



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 January 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Update on Development of the 2024/25 Plan
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Executive Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Dr Daniel Warm, Head of Planning Shaun Ayres, Deputy Director of Operational Planning and Commissioning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

This report provides an update on the approach to developing the 2024/25 Plan, including the Welsh Government planning framework and Health Board allocations both received since the last Board update.

Cefndir / Background

Health Boards in Wales are required to produce a Board-approved Integrated Medium-Term Plan (IMTP) and submit to the Welsh Government for approval. The IMTP should articulate the organisation's response to the Welsh Government Planning Framework and how we will deliver Ministerial priorities and wider objectives within the financial allocation provided. A statutory requirement is that the IMTP must be financially balanced over the three-year period.

To date, the Health Board has not been in a position to produce an approvable IMTP, primarily due to the financial deficit. In lieu of an IMTP, the Health Board has produced annual plans and, at this stage, the assumption is the 2024/25 plan will also need to be an annual plan; albeit the ambition remains to develop an approvable and financially-balanced IMTP at the earliest opportunity.

The Annual Plan aims to set out the key actions and ambitions for the Health Board for the forthcoming financial year in order to provide services whilst responding to operational, workforce and financial pressures and making progress towards our Strategic Objectives. The key elements of our plan will therefore include (but not be restricted to):

- Delivery of the ministerial priorities and other key performance and quality improvements
- Delivery of our financial plan and wider progress towards enhancing value and sustainability
- Progression towards our Strategic Objectives through our Planning Objectives

Asesiad / Assessment

Since the last update to Board, the Health Board has received communication from Welsh Government on the planning framework for 2024-27 and the financial allocation for 2024-25. These provide important direction and parameters for the plan development.

Planning Framework

The Planning Framework produced by Welsh Government, which provides the context and scope of the Plan, was released on 18 December 2023 (Appendices 1 and 2). Whilst the framework is wide-ranging, the Minister reinforces that 'A Healthier Wales' remains the vision and that 'plans will be assessed and aggregated into a national picture to determine how far they go in delivering that vision'. The letters highlight population health, prevention and health inequity, in particular how these elements impact children and young people; quality and value-based approaches; financial sustainability and primary and community care.

The national programme areas will remain to support the best-practice delivery of services:

- Enhancing 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

Templates are required for commitments aligned to the national programmes, detailing milestones, actions and risks, etc.

Financial Outlook 2024/25

The key points for Board from the communications on the Planning Framework and Health Board allocations are:

- The Health Board allocations for 2024/25 reflect what has been a very difficult financial year in 2023/24 and the outcome of a challenging budget process for Welsh Government for 2024-25, given both the wider financial outlook for public finances and reduction in the Welsh Government budget in real terms.
- The overall Welsh Government budget for 2024-25 has prioritised the pressures facing the health service and consequently the NHS is set to receive an uplift of 3.67%, a substantial increase compared to the 1% outlined in the Autumn Statement. Despite this increase, the NHS faces significant challenges in achieving financial balance and consequently the funding settlement is primarily focused on supporting sustainability and addressing unavoidable demands and inflationary pressures, rather than facilitating new investments.
- Notably, Welsh Government has indicated that in situations where the agreed financial plans are not met, immediate short-term turn-around actions may be enforced. Priority will be given to core frontline services, with an intensified scrutiny on non-core services, coupled with efforts to enhance management and administrative efficiency.
- Welsh Government has also highlighted an increased emphasis on Value and Sustainability, which aims to provide a national focus on specific actions. These actions include reducing variation, lowering agency costs, increasing administrative efficiency, implementing once for Wales approaches and supporting local plans.

Development of Plan

As noted in the last Board update, development of the Plan will be coordinated through the new Planning Steering Group on behalf of the Executive Team, and overseen by the Strategic Development and Operational Delivery Committee. As part of this work, the Group will seek to ensure plans suitably respond to the Planning Framework, in particular the Minister's priorities.

Given the need to ensure appropriate input into the Plan, a supporting pack has been collated and circulated to key leads throughout the Health Board, these include:

- Integrated Planning Process and Template
- Welsh Government Framework
- Planning Objectives
- Financial Envelope
- Workforce Assumptions

The Health Board has developed an Integrated Planning Approach for the 2024/25 Plan, as detailed in Appendix 3, which aims to align planning to produce a single, cohesive operational plan. This integrated method embeds savings directly into operational plans, thus contributing simultaneously to financial recovery and enhanced service quality. Our approach, designed to be thorough and comprehensive, aims to avoid fragmented planning and ensure optimal use of resources – time, money, and workforce. This unified method also fosters clear communication within our teams and across our stakeholders.

Key Principles:

In the development of plans, Directorates have been asked to work to the following principles:

- **Resource Management:** In line with the significant Health Board deficit, Directorate plans must work within existing resources while targeting a reduction of budgets by the greater of either 5% from 2023/24 budgets, or 50% of a Directorate's deficit opportunities. It is recognised this is a significant ask of the organisation, and will need to be developed iteratively. The first draft of plans is expected to incorporate at least 1.5% of the mandated 5% savings target.
- **Plan Integration:** Building on the approach adopted in Summer 2023 for the Annual Plan Recovery (phases 1 and 2), there is a need to ensure that Directorate plans are focused on the triangulation of financial, workforce and performance for clarity and efficiency within the operational plan.
- **Workforce Realities:** All plans should be predicated on current workforce levels. Therefore, no additional staffing should be assumed, unless expressly agreed with Workforce. There may be examples where the Directorate has agreed with Workforce specific deployment of Internationally Educated Nurses, Newly Qualified Professionals, etc, including Allied Health Professionals. However, to avoid confusion, the operational plans should only include workforce additionality if the financial envelope permits, and Workforce are in agreement. Finally, there is a clear expectation that, in line with the work to date and Welsh Government expectations, the Health Board will reduce variable pay expenditure and plan on a substantive basis.
- **Demand and Capacity:** Assessing and aligning capacity with expected demands. This is meant to be a factual representation of the demand profile and, based on the points above, what level of capacity the Directorates anticipate within the confines of both the financial

and workforce envelopes set. It is expected that any gap between demand and capacity is clearly articulated, including the likely impact on performance.

