



**Vivienne Harpwood, Cadeirydd / Chair Ffon**  
/ Phone: [REDACTED]  
E-boost / Email: [REDACTED]

**Carol Shillabeer, Y Prif Weithredwr / Chief Executive**  
Ffon / Phone: [REDACTED]  
E-bost / Email: [REDACTED]

CS/EW/AE

29 September 2017

Ms Nesta Lloyd-Jones  
Policy & Public Affairs Manager  
Welsh NHS Confederation  
Ty Phoenix  
8 Cathedral Road  
Cardiff  
CF11 9LJ

Dear Nesta

## **Health, Social Care and Sport Committee.**

The following provides the responses of Powys THB to the Health, Social Care and Sport Committee consultation questions:

### **Mental Health**

Powys THB has received an allocation of £28.875m. In the 2017/18 financial year to provide Mental Health services to the population of Powys. The following table provides an analysis of the expenditure by Powys THB on Mental Health services over the previous 4 years:-

<b><u>Year</u></b>	<b><u>Primary</u></b>	<b><u>Secondary</u></b>	<b><u>Total</u></b>
2013-14	£2,664,232	£24,104,111	£26,768,343
2014-15	£2,854,718	£25,943,073	£28,797,791
2015-16	£3,007,306	£26,190,800	£29,198,106
2016-17	£3,119,808	£31,340,779	£34,460,588

Pencadlys  
Tŷ Glasbury, Ysbyty Bronllys,  
Aberhonddu, Powys LD3 0LU  
Ffôn: [REDACTED]



Headquarters  
Glasbury House, Bronllys Hospital  
Brecon, Powys LD3 0LU  
Tel: [REDACTED]



The Mental Health strategy, 'Together for Mental Health' provides a commitment to investing in the Mental Health services across Wales. Additional resources have been committed by Powys THB in specific area's to support and improve services and patient experience. The Mental Health strategy aims to deliver improved care through initiatives in mental health from our patient's wellbeing through to severe mental illness. The strategy is implemented through three-year delivery plans and the current delivery plan 2016-19 includes the funding listed below.

<b>Allocation recurring 16/17</b>	<b>2016/17 - £</b>	<b>2017/18 - £</b>
Dementia Link Nurses	13,114	13,114
Psychiatric Liason Nurses	174,555	174,555
<b>Total</b>	<b>187,669</b>	<b>187,669</b>
<b>New allocations 16/17</b>	<b>2016/17 - £</b>	<b>2017/18 - £</b>
Local primary MH Support services	31,458	83,286
Local Memory Clinics	80,358	36,147
Inpatient Psychological Therapies	24,561	52,908
Flexible Resource Teams	31,600	116,653
MH - DOLS		3,000
Dementia Support Workers (Non Rec)	43,715	0
<b>Total</b>	<b>211,692</b>	<b>291,994</b>
<b>Grand total</b>	<b>399,361</b>	<b>479,663</b>

In terms of the Mental Health measure, spending has increased within the Community Mental Health Teams, due to the introduction of the Measure in relation to restricting Care Coordination to qualified Mental Health Practitioners. Prior to the measure, suitably experienced yet 'unqualified' (in terms of Mental Health Practitioner status) members of staff undertook some care coordination duties of less complex cases. Overall, we have seen a small increase in the number of care coordinators since the introduction of the measure, however as demand for secondary care is increasing significantly, there is a requirement to expand the capacity of CMHTs to respond to this need. The health board has increased spending on advocacy since the introduction of the Measure. Specifically within Powys, the Welsh Government funding allocation linked to Part 4 was insufficient to cover the advocacy service in Powys. The Health Board has allocated additional funding to ensure that advocacy coverage provides parity of access across Powys, especially in our very rural and isolated communities.

In terms of part 3, (reassessment requests) Powys has seen a very small increase in the number of patients requesting a reassessment of their needs following a previous discharge from secondary care.

For the majority of the last 5 years, Mental Health services in Powys were delivered by three Welsh Health Boards. The repatriation of the service was completed in June 2017, consequently we do not hold accurate data in relation to demand for service during the period 2010 to 2015 (for North Powys) and 2010-June 2017 for South Powys. However, the perception of team managers who have delivered services within Powys during this period is that demand for service is increasing overall for Mental Health services, and specifically amongst patients presenting Mental Health difficulties in relation to trauma. There is a clear increase in the number of patients presenting with Personality Disorders and Older Adults with complex and challenging needs (with significant numbers of high cost placements). There is a reduction in the demand for residential rehabilitation and complex presentations of traditional psychiatric conditions.

