation letter (which is issued in the form of a Welsh Health Circular) in December is very detailed. It did not allocate the resources, but in paragraph 13 it set out that Health Boards **should plan** that the £200m would be allocated on the agreed population basis.

This would result in the following allocations that will be well known to health boards:

Distribution of Additional £200 million	£m
Abertawe Bro Morgannwg	35.815
Aneurin Bevan	38.264
Betsi Cadwaladr	42.515
Cardiff and Vale	28.789
Cwm Taf	22.225
Hywel Dda	24.255
Powys	8.137
Total	200.000

We have confirmed the above, along with other intentions in discussions with NHS chairs, CEOs and directors of finance since the issue of the letter. Information will be refined further as decisions are made covering the other funds included in the draft budget and we will be updating the original allocation letter via other planning letters.

A final allocation letter is planned to be issued in March following the final budget approval, before the new financial year and final submission of health board plans.

2. Additional information on the figures outlined in the WAO report *Supporting the Independence of Older People: Are Councils Doing Enough?* (Oct 2015)

I am grateful for the additional clarification of this request that has been included in correspondence of 19 January. I will include the detail requested in my later response.

3. Provide a breakdown of the planned capital spending for 2016-17 including:
- details of discretionary capital allocations to local health boards;
 - details of costs of 2016-17 schemes which are already being funded;
 - details of new capital allocations for 2016-17.

The discretionary capital allocations to local health boards are:

2016-17 Discretionary Allocations	£m
<i>NHS organisation</i>	
Aneurin Bevan	7.209
Abertawe Bro Morgannwg	9.745
Betsi Cadwaladr	9.614
Cardiff and Vale	9.914
Cwm Taf	3.496
Hywel Dda	4.947
Powys	0.954
Total	45.879

In terms of funding for approved schemes, these are as follows:

2016-17 Already Approved Schemes	£m
Emergency Department Management System	1.129
Morrison Outpatients	2.000
Morrison Clinical & Diabetic Accommodation	2.200
Morrison Cardiac Centre	1.800
Morrison Renal	5.338
Ysbyty Glan Clwyd Redevelopment	4.037
Twywn Redevelopment	0.070
SuRNICC Enabling Works	0.132
Patient Administration System	2.218
JAG Accreditation Bangor and Glan Clwyd	0.152
Blaenau Ffestiniog Resource Centre	3.501
Adult Acute Mental Health Llandough	0.961
Children's Hospital	1.881
UHW Neonatal	4.192
Cardiff Royal Infirmary Substance Misuse	0.300
Bronglais Redevelopment	1.805
Prince Phillip Hospital Unscheduled Care	0.434
Laboratory Information System	0.020
Intelligent Audit Provision Tool	0.016
Public Health Wales Accommodation Strategy	1.150
Transforming Cancer Services Programme	2.164
Linear Accelerator Replacement Velindre	0.595
All Wales Blood Service	0.365
Ambulance Planning, Resourcing and Dispatch System	0.224
St David's Hospice	2.182
Cylch Caron Business Case Fees	0.136
Total	39.002

With regard to new capital allocations for 2016-17, as I indicated last week at Committee, I have earmarked funding for a number of key investments. This includes supporting our national programmes, for example, for developments in diagnostics and genomics. It also includes specific schemes such as a new community hospital at Cardigan, the Cylch Caron Project in Tregaron, a new primary and community resource centre at Flint, the redevelopment of Llandrindod Wells Hospital and the Specialist Critical Care Centre in Llanfrechfa. Discussions are on-going regarding further opportunities and priorities, and details of these will be shared with the Committee once these are concluded.

Best wishes,

Mark

Mark Drakeford AC / AM

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

Yr Adran Iechyd a Gwasanaethau Cymdeithasol
Cyfarwyddwr Cyffredinol • Prif Weithredwr, GIG Cymru

Department for Health and Social Services
Director General • Chief Executive, NHS Wales



Llywodraeth Cymru
Welsh Government

Chief Executives – NHS Local Health Boards
Chief Executives – NHS Trusts

Our Ref: AG/JB/TLT

22 December 2015

Dear Colleague

HEALTH BOARD 2016-17 REVENUE ALLOCATIONS

Please find attached the Minister's letter to NHS Chairs formally issuing the 2016-17 Revenue Allocations.

This Allocation specifies the initial funding for your organisation for 2016-17. It should be considered in line with the prudent healthcare principles and alongside the existing and future priorities of the Welsh Government for 2016-17.

The scale of the challenge you face is acknowledged and you can be assured of the Welsh Government's commitment to work closely with you/your organisation, following the receipt of your Integrated Plan on 31st January, to ensure you continue to deliver against your statutory and ministerial requirements.

I hope that the attached information provided is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Goodall'.

Dr Andrew Goodall

ENC.