- **Ministerial Priorities:** Whilst there will be a clear expectation from Welsh Government around the Ministerial Priorities, the intention of the planning process is that operational plans and performance trajectories are developed within the current resources, as set out above. This may, of course, lead to some choices for the Board.

Planning Objectives:

The Planning Objectives will again be a critical component of the 2024/25 plan as they:

1. Define essential short-term objectives to improve services and progress towards strategic goals
2. Clarify organisational priorities and alignment to the WG Planning Framework
3. Establish key work programmes, including governance, leadership, deliverables, resources, risks, and enablers
4. Enable the Board and its Committees to assess and measure progress in line with the Board Assurance Framework

The intention for 2024/25 is to further consolidate Planning Objectives (POs) to provide a focused set of organisational priorities and programmes of change. At a Board development session on 14 December 2023, the Planning Objectives for 2024/25 were considered and, following that discussion, the draft themes for the POs are as follows:

- PO 1: *Workforce stabilisation*
- PO 2: *Financial recovery and roadmap*
- PO 3: *Transforming urgent and emergency care*
- PO 4: *Planned care (incl. cancer, diagnostics and therapies performance)*
- PO 5: *Mental health and CAHMS*
- PO 6: *Clinical services plan*
- PO 7: *Primary care and community strategic plan*
- PO 8: *A Healthier Mid and West Wales infrastructure*
- PO 9: *Digital strategic plan*
- PO 10: *Population Health (incl. social model)*

Subject to Board endorsement, these will be further refined over the coming weeks, to include the specific intentions and key deliverables for each PO, for further discussion at the February 2024 Board Seminar.

Alongside the development of the Planning Objectives, a significant piece of work has been undertaken on the organisation's risk appetite. This will be an important contribution to the plan development overall, providing guidance on the level and type of risk that the organisation is willing to pursue or retain in order to achieve its objectives. The next step is to apply the Risk Appetite Statement to each Planning Objective to provide a clear framework for programme design and decision-making. This is particularly important in the context of the challenges the Health Board is facing, where decisions could have impacts on patient care and operational efficiency. The Planning Objectives and risk appetite can thus be used to guide the development of service delivery plans, ensuring they are not only ambitious and forward-looking, but also realistically achievable within the defined risk parameters.

Next Steps:

Following receipt of the Planning Framework, it is now confirmed that the Health Board’s Annual Plan will need to be submitted to Welsh Government by 29 March 2024. Key activities and milestones for Plan development within the Health Board are aligned to this, aiming for Board approval at the March 2024 Public Board meeting.

It is envisaged that the Strategic Development and Operational Delivery Committee (SDODC) and Sustainable Resources Committee (SRC) will receive detailed briefings on the draft Plan at their February 2024 meetings.

As indicated above, further Board discussion on the Annual Plan is scheduled for the February 2024 Board Seminar.

It should be noted that, if an organisation is unable to produce an IMTP, then an Accountable Officer letter must be submitted to Welsh Government by 16 February 2024.

Argymhelliad / Recommendation

- The Board is asked to:
- **APPROVE** the anticipated submission of the Annual Plan on 29 March 2024 following Board scrutiny, and the requirement to submit an Accountable Officer Letter by 16 February 2024
 - **CONSIDER** the Planning Framework and financial outlook and the implications for the development of the Health Board’s Plan
 - **NOTE** the approach for the production of the 2024/25 Plan
 - **NOTE** the progress made in developing the Planning Objective themes for 2024/25, recognising that these will be discussed further at the February 2024 Board Seminar meeting

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable

Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Not applicable
Rhestr Termau: Glossary of Terms:	Contained within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Executive Team Core Delivery Group Planning Steering Group Board Seminar

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	This is a key component in the delivery of the Integrated plan for the period 2023/24 and the development of the 2024/25 Plan
Ansawdd / Gofal Claf: Quality / Patient Care:	This is a key component in the delivery of the Integrated plan for the period 2023/24 and the development of the 2024/25 Plan
Gweithlu: Workforce:	This is a key component in the delivery of the Integrated plan for the period 2023/24 and the development of the 2024/25 Plan
Risg: Risk:	Risks will be assessed as part of the ongoing process of both the development of the 2023/24 Plan and its subsequent monitoring
Cyfreithiol: Legal:	As above
Enw Da: Reputational:	Hywel Dda University Health Board needs to meet the targets set in order to maintain a good reputation with Welsh Government, together with our stakeholders, including our staff
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Consideration of Equality legislation and impact is a fundamental part of the planning of service delivery changes and improvements.



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.

Bae Caerdydd • Cardiff Bay
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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 taking 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)

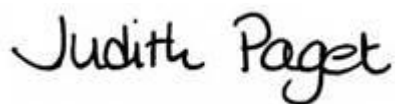
By 29 March 2024 – Plan, Ministerial templates and MDS submission, including the financial templates. Earlier submissions will be welcomed.

