Evidence on behalf of WLGA to the Parliamentary Review of Health and Social Care
Summary

- The health and well-being of the population depends on far more than the quality of health care services, with social care a key partner in achieving this aim. Budget pressures in social care are rising higher than the pressures in the NHS, as social care services are heavily concentrated on the most elderly (a group that is seeing the fastest population growth) and the growing proportion of the population with learning disabilities.

- Growing pressures on social services includes increasing demand for complex services linked to demographic changes and the National Living Wage. Recent reviews have highlighted the fragility of the social care market and the need to invest more money in the social care system.

- Local authorities provide a range of preventative services which can delay the point at which an individual’s needs warrant a more intensive and costly intervention and there is a need to transform health and care by shifting investment away from treatment and towards prevention.

- We believe there are five fundamental long-term changes, that must take place over the next two or three Assembly terms allowing time for change to become embedded and sustainable. These are:
  - Engage the public in understanding the demographic challenge and the role they need to play in addressing it, helping citizens to take increased responsibility for their own health and well-being;
  - Create a truly integrated health and social care system as seen from the perspective of the service user, ensuring democratic oversight so that the public are able to hold bodies to account;
  - Shift the health and social care system in Wales away from treatment and crisis management to an integrated system based on prevention and early intervention;
  - Invest in the digital transformation of the whole health and social care system to improve access and provide the most effective support and treatments possible; and
  - Develop a sustainable workforce and funding model for the health and social care system fit for the future.

Recommendations

1. Welsh Government, LHBs and Councils to consider the allocative efficiency of their budget processes to ensure they allocate resources to support a preventative model of health and social care.

2. Local government leaders request that we work together with Welsh Government to identify additional un-hypothecated transformation and transition funding over the medium term for investment in development and implementation of preventative services, for example the Primary Care Fund.
3. That the Parliamentary Review Panel consider what actions should be taken by Welsh Government, local government and the NHS to deliver the digital transformation of the health and social care system.

4. Welsh Government to work with local government, health and the third sector to develop a national public awareness and engagement campaign.

5. A full examination of the transfer of public health improvement, into local government to be undertaken.


7. Welsh Government to better align priorities and identify shared priorities across health and social care.

8. That the Parliamentary Review panel work with the WLGA to explore how we can make better use of existing resources, but importantly how additional funding could be made available for the health and social care system in the medium to long term and the options for how this could be financed, other than from the Welsh block grant.
Introduction

1. The Welsh Local Government Association (WLGA) is a membership organisation that represents all 22 local authorities in Wales, the 3 fire and rescue authorities and the 3 national park authorities as associate members.

2. The WLGA represents the interests of local government and promotes local democracy in Wales. Its primary purposes are to promote better local government, to promote its reputation and to support authorities in the development of policies and priorities which will improve public service and democracy.

3. Local authorities provide a range of preventative community services which support people’s wellbeing, such as leisure centres, parks, adult education, housing, youth services, transport and community facilities, all of which can help delay the point at which an individual’s needs warrant a more intensive and costly intervention. Community services are our raison d’etre, as such whilst our response considers the pressures and actions required across health and social care, it places this within the broader role of local government.

4. Local government in Wales welcomes the establishment of an independent parliamentary review of the long term future of health and social care. From early discussions with the Review Team it is clear that the review will consider many of the issues we highlight in our response as requiring attention and change.

5. We have the opportunity and a duty to create a sustainable health and social care system that the Welsh population needs and deserves. The current system was designed nearly eighty years ago when life in Wales and the rest of the UK was very different than it is today. The NHS was created in 1948 based on the core principle of free healthcare at the point of use, a principle that needs to be maintained, and stands as the largest and the oldest single-payer healthcare system in the world. Social care is based within local government and is underpinned by a different funding model with some services based on means testing and rationing through eligibility criteria, as well as some services funded by local government.

6. This tension creates a range of policy impacts. As the Kings Fund and LGA argue, “Despite decades of policy initiatives designed to support greater integration between the health and social care sectors, progress has been patchy, with wide variations in performance. On the one hand, there was a tendency for the differences between these sectors to be misunderstood, underplayed or ignored but, on the other hand, the differences can be deliberately exploited by one side or the other to protect their own position and prevent the achievement of integrated care”\(^1\).

7. Across the UK the current system is being challenged in the face of growth in the population as a whole and increasing numbers of older people with long term and complex illnesses and medical advances which keep people alive for longer. Taken together the demographics alone risk overwhelming health and social care. The grinding impact of austerity has meant that tackling these problems through reform is largely set within the search for greater value for money and smarter investment decisions.

\(^1\) Routes for Social and Health Care, A simulation exercise Sarah Harvey, Laurie McMahon, Richard Humphries
8. No one doubts the huge commitment of politicians and public servants to the NHS and social care systems. Yet a contradictory consequence of this is that in certain cases public policy decisions have created a culture of dependency and a level of expectations on our health and social care services which are difficult to satisfy. In some circumstances this has encouraged individuals to take less responsibility for their own health and wellbeing on the basis that the NHS or social services will be able to sort out problems as they arise. We need to address this by being bold, imaginative and working collaboratively, ensuring that everyone is signed up to the need to reform. Importantly, we need to support individuals and communities to become active partners in their health and wellbeing.

9. The demographic changes are significant and to respond to their impact, some stark choices need to be made and implemented. The challenge is such that there is simply no room to delay or obviate. The Welsh Government has laid the cornerstone foundations for change required in the form of the Social Services and Well-being (Wales) Act 2014 and the Wellbeing of Future Generations (Wales) Act 2015. But the Welsh Government, local health, social care leaders and partners need to do more to bring about the significant changes needed and this needs to be backed by cross-party political support to ensure a sustainable approach in future years.

Over the next 5-10 years what should health and social care services prioritise to ensure a sustainable approach to improved outcomes and best value in health and social care in Wales?

10. From the outset we believe it is important to consider the current context we are working in and in particular some of the pressures faced by local authorities as it is these challenges that need to be overcome in order to ensure that we are able to develop a sustainable approach to health and social care in future years. Any change needs to be costed and so consideration needs to be given to the current financial context and challenges. Below is a summary of some of the issues from a local government perspective and attached at Appendix 1 is a recent WLGA Council report which provides further information.

