



Our ref: MA/EM/3060/23

NHS Chairs

18 December 2023

Dear Colleagues,

### **NHS Wales Planning Framework 2024-2027**

I am writing to set out the statutory planning Directions for NHS organisations that clarify the requirements for the coming year. This will set the ambition and direction for your plans over the three-year period.

Integrated planning, rather than through the market, is the way that NHS services are delivered in Wales. The NHS (Wales) Act 2006, as amended by the NHS Finance (Wales) Act 2014, sets out requirements for NHS planning in Wales. Under the legislative framework, local health boards and NHS trusts, have a statutory duty to prepare a plan, which is submitted to and approved by the Welsh Ministers, and which sets out how their organisation will secure compliance with their financial break-even duties while improving the health of the people for whom they are responsible and the provision of healthcare to such people. To satisfy these duties, the boards of those organisations must submit a three year Integrated Medium Term Plan (IMTP) for my consideration.

This Framework is set in the most challenging circumstances that the NHS has had to deal with since its inception. This is primarily as a result of the legacy from covid and Brexit, the challenging financial outlook and the wider system pressures on workforce and the cost-of-living position. Given the unprecedented challenges, operational, workforce, demand and financial pressures, it is crucial that our resources are optimised to deliver the best care and treatment for the people of Wales. Organisational plans will set out the improvements to be made to services and their future sustainability within the resources available to reduce inequalities and to improve the health outcomes of the populations you serve.

The Well-being of Future Generations (Wales) Act 2015 set in law the need to consider the long-term strategic approach to deliver a better future. This was underpinned by 'A Healthier Wales', and which remains the vision and long-term plan for health and social care in Wales. I have asked for the actions in A Healthier Wales to be reviewed and refreshed to ensure that they reflect the current and expected challenges over the coming years. This work will be undertaken over the coming months. Following the refresh of the A Healthier Wales actions, your plans will be assessed and aggregated into a national picture to determine how far they go in delivering that vision. Clarity of delivery commitments within your plans is therefore vital.

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

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

Improving population health outcomes continues to drive our strategic planning ambitions. We must understand the impact of the burden of disease modelling and the opportunities this provides to plan our services. The recent Senedd debate on the Chief Scientific Adviser's report – NHS in 10+ years – recognises the pressures the system will face as almost a fifth of the Welsh population will be aged 70 or above, those with diabetes could rise by almost 22% and the number of people suffering four or more chronic conditions could double. This shows that wherever possible a focus on prevention should be taken to stabilise the NHS to reduce acute demand for both the medium and the longer term. This includes initiatives such as weight management and diabetes that will support health outcomes and reduce pressure on health services over time.

To do this, it is essential that we make prudent use of our resources through quality and value-based approaches that ensure that there is a reduction in waste, harm and unwarranted variation. There are already excellent examples in terms of diabetes and cardiac through the Welsh Value in Health programme that must be drawn on to consistently implement high value interventions and reduce those that are of lower value, while delivering best outcomes for patients.

In this financial year you will know the significant work that was undertaken in-year to identify and allocate more funding to the NHS, reduce deficits and the delivery expectation I have set for target control totals by Health Board. Progress is being made by a number of organisations with further work required to deliver the control totals set. Next year's financial outlook remains very challenging, and my expectation is that the actions delivered this year are maintained on a recurrent basis, before identifying the further improvements that must be made in efficiency and savings for 2024-25.

The allocation and budgetary framework for the NHS will be issued once the Welsh Government draft budget is issued on the 19 December, and it is crucial that NHS organisations make further progress towards financial sustainability.

Plans must take advantage of transformation, innovation and digital opportunities in designing services and treatment pathways. Digital developments are essential to transforming efficiency, access and care, for example, through an ambition to have a paperless NHS. Digital transformation will also ensure the quality and safety of patients. All these elements will support preventative work and make a difference to stabilise the system in the short term as well as help mitigate some of the unrelenting pressures on services.

