

	The Welsh NHS Confederation response to the Finance Committee call for information – Welsh Government draft budget proposals for 2017-18.
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### Introduction

1. The Welsh NHS Confederation, which represents the seven Health Boards and three NHS Trusts in Wales, welcomes the opportunity to respond to the Finance Committee's consultation on the Welsh Government's Draft Budget proposals for 2017-18.
2. The Welsh NHS Confederation supports our members to improve health and well-being by working with them to deliver high standards of care for patients and best value for taxpayers' money. We act as a driving force for positive change through strong representation and our policy, influencing and engagement work.
3. With money extremely tight and demand rising, finance and funding can never be far from NHS leaders' minds. The NHS in Wales, along with other public services, continues to work in an extremely challenging financial climate and it must prioritise and change. Radical transformation of healthcare, and related services, is now the only way in which NHS Wales can hope to be on a sustainable footing for the longer-term. This 'transformation' is not only about reshaping healthcare and doing things very differently, it also involves recalibrating our relationship as patients, and the public, with the NHS.
4. If the NHS in Wales is to remain sustainable in the long term the Welsh NHS Confederation believes large scale system change needs to be planned, resourced and supported, rather than allowed to happen on an ad-hoc basis. At the same time the NHS in Wales has a clear duty to provide high quality and safe healthcare services to the people of Wales within the resources available.

### Summary

5. The Welsh NHS Confederation has previously welcomed the investment that the Welsh Government has made in the NHS in recent years. NHS Wales faces a significant financial challenge during this period of continuing austerity. We are seeing increasing costs as well as relentless advances in medical technology and increased patient and clinical expectations. Furthermore, an ageing population, combined with more people having increasingly complex needs, means that demand for health and social care services is predicted to grow rapidly.
6. While the fact that more of us are living longer is a success story and should be celebrated, this trend brings about fresh challenges for the NHS. The number of people aged 65 and

over is projected to increase by 50% by 2037.<sup>i</sup> While people are living in good health for longer, this health gain is not distributed equally. Wales currently has the highest rates of long-term limiting illness in the UK, which is the most expensive aspect of NHS care. Between 2001-02 and 2010-11 the number of people with a chronic or long-term conditions in Wales increased from 105,000 to 142,000.<sup>ii</sup> This figure is expected to rise for a number of conditions, including cancer, dementia and diabetes.

7. Expenditure on the NHS across the UK as a percentage of Gross Domestic Product (GDP) is lower than other countries and declining in relative terms. The real term UK health expenditure as a percentage of GDP is currently projected by the Office for Budget Responsibility to fall from 7.2% to 6.8% by 2019 – 2020.<sup>iii</sup> This is of real concern and the Welsh NHS Confederation believes that the Welsh Government should commit to provide a settlement for the NHS in Wales that as a minimum keeps pace with GDP growth in the long-term. There is no escaping the fact that the NHS will need more money from Government each and every year if it is to keep pace with inflation and cope with these challenges.
8. The Welsh NHS Confederation recognises that the Welsh Government may not be able to fully fund the pressures facing the NHS in Wales and our members are therefore continually seeking to drive out efficiency savings where they can, but successive years of dealing with financial challenges means the traditional methods of finding savings are unlikely to serve us well in the future. We must recognise that, year on year, the NHS in Wales has to develop more sustainable and sophisticated plans that have got to be delivered within its responsibility to provide high quality care to patients. Ensuring that efficient and safe services are provided within the resources allocated by Welsh Government requires each NHS body, and NHS Wales as a whole, to prioritise spending. This will inevitably mean that difficult choices have to be made on what services are provided.
9. The NHS has made a strong and consistent case for investing in the NHS based on sound economic and social policy. The moral case for transforming how care is delivered to better suit the needs of people today is strong. There is however an equally compelling economic case for investing in the NHS now, so it can better support our society to live healthier lives with less need for medical care in the future. Put bluntly, a strong economy needs a strong NHS. It is increasingly apparent that more of the same is unsustainable. In order to address the continued austerity in NHS Wales and the challenges it brings, our overriding approach now must be for the NHS in Wales to adopt and implement universally a 'prudent healthcare' approach and to have a long-term vision and strategy for health and social care.
10. 'Prudent healthcare' describes the unique way of modelling the Welsh NHS to ensure it is always adding value, contributes to improved patient outcomes and is sustainable. 'Prudent healthcare' also recognises the need to shift to a stronger primary, community and preventative model of care, with closer integrated working with other public services.