11. The demographic changes facing Wales have been well documented and as a result, primary and community care services are facing increasing and more complex demands; more people are diagnosed with one or more preventable health condition; and frail, older people increasingly have more complex needs. At the same time we have also seen significant increases in our looked after children population. This comes at a time when we will continue to experience severe austerity in funding for public services across the UK.

12. In our most recent submission to the Finance Committee’s inquiry on the Welsh Government’s Draft Budget Proposals 2017-18, we estimate Local government is facing a cumulative shortfall of nearly £750m by 2019-20. For Social Services alone, £92m worth of pressures are being faced in 2017-18.

13. The recent Health Foundation report The path to sustainability: Funding projections for the NHS in Wales to 2019-20 and 2030-31, recognises that the health of the population

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3 http://www.health.org.uk/sites/health/files/PathToSustainability_0.pdf
depends on far more than just the quality of health care services. Key determinants of health are largely outside the control of health services and so the quality of, and spending on, social care has one of the strongest impacts on the demand for health care. The report found that, the quality of social care and the resources invested have a significant impact on the demand for health services. It was estimated that pressures on adult social care alone will rise by around 4.1% a year between 2015 and 2030/31, due to demography, chronic conditions and rising costs. This will require the budget to almost double to £2.3bn by 2030/31 to match demand, as shown in the graph opposite.

14. Wales Public Services 2025 have since produced a report, A delicate balance? Health and Social Care spending in Wales⁴, focused on the difficulties local authorities are having keeping pace with spending. The report complements the findings from the Health Foundation analysis, recognising the twin challenges of financial and demand pressures faced by health and social care in Wales. The report identifies that spending on social care for the over 65’s is not keeping pace with the growth in the population of older people. The increasing over-65 population in Wales means that whilst day-to-day spending on local authority-organised adult social services has remained broadly flat in real terms, spending per older person has fallen by nearly 13% in real terms over the last five years in Wales. Spending per head would have to increase by at least £134 million (24%) between 2015-16 and 2020-21 to return to the equivalent level of spending in 2009-10, which amounts to a 3.7% year-on-year increase.

15. In addition to the pressures suggested by these national reports local authorities continue to highlight specific pressures being faced by both Adult and Children’s Services, some of which cross over both health and social care. We have surveyed WLGA members and initial responses highlight some common issues emerging:

- Increases in the number of Looked After Children
- Pressures associated with National Minimum Wage increases
- Pressures associated with changes to the Social Service Charging Framework:
- Changes to Deprivation of Liberty Safeguards (DoLS) following the Cheshire West Judgement
- Supreme Court decision on Funded Nursing Care costs

16. Local government has already delivered millions of pounds of recurrent efficiency savings over the past five years. Despite the funding challenges that continue to be faced, local government has a proven track record of providing high quality, efficient services that are valued by residents.⁵ Councils bring an unrivalled track record to the task of building a society that is inclusive, cohesive and promotes the life chances of all.

17. There is now a need to become more sophisticated in our search for further resource releasing efficiencies, going beyond the delivery of traditional technical efficiencies to consider the efficiency of our resource allocation, based on a better understanding of the outcomes of our spending decisions. Similarly, we urge Welsh Government, LHBs and Councils to consider the allocative efficiency of their budget processes to ensure they allocate resources to support a preventative model of health and social care.

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18. We believe there are five fundamental long-term changes, that must take place over the next two or three Assembly terms allowing time for change to become embedded and sustainable. These are:

- Engage the public in understanding the demographic challenge and the role they need to play in addressing it, helping citizens to take increased responsibility for their own health and well-being;
- Create a truly integrated health and social care system as seen from the perspective of the service user, ensuring democratic oversight so that the public are able to hold bodies to account;
- Shift the health and social care system in Wales away from treatment and crisis management to an integrated system based on prevention and early intervention;
- Invest in the digital transformation of the whole health and social care system to improve access and provide the most effective support and treatments possible; and
- Develop a sustainable workforce and funding model for the health and social care system fit for the future.

19. Many reports have already been written on these and other challenges facing the health and social care system in Wales and they all reach the same conclusion – we need to take action now. If you revisit the Wanless report from 2003⁶, it is surprising how current many of its conclusions remain. Why then is progress so difficult? Many of the decisions required require a long term strategic focus that the immediacy of the political system does not enable. Similarly, confronting and tackling the biggest strategic challenges facing our health and social care system is by definition one of the most difficult issues facing public services. Human resistance to change and a fear of upsetting stakeholders all play a part in preventing reform and the determination to do what is needed, often resulting in working around problems rather than tackling them head on.

What could be improved in current systems, and what needs to happen to enable change? What would be the benefits in terms of improved outcomes?

20. We believe that there is a need to shift, at pace, the health and social care system in Wales away from treatment to an integrated system based on prevention and early intervention. All public services have a role to play in creating a preventative model, as do the public as we will discuss in more detail later. From local government to the NHS, housing, the third and independent sectors, collectively we need to create the economic, social and natural environment in Wales that will support our health and wellbeing and that of our future generations. Public Health Wales’ report, Making a Difference,⁷ sets out three key priorities for preventative action:

- Building resilience across the life course and settings;
- Addressing harmful behaviours and protecting health; and
- Addressing wider economic, social and environmental determinants of health.

⁶ Derek Wanless (advised), 2003, The Review of Health and Social Care in Wales
⁷ Making a Difference: Investing in Sustainable Health and Well-being for the People of Wales, Public Health Wales, July 2016
21. Many preventative services in local government, such as leisure centres, parks, adult education, youth work and community facilities are provided at the discretion of local councils. Unfortunately, in recent years it is these services that have faced the brunt of cuts to local authority budgets as statutory services such as education and social services have been protected. At the same time in the NHS, available funds have been targeted at delivering improved performance in secondary care services, most notably to address referral to treatment waiting times. Pressure on hospital services has never been greater and NHS organisations have therefore struggled to redirect resources into preventative services based in primary and community settings.