Primary and community care sees around 90% of the patients in contact with the NHS in Wales. A Healthier Wales made clear that shifting resources and making sure that more patients can be seen, diagnosed and treated in the community was key to long term improvements in health. Helping people to stay well at home will rely heavily on genuine collaboration and partnership across the health, social care and third sectors. If we are to see transformational change in our health and care services, to make it fit for the next 75 years, we need to make that change a reality. I want to see organisations embracing the plans coming forward from the Accelerated Cluster Developments and the Regional Partnership Boards; showing primary and community care as a bedrock of the IMTPs and progressing the cross programme work to develop a consistent Enhanced Community Care model for Wales.

It is clear that the ongoing pressures are having a disproportionate impact on children and young people as well as exacerbating health inequalities. Attention must be given to the quality and levels of services to ensure that women and children, and other sections of the communities in Wales, are not disadvantaged in accessing care and treatment. Attention must be given to reducing health inequalities experienced by sectors of our communities.

Reductions in some health inequalities can be achieved by identifying gaps in health service provision, considering areas of best practice and developing actions to address these gaps. Equitable access to all services remains at the centre of the values of the NHS in Wales and even more so when the impact can have a disproportionate effect during the 'cost of living' crisis. I encourage you to take account of these areas in your planning.

The national programmes will continue to support the delivery of services that make the most of the finite resources available. They must not drive costs but reinforce best practice through quality, efficiency, and patient experience. The National Programme areas remain:

- Enhanced Care in the Community, with a focus on reducing delayed pathways of care.
- Primary and Community Care, with a focus on improving access and shifting resources into primary and community care.
- Urgent and Emergency Care, with a focus on delivery of the 6 goals programme.
- Planned Care and Cancer, with a focus on reducing the longest waits.
- Mental Health, including CAMHS, with a focus on delivery of the national programme.

The accountability conditions for these programmes were issued in September and will provide continuity between 2023 and 2024 plans.

To provide guidance and support the Value and Sustainability Board, chaired by Judith Paget, has agreed five workstreams to maximise resource utilisation across the system. The thematic areas are:

- Workforce
- Medicines Management
- Continuing Health Care (CHC)/Funded Nursing Care (FNC)
- Procurement and non-pay, and
- Clinical Variation/Service Configuration

The Board has already issued a range of requirements in relation to low value interventions, prescribing and continuing health care that must be implemented to ensure a consistent approach across Wales. I want to see material progress made across all workstreams.

As part of the Value & Sustainability agenda I am clear in my expectation that for 2024-25 there must be a consistent and significant impact in the following areas on both a local and national basis, I will be asking my officials to focus on ensuring these are delivered, and progress on these areas will be a key feature of assessing organisations plans:

- Continued progress in reducing the reliance on high-cost agency staff.
- Ensuring strengthened 'Once for Wales' arrangements to key workforce enablers such as recruitment, and digital.
- Maximising opportunities for regional working.
- Redistributing resources to community and primary care where appropriate and maximising the opportunities offered by key policies such as Further Faster.
- Reducing unwarranted variation and low value interventions.
- Increasing administrative efficiency, to enable a reduction in administrative and management costs as a proportion of the spend base.

NHS Wales commands a major share of the Welsh Government's budget. It is therefore incumbent upon NHS organisations to ensure that the role as Anchor Institutions is fully exploited. I want to see NHS organisations demonstrate their contributions to the foundation economy, the climate change agenda, as well as supporting the wider Welsh Government goals; demonstrating the partnership and collaboration opportunities across sectors that comes with this responsibility.

As we strive to progress immediate operational delivery in this challenging environment, we must not lose sight of the future health improvements we aspire to. Applying the sustainable development principle (5 ways of working) consistently will allow us to reap the benefits of the Wellbeing of Future Generations (Wales) Act 2015. Complementing this groundbreaking legislation are two other recent key Acts - the [Health and Social Care \(Quality and Engagement\) \(Wales\) Act 2020](#) and the [Social Partnership and Public Procurement \(Wales\) Act 2023](#), from which further provisions will come into force in April 2024. These provide a context for how NHS organisations should work collaboratively with an unrelenting consideration of quality in all that is done, to deliver the best NHS care consistently across Wales. April 2024 will also see the establishment of the new NHS Wales Joint Commissioning Committee, which will streamline the commissioning landscape.