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 script is cursive and fluid, with the first name and last name clearly distinguishable.

Judith Paget CBE

cc: Directors of Planning
Director of Finance

2024/25 INTEGRATED ANNUAL PLANNING PROCESS





Objectives:

Aligning with financial constraints and workforce stability to ensure sustainable planning; which is underpinned with clear operational delivery plans

Key Principles:

- **Resource Management:** Adhering to existing resources with a focus on reducing expenditure by 3% of the Directorates 2023/24 budget. Further, it should be noted, that subject to the Welsh Government allocation, inflationary pressures and any additional cost pressures, there may be a further savings requirement above the 3%. It is anticipated that the First Draft Plan will include at least 1.5% of the required 3% savings target.
- **Plan Integration:** Building on the approach adopted for the Annual Plan Recovery (phases 1 and 2); there is a need to ensure the attached template is focused on the triangulation of financial, workforce and performance for clarity and efficiency within the operational plan. The intention of this Intergrated Planning Process document is to support your considerations when undertaking this work.
- **Workforce Realities:** All plans should be predicated on the current workforce levels. Therefore, assume no additional resources unless expressly agreed with Workforce. There may be examples where the Directorate has agreed with workforce specific deployment of Internationally Educated Nurses, Newly Qualified Professionals etc. including Allied Health Professionals. However, to avoid confusion, the operational plans should only include workforce additionality if the financial envelope permits and workforce are in agreement. Finally, there is a clear expectation that in line with the work to date and Welsh Government expectations you will reduce your variable pay expenditure and plan on a substantive basis
- **Demand vs. Capacity:** Assessing and aligning our capabilities with expected demands. This is meant to be a factual representation of the demand profile and based on the points above; what level of capacity will the Directorate have within the financial and workforce envelopes set out. It is expected that any gap between demand and capacity is clearly articulated, including the likely impact on performance.

Ministerial Priorities:

Continuous planning that evolves from annual plan recovery work, accommodating ministerial requests within set limits. Whilst, there will be a clear expectation from Welsh Government around the Ministerial Priorities. The intention of the planning process is that operational plans need to be developed pursuant to the availability of current resources as set out within the Key Principles.

Purpose:

Defining achievable goals within our constraints, ready to adapt to ministerial priorities within our available resources.

Questions for consideration when completing the Template



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1. Resource Efficiency and Budget Management:

- Within your current financial limits, what are your directorate's key operational objectives?
- How do you plan to achieve a 3% reduction in your budget while ensuring operational effectiveness?

2. Workforce Utilisation and Planning:

- Given the current workforce levels, how will your directorate meet operational demands?
- Can you detail any workforce changes, and how they align with the stipulation of no additional resources unless agreed upon by Workforce?

3. Demand and Capacity Alignment:

- How does your directorate plan to manage the gap between service demand and available capacity?
- What strategies are in place to maintain service quality under these constraints?

4. Risk Assessment and Mitigation:

- What are the principal risks to achieving your operational goals within the existing resource framework?
- Describe your mitigation strategies to address these risks.

5. Operational Planning and Adaptability:

- How will your directorate adapt its operational plans in response to unexpected challenges or resource changes?
- How will your directorate utilise forums like Directorate Improving Together, Operational Planning, Governance, and Performance Group to enable and enhance continuous planning and adaptability in your operational strategies?

2024/25 Integrated Planning Approach

Our approach this year is to unify our planning objectives across all departments, creating a single, coherent operational plan. This integrated strategy embeds savings directly into our operational plans, ensuring every decision contributes to both our financial recovery and our service quality. By doing this once and doing it thoroughly, we prevent fragmented planning and ensure that our resources – time, money, and workforce – are optimally utilised. This unified approach also aids in clear communication, both within our teams and with our stakeholders.”

Key Points

- **Efficiency:** Streamlining planning to avoid duplication and conflicting objectives.
- **Clarity and Consistency:** One comprehensive plan improves understanding and execution across all levels of the Health Board.
- **Strategic Alignment:** Ensuring all objectives support the overarching goals of the Health Board.





- **Aligns strategic and operational goals:** Ensures uniformity in objectives across the organisation.
- **Enhances resource utilisation:** Integrates workforce, financial, and operational planning for optimal use of resources.
- **Incorporates risk management:** Balances ambitious service improvements with effective risk management strategies.
- **Improves accountability:** Sets realistic milestones and establishes mechanisms for tracking and intervention.
- **Facilitates better decision-making:** Utilises data and analytics for informed planning and adjustments.
- **Promotes stakeholder engagement:** Encourages active participation and feedback from all organisational levels.
- **Supports continuous improvement:** Regular feedback loops enable ongoing refinement of the planning process.



Triangulation

The heart of our integrated planning lies in the triangulated alignment of workforce, performance, and finance. This alignment ensures that our financial planning (savings and expenditures), workforce management (staffing levels and skills), and performance metrics (service delivery and outcomes) are not planned in isolation but are interwoven to support each other. This approach guarantees that our savings initiatives enhance rather than compromise service delivery and that our workforce planning is both financially sustainable and performance driven.

Key Points

- **Workforce Planning:** Aligning staff levels and skills with both financial constraints and service delivery needs.
- **Performance Driven:** Ensuring financial decisions support and enhance service quality and patient outcomes.
- **Financial Sustainability:** Achieving savings in a way that supports long-term workforce stabilisation, operational planning, quality and delivery.