22. It is imperative that we stem the decline of local preventative services and that we find a way to make some significant investment into new or existing preventative services based in primary and community settings. The WLGA has previously called the establishment of a new Preventative Integrated Care Fund for Wales, funded from any additional revenue consequentials received in Wales. This fund, focussed throughout the life-course, would enable some double running of new investment in preventative services alongside ‘business as usual’ in the current system until savings are realised and reinvested back into the system.

23. The Welsh Government’s investment in the Intermediate Care Fund (ICF) has been welcomed by local government and it has led to the introduction of a number of preventative services across Wales. All regions have reported that the ICF has developed a culture of collaboration with improved communication and decision making across all sectors. There is an enhanced understanding of what different partners can provide, with improved knowledge of good practice within the region that can be developed and shared more widely. The fund has also increased capacity to improve outcomes for people and to deal with demand for services. Some areas of good practice include single point of access, the establishment of intermediate care teams (ensuring the provision of co-ordinated services across health and social care), rapid response teams, social care or third sector staff working alongside health staff in hospital to prevent delayed discharges, extending the range of rehabilitation / reablement services (including the use of intermediate care flats as part of a wider health, social care and community complex).

24. Its success comes from providing dedicated resources, supported by focused leadership, joint decision-making and governance, to enable public services to concentrate and deliver transformational change. But in comparative terms it does not equate to the resource base of the £5.3 billion Better Care Fund in England or at a city region level the £450 million transformation fund of the Greater Manchester combined authority.

25. All accept that it is not just about chasing pots of money. It’s about identifying money and people that are not already entangled in sectorial pressures or rules that can be used to achieve something new while at the same time trying to at least maintain, if not improve the level and quality of existing services.

26. Against that background local government leaders request that we work together with Welsh Government to identify additional un-hypothecated transformation and transition funding over the medium term for investment in development and implementation of preventative services, for example the Primary Care Fund.
27. As the King’s Fund report on transformation funding\(^8\) explains, the provision of the funding is only part of the answer, successful transformation is also heavily dependent on ensuring public servants have the capacity (away from the day job) and skills to plan, drive and deliver change. Health and social care leaders need to recognise this and invest in their workforce to create the capacity and capability required for change management.

28. Digital technology should be seen as the one of the most significant strategic tools available to us to shift to a new preventative model of health and social care – a model which will help to reduce demand on secondary care services. It is already being used to improve data quality and access, leading to higher quality, more accurate information and more tailored and individual service responses and improved self-care.

29. Used as a strategic tool, digital technology can help to transform the operating model of organisations. With a focus on the service user (and involving them in the process) and with an explicit aim of seeking to increase self-care and service outcomes, organisations can review their internal processes and redesign them, removing duplication and waste to create an operational model with digital technology embedded through and across whole organisations.

30. The creation, ownership and access to user data is another critical aspect of successful digital transformation. This is an area where a national approach would seem sensible both in respect of identification and authentication models as well as the implementation of national data systems. We already have a number of national systems developed such as the Wales Community Care and Information System. According to the Kings Fund, by 2030 citizens should be able “to easily share their health data in a standardised format and in real time”\(^9\). We have yet to establish a single identification model for the NHS or local government and the ownership and sharing of data and information remains an obstacle to further progress with issues around trust, independence and responsibility.

31. The workforce challenge of introducing digital systems should also not be underestimated. In our view, we need to adopt a whole system approach to digital transformation and to be explicit about what should be done locally and what could be done nationally. We need to learn from our experience of the past decade to deliver digital transformation within a clear national framework which does not stifle local innovation or progress. We also need to recognise that current public finance constraints mean that individually local government and NHS organisations do not have the scale of investment needed to transform and integrate the whole system, which is what we believe is needed.

32. We therefore request that the Parliamentary Review Panel consider what actions should be taken by Welsh Government, local government and the NHS to deliver the digital transformation of the health and social care system.


\(^9\) What if people controlled their own data? The Kings Fund, 2016
What needs to change to ensure that co-production or co-design is routine in health and care services and that people are better able to stay healthy or manage their condition?

33. Public service leaders and providers are fully aware of and are seeking to tackle the challenges facing Wales in terms of the changing demography, demand on services, workforce pressures and financial constraints. We all share an interest in and commitment to improving the population’s health and wellbeing, recognising the impact that this has on society, the economy and the demand for services. In addition the Wellbeing of Future Generations (WFG) Act (Wales) 2015 places a duty on public bodies to maximise their contribution to achieving each of the seven well-being goals10.

34. At the same time we are all seeking to raise the awareness of the public (and our workforce) to the scale of the challenges we are facing and the potential role that individuals and communities could play in helping to reduce demand on health and social care services. Improving the well-being of the population and reducing demand on services is dependent on good housing, education, social care, health, community support and an environment that actively promotes and encourages people to live healthy lives.

35. There is an urgent need for a meaningful dialogue with the public about the future of public services, their expectations of these services and the different role they will have to play in the future. Increasing public awareness and engaging them in the debate about the future of health and social care is vital because evidence shows that public support is critical to delivering and securing policy and behaviour change. Evidence from previous national policies and programmes, such as seatbelt laws, carrier bag levy, road safety campaigns, banning smoking in public places, and most recently in Wales organ donation shows that the programmes that are able to galvanise public support, which place the public at the heart of the decision-making process, when combined if appropriate with enabling legislation, are more likely to lead to changed behaviour and opinion and thereby positively affect outcomes.

36. The Wales Principal Youth Officers’ Group (PYOG) are also submitting evidence to the review. They highlight the need to ensure that our young people are supported to be able to develop the tools needed to be able to make a positive contribution to society and sustainable communities, examining the opportunities that children and youth support services provide to enable this.

37. The Welsh Government has helpfully delivered enabling legislation in the form of the WFG Act (Wales) 2015 and the Public Health Bill and we now urgently need to capture the public’s hearts and minds to enable behaviour change to support transformation.

38. We also need to find ways to support individuals and communities to play a more active role in looking after themselves and in the design, planning and delivery of health and social care services. Crucially public awareness raising and engagement needs to be based on positive messaging through which we demonstrate the benefits of self-care to individuals and to the communities in which they live.