Judith Paget, NHS Chief Executive, will write to you imminently setting out the process and governance that will underpin your submissions. NHS plans will continue to form a strong foundation for NHS Chief Executive and Chairs' objectives and will be central to our discussions throughout the year.

Finally, my personal thanks go out to all NHS staff for the commitment and care they demonstrate every day that make a difference to patients in Wales. I know you will agree, that we owe it to them to ensure our collective ambitions for improvement in outcomes will be realised.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

**Eluned Morgan AS/MS**

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

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/  
Prif Weithredwr GIG Cymru  
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/  
NHS Wales Chief Executive  
Health and Social Services Group



Llywodraeth Cymru  
Welsh Government

To Chief Executives  
NHS Wales

18 December 2023

Dear colleagues

### **NHS Wales Planning Framework 2024-27**

I am writing to confirm the process and governance arrangements for NHS organisations following the Minister's letter communicating the NHS Planning Framework for 2024-27. In addition, to the challenge and context set out by the Minister, this is a critical milestone for organisations to consolidate plans and ensure we collectively progress our sustainability agenda and the delivery of 'A Healthier Wales' more broadly.

All health boards and NHS Trusts have a statutory duty to produce an Integrated Medium-Term Plan (IMTP) that sets out how they will secure compliance with their break-even duty over a rolling three-year period, while improving the health of the people for whom they are responsible and the provision of healthcare to such people. In support of this, I recognise that planning for the longer term helps organisations to align to their strategic objectives and provide a strong sense of direction for staff to work cohesively. This will supplement the Planning Framework.

Officials are working up more detailed expectations for some NHS organisations such as the mandate letter for Public Health Wales, recognising their more specialist roles in the system, and further advice will follow on these early in the New Year. This will supplement the Planning Framework.

IMTPs will need to follow the familiar formula for the three-year plans with 'Firm, Indicative and Outline' levels of detail and a clear progression over time. Submissions should therefore include a narrative three-year plan, and the jointly agreed templates. This must align to the Minimum Data Set (MDS) which also complements the plans. The narrative three-year plan should set out what has been delivered, what has been progressed and what was unable to be delivered from the previous submission. Year one of your plans must contain a level of detail that provides clarity on milestones, actions and projections that set the ambition for operational delivery and management of risk for the year ahead, along with financial sustainability.

I also want to draw your attention to quality, prevention, health inequity, and particularly how these elements impact children and young people. I am keen to see evidence of the approaches being taken across these areas set out in the narrative three-year plans. Quality and equity are important threads running through all service and care provision that organisations will want to demonstrate. Your Anti Racism Action Plans should continue to address employment and service delivery as a specific part of your wider approach to equality, inclusion and diversity. The Duty of Quality in particular places a requirement on all of us, as individuals and organisations, and we must take into account the 12 Health and Care Quality Standards when making decisions and planning services. This framing will also be used in the assessment of plans. Children's access to specific and universal care and services must be considered more carefully to ensure that they receive timely and appropriate care and that all preventative actions are taken to optimise future health outcomes.

## **Financial Planning**

The financial challenges being faced at the beginning of this financial year were significant and the level of financial deficit being carried by the NHS in Wales genuinely unprecedented. Through our actions across the system in this financial year more funding has been secured for the NHS on a recurrent basis, progress is being made on actions to reduce deficits, and target control totals have been set by Health Board. You will be aware that the recurrent element of those in-year allocations are contingent on progress towards target control totals. The detail of the allocation and budgetary framework for the NHS for 2024/25 will follow once the draft budget for Welsh Government has been set. All plans will need to demonstrate how they can go further in reducing deficits and ensuring financial sustainability.

Continued scrutiny, nationally and locally, on financial management is central to understanding the progress of organisations in driving down financial risk. Please ensure that there are mechanisms in place to constantly align and understand the impact of any financial or workforce decisions on the delivery of plans.

The challenges of the financial outlook are well understood and therefore maximising all opportunities for transformation, utilising new technologies that create efficiency and improved patient experience must be delivered. The rollout of digital solutions is clearly part of our future service provision and must be accelerated where it is possible to do so within available resources. I will be ensuring the Value & Sustainability Board agenda nationally continues with the good progress we are making and focusses on the additional priorities set out by the Minister. Organisations must develop plans locally that deliver on these requirements.

