



RCGP Wales response: Welsh Government Draft Budget Proposals 2019-20

The Royal College of General Practitioners Wales welcomes the opportunity to respond to the National Assembly for Wales' Health, Social Care and Sport Committee's consultation on the Autism (Wales) Bill, and to provide oral evidence to the Committee.

RCGP Wales represents a network of around 2,000 GPs, aiming to improve care for patients. We work to encourage and maintain the highest standards of general medical practice and act as the voice of GPs on resources, education, training, research and clinical standards.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2018-19 budget?

The Welsh Government's 2018/19 budget was the latest budget to leave general practice significantly under-resourced. This means Welsh Government policy objectives cannot be achieved.

The latest data RCGP Wales has on general practice spend is from 2016/17. At 7.30%, Wales receives the lowest proportion of any UK nation.

The table below shows a historic and cross-country comparison of the percentage of NHS spend invested in general practice. Welsh general practice not only suffers from the lowest investment in the UK, but also from a significant drop in investment over the last decade despite an increase in patient demand.

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Percentage of NHS health spend invested in general practice³⁴

	Scotland	Wales	NI	England	UK
2003/04	8.45%	7.46%		9.91%	
2004/05	9.47%	8.58%		10.55%	
2005/06	9.78%	8.76%		10.95%	
2006/07	9.27%	8.44%		10.46%	
2007/08	8.31%	8.19%		9.81%	
2008/09	7.91%	7.97%		9.34%	
2009/10	7.76%	7.83%		8.82%	
2010/11	7.85%	7.76%	8.22%	8.48%	8.38%
2011/12	7.70%	7.77%	8.10%	8.49%	8.38%
2012/13	7.67%	7.81%	7.96%	8.41%	8.30%
2013/14	7.57%	7.74%	8.30%	8.60%	8.46%
2014/15	7.39%	7.45%	8.18%	8.65%	8.47%
2015/16	7.30%	7.24%	8.24%	9.04%	8.77%
2016/17	7.35%	7.30%	8.26%	9.17%	8.88%

The data shows Global Sum / MPIG, and other investment in general practice, but not drug reimbursement or dispensing fees. We believe it paints the most accurate picture of general practice spend.

The impact of this under-resourcing is that the Welsh Government's stated intention to deliver more care in people's communities cannot be achieved. 'A Healthier Wales' was the latest document outlining the need to strengthen primary care. Many previous strategy documents have said the same thing. It has not been delivered in any substantial way because a shift in funding has not been achieved.

The Welsh Government's intention comes from consensus in the health sector that traditional models of care are not appropriate to meet future demand. Wales has an ageing population, and an increase in patients with multi-morbidities, and these trends will increase in the coming years and decades.

The 2018-19 budget did not address the under-resourcing of general practice. It is imperative that future budgets do so.

2. What expectations do you have of the 2019-20 draft budget proposals? How financially prepared is your organisation for the 2019- 20 financial year, and how robust is your ability to plan for future years?

The 2019-20 draft budget needs to urgently address the under-resourcing of general practice. In line with stated priorities of the Welsh Government, we would expect to see a significant increase in funding for general practice.

General practice faces many challenges in the coming year. Some are for wider reasons, for example the ever-increasing patient demand resulting from an ageing population with an increasing number of multi-morbidities. Some are more specific, for example many practices will have to change their IT system as a result of recent NHS procurement. In addition, movement of services from secondary care to general practice and community settings is not being matched by movement of funding or staff.

As independent contractors, general practice have similarities to small businesses. When practices struggle can be financial risk to GPs themselves. The financial pressures on general practice can be seen by the increase in managed practices, where GP partners have handed back their contracts and local health boards run practices instead. It can also be seen in the changing nature of the workforce; the number of locums in the workforce has risen to 25.7%, with one reason being that partnerships are less appealing due to the financial risk. Recruitment and retention difficulties are also adding to concerns of being the 'last partner standing'.

3. 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 any of the areas identified below?