39. Currently, the Welsh public is being bombarded with messages from public services, voluntary organisations, government, various media outlets and personal networks. There is limited, if any, consistency of messaging, and more importantly, there are no overall

10 A prosperous Wales – A resilient Wales – A healthier Wales – A more equal Wales – A Wales of cohesive communities – A Wales of vibrant culture and thriving Welsh language – A globally responsible Wales
'top-line’ statements that bring a holistic approach to ease public acceptance of the need for change. In addition, the language of public (and staff) engagement is often negatively framed around the need to save money.

40. And yet we know that behavioural change is a complex issue, which takes time and genuine engagement with individuals. Changing public attitudes and behaviour is a critical task to the achievement of the vision. We believe there would be much to gain from a national approach to public awareness and engagement which involves:

- Reframing the conversations with the public (and the workforce);
- Providing an easily accessible narrative/messaging on increasing understanding of the case for change and the benefits of transforming services;
- Building on existing engagement/communications relationships and channels at all levels, including Regional Partnership Boards and Public Service Boards;
- Training and developing the workforce to use behavioural change tools and techniques such as motivational interviewing;
- Informing, educating and supporting the public to embrace the wellbeing benefits of self-care leading to changes in behaviour; and
- Proactively working with social movements to raise awareness, identify and deliver change.

41. The WLGA have started to work with the Welsh NHS Confederation, the Wales Council for Voluntary Action and Community Housing Cymru on a set of national public awareness messages and we would be keen to work with the Welsh Government to develop a national public awareness and engagement campaign.

Do you agree that the strategic direction of increasing primary, community and social care in local communities is the right approach to better meeting the needs of particular populations?

42. We believe this is vital. If we are to reform public services and grow our economy in the face of cuts, we need to develop responses which are sensitive to the complexities of place. The reality is that this simply isn’t possible at an all-Wales level. Caerphilly, Cardiff, Carmarthenshire, Ceredigion and Conwy are very different places and need the freedom to develop different responses within an overarching outcomes and funding framework set by the Welsh Government.

43. Fundamentally, local government is the key partner for the Welsh Government in delivering its broad social and economic outcomes. This is recognised fully in the WFG Act. Local services provide the bedrock of safer, more cohesive and fairer communities. In this setting, councils are the key democratic bodies charged with the role of governing their locality and representing it. To do that they must have autonomy, financial security and control of their own localities.

44. The Bevan Commission paper ‘Improving Primary and Community Health care in Wales’ identifies that the way NHS Wales is funded needs to change to strengthen primary and community care to better meet the needs of the population. It points to an imbalance in funding for some time with little movement of resources into primary and community care to match the need and help prevent illness and unnecessary admissions to hospital. At the same time social care services are having to meet increasing demand within reduced

resources. It is essential that we take this opportunity to invest in primary and community care and look to support preventative services, improving the link between NHS and social services / local authorities.

45. Achieving greater well-being for people will require action by all agencies at all levels, building community resilience in order to have a collective responsibility – it is not only for social services and health, but requires corporate and far-reaching approaches across a wide range of organisations to maximize a preventative approach to working with citizens. WLGA believe that housing, cultural, leisure, youth and environmental services provide a significant role in improving the health, wellbeing and quality of life of people and communities. These services enhance community integration, as well as promoting access to fitness and recreational opportunities.

46. In terms of the Welsh Government’s agenda around wellbeing, the WLGA believe that the time is right for a full examination of the transfer of public health improvement, into local government. This would provide an opportunity for local authorities to have a significant influence and more joined up approach over the broader determinants of people’s health – their local environment, housing, transport, employment, and their social interactions – all of which are linked to local authorities core roles and functions and can play an important part in improving the health and well-being of their citizens.

47. Consideration also needs to be given to the increasing focus on regional approaches seen in recent years, particularly for areas such as social services. The Social Services and Wellbeing Act has introduced Regional Partnership Boards, bringing local authorities and health together on a regional basis. We have also seen local government reform proposed in the recent Welsh Government White Paper which builds on the policy proposals for regional collaboration outlined by the Cabinet Secretary during the autumn.

48. The WLGA broadly welcomed the proposals as local government was already collaborating, increasingly on a regional footprint on economic development and city deal bids. Whilst councils are generally supportive of a move to a more regional approach, there is consensus that such an approach needs to be balanced by a commitment to maintain clear local accountability and local democracy. The WLGA have therefore argued that core principles of subsidiarity should underpin any regional reforms:

- that funding should continue to be distributed to the 22 local authorities, who would then agree the budgets and funding of any regional services;
- statutory duties should remain with the 22 local authorities, who would then determine how such duties would be discharged, either jointly or via another lead authority; and
- local accountability through local councillors’ oversight and scrutiny is essential in holding regional services to account and ensuring that the needs of local communities are being met and outcomes are being delivered.

What do you understand by integration and what steps are needed to further integrate services?

49. The concept of integrating health and social care services is not new. The 2002 Wanless review\(^\text{12}\) of Health and Social Care in Wales spoke of the need to be “resolute in breaking

down barriers between health and social care...what is needed is integrated thinking, across social care and health services, about achieving the best possible local outcomes together.” However, progress in Wales has been slow, with the King’s Fund paper ‘Integrated care in Northern Ireland, Scotland and Wales’\(^\text{13}\) noting that Wales is still at an early stage in the development of integrated care.

50. There remains much debate about what is meant by integration and this can be distracting as integration is no more than a means to an end. The NHS Wales workforce review\(^\text{14}\) concluded that there was a clear consensus in Wales that integration, “should be about delivering joined up services around the interests of the individual service user/patient, with the emphasis on service quality ahead of cost reduction”. Importantly, the evidence also demonstrated that there was no appetite for using structural change as a means of progressing the integration agenda, something supported by the King’s Fund report ‘Integrated care in Northern Ireland, Scotland and Wales’ which identifies that an important lesson is that structural integration either within the NHS or between health and social care is only one factor among many in facilitating the development of integrated care. We believe that it is vital that social care remains within local government as set out in the Social Services and Well-being Act, this is a view also supported by the Commission on Public Service Governance and Delivery\(^\text{15}\).