Operational Plans and Strategic Risk Alignment

In our unified operational plan, each directorate's contributions are meticulously aligned with our overarching objectives, as outlined in Slide 2, and the triangulated model of workforce, performance, and finance from Slide 4. This alignment ensures that the specific actions and goals of each directorate not only support their individual mandates but also contribute to the Health Board's collective objectives of efficiency, financial stabilisation, and high-quality service delivery. Furthermore, the integration of a clear level of risk appetite into each directorate's planning ensures that all plans and their risks are taken and managed strategically, aligning with the broader goals and resources available within the organisation.

Key Points

- **Strategic Contribution:** Each directorate's plan is a strategic contribution to the Health Board's unified objectives, ensuring all activities support the collective goals of enhanced service quality and financial deliverability.
- **Alignment with Triangulated Approach:** Directorates' plans are crafted considering the intertwined aspects of workforce requirements and availability, financial resources, and performance outcomes, reinforcing the integrated approach from Slide 3.
- **Risk Informed Planning:** Incorporating risk appetite into directorate planning ensures that risks are understood, accepted and managed in alignment with the Health Board's strategic objectives. This approach balances ambitious service improvements with balanced risk assessments, ensuring resilience and adaptability.

The Overall aim is to ensure that there are specific roles and responsibilities to the unified planning objectives enshrines a holistic approach around balancing workforce, performance, and finance, creating a cohesive and strategic operational plan across the Health Board.

Integrating Resource Management with Planning Objectives within the Framework of Risk Appetite



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Integrated alignment of Resources and risk-based Planning Objectives

In this crucial phase of our strategic planning, as delineated in the preceding slides, we focus on harmonising our resource management efforts with the specific Planning Objectives (POs) and the overarching risk appetite of the Health Board. This integration is informed by the key insights from our Annual Plan Recovery Phases 1 and 2, particularly around the challenges of variable pay and the need for sustainable service delivery models. Our approach is to align these insights with each directorate's POs, ensuring that our resource allocation and operational decisions not only adhere to our risk tolerance levels but also actively support the reduction of variable pay, thereby contributing to the financial and operational sustainability of the Health Board.

Key Points

- **Resource Management in Line with POs:** Our resource management strategies are intricately designed to support each directorate's Planning Objectives, ensuring a direct contribution to our broader operational goals.
- **Incorporating Recovery Phase Insights:** Leveraging insights from the Recovery Phases, we are focused on reducing our dependence on variable pay, aligning this effort with the sustainable models of service delivery as part of our POs.
- **Adherence to Risk Appetite Framework:** All resource management decisions are made within the confines of the Health Board's risk appetite statement. This ensures that while we strive for operational efficiency and sustainability, we remain within our acceptable risk thresholds.

The Health Board's resource management strategies are being shaped and guided by the combined influence of the Annual Plan Recovery insights, the strategic and planning objectives of the Health Board and each directorate, plus the overarching risk appetite. It underscores the commitment to ensuring that every operational decision contributes to the Health Board's long-term sustainability and strategic goals, all within a carefully managed risk environment.



The Directorate Operational Plan Sign-Off: Integrating Ministerial Priorities within a Triangulated and Risk-Informed Framework

The purpose of this slide is to underscore the critical stage of Directorate Operational Plan sign-off, ensuring that these plans are not only in line with Ministerial Priorities but also intricately woven with the Health Board's triangulated model of workforce, performance, and finance, as well as the integrated risk appetite within the Planning Objectives.

In this phase, operational plans, developed through this Integrated Planning framework, interlink with the Ministerial Priorities. This integration is further enhanced by embedding a well-defined risk appetite directly into the Planning Objectives, ensuring that each aspect of the plan contributes effectively to the Health Board's collective objectives. This approach maintains a balance between workforce requirements, financial sustainability, performance outcomes, and strategic risk considerations.

Key Points

- **Incorporation of Risk Appetite in Planning Objectives:** Operational plans are developed with an embedded risk appetite within the Planning Objectives, aligning with both Ministerial Priorities and the Health Board's strategic goals.
- **Alignment with Triangulated Approach:** Operational plans are crafted with a keen focus on the interconnected aspects of workforce, performance, and finance, resonating with a clear triangulated and integrated.
- **Ministerial Priorities and Strategic Risk Integration:** Ensuring that each directorate's Planning Objectives not only reflect Ministerial Priorities but also align with the Health Board's strategic risk considerations.
- **Rigorous Signoff Process with Comprehensive Risk Review:** The sign-off process involves a thorough review, ensuring complete alignment with Ministerial Priorities, strategic goals, and the integrated risk considerations within the Planning Objectives.

Through this refined approach, we ensure that our operational plans are not just aligned with Ministerial directives but are also robustly crafted to support the Health Board's unified objectives. This strategy leads to a cohesive and strategically sound operational plans across the organisation, balancing workforce, performance, and financial considerations with a well-informed risk perspective. This ensures that Operational Directorates can clearly set out what is deliverable (performance) within the resources available (capacity). Conversely, this approach then supports an honest check and challenge around the acceptability of the proposed Directorate plan.

Ensuring Deliverability and Capacity within Directorate Operational Plans



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The focus of this slide is to build upon the integration of Ministerial Priorities within our operational plans, emphasising the deliverability of objectives and the capacity to achieve them. This stage is crucial in bridging the gap between strategic intentions and practical operational execution/deliverability.