11. A strong NHS also needs a strong social care sector. The Welsh NHS Confederation recognises the crucial role of social care as part of a patient's pathway and as a means of helping maintaining people's independence and managing demand on frontline NHS services. Against that background we would support additional investment in social care and other preventative services, such as housing, if the Welsh Government budget allows and we underline our commitment to collaborate with colleagues across sectors; seeking new ways of working to deliver timely services which meet the needs of the people of Wales. The Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015 will help support integration and collaboration across the public sector in Wales.
12. Finally, to cope with the challenges facing the NHS, the NHS and its partners need to be allowed, enabled and supported to change the healthcare system within the resources available. This will inevitably mean that difficult choices have to be made on what services are provided where and when. Prioritising services and spending means that the people of Wales, NHS staff, partners and politicians must be prepared to accept and support new and different ways of delivering services, while taking more responsibility for how they use those services. As our briefing, *'The 2016 Challenge: A vision for NHS Wales'*,<sup>iv</sup> produced for the National Assembly for Wales election, highlights politicians should *'Recognise the change in the way we organise care is necessary, and play a leadership role in ensuring debates about change focus constructively on people's outcomes, experiences and well-being'*.

**1) What, in your opinion, has been the impact of the Welsh Government's 2016-17 budget?**

13. The Welsh NHS Confederation recognises the continuing pressure on public finances and the difficult choices that Welsh Government had to make in setting the 2016-17 budget. As such we welcome the additional £260 million revenue funding for NHS delivery that has been provided, £200 million to meet cost pressures and £60 million for new investments. This has certainly helped our members to fund a range of inescapable recurrent pay and price pressures across the NHS, estimated to be £238 million (c 4.88% of the total 2015-16 NHS Delivery Budget). While welcomed, the additional funding did not cover the funding gap and the health service continues to work hard to meet the ongoing financial challenges through the delivery of Cost Improvement Programmes and efficiency measures. Integrated Medium Term Plans for the current financial year include efficiency plans amounting to £150 million across the ten organisations, the seven Health Boards and three NHS Trusts.
14. Recruitment and retention of the NHS workforce continues to be the most immediate and significant challenge facing our members and this has created considerable financial pressure in 2016-17, particularly in respect of the costs of agency staffing. Another significant pressure is the cost of new drug therapies, such as the national Hepatitis C programme, and against that background we eagerly await further details around the new treatment fund in 2017-18. In the meantime the need to meet ongoing pressures like

these reduces the ability of our members to meet local pressures or invest in new models of care.

15. The Welsh NHS Confederation recognises the contribution that other public services, especially local government, make to supporting the health and well-being of their population and to helping manage demand on health services. We are supportive of the funding that was given to preventative and social care services in the 2016 – 17 budget and recognise the need for further investment in this area. In particular our members are concerned about the frailty of the social care sector, which is already impacting on NHS demand, performance and finance. There is a real concern that the availability of care services in some parts of Wales is likely to contribute to more delayed discharges and a reduction in unscheduled care performance, particularly as we approach winter (but also beyond).
16. Part of the responsibility of the NHS in Wales, especially in these economically straitened times, is to be open about the difficult choices we face. Of course the NHS can make the current model of care more cost-effective through efficiency by ‘doing the right thing’, reducing the costs of delivering services and workforce redesign. However, there are only so many costs that can be taken out of the existing models. The challenge here is that there is limited flexibility to shift significant investment away from treatment services when the current demands on the health service are so great. Therefore, this is an extremely difficult, yet vital, task and the health service will need support to do this.
17. In parallel, the NHS needs to channel resources into new care pathways, preventative measures and more cost-effective models of care, which can generate efficiency savings from ‘doing the right thing’ in the first place. Moving resources into new models of care won’t be easy and evidence suggests it takes time to see the benefits. That is why the Welsh NHS Confederation is calling for the Welsh Government to develop a long term vision and ten year strategy for sustainable health and care services in Wales.
18. Prioritising services and spending means that the people of Wales, NHS staff, partners and politicians must be prepared to accept and support new and different ways of delivering services, while taking more responsibility for how they use those services.