### **Financial Performance**

1. The allocation received by the Powys THB in 2017/18 supported the existing cost base of the services provided to our residents and the service cost increases forecast for 2017/18, such as Pay Increases, Non-Pay inflation, Growth in CHC costs and new high cost drugs. The Powys THB financial plan for the 2017/20 IMTP established a 1.5% cost savings targets on all spend areas in order to prepare a balanced 3 year financial plan. Not all the new 2017/18 resource was distributed in the Allocation Letter and there remains the opportunity for further funding for key WG strategic objectives.
2. Powys THB achieved the 3 year financial duty in 2016/17, whereby the Health Board had achieved a balanced financial out turn in 2014/15, 2015/16 and 2016/17 financial years. The Health Board has an approved IMTP for the 3 year period from 2017 to 2020.
3. The Health Board utilised the recent Health Foundation report in considering the appropriate savings targets to incorporate within its plans for the current year and that for the period covered by the IMTP. The Health Foundation report highlighted that *'Without any action to reduce pressures or increase efficiency, NHS spending would need to rise by an average of 3.2% a year in real terms to keep pace with demographic and cost pressures, and rising prevalence of chronic conditions.'* Furthermore, it stated that the *'Sustainability of the NHS is intertwined with the sustainability of other public services, crucially social care. Pressures for adult social care are expected to rise faster than for the NHS, by an average of 4.1% a year.'* It is evident that in order to sustain current services and adequately address the growing demand, that there is a need for

sufficient additional funding to meet the increased costs in 2018/19 of both Health and Social Care services. The expectation that 1% to 1.5% of savings can be achieved will always be present and was reported by the Health Foundation as being broadly achieved in the recent past. It has been the recent experience of Powys THB that it is unrealistic to consider that higher savings levels than the 1% to 1.5% can be consistently achieved to bridge the gap between the cost pressures that are present and insufficient new funding. It is necessary therefore to match realistic savings and funding levels to the cost pressures that do present.

4. The 2017/18 financial will remain extremely challenging because of the continuing growth in demand, new high cost drug and the need to increase commissioned activity in order to meet access target expectations. Whilst plans are in place to meet expected levels, there are always challenges that present themselves in year. At Month 05, the HB is £0.88M overspent but is forecasting a breakeven position at year end, subject to successfully managing the risks that are present over the remainder of the year.
5. It is expected that the NHS will continue to focus on identifying opportunities that improve the efficiency and the effectiveness of its services and thereby savings will remain a feature of future plans. This will require services to identify cash savings opportunities through benchmarking service costs and identifying new opportunities and pathways for service provision that make better use of our resources. It is important however, to recognise that the value based care approach could be more effective in identifying the improvement opportunities that should be pursued. This approach targets the relationship between costs and patient outcomes and engages clinicians in redesigning services to improve Value For Money. Continuing to progress the Prudent Health Care approach will also make a valuable contribution to containing costs to the funding available by ensuring that health care resources are targeted effectively.
6. Planning for future years is challenging, particularly in relation to coping with changes to provider services whereby pathways have to change to a different, possibly more distant provider because of service sustainability issues. The HB attempts to address these by looking for new opportunities to provide more local services, but these very often depend on clinicians being prepared to travel into Powys to staff local clinics and services. The availability of new staff to support new services or to fill vacancies is also a major challenge for the future and is a major determinant of whether services are sustainable and can be planned for the foreseeable future. Changes in external factors such as pension regulations, overseas recruitment

and availability of training courses may also impact on future service plans because staff may change their career intentions in response.

7. It is also considered that there is merit in targeting resources for new spending initiatives on preventative measures that promote better health and well being. The case was made in the recent Public Health Wales report 'Making a Difference'. It is imperative that new initiatives are pursued in this area in order to reduce the future growth in demand for health care. There is an evidence base for the cost effectiveness of a broad range of preventive approaches, including smoking cessation, immunisation and brief intervention.

### **Workforce Pressures**

1. Recruitment of sufficient qualified and trained staff remains a challenge for Powys THB as it is for other NHS organisations. A recruitment task and finish group has been established to pursue a range of initiatives to address the turnover of staff with the health board. The health board has 32 vacancies currently for registered nurses, which does create operational difficulties across the organisation. As at 31<sup>st</sup> of August 2017, the health board's 12 month rolling staff turnover stood at 11%.
2. For the first 5 months of this year, Locum and Agency staff costs has accounted for 6.3% of total pay costs, amounting to £1.7m to date. Efforts are being made to secure the temporary staffing from contracted agencies where the costs are substantially lower than for 'off-contract' agencies.
3. The health board is pursuing a range of measures to attract new staff to Powys including a presence at this year's Royal Welsh Show, establishing links with a number of universities and thereby attending career fairs and including vacancies direct on university websites. The health board is also involved with the development of the national campaign and is a part of the promotional exercise that is underway. Two 'one stop shop' recruitment events for registered nurses are taking place in September and October 2017, whereby people will be able to complete the recruitment process on the day up to a provisional offer of employment. The health board has been featured in a recruitment brochure produced by Rural Health and Care Wales where the prime focus was to promote health and social care careers in rural mid Wales.

I hope the above information is useful to the Committee in its deliberations.

Yours sincerely



**Carol Shillabeer**  
**Chief Executive**