Key Points

- **Deliverability within Ministerial Priorities:** Ensuring that the operational plans are not only aligned with the Ministerial Priorities but are also practically deliverable within the available resources. This involves a detailed assessment of what is achievable, given the current resource capacity and constraints of each directorate.
- **Capacity and Resource Alignment:** Evaluating and aligning the available resources with the expected performance outcomes. This includes a critical review of workforce availability, financial resources, and other necessary inputs to meet the objectives set forth in the operational plans.
- **Honest Review and Challenge:** Implementing a rigorous and transparent review process for each directorate's plan. This involves an honest check and challenge approach to assess the feasibility and acceptability of the proposed plans, ensuring that they are not only ambitious but also realistic and achievable.
- **Balancing Strategic Risk with Practical Constraints:** While embedding a risk appetite within the Planning Objectives, it's essential to balance this with the practical constraints faced by each directorate. This ensures that the plans are resilient, adaptable, and realistically tailored to the directorate's capabilities (within the Resources available).

By focusing on these key areas, we ensure that the Directorate Operational Plans are not only strategically sound and in alignment with Ministerial directives but are also grounded in the realities of our operational capacities. This approach fosters a balance between ambition and practicality, ensuring that the Health Board's unified objectives are met with efficiency and effectiveness. In essence, this is about being very transparent around the 'art of the possible' within the totality of resource available at the Directorates disposal.



Setting Sustainable Milestones and ensuring Deliverability and Accountability

In conjunction with the Directorate Improving Together framework, this slide emphasises the importance of setting sustainable milestones and actions. Should there be any deviation from these plans, the Directorate Improving Together will play a pivotal role in addressing these discrepancies. The Group focuses on the in-year delivery of savings and ensures that deviations are promptly identified and rectified. This approach ensures that our operational plans are not only aligned with our strategic objectives but also dynamically responsive to changes, maintaining our commitment to efficiency and sustainability.

Key Points

- **Integration with Directorate Framework:** Our milestones and actions are seamlessly integrated within the Directorate Improving Together framework, ensuring consistency and strategic alignment across all operational areas.
- **Monitoring Milestones and Actions:** Continuous monitoring by the Directorate Improving Together ensures adherence to set milestones and actions.
- **Addressing Deviations:** Any deviation from the plan is promptly addressed by the Directorate Improving Together, focusing on maintaining the in-year delivery of operational plans.
- **Linking to Operational Plans:** Deviations are examined in the context of the overall operational plans, ensuring that interventions are strategic and aligned with the Health Board's goals.
- **Focus on Sustainability:** Sustainability remains a central theme in setting our milestones, reflecting our commitment to long-term operational resilience and effectiveness.

The approach is designed to convey how we achieve integrated operational planning within the Directorate Improving Together to facilitate a cohesive, well-monitored, and effectively governed approach, ensuring all actions and milestones contribute towards the Health Board's strategic and sustainable operational goals.

Effective Management of In-Year Variations for new Savings Initiatives



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Operational Governance for the Handling of In-Year Variations for new Savings Initiatives

In this slide, we outline our integrated approach to managing in-year variations, particularly focusing on new savings plans within our Health Board (this is aligned to the Savings process). The journey of each savings plan begins within the Operational Planning, Governance and Performance Group, responsible for the 'Enquire' and 'Discover' phases. This group rigorously assesses the viability of each plan, ensuring alignment with our overarching strategic objectives and its feasibility in terms of performance, finance, quality, and workforce. Upon identifying a realistic savings opportunity, the initiative then transitions to the Core Delivery Group for the 'Design' and 'Deliver' phases. It is here that the plan is fine-tuned and readied for execution. We only consider amendments to our established operational plan after the design phase has been comprehensively signed off and agreed upon by the Senior Responsible Officer (SRO). This ensures that any modifications to the plan accurately reflect revised performance targets, financial projections, quality outcomes, and workforce implications.

Key Points

- **Operational Planning, Governance and Performance Group's Role:** Tasked with the initial assessment and viability check of new savings plans during the 'Enquire' and 'Discover' phases.
- **Transition to Core Delivery Group:** Once deemed viable, plans move to the 'Design' and 'Deliver' phases under the stewardship of the Core Delivery Group.
- **Strategic Modification of Operational Plan:** Operational plan alterations are only made post-approval of the design phase, ensuring strategic coherency and alignment with our Health Board's objectives.

Having a clear and unified approach to managing in-year variations around savings initiatives is essential because it ensures strategic and operational coherency and alignment across all aspects of the Health Board's operations. The process ensures that we maintain one version of the truth, with every modification and decision rooted in a comprehensive understanding of our performance targets, financial projections, quality outcomes, and workforce implications.