51. In the context of our response when talking about integration we are referring to the experience of the service user. From the moment a member of the public has need of social care, primary or secondary health services, we want their experience to be seamless. This leads to better user satisfaction, better outcomes and makes better use of resources.

52. There is an explicit duty in the WFG Act 2015 to move to a health and social care model that is rooted in the community, focused on prevention and supporting the wellbeing of the population. Local government and the NHS are equal partners in this endeavour and local government leaders accept that a preventative model which addresses the root causes of ill health and inequalities will lead to a healthier and happier population while at the same time reducing demand and financial pressure on secondary care services. This is supported by the legislative changes made through the Social Services and Well-being (Wales) Act, which brings together health and social care as equal partners, along with other organisations and representatives in the form of Regional Partnership Boards to look at how integrated services can be delivered. There is an opportunity to use these as a vehicle for integrated approaches, enabling more joint decision making.

53. In recent years we have seen the development of increasing numbers of integrated approaches across Wales. Initiatives such as ICF have helped to support this work, working with wider partners such as housing and the third sector. The introduction of the ICF has evidenced the benefits of joint planning and joint decision making and we believe more can be done. For example, by bringing oversight of the Primary Care Fund under the newly established Regional Partnership Boards, as the ICF currently is, to enable us to fully examine opportunities for integrated working.

54. We have seen examples of integrated approaches being taken, for example the development of local integrated hubs which bring services together under one roof. A recent example is the Llanishen hub in Cardiff, which makes use of an existing building

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owned by South Wales Police, enabling the provision of library services, computers and face-to-face advice. This includes being able to offer housing, welfare and benefit advice, into work and training support, digital inclusion and money advice, and free phone and online access to other council and partner services.

55. There are a number of reasons why, despite legislation, the relatively small size of Wales and the existing integrated health structure, users do not already have a more truly integrated experience. It starts with the different priorities and policies emanating from Government for health and social care which create confusion and tension and unintended consequences in the system, while other key service areas that could support the system are often ignored or not effectively joined up (e.g. housing, leisure and transport). The Government’s healthy and active strategy provides an opportunity to help to tackle this problem and we recognise that Government is not alone in struggling with taking a more holistic approach.

56. A key obstacle to integration is human nature which leads individuals to focus on achieving their organisational objectives rather than acting holistically with a clear line of sight to outcomes for the user. We need to work with our health and social care workforce to create a collaborative culture within our organisations. We need to work harder to improve employees’ understanding of the whole health and care system as well as ensuring different professional groups accept and value the role everyone plays in the system.

57. Another aspect of the integration challenge for public servants is how to truly integrate a health and social care system when the financial and performance arrangements are so different. This should involve consideration of revenue and capital funding and consideration of the public estate. There are different funding rules, accounting arrangements and accountability frameworks all of which have to be navigated and complied with by the different partners and this often leads to overly complex, bureaucratic and artificial arrangements being put in place to meet the requirements of regulators and auditors. There are also different performance measures and funding distribution mechanisms in place for discretionary funding and a wide range of specific grants which can complicate the landscape further and lead to unintended consequences. If we could take the best elements of both systems and develop more integrated arrangements it could deliver real benefits in terms of driving true integration, efficiency and potentially medium term financial planning and management.

58. We therefore urge Welsh Government to work with local government and health to commission a comparative technical review of health and care funding and performance rules, accounting and accountability arrangements.

59. There is also a need for Welsh Government to better align priorities and identify shared priorities across health and social care.

What actions are needed to ensure services have a sustainable workforce for the future that matches the strategic direction?

60. Health and social care organisations in Wales are facing major challenges in terms of the sustainability of their finances and their workforce. Across the UK one in ten people in the working population are employed in the health and social care sector\(^\text{16}\). The skills and

capacity of the workforce is a major determinant of the quality of care and outcomes. Successful delivery of sustainable health and social care services in the future will be dependent on our ability to reshape the workforce to support new models of care. The health and social care workforce needs to be empowered, well-trained and multi-disciplinary with professionals given the responsibility and autonomy to be able to meet the needs of the population within the future strategic direction.

61. Across the health and social care sectors we are dealing with staff shortages and retention difficulties. The absence of an agreed long term vision for health and social care in Wales leads us to make short term planning and resourcing decisions, which poses significant problems for local government and NHS organisations in planning the workforce of the future. The fragility of the social care market impacts on care quality and is contributing to discharge delays in hospitals and years of public finance constraint have led to reductions in education and training placements, increasing our dependence on overseas recruitment.

62. Policy makers and local leaders need to agree a joint long term workforce strategy for health and social care that will deliver a resilient, reshaped, well trained workforce with the necessary skills and capacity to meet the changing needs of the Welsh population. With more than half of all local government and NHS budget being spent on staff costs, we also need to maximise the productivity of the workforce, address potential skills gaps and reduce reliance on temporary staffing arrangements.

63. The work undertaken to help shape the priorities of Social Care Wales has identified the need for a joint training programme to support multi-disciplinary approaches. This work has identified the need for Social Care Wales to include education, transport, employers, businesses, third sector, independent sector, families, carers and individuals and build a consensus approach to delivering outcomes for people. This means fresh and innovative approaches to models of care, a stronger preventative agenda, exploring integrated roles and cross sector career progression opportunities and more equitable access to training and development. It is vital that we recognise and value the important work undertaken by paid carers and support workers working in areas such as domiciliary and residential care. Importantly we need to ensure that unpaid carers are also recognised, valued and included as part of the workforce planning.

64. The workforce is the key to developing a truly integrated health and social care system. As such, long term workforce planning needs to take account of the system that we are aiming to create and should encompass the whole health and social care workforce across the public, independent and third sector. There is a pressing and increasing need to develop a workforce in both health and social care with the skills mix required to work effectively within multi-disciplinary teams and this therefore needs to be built into the education and training of health and social care professionals, including more integrated training opportunities.

65. This is a huge challenge. We need to anticipate our future workforce needs and develop realistic plans that will enable us to develop sustainable numbers. A recent Nuffield Trust report\(^\text{17}\) recognises that large scale workforce redesign is difficult and requires commitment from national policy makers and local leaders. For our part, local government and the NHS need to invest the time and resources that are needed to develop a workforce with the right skills and a collaborative, prevention and citizen focused culture.