## **Integrated arrangements**

The Performance Framework will be issued in due course and will reflect a broad range of key performance information that complements the Minimum Data Set (MDS), that you will provide alongside your narrative three-year plans.

The Minister will require templates for the commitments, aligned to your plans to accompany the submission, and these should focus on areas of risk.

NHS plans must continue to be underpinned by collaboration across health board and public sector boundaries and for example ensure they are aligned to both Accelerated Cluster Development plans (ACD) and Regional Partnership Board (RPB) plans.

## **2024 Developments**

It is important to note that there are a number of ongoing and new developments that will influence plans next year. The Accountability Review that the Minister has requested; the review of *A Healthier Wales* actions; the emergence of the new NHS Wales Joint Commissioning Committee; the continued work of Value and Sustainability Board that I Chair; and the phase two of the NHS Executive will be implemented. Planning will need to be agile and dynamic and continue to respond and adapt to the changing environment. This is the forte of the NHS and I know you will demonstrate the leadership and innovation that will deliver the stability needed.

There are new legislative requirements that impact in 2024 and will require action by NHS organisations:

Social Partnership and Public Procurement (Wales) Act 2023 – complements the Wellbeing of Future Generations (Wales) Act 2015 and will require NHS bodies to refresh their wellbeing goals in light of the new requirements. The NHS is already a leader in social partnership and procurement and much of the legislation will already be familiar. The link to key information is attached [Social Partnership and Public Procurement \(Wales\) Act | GOV.WALES](#)

The Health Service Procurement (Wales) Bill is intended to gain royal assent in December 2023 and for associated regulations and statutory guidance to be laid in summer 2024. This legislation will give organisations such as the NHS and local authorities the ability to implement more flexible procurement practices when sourcing services provided as part of the health service in Wales. [Health Service Procurement \(Wales\) Bill \(senedd.wales\)](#)

The Duty of Quality and Duty of Candour came into effect this April. It is incumbent on all of us to ensure we are delivering safe quality services. We need to keep in mind the 12 'Health and Care Quality Standards'. Similarly, the series of Quality Statements that have been issued by Welsh Government, offer strong guiding principles on what 'good services' should aspire to, and boards must satisfy themselves that they have achieved the right balance in their planning.

## **Timetable for submission**

The plan submission is due by 29 March 2024. Welsh Government will support early assessment and decisions on plans to help ensure that there is no pause in the delivery of key priority areas. Accountability conditions and escalation status already in place will remain extant until any further communication is made.

Chief Executives will be required to submit an Accountable Officer letter to me by 16 February 2024 if their organisation is unable to produce a balanced IMTP. It will be clear at this point whether the organisation will have breached its statutory duty which may lead to further required actions and potentially escalation.

The escalation status of your organisation, that has been confirmed recently, and specifically alignment with any de-escalation criteria (where applicable) will need to be

reflected in your plans. Colleagues within the NHS Executive should support your actions where appropriate.

**By 16 February 2024 - Accountable Officer letter (if appropriate)**

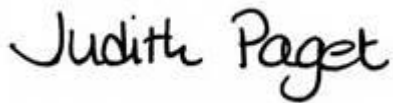
**By 29 March 2024 – Plan, Ministerial templates and MDS submission, including the financial templates.** Earlier submissions will be welcomed.

Given the challenges with the planning process in 2023/24, there is an increased expectation that plans received will be strengthened and bring clarity to the delivery requirements set. Any plans that do not meet these requirements on review will be subject to immediate escalation and assessment of the options and choices required to deliver the necessary improvements.

Thank you for your leadership and support for these crucial strategic and operational planning arrangements. A secure planned system is essential to deliver the improvements we all want to see, and I look forward to receiving your plans in March.

If you have any questions, please contact Samia Edmonds, Director of Planning who will provide further details if required and will continue to liaise with NHS Directors of Planning.

Yours sincerely

A handwritten signature in black ink that reads "Judith Paget". The signature is written in a cursive, slightly slanted style.

**Judith Paget**

Cc:  
Directors of Planning  
Director of Finance