## **2) What expectations do you have of the 2017-18 draft budget proposals?**

19. We recognise that the 2016-17 health and social care budget within Government represents more than 51% of the total Resource DEL and that further allocations will result in trade-offs elsewhere in the Welsh Government Budget. In line with the commitments given in the run up to the election our expectation is that the Welsh Government will continue to provide more per head funding for health and social care in Wales than the UK Government provides in England. Beyond that our members are hopeful that the settlement for the NHS will at least keep pace with GDP growth and be in line with the funding requirements forecast in the Nuffield Report 2014.<sup>v</sup> We would also want to

ensure that the settlement takes account of any recommendations set out in the eagerly anticipated Health Foundation report due to be published in October this year.

20. Alongside the settlement, NHS organisations recognise the need for and are committed to deliver further efficiency savings to balance their budgets. Since 2010-11 the NHS in Wales has delivered more than £1.1 billion in recurrent efficiency savings through service changes including increasing day surgery rates, providing more care closer to people's homes, service reconfiguration, increased productivity, demand management, pay restraint and more effective prescribing. While the efficiency savings made by the NHS are significant, the annual achievement has been gradually diminishing year on year, a reflection that traditional methods of savings are unlikely on their own to deliver what is needed in the future. There will be a continued focus on driving technical efficiencies from areas such as procurement, estates management and shared services as well as looking at new opportunities for service redesign and the use of digital technologies.
21. The key financial pressures that will need to be met in 2017-18 include, but are not limited to:
  - a. The workforce, in respect of capacity to deal with increased demands and the increased cost of the workforce through increments and pension contributions. Currently, around 129,000<sup>vi</sup> people are employed in the health sector in Wales – the equivalent of 8% of the country's employment – while NHS Wales itself directly employs around 85,000 staff.<sup>vii</sup> This makes the health service Wales' biggest employer, with the NHS pay bill standing at around £3 billion (more than 50% of NHS spend);
  - b. Non pay cost increases, also through increasing demands, price increases and the increasing demands for high cost drugs;
  - c. Increased volumes of packages of care for patients in the community meeting the continuing NHS healthcare and funded nursing care criteria as a result of our growing elderly population;
  - d. Increased demand for prescribed drugs within the primary care setting;
  - e. The Apprenticeship Levy (estimated to £14 million across the NHS); and
  - f. The NHS Pension Scheme Administration Charge (anticipated to be around £2.5m across the NHS).
22. The capital settlement for the NHS will also be critical and it is hoped that there will be additional capital resources made available to enable the service to address the maintenance backlog in the NHS estate as well as providing the much needed capital to invest in new facilities, such as integrated primary care centres and regional diagnostic treatment centres. The NHS needs additional capital for NHS equipment, ICT and infrastructure. The shortage of capital funding is a very particular barrier to service change. In order to consolidate services and make them more efficient to release revenue

there will need to be a significant investment now and in the future in buildings, equipment and information and communication technology in the secondary care sector but also in primary and intermediate care.