\(^\text{17}\) C Imison, S Castle-Clarke & R Watson, 2016, Reshaping the Workforce to deliver the care patients need, Nuffield Trust
We need to engage our staff and trade unions in designing, planning and delivering the changes needed.

66. Starting with our school children, we need to enthuse and educate our young people to encourage them to pursue careers in both social care and health, widening access to these careers from within our communities. Enabling and facilitating career development and flexible learning within the health and social care environment also provides for greater stability within our services and ensures robust connections with the populations we support.

67. We need to develop the current workforce at all grades, by extending the skills of registered professionals, training advanced practitioners and developing non-medical health and social care staff. Support workers provide vital, quality, patient focused care to individuals at home, in the community and in secondary care and further investment in non-medical staff can reduce pressure on qualified staff and provide a valuable route to professional qualification to those without academic qualifications.

68. We also need to train and develop the current workforce to ensure they are comfortable and capable of making the most of new technologies in meeting outcomes for individuals and increasing efficiency.

69. Designing, planning and providing seamless health and social care services in partnership with individuals and focused on their needs will require practitioners across health and social care to work together more closely. We believe this would be facilitated by the development of a joint workforce strategy, supported by a review of workforce policies, employment models and conditions across the two sectors to identify barriers to integrated working and opportunities to develop greater synergy and parity between health and social care workforces. New integrated models of care are being developed across Wales and local government is committed to increasing the pace and scale of this work and as a system to learning from good practice as it develops.

70. Beyond the health and social care workforce we also believe there are opportunities to develop the skills of other occupations to help support the wellbeing of the Welsh population. Individuals who work in local communities: the postal worker; the teacher; the fire fighter; the dentist; the charity volunteer; and the shop assistant, could all play an active role in supporting individuals and communities to stay healthy and connected.

What do you see as barriers to improvement and how could these be overcome?

71. Our response has already highlighted some of the considerable financial and demand pressures being faced by public services, as well as some of the evidence that has been presented about the size of investment required in both health and social services to meet future demand. Even with this investment the demographic trajectory combined with medical and pharmaceutical developments will lead the health and social care sector to continue to need substantial ongoing financial support, which is likely to involve further disinvestment in other public services. We recognise and welcome the relative protection that has been provided to local government and social care, which is in stark contrast to the approach taken by the UK Government. We also appreciate Welsh Government themselves, even with the introduction of income tax raising powers, are limited by the settlement they receive from Whitehall in terms of being able to provide the additional funding required. But we cannot simply ignore the reality of the problem.
Many public sector leaders – politicians and policy makers – already recognise that the current funding model is no longer fit for purpose. It was designed in the post war era when the birth rate was falling and the world was a very different place. While we would all champion a free health and social care system for all, those in positions of responsibility need to be honest with the public about what that could mean in the future. Especially if we don't succeed in securing the shared ownership and changed behaviours from the public.

There is a need to consider alternative funding models for the health and social care sector. Some of the options may be unpalatable, such as increasing taxes while others may be more acceptable to the public, such as paying for specific services or rationing others. Either way we need to stimulate the debate and ensure the public understands the choices available to them. The language needs to shift from an over concentration on waiting lists and eligibility thresholds. There is a need to reduce the levels of bureaucracy and avoid duplication across health and social care, with Welsh Government support to look at identifying, developing and reinforcing shared responsibilities.

The old adage "failing to plan is planning to fail" is very relevant to this debate. If we do not plan for the resources we know that we need in the coming years we will be left with failing services, longer waiting times, poorer patient outcomes and no funding available for discretionary services.

We therefore invite the Parliamentary Review panel to work with the WLGA to explore how we can make better use of existing resources, but importantly how additional funding could be made available for the health and social care system in the medium term to long term and the options for how this could be financed, other than from the Welsh block grant.

Some Examples of Good Practice:

**Cylch Caron Project, Ceredigion**
The Cylch Caron development is an Integrated Resource Centre which will bring together health, housing and social care on one site and will replace the existing Tregaron Community Hospital, Bryntirion Residential Home and GP Surgery.

The Cylch Caron project is building on the existing resilience and commitment to caring for people in the Cylch Caron community, the project will create an innovative rural model of community based care to meet care, health and housing need in the area.

The centre will house a range of services, including a GP surgery, community pharmacy, outpatient clinics, community nursing services, long-term nursing care and day care.

There are also plans for 34 flats for people who require extra care and support to remain in their own homes and six integrated health and social care places for people who no longer need to stay in hospital but require more support before they return home.

**Raglan Project, Monmouthshire**
This project was developed by Monmouthshire CBC to replace its existing homecare service. The service started supporting people living with dementia in the rural community of Raglan. The service has moved away from the traditional focus on tasks to be performed at specific times to
one which gives staff autonomy to support the choices of the person. Each staff team member is full time salaried and employed as part of a team to work flexibly across a service area. The team is made up of 5 staff who cover for each other. The time spent and activities undertaken are discussed daily with the person and their family and respond to how they feel. This delivers a more flexible service which is appreciated by the people receiving support.

Trem Y Mor, Bridgend
The primary purpose of Trem Y Mor was initially as a common base for the Community Resource Team as a whole. However over time it has evolved as a Resource Centre for health and wellbeing in a wider sense whilst remaining a staff base. It now includes for example a telecare demonstration centre, kitchen / bathroom assessment spaces, and a sensory impairment enablement service.

The services bring health, social care and the voluntary sector together to ensure residents get timely advice and support to remain as independent as possible in their own homes, rather than having to make unnecessary trips to hospital.

The team in Trem Y Mor includes staff from reablement, physiotherapy, nursing, social work and occupational therapy teams

Following ICF investment health and social care staff are able to visit people in their own homes to provide the treatment and support they need, which is resulting in fewer unnecessary and unsettling hospital admissions. Treatments ordinarily administered in hospital, such as a course of intravenous antibiotics, can now be given in a patient’s own home.

Receiving treatment in the comfort of their own home not only helps them to retain their independence but also enables them to recover more quickly. It’s boosting the health and wellbeing of its recipients whilst ensuring more secondary care beds are available for those who really need them.