- **Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early), particularly in relation to the financing of local health boards and health and social care services**

Spend on general practice is preventative spending. GPs can ensure patient's illnesses are caught early and are treated before they escalate and require more expensive secondary care intervention.

A preventative model of healthcare is being held back by the under-resourcing of general practice. The Welsh Government has the stated intention of Wales delivering more preventative care, articulated in strategies and plans for the NHS. The Well-being of Future Generations (Wales) Act 2015, intended to guide the decisions of public bodies, has an emphasis on preventative spending. However, this is not significantly represented in its resource allocation.

RCGP Wales believes investment in preventative healthcare spending would deliver long-term savings. We want to see a much greater emphasis on preventative spending.

- **Sustainability of public services, innovation and service transformation**

The health service has a dedicated £100million Transformation Fund to transform health and social services, with a focus on innovation.

The College has some concerns about the long-term impact this will be able to have. Funding from the Transformation Fund is non-recurrent, meaning there is a risk good projects will be established before ending due to a lack of funding. It is essential that there is effective evaluation and a clear process to ensure good practice is scaled up. Too often local innovation remains local, when it could have wider benefits.

- **Welsh Government policies to promote economic growth, reduce poverty, gender inequality and mitigate welfare reform**

The inverse care law, proposed by Julian Tudor Hart in 1971, remains as relevant as ever. It is the principle that the availability of good medical or social care tends to vary inversely with the need of the population served. While first proposed almost 50 years ago, its continuing relevance suggests Wales has not been effective in addressing its causes. In general

practice, recruitment difficulties are often particularly pronounced in areas with the highest deprivation, linked to higher morbidity and health need.

- **The Welsh Government's planning and preparedness for Brexit**

General practice faces significant risks from Brexit. Issues including recruitment, retention, research, the mutual recognition of qualifications, reciprocal healthcare arrangements with Europe, access to medication and changes to regulation are all concerns.

We recognise many of these issues are outside of the control of the Welsh Government. We do believe the Welsh Government should consider extra measures to boost the Welsh general practice workforce in recognition that mitigating the risks of Brexit cannot be taken for granted.

The economic consequences of Brexit remain uncertain. There is a need to ensure the NHS and general practice is well resourced after we leave the European Union. The consequences for households are also uncertain; issues of employment and income have a significant impact on health, and any negative consequences would be felt strongly in general practice.

- **How the Welsh Government should use taxation and borrowing powers, particularly in relation to the Welsh Rate of Income Tax**

The College does not have a strong position on how to use new powers. We believe the main priority should be making the correct decisions over existing budgetary arrangements, which is not happening at the moment.

- **How evidence is driving Welsh Government priority setting and budget allocations**

The case for medical generalism is well established. RCGP Wales recently re-articulated it in our document 'Essential Principles: GP Leadership at the heart of new models of care'.

The Welsh Government's stated priorities for the NHS would suggest it accepts the evidence for a strengthened primary care sector. The way money is spent in the health sector would suggest this evidence is not driving budget allocation.

- **The Welsh Government policies to strengthen the economy and promote innovation**

We would draw attention to previous answers relating to the Transformation Fund and innovation, and economic policy and the inverse care law.

- **How the Future Generations Act is influencing policy making**

As indicated in a previous answer, the Future Generations Act calls for a greater emphasis on preventative spend, but this is not being reflected in budget allocation in the health sector.

The Future Generations Act encourages long-term thinking about policy decisions. In a health context, spend continues to be overly focused on short-term solutions. Wales' model

of healthcare continues to focus on secondary care, with too many patients only being treated once their illness has reached an advanced stage. More emphasis on primary care – with general practice at its heart – would ensure more patients' have illnesses treated before they escalate. With an ageing population and an increase in multi-morbidities, Wales' long-term health demand can only be met with more support in primary care and particularly in general practice.

The aims of the Future Generations Act can only be achieved with more support for general practice. The lack of financial support for primary care and general practice would suggest the Future Generations Act is not having as much influence as it should.