23. The priority for our members is that the 2017-18 settlement, combined with their efficiency plans, needs to meet their immediate recurrent revenue pressures. But we are also committed to shifting resources to preventative and community services as this is vital for the future health and well-being of the population and therefore we support the continuation of the Intermediate Care Fund. The Intermediate Care Fund has helped keep older and vulnerable people out of hospital and in their own homes and has provided the resources to encourage innovation and develop new models of delivery to ensure sustainable integrated services. With the demands on acute provision in Wales it would be beneficial for the Fund to continue.
24. Beyond that the Welsh NHS Confederation is calling for transformation and transition funding (revenue and capital) to be given to NHS organisations to enable them to invest in new models of healthcare and digital technologies that will help the NHS transform to a system that focuses on prevention and the provision of health and care services as close to home as possible. Upfront investment will be crucial and is needed to get new models up and running and transition funding is needed to meet the double running costs associated with moving from one way of working to another.
25. The Welsh NHS Confederation would also like to see the Welsh Government protect, as far as possible, public services that support health and well-being. We are concerned that reductions to local government, housing and voluntary sector budgets will impact on NHS demand and our collective efforts to invest in preventative services. Social care in particular is under severe pressure and the effects of reductions in previous years are already being felt in some NHS organisations, with increase demand on NHS services.
26. Therefore we want to underline our commitment to collaboration with our partners and integration with social care services in particular. The Welsh NHS Confederation believes that Wales, given its size, structure and close links, has a golden opportunity to achieve so much when it comes to integration. The Welsh NHS Confederation works with ADSS Cymru, Wales Council for Voluntary Action, Care Forum Wales, the Welsh Local Government Association and Community Housing Cymru to support the continued implementation of the Social Services and Well-being (Wales) Act 2014. However, to provide patient centred care, collaborative working and transformational change is vital across all of the public sector.

**3) How financially prepared is your organisation for the 2017-18 financial year, and how robust is your ability to plan for future years?**

27. While the increase in funding is positive news for 2016-17 we are concerned about the proposed settlements within the UK Government Spending Review for the following two

years. These settlements will place significant and immediate pressures on healthcare services in Wales in future years and therefore it is important that the NHS in Wales quickly moves to transforming our health services to contend with this looming pressure. The 'prudent health' care approach will help us work through this but it will require the commitment of the NHS, all healthcare related partners and the general public, to truly be successful. The NHS will need to be supported to make progress in changing the way care is delivered, with patient outcomes at the heart of the measurement of success.

28. NHS organisations are already planning for the 2017-18 financial year. The NHS works together to understand service pressures, for example by looking at population projections and to model the impact of different financial scenarios and this has helped to develop financial planning and management skills across the sector. Financial resilience varies between organisations depending on a range of factors including population, socio economic factors, levels of deprivation and rurality and the configuration of services.
29. The Integrated Medium Term Planning (IMTP) process requires health organisations to plan three years ahead, but their ability to predict and plan the future has been constrained by the annual nature of the Welsh Government budget planning framework in recent years. While the Welsh NHS Confederation recognises the Welsh Government is itself constrained by the UK Government planning cycles, the absence of three year settlements limits the ability of NHS organisations to plan and their appetite to invest in new models of care that may not provide a return on investment in the short term.
30. Against that background indicative future year settlements aligned to the IMTP timetable would be most welcome. Added to this it would be helpful if Welsh Government could set out in detail any specific funding requirements when the budget is published to give the NHS adequate time to prepare for implementation. Delays in informing health organisations of specific commitments can lead to unforeseen pressures on in year budgets which are difficult to manage.
31. Looking to the future the NHS in Wales remains concerned about the scale of the challenge to manage within their likely resources without a detriment to quality, safety and access. Perhaps the largest financial risk is the unforeseen or unfunded pressure on the pay bill, which could easily derail NHS performance, finance and improvement. Add to that the pressure on the NHS continually to develop and accelerate technological advancements (which usually increase cost, rather than save money) and the financial outlook for the NHS is clearly precarious. Against that background we would urge the Government to consider the medium to long term risks to the sector in setting the budget for 2017-18 and beyond.
32. The NHS must be supported to prioritise and change over the next period if it is to ensure efficient, safe and sustainable services are provided within the resources allocated by the Welsh Government. This will inevitably mean that difficult choices have to be made on what services are provided where and when. Prioritising services and spending means that the people of Wales, NHS staff, partners and politicians must be prepared to accept

and support new and innovative ways of delivering services, while taking more responsibility for how they use those services.

**4) The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?**

33. We note the specific questions the Committee has raised in respect of this question. While we are not responding to all the specific questions posed, we considered it would be helpful to give an overview, from the NHS perspective, of the areas that are most pertinent to the healthcare system in Wales.