Single Point of Access, Cardiff
The Single Point of Access is a telephone-based Customer Contact Centre providing the mechanism for integrating locality social care and community health services to create a first point of contact for Health and Social Services across Cardiff and the Vale of Glamorgan. It aims to ensure that all service users are directed to the right service first time utilising agreed protocols for accurate signposting, clinical triage and initial assessment of all new cases.

It offers a single point of access through which referrals can be received and managed for particular services. This enables referrals to be received and allocated effectively, reducing duplicate referrals to multiple services and ensuring that citizens are directed to appropriate, co-ordinated services which are fit for their needs.

It brings together staff from a variety of disciplines across health, social care and the third sector and enabling them to work together to assist service users with complex needs. Specific cases are identified and co-ordinated at a local level with the aim of sustaining individuals safely at home for as long as possible.

Community Agents, Wrexham
Community Agents are paid staff who work with older people, people with a learning or physical disability, and their carers, providing easy access to a wide range of information that will enable them to make informed choices about their present and future needs.
Community Agents aim to enable older people to feel more independent, secure, and cared for, and to have a better quality of life. They support people living in areas of Wrexham, bridging the gap between the local community and the statutory or voluntary organisations and are able to offer help and support.

The scheme works because Agents live close to/ in the communities in which they work. Consequently, they know the villages and their people well. Agents provide an overview of services available in the county and offer help to access them. They help in myriads of other ways too – thus winning the trust of those they help and enabling particularly older people to stay independent for longer.

Community Agents work with communities to understand local need and unmet need. They are able to apply for funding, including seed-funding from social care in order to develop low-level activities / groups to meet that need.

**Personal Outcomes**

The Social Services and Well-being (Wales) Act places a focus on ‘well-being’ and the way in which services can support individuals, their carer’s and their families when they are in need of help. The focus is upon helping them consider the most important elements of their life and to achieve *what matters* to them; skilled staff help people describe their own outcomes; and where they are clearly linked, outcomes which impact on family and friends and help them to work together in a shared plan of action.

The Social Services Improvement Agency (SSIA) was asked by WG to test the feasibility of recording and reporting on personal outcomes in social services interventions. SSIA identified a creative link with emerging ideas in social work practice about how to have very different conversations with people, achieving real engagement in working towards agreed goals.

A methodology both for working with people and recording outcomes was developed, drawing on the best practice evidence from Wales and the rest of the UK and this was thoroughly tested-out with 7 Councils over eighteen months. It confirmed that:

– these conversations moved right away from a process-driven assessment for eligibility for a service
– they achieved, at their best, a real sense of co-production with the citizen
– they focussed on peoples' strengths and not their deficits, and so identified what might be achieved not just what services were necessary

However, staff needed to be equipped with different skills if they were to engage effectively in these new conversations and to measure progress.

Training in collaborative communication skills has now been offered and accepted by every Council, followed up with mentoring support.

This higher quality of engagement with citizens can only be sustained and embedded if there is whole-system change to underpin it, from management and partner agencies, in IT systems, from regulators and inspectors.

**Dewis Cymru**

The Social Services Improvement Agency (SSIA), Data Unit Wales and the North Wales Single Point of Access (SPoA) programme group, working in partnership, have developed the Dewis Cymru information and advice website for citizens.
The Dewis Cymru website aims to help by providing quality information from a network of social care, health and third sector organisations across Wales. It is designed to give citizens the information they need to make choices and take control. Through Dewis Cymru, citizens have access to a range of information and resources in their area that can help them deal with the things that matter to them.

First and foremost, Dewis Cymru is intended to promote people’s well-being by making it easier for them to find out about how to improve their well-being, and the sources of advice and support which can help them. In doing so Dewis Cymru also helps local authorities to comply with the duty under the Social Services and Well Being Act to provide information, advice and assistance.
Appendix 1

WLGA Council
31st March 2017

Item 4

SOCIAL CARE PRESSURES AND SPRING BUDGET

Purpose

1. To update Members on the latest on the latest position in relation to social care pressures and the Chancellor’s Spring Budget.

Social Care Pressures

2. Increasing demand pressures faced by local authorities are largely as a result of demographic changes and are most acute in the larger budget areas of social services and education. Population projections estimate that by 2035, the number of people aged over 65 living in Wales will increase by 35%. The largest increase will be in the number of people aged over 85 which is forecast to rise by 113% according to the Institute of Public Care’s Daffodil system. A number of authorities are also reporting a big spike in the number of looked after children due to increased referrals and court judgements.

3. The work undertaken for Wales Public Services (WPS) 2025 on Future Pressures demonstrates that pressures in social services budgets drive around 2.9% growth each year, which is around £43m annually up to 2019-20. This includes increases in Looked After Children as well as the elderly population. For Adult Social Care, a report commissioned by the Welsh Government from LE Wales, Future of Paying for Social Care, came up with a similar figure.

4. In our most recent submission to the Finance Committee’s inquiry on the Welsh Government’s Draft Budget Proposals 2017-18, we estimate inflation for the whole of social services running at close to 6% over the next few years: at £92m, £87m and £88m for 2017-18, 2018-19 and 2019-20. Demographic pressures (£44m) remain the largest driver of social care funding pressures but the impact of pay and price inflation, especially the National Living Wage, is not insignificant.

5. Both the additional £25m funding for social services announced for 2017/18 and the £10m announced to help meet the extra costs associated with the introduction of the national living wage have been welcomed. However, this will cover just over a third of the expected increases in costs and demand facing social services and it could be argued that the £25m was already part of the existing funding envelope.

6. The recent Health Foundation report The path to sustainability: Funding projections for the NHS in Wales to 2019-20 and 2030-31, recognises that the health of the population depends on far more than just the quality of health care services. Key determinants of health are largely outside the control of health services and so the quality of, and spending on, social care has one of the strongest impacts on the demand for health care.
7. The report found that, the quality of social care and the resources invested have a significant impact on the demand for health services. It was estimated that pressures on adult social care alone will rise by around 4.1% a year between 2015 and 2030/31, due to demography, chronic conditions and rising costs. This will require the budget to almost double to £2.3bn by 2030/31 to match demand, as shown in the graph below.