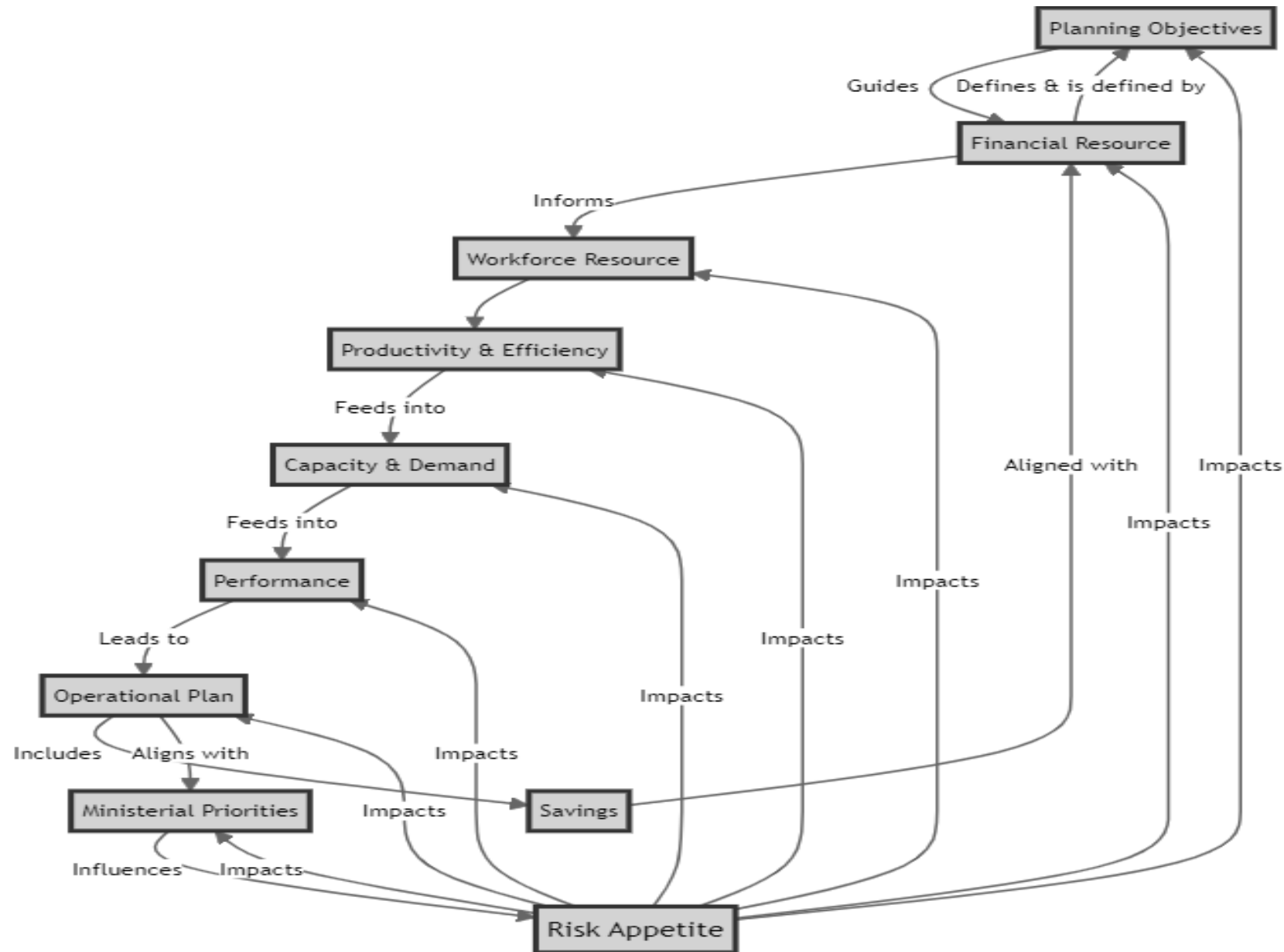
Effective Monitoring and Responsive Governance

The purpose of this slide is to highlight the critical role of robust monitoring and dynamic governance in our operational planning, with a special emphasis on the Core Delivery Group's role. This Group ensures that our operational plans are not only being monitored for progress but are also responsive to any in-year changes, particularly deviations in savings delivery. Their active tracking and monitoring facilitate prompt interventions, ensuring that our strategies remain aligned with the Health Board's objectives and risk appetite, and are adaptable to shifting operational landscapes.

Key Points

- **Role of Core Delivery Group:** The Core Delivery Group plays a crucial role in tracking and monitoring the progress of our in-year savings plans.
- **Responsive to Changes:** The Group's active involvement ensures that any deviations, particularly in operational variances which affect the savings, are quickly identified and addressed.
- **Ensuring Strategic Alignment:** Through the CDG oversight, the Group ensures that all saving activities remain strategically aligned with the Health Board's overarching goals.

The importance of the Core Delivery Group in maintaining the integrity of our operational saving plans and ensuring the in-year delivery of savings and responding to any deviations. A good example of where this has worked successfully is around the Annual Plan Recovery and the ability to highlight any deviation to the agreed savings plans.





Workforce Planning Aligned with Planning Objectives and Agency Control Framework

Strategic Alignment with Planning Objectives:

- The workforce plan must be in line with the Health Board's overarching Planning Objectives, emphasising high-quality patient care within the parameters of financial sustainability.
- Emphasis should be on objectives related to financial recovery, regulatory compliance, and quality of care.

Reducing Agency Staff Dependency:

- Consistent with the agency control framework, directorates should devise strategies to lessen reliance on agency staff, aiming for a more stable and cost-effective workforce.
- This includes re-evaluating workforce needs, optimising the use of substantive and bank staff, and exploring alternative staffing models.

Workforce Development and Training:

- Invest in training and professional development to enable existing staff to fill roles typically occupied by agency workers.
- Focus on enhancing skills crucial for operational efficiency and patient care, in alignment with quality and safety standards from the POs.

Financial and Operational Efficiency:

- Workforce planning should align with financial objectives to ensure operational efficiency, managing staff costs while upholding patient care quality.
- Develop recruitment and retention strategies that are cost-effective and financially prudent.