**Approach to preventative spending and how is this represented in resource allocation.**

34. Investment in prevention and early intervention is a priority for our members. However, there is a very real tension between the need to meet the immediate costs of treating those in need of healthcare services and diverting resources into preventative services which may not deliver tangible gains for a number of years. Every NHS organisation is committed to the preventative agenda and is seeking to invest in preventative services, but short term budget cycles reduce their risk appetite and the need to meet inescapable annual pay and price pressures stops them from investing more at the current time. We believe the Welsh Government should support public bodies in Wales to invest where there is firm evidence that investment in preventative services will improve population outcomes and reduce demand on more expensive treatment services in the future. If the Welsh Government was able/prepared to share the financial and performance risk with public sector organisations more could be invested now for the benefit of future generations.

35. All public bodies have a duty when it comes to building a healthier Wales and we should not underestimate the significant opportunities presented to us through the Well-being of Future Generations Act 2015 and the Social Services and Well-being Act 2014. The forthcoming Public Service Boards, introduced as part of the Well-being of Future Generations Act 2015, will enable public services to commission and plan collaboratively, ensuring that services are integrated and that care and support provided improves health and well-being outcomes for the local population now and in the future. Both Acts should help drive collective decision making models within national and regional priorities, especially around service reconfiguration. It is vital for the long term health and well-being of the population that a 'health in all policies' approach is implemented, with all public bodies being required to conduct health impact assessments on future policies. We need to work collaboratively across sectors to help people make healthier choices in life and reduce their risk of developing chronic diseases, many of which are linked to lifestyle.

36. Unless we get serious about prevention, health needs will continue to grow, placing more pressure on our universal healthcare system. Services provided by the NHS in Wales cover both prevention and treatment-based services. Evidence has long been put forward that the amount that the NHS spends on preventative services is too little and that there are significant health and care benefits for investing in preventative services. The NHS in



Wales is very supportive of the Public Health Wales report “*Making A Difference: Investing in Sustainable Health and Well-being for the People of Wales*”<sup>viii</sup> published in July this year which set out research evidence and measures that could be taken to build resilience; address harmful behaviours and protect health; and address wider economic, social and environmental determinants of health.

37. In terms of funding distribution across NHS organisations, relative need in relation to changes in the makeup of the population (for example demonstrated by the Welsh Health Survey) is not used as a driver in determining allocation changes overall or how resources are distributed. The Townsend formula attempted to do this some years ago but it was discontinued. The challenge remains to develop a distribution mechanism which transparently and fairly links need, especially poverty and ageing, to resource.

**Welsh Government policies to reduce poverty, mitigate welfare reform and prepare for an aging population.**

38. The Welsh NHS Confederation supports the Welsh Government’s efforts to reduce poverty, mitigate welfare reform and prepare for an ageing population and believes that these challenges need to be tackled holistically through the public service as a whole. The Joseph Rowntree Foundation<sup>ix</sup> estimates that poverty costs the UK health care about £29 billion per year and accounts for the largest portion of additional spending associated with poverty. A crude Wales proportion would be about £1.5 billion per year and the report discusses that there is growing weight of evidence that health care utilisation and costs are strongly related to poverty, both as presently experienced and as a legacy from past experiences of poverty. They compute the cost to all public services in the UK as £78 billion per year.
39. As highlighted in our briefing, “*From Rhetoric to Reality – NHS Wales in 10 years’ time: Socio-economic Deprivation and Health*”,<sup>x</sup> the socio-economic inequalities in life prospects and health are stark. Socio-economic deprivation has a significant impact on child development, on people’s lifestyle choices, on healthy life expectancy, including living with an illness or chronic condition, and life expectancy.
40. Sustainability of public services is dependent upon innovation and transformation as explained above. To ensure a safe, high quality and efficient healthcare system in Wales it is necessary to move to new innovative models of care supported by adequate financial, physical resources, a well-trained, multi-disciplinary workforce, supported by technology.
41. Radical change is needed if the NHS is to meet the level of demand being placed upon it while living within its means. Sustainable plans will have to be developed to enable the NHS to deliver financially as well as provide high quality care to patients. This is a significant and complex challenge which will require the support of the political community and the public.
42. For these strategies to be successful requires a collective ambition and an acceptance that change in the way we deliver services will be inevitable. For any change to be successful

the Welsh Government, the National Assembly and the public must acknowledge that the priorities for health services in Wales will need to be re-assessed and delivery targets set accordingly. The current financial position of the NHS means it is very difficult to transform services at the same time as handling ongoing enormous pressures on existing services, finances and resources.