8. Wales Public Services 2025 have since produced a report *A delicate balance? Health and Social Care spending in Wales* focused on the difficulties local authorities are having keeping pace with spending. The report complements the findings from the Health Foundation analysis, recognising the twin challenges of financial and demand pressures faced by health and social care in Wales.

9. The report identifies that spending on social care for the over 65’s is not keeping pace with the growth in the population of older people. The increasing over-65 population in Wales means that whilst day-to-day spending on local authority-organised adult social services has remained broadly flat in real terms, spending per older person has fallen by nearly 13% in real terms over the last five years in Wales, inevitably leading to impacts on services for older people. Spending per head would have to increase by at least £134 million (24%) between 2015-16 and 2020-21 to return to the equivalent level of spending in 2009-10, which amounts to a 3.7% year-on-year increase.

10. In addition to the demographic pressures suggested by these national reports local authorities continue to highlight specific challenges being faced by both Adult and Children’s Services which collectively add significant additional financial pressures. A survey has been undertaken of WLGA members and will be reported fully after the elections but there are some common issues emerging:

**Increases in the number of Looked After Children** – A number of authorities are reporting substantial increases in the number of looked after children in their care which continues to place significant pressures on budgets. Additional pressures are seen around increases in cost for foster placements due to increased demand and increases to the national minimum allowance for foster carer’s. Work is being undertaken to develop a National Fostering Framework in response to some of these challenges and local
authorities continue to look at different ways of mitigating these additional costs including the use of reserves and additional funding to support the development of preventative ‘Edge of Care’ Teams.

**Price pressures associated with National Minimum Wage increases** – this leads to upward price inflation to areas including residential / nursing home rates, domiciliary care rates and supported living rates. This pressure will continue to increase over the medium term. Whilst the additional £10m will help, there is still likely to be a significant shortfall which will add to the uncertainty already being experienced across the market for social care provision.

**Pressures associated with changes to the Social Service Charging Framework:**
- One local authority for example is anticipating a pressure of £100k associated with respite placements.
- Despite additional funding included in the WG settlement to meet changes in the residential care capital threshold some local authorities are forecasting potential shortfalls, which will increase as the capital limit rises in future years. One local authority is forecasting a potential shortfall of £175k for 2017-18.

**Changes to Deprivation of Liberty Safeguards (DoLS) following the Cheshire West Judgement** – This has resulted in a significant increase in the number of DoLS assessments required of people living in care homes and in the community. The settlement included £184k to cover this additional responsibility, however some authorities have identified that this is insufficient to meet the additional costs.

**Supreme Court decision on Funded Nursing Care costs** – Relates to the issue of who (health or social services) should pay for the cost of a registered nurse in a care home when those nurses are not providing healthcare 100% of their time. The Court ruling is due to be announced at the end of April, which may result in the requirement to fund going forward along with potential back pay. One local authority has estimated this could result in an additional budget pressure in their budget of £160k per year.

**Spring Budget**

11. The last Spring Budget was announced by the Chancellor on the 8 March. It was described by the Institute of Fiscal Studies as one of the “smallest....in pretty much every dimension – number of policies, scale of policies and size of fiscal impact”. There will be another Budget in November which will be the beginning of having one single fiscal event a year.

12. There were only two tax changes of any substance: the increase to self-employed or Class 4 NICs and the reduction in the tax-free allowance for dividend payments. The former was designed to shore up the tax base and create a slightly less unequal playing field. A week later both the Chancellor and the Prime Minister announced that they had decided not to proceed with the Class 4 NIC measure.

13. On the public finances the OBR made by far its biggest ever revision to forecasts between Autumn and Spring for the current financial year. In November, it thought we would be borrowing £68 billion this year and it now thinks we will be borrowing just £52 billion. However, for future years we remain on course to be borrowing about £20 billion in 2020 (£30 billion more than intended a year ago). That leaves a considerable amount of work to do in the next parliament to get to the planned budget balance. As Paul Johnston form the Institute of Fiscal Studies said: “It looks like being, I’m afraid, a third
parliament of austerity.”

14. The only substantive spending announcement was for more money for social care in England. Our On-the-day briefing on the budget announcement identified this as the largest factor leading to additional consequential for the Welsh Government revenue budget; estimated at an additional £150m over 3 years. There was also an additional £50m for capital.

15. Over a long period, the WLGA has consistently made the case for additional resources for social care. On the back of the budget announcement Cllr Huw David wrote to the Minister for Finance and Local Government at Annex I and a response is awaited. The WLGA will continue to highlight the financial pressures and potential impacts of underfunding to Welsh Government over the coming months, making a case for additional funding.

Recommendations

16. Members are asked to note and comment on the contents of the report.

Report cleared by:  
Cllr. Aaron Shotton  
Spokesperson for Finance & Resources

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Dear Mark,

Spring Budget

Following the announcement of the Spring Budget earlier this week we want to continue to make the case for additional social services funding in the future.

We have worked well together to protect, as far as has been possible, the levels of funding for social services and appreciate the lengths you have gone to protect these services from deeper cuts. On the same day as the Budget Announcement, Wales Public Services (WPS) 2025 published some analysis on Welsh NHS and Social Care spend. This showed social care spending in Wales has fallen 13%. One of the main conclusions of the WPS Report is that Wales would need to be spending at least an additional £134 million by 2020-21 to bring the per capita spend on local authority social services for over-65s back to 2009-10 levels.

The growth required to reach that is not far off the 4% that was identified by the Health Foundation last year. This rate of growth is higher than that expected for the NHS, as social care services are heavily concentrated on both the most elderly and the growing proportion of the population with learning disabilities.

We would reiterate the call that we made at the time of the Autumn Statement that any additional revenue consequentials be directed to social care. This would protect some of our most vulnerable people, the workers who care for them, and ultimately, mitigate further pressures on NHS budgets. More than ever, it makes political sense.

Thank you very much for your continued personal support and the support of Welsh Government for social services.

I have copied in the Minister for Social Services and Public Health, Rebecca Evans AM, and my colleagues at the WLGA.

Yours sincerely

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