Staff Well-being and Engagement:

- Prioritise initiatives supporting staff health and morale, essential for retaining a skilled and motivated workforce.
- Involve staff in the planning process, ensuring their feedback informs workforce strategies.

Performance Monitoring and Quality Assurance:

- Establish metrics to evaluate the impact of workforce changes on service delivery, patient outcomes, and financial performance.
- Regularly review and adjust workforce plans to meet objectives and adapt to evolving needs.

Risk Management:

- Thoroughly assess risks linked to changes in workforce composition, particularly regarding patient safety and service quality.
- Develop contingency plans for potential workforce shortages or disruptions.



Strategic Alignment with Planning Objectives

- Strategic Consistency: Directorates must ensure their productivity and efficiency objectives are directly aligned with the Board's overall strategic goals and the specific Planning Objectives outlined in the integrated plan.
- Reflecting Planning Objectives: Directorate plans should stem from and contribute to the broader Planning Objectives, focusing on enhancing service delivery within the framework of financial sustainability, workforce optimisation, and patient care quality.

Utilising Best Practices and Benchmarking

- Leveraging the Opportunities Framework: Use the Opportunities Framework to access best practices, benchmarking data, and insights into efficient healthcare delivery, ensuring these practices align with the Board's strategic and Planning Objectives.
- Innovative and Evidence-Based Approaches: Directorates should research and propose innovative, evidence-based solutions for efficiency, drawing on successful models and practices within and outside the NHS.

Strategic Planning and Resource Allocation

- Operational Planning Aligned with Board Objectives: Develop detailed operational plans reflecting the Board's Planning Objectives, including initiatives like process optimisation, effective technology use, and strategic workforce management.
- Resource Optimisation: Allocate resources efficiently, ensuring they contribute to the Board's overall objectives, including financial prudence and service quality.

Workforce Management and Development

- Staff Utilisation and Development: Focus on strategies that optimise staff utilisation in line with the Board's workforce objectives. Invest in staff training and development to align skills with the evolving needs of the healthcare services.

Performance Monitoring and Continuous Improvement

- Performance Metrics Aligned with Board Objectives: Establish KPIs that reflect the Board's Planning Objectives. Regularly assess these metrics to track progress and identify areas for improvement.
- Continuous Improvement in Line with Board Goals: Foster a culture of ongoing improvement, ensuring that operational changes and enhancements contribute to the Board's overarching goals.

Collaboration, Communication, and Risk Management

- Inter-Directorate Collaboration: Encourage collaboration across directorates, sharing insights and strategies that align with the Board's Planning Objectives.
- Transparent Communication: Ensure clear and regular communication regarding the directorate's plans and progress in relation to the Board's objectives.
- Risk Management Consistent with Planning Objectives: Carefully assess risks associated with operational changes, ensuring alignment with the Board's risk appetite and Planning Objectives.



Understanding Current Demand and Capacity

- Accurate Data Analysis: Use historical data, current trends, and predictive analytics to accurately gauge current and future demand for services.
- Capacity Assessment: Review current resources, including staffing, equipment, and facilities, to determine capacity. This should reflect the planned workforce strategies and efficiency improvements.

Aligning with Planning Objectives and Strategies

- Service Delivery Priorities: Ensure demand and capacity planning aligns with the POs, focusing on crucial areas such as financial recovery, patient safety, quality of care, and regulatory compliance.
- Efficiency Integration: Incorporate productivity and efficiency strategies into capacity planning to optimise resource utilisation.

Flexible and Responsive Planning

- Adaptive Models: Develop flexible models that can adjust to changing demand, particularly in areas like emergency and elective care.
- Contingency Planning: Prepare for unexpected demand surges or sudden capacity constraints, in line with risk management strategies.

Workforce Considerations

- Staffing Alignment: Match workforce capacity with service demand, considering the reduced reliance on agency staff and the focus on staff training and development.
- Skill Mix Optimisation: Ensure the workforce skill mix adequately meets the diverse needs of services, enhancing both capacity and quality of care.

Performance and Ministerial Priorities

- Performance Metrics: Set clear performance metrics reflecting both the realities of demand and capacity, as well as ministerial priorities.
- Target Setting: Establish realistic and achievable targets, considering the capacity for efficient and effective service delivery.

Continuous Monitoring and Review

- Regular Assessments: Continuously monitor demand and capacity, adjusting plans as needed to meet changing requirements and priorities.
- Feedback Loops: Implement mechanisms for ongoing feedback from staff and patients to refine demand and capacity planning.



Realistic Performance Achievement:

- Performance metrics are crucial for operational plans to realistically assess and demonstrate what can be achieved against NHS Wales requirements, considering current demand and capacity, benchmarking against best opportunities, and aligning with productivity, efficiency, workforce planning, and ministerial priorities, while also factoring in the risks outlined in the Planning Objectives to ensure achievable, accountable, and strategic healthcare service delivery.

Performance Targets Based on Capacity Analysis:

- Establish performance targets that reflect a realistic understanding of current and projected capacity, including staff, facilities, and equipment.
- Ensure targets are achievable and in line with actual service delivery capabilities.

Identifying Bottlenecks and Challenges:

- Use demand and capacity data to pinpoint potential bottlenecks or areas where demand consistently outstrips capacity, impacting performance.
- Develop strategies to address these issues, such as process optimisation or reallocating resources.

Managing Waiting Lists and Latent Demand:

- Use capacity insights to effectively manage waiting lists, prioritising urgent cases and redistributing resources to high-demand areas.
- Plan for addressing latent demand, possibly through service expansion or increased efficiency in existing processes.