**Preparation for the UK to leave the EU.**

43. The financial impact for the NHS in Wales will depend on the terms of the agreement and the broader impact on the UK economy, tax revenues and public finances.
44. The influence and impact of EU affairs on the NHS has significantly increased over time, with various aspects of domestic health policy now being intrinsically linked with EU policy. The 'Leave' vote will therefore certainly have far-reaching implications for the NHS despite, at this stage, it being impossible to predict the level of impact, as we do not know which type of new relationship the UK Government would seek, how long negotiations with the EU would last and which outcome there will ultimately be.
45. The key areas that could impact on the health and social care sector are:
  - i. **Staffing:** Thousands of people from across the EU work in the Welsh NHS and also social care workforce. Wales has been able to fill staffing gaps across the NHS by employing doctors and nurses from the EU. The social care sector is particularly reliant on migrants, many from Eastern Europe, who work for relatively low wages. There are concerns around whether the health and care service can retain the ability to recruit staff from the EU. The Leave vote has created uncertainty on the future rights of these employees. If a significant proportion of EU nationals working in health and social care services were to leave as a result of the present uncertainty, the sustainability of some services and the delivery of high quality services would be jeopardised. With this in mind, the Cavendish Coalition has been created, a coalition of 29 health and social care organisations aiming to ensure sustainable workforce supply and thereby maintaining standards of care as Britain withdraws from the EU.
  - ii. **Research:** UK organisations are the largest beneficiary of EU health research funds, bringing well over €300m into the country since 2014. EU collaborative research opportunities help the NHS speed up the translation of medical discoveries into healthcare provision. There is a concern that leaving the EU will impact on the free movement of researchers across Europe and the ability of UK researchers to attract research funding. It is uncertain at the moment how we are going to ensure that the NHS continues to take an active part in EU collaborative research and that the UK remains an attractive place for globally renowned researchers to live and work.
  - iii. **Regulation:** it is unclear whether the UK government will decide to repeal EU regulations and replace them with UK drafted alternatives or continue to abide by them. The key ones are:

- The working time directive;
  - Procurement and competition law;
  - Regulation of medicines and medical devices;
  - Regulation to enable common, professional standards and medical education between EEA countries; and
  - Leaving the EU could have a significant impact on NHS procurement and competition regulation.
- iv. **Funding and finance:** If there is a prolonged decline in the pound it could lead to higher prices for some drugs and other goods and services the NHS purchases.
46. It is imperative that health and social care is not forgotten when negotiating Britain's exit from the EU and if an economic shock materialises the UK and Welsh Government need to be honest about the implications for patients and service users. Further information around the impact of Brexit can be found in Wales Public Services 2025 briefing "*Impact of Brexit on public services in Wales*"<sup>xi</sup> published in July 2016.
- Performance management**
47. Targets have a role to play when it comes to prioritising spending. Waiting times are a key priority for those in the NHS and there is extensive work taking place to address this. While targets have a role to play, policy makers must also look at the bigger picture, which is about instigating a whole system change in the way treatment is delivered to patients and providing the best service we can within the resources that we have. Patient-centred care, which is measured in outcomes, should be driven further through the provision of more services in communities and closer to people's homes. Treatment should be provided in hospitals only when it is absolutely necessary to do so.
48. There are numerous examples within Europe, and the rest of the world, which demonstrate that focusing on improving outcomes for patients rather than focusing purely on inputs improves the quality of care delivered. This approach will also reduce the cost of delivering care. There are several examples of good practice happening across NHS Wales. We would welcome the opportunity to do further work with the Welsh Government to reconsider the performance framework for NHS Wales. This would enable performance to be measured and monitored in a way that will promote improvements in clinical quality and outcomes.
49. Specifically in respect of helping to tackle poverty the Welsh NHS Confederation would support the exploration of population level outcome indicators that were relevant to and could be impacted by the whole Welsh public sector and its partners. Socio-economic deprivation and poverty has a significant impact on the NHS in Wales which is often overlooked. The duties within the Well-being of Future Generations Act 2015 could support this work in the future, especially relating to the well-being goal relating to a 'prosperous Wales'.

### **Sharing Good Practice.**

50. We know that the NHS in Wales must do more to involve the public and patients, staff and partner services in explaining and working through the choices that need to be made. We must have honest conversations with the public about what the NHS can and cannot provide and what their role and responsibilities are in terms of using health services in the right way and maintaining their own health and well-being.
51. Health Boards and Trusts are committed to improving arrangements for involving all these groups, explaining priorities and continuing the development of a modern, safe, quality, value-for-money health service. There are positive examples from NHS Wales of engaging with the public for the re-design of local services to make savings, including:
- a. Through the local development of services that allow patient activity to be brought back to a local area;
  - b. By developing new service responses to meet increasing demand;
  - c. By creating patient-focused alternatives;
  - d. By shifting services and resources more appropriately to the community; and
  - e. Simply by continuing to focus on more patient activity and efficiency.
52. In addition to the role of Health Boards and Trusts in engaging with the public, politicians must play a leadership role in ensuring that the debate around the NHS is constructive. As our briefing *'The 2016 Challenge: A vision for NHS Wales'*<sup>xii</sup> highlights, all politicians should recognise that change in the way we organise care is necessary, and help to ensure debates about change focus constructively on people's outcomes, experiences and well-being.

### **Conclusion**

53. The Welsh NHS Confederation does not underestimate the massive challenge of public service budget setting in a time of austerity. The Welsh NHS Confederation, and our members, remain committed to doing the very best we can to continue to provide an NHS, in partnership with other public services, which supports the people who need it most, and helps the population generally live healthier lives. But we can only do what we can afford to do. All parts of the NHS in Wales have been making changes to the way services are organised. The fact is that, with funding very tight, the NHS will have to continue to make difficult decisions about the future shape of healthcare services and about priorities. We will also have to strengthen our relationships with others in order to rise to the many shared challenges that public services face. To achieve all of this, the input and support of the public, politicians and staff is vital.

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<sup>i</sup> Welsh Government, StatsWales, July 2013. Population projections by local authority and year.

<sup>ii</sup> Nuffield Trust, June 2014. A Decade of Austerity in Wales?

<sup>iii</sup> Office for Budget Responsibility, September 2016. Fiscal sustainability analytical paper: Fiscal sustainability and public spending on health.

<sup>iv</sup> The Welsh NHS Confederation, October 2015, 'The 2016 Challenge: A vision for NHS Wales'.

<sup>v</sup> Nuffield Trust, June 2014. A Decade of Austerity in Wales?

<sup>vi</sup> NHS Wales Shared Services Partnership, January 2015. NHS Wales Workforce: Key themes and trends.

<sup>vii</sup> Welsh Government, StatsWales, March 2015. Health and Social Care, NHS staff by staff group and year.

<sup>viii</sup> Public Health Wales, July 2016. Making A Difference: Investing in Sustainable Health and Well-being for the People of Wales.

<sup>ix</sup> Joseph Rowntree Foundation, August 2016. Counting the cost of UK poverty.

<sup>x</sup> Welsh NHS Confederation, June 2015. From Rhetoric to Reality – NHS Wales in 10 years’ time: Socio-economic Deprivation and Health.

<sup>xi</sup> Wales Public Services 2025, July 2016. Impact of Brexit on public services in Wales.

<sup>xii</sup> The Welsh NHS Confederation, October 2015, ‘The 2016 Challenge: A vision for NHS Wales’.