Linking with Directorate Improving Together Objectives:

- Align performance management strategies with the Directorate Improving Together framework, focusing on continuous improvement and accountability. This alignment should complement the statutory requirements, ensuring a holistic approach to performance improvement.



Strategic Evaluation of Capabilities:

Informed by an in-depth understanding of the risks associated with our Planning Objectives, our financial limitations, workforce availability, and insights into productivity, demand, and capacity, we can strategically evaluate and articulate what is realistically achievable for the Health Board. This evaluation will be pivotal in shaping our response to the upcoming ministerial priorities for 2024-25, ensuring that our plans are both ambitious and grounded in the reality of our resources and constraints.

Risk Appetite and Prioritisation:

This process allows us to align our operational strategies with our defined risk appetite, ensuring that the goals we set are within our means and reflective of our financial, workforce, and service delivery capacities. Recognising the potential gap between ministerial expectations and our available resources, we'll focus on prioritising areas of highest impact and necessity, balancing our commitment to quality care with the pragmatism required by our financial and operational realities.

By incorporating these considerations, we ensure that our approach to the ministerial priorities is both responsive and responsible, rooted in a clear understanding of our capabilities and limitations. This will enable us to set realistic, achievable goals that align with our overarching mission and the specific needs of our patient population.

Aligning Savings with Planning Objectives and Operational Plans



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Strategic Integration of Savings Goals:

- Savings initiatives should be directly aligned with the Planning Objectives outlined in the integrated planning process. This ensures that every cost saving measure contributes to the overarching goals of the Health Board, including quality of care, financial sustainability, and operational efficiency.

Unified Savings Framework in Operational Plans:

- Operational plans across all directorates should incorporate specific, measurable savings targets that are consistent with the proposed savings process. This integration guarantees that the savings approach is uniformly understood and executed across the organisation.

Consistent Tracking and Reporting:

- Develop a consistent methodology for tracking and reporting savings, ensuring transparency and accountability. This methodology should be uniformly applied across all directorates, ensuring that savings are reported in a standardised manner, providing 'one version of the truth'.

Linkage with Risk Appetite and Resource Allocation:

- The savings process must consider the risk appetite of the Health Board. Savings targets and strategies should not compromise critical areas like patient safety, workforce wellbeing, or service quality.
- Ensure that resource reallocation resulting from savings aligns with the strategic priorities set out in the POs.

Continuous Review and Adjustment:

- Regularly review the impact of savings initiatives on operational performance and strategic objectives. Be prepared to adjust savings targets and strategies in response to changing circumstances or unforeseen challenges.

Stakeholder Engagement and Communication:

- Engage with all relevant stakeholders, including clinical and administrative staff, to gain buyin for the savings initiatives. Clear communication about the reasons for savings and how they align with the Health Board's broader goals is essential.

Balancing Cost Reduction with Service Delivery:

- While focusing on savings, it's crucial to balance cost reduction efforts with the need to maintain or enhance service delivery standards. This balance is key to ensuring long-term sustainability and adherence to the Health Board's mission and values.

Area	Deadline	Delivery Owner
Formal Executive – Socialisation and Alignment of Planning Objectives	29/11/23	Executive Team
Planning Steering Group	29/11/23	Planning Steering Group
Indicative Financial Envelopes per Directorate	11/12/23	Finance Team (various owners)
Indicative Workforce Assumptions	11/12/23	Workforce (various owners); Regeneration Framework
Operational Planning, Governance and Performance Group meeting	12/12/23	Director of Operations / Director of Planning
Core Delivery Group Meeting (Focus on Savings & Operational Plans)	13/12/23	Executives
Revisions to Planning Principles (based on the above)	13/12/23	Planning Directorate
Board Seminar (sign off Planning Objectives and Risk Appetite)	14/12/23	Board
Formal Communication to Teams, Process, Principles and Template)	15/12/23	Lead Executives
Committees – SDODC and SRC (Update on Process)	19/12/23 (SRC); 21/12/23 (SDODC)	Director of Finance (SRC); Director of Planning (SDODC)
New Year Feedback Session with Senior Leadership Team	05/01/24	Deputy Director of Planning
Planning Steering Group	10/01/24	Planning Steering Group
Core Delivery Group Meeting (Focus on Savings & Operational Plans)	17/01/24	Executives
First Draft Plans from Directorates and Savings	19/01/24	Directorates
Planning Steering Group	24/01/24	Planning Steering Group
Public Board	25/01/24	Director of Planning
Directorate Plan Review and requested Updates/Changes	26/01/24	Lead Executives
Core Delivery Group Meeting (Focus on Savings & Operational Plans)	31/01/24	Lead Executives
Second Draft Plans from Directorates and Savings	07/02/24	Directorates
Planning Steering Group and Core Delivery Group Meeting (Focus on Savings & Operational Plans) – focus on salient issues based on second draft plans	14/02/24	Lead Executives
Final Submission Review	19/02/24	Director of Planning
Formal Executive Sign-off	21/02/24	Director of Planning
Board Seminar (Review of Plan)	22/02/24	Director of Planning
Committees – SDODC and SRC (Review of Plan)	27/02/24 (SRC); 29/02/24 (SDODC)	Director of Finance (SRC); Director of Planning (SDODC)
Public Board (Formal Review of Plan and permission to submit to WG)	28/03/24	Director of Planning / Interim Chief Executive
Formal Submission to WG	28/03/24	Interim Chief Executive