



# Welsh Government response to the Health and Social Care Committee (HSC) Follow Up Questions on the Report of the Welsh Government Draft Budget 2026-27

## Summary

This report sets out the Welsh Government response to the Health and Social Care (HSC) Committee's follow up questions from the response to the Report on the Scrutiny of the Welsh Government Draft Budget 2026-27.

It provides responses to the 6 follow up questions from the Committee.

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## Question 1

Recommendation 2: Looking ahead to 2026–27, the update on the work of the Value and Sustainability Board implies a set of priorities for the Board, including the implementation of a new national CHC programme, and the next phase of medicines value priorities. It also confirms two specific areas—Interventional Radiology and Maternity & Neonatal services— have been explicitly deferred to 2026–27 as part of the fragile services programme. Beyond these, no further priorities for 2026–27 are set out. Can you confirm whether any decisions on additional priorities for 2026-27 have been identified yet?

### Response:

Additional priorities for 2026-27 have been considered at recent Value & Sustainability Board meetings, and these will continue to be considered and finalised over coming months as NHS bodies develop and finalise plans for 2026/27. The following areas have been considered in those interactions to date:

#### Workforce

Building on the improvements delivered through the workforce workstream during 2025/26, priorities for 2026/27 will include consideration of the further development of a national framework for additional hours pay, and consideration of further opportunities around medical staffing and opportunities provided by new contracts, improvements to job planning, roster management and enhanced absence management.

#### Clinical Variation and Service Configuration

The workstream has undertaken a review and evaluation of the opportunities aligned to the enabling actions included within the planning framework. As a result, priority areas for 2026/27 will include a continued focus within planned care including outpatient transformation, pathway-led referrals and surgical hub accreditation rollout. For urgent and emergency care, length of stay improvements, reducing variation in flow and occupancy and maximising use of

initiatives such as 'Single Point of Access' (SPOA) and 'Same Day Emergency Care' (SDEC), with work programmes supported by use of digital technology and 'Getting it Right First Time' (GIRFT). Estates efficiency and consolidation will also be a feature in the workstream.

### Non-Pay & Procurement

For non-pay and procurement, the common procurement principles outlined in the brief as developed and embedded are the foundation to the future approach to procurement and maximisation of benefits and opportunities. These include rationalisation/standardisation of products, where appropriate, and leveraging greater opportunities where possible through continued regional/national purchasing. Each action will be progressed through an approach that will engage then mandate and deliver across the system.

## Question 2

In addition, can you provide an update on progress in stabilising the services labelled as “fragile”, including stroke, haematology, pathology and endoscopy.

### Response:

The Value and Sustainability Board commissioned the then NHS Wales Executive, subsequently named NHS Wales Performance and Improvement (NHS P&I), to undertake a review to identify services that could be considered as fragile or unsustainable in their current configuration. Engagement was undertaken across NHS organisations to complete the fragile services review. At its meeting in June 2025, the Value & Sustainability Board considered the review and in July 2025 agreed the priorities to be taken forward in the remainder of 2025/26. These were stroke, haematology, pathology and endoscopy.

To support the development of the programme and governance structures to stabilise each of the Stroke and Haematology programmes, NHS Wales Performance & Improvement has started to develop an operating framework which will support and underpin the transformation of services, in line with Welsh Government guidance on service change.

Alongside the development of the framework, work has been undertaken in Stroke with the development of the Stroke Quality Statement (published 4 February 2026) and the NHS Wales National Stroke Service Standards. Both are key documents, providing health boards with guidance and standards on the stabilisation of stroke services. The next step will be for providers to benchmark against the standards to provide an assessment of the current gaps.

The South-East Wales regional Pathology work is now fully supported by the National Programme with key posts in place. The non-financial appraisal of service location has been agreed, and this has now progressed to detailed financial appraisal work. Service benchmarking data has been collated for the Cellular Pathology services and is being scrutinised to support operational delivery model work for the regional service. A revised overarching project plan has been

completed and is being shared with Regional Joint Committee in the coming weeks for approval. The South-West region will be submitting a business case on the Regional Cellular Pathology Laboratory Site Selection to Welsh Government.

In relation to Endoscopy, all Health Boards offering Endoscopic Retrograde Cholangiopancreatography (ERCP) and Endoscopic Ultrasound (EUS) services have completed two rounds of self-assessment against the British Society for Gastroenterology Standards and key performance indicators. There have been improvements across all domains with the sharing of good practice taking place. The data is now published via the National Endoscopy Programme dashboard which is supporting a greater understanding of variation between units. Further work is planned for 2026 with a Multi-Disciplinary (MDT) Working Group being established to define network pathway support, MDT networks and complex case management. There is also a National Standardised ERCP Policy with annual audit guidance due for publication in Q1 of 2026/27.

The Value & Sustainability Board continues to monitor progress in the implementation of these programmes of work.

### Question 3

Recommendation 4: Your response to our budget report states that NHS bodies are introducing a new costing system, which could help improve NHS spend data. Can you set out:

- how the new costing system will make it easier for the public, the Senedd and committees to understand where NHS money is being spent;
- what specific improvements it will deliver that we don't currently have; and
- how will it increase transparency about how health care spending is allocated and used—particularly given the longstanding problems caused by inconsistent coding and recording across NHS organisations.

#### Response:

The recent procurement of a new costing system across Wales has been a direct replacement for the existing costing system, and whilst it will add some functionality for interrogation of data, it cannot resolve gaps in underpinning activity data and any associated challenges with coding or recording or attributing of costs at source. This system is set up to support the collection of a range of costing data across NHS Wales. It therefore can potentially support the work to capture preventative spend through future development but will not resolve associated underlying data challenges.

More broadly, the costing system supports NHS organisations to produce a range of costing data for NHS bodies. This includes for example the NHS Programme Budgeting returns. The output from this process is published annually on the Welsh Government website and previously on the Stats Wales website (link to the latest release for 23-24 is below).

[\*NHS expenditure programme budgets April 2023-24 to March 2024-25 'HTML'\*](#)  
[GOVWALES](#)

The published dataset provides a retrospective analysis of NHS expenditure broken down into programmes of care based on patients' health conditions as an alternative to analysis by type of care or setting. Total NHS expenditure by local health boards and NHS Trusts (excluding expenditure from Health Education Improvement Wales and Digital Health and Care Wales) is presented by programme of care, organisation and commissioner.

The main NHS allocation is made annually and is based on an allocation formula which is updated on an annual basis for specific areas such as change in population numbers and periodically reviewed to incorporate such things as the recent review of distance from target, to inform any further actions required. Health Boards are then required to set their budgets in accordance with the needs of their population.

## Question 4

Recommendation 5: Can you confirm whether a copy of the draft analysis (given the importance of this work for improving understanding of preventative spend) — or the final version if available — will be shared with the Committee before the end of this Senedd.

### Response:

At the moment, it remains unclear whether the specific output from the Health Board concerned in this exercise will be ready in time to share with the Committee before the end of this Senedd. We are continuing to liaise with that Board and have requested an update on their work with the Wellbeing of Future Generations Commissioner. Should anything further become available I will commit to write separately to the Committee to share that analysis at the appropriate time.

## **Question 5**

Recommendation 10: Can you confirm when the National Patient Safety Plan will be published.

### **Response:**

The National Patient Safety Plan is in the final stages of document preparation and translation and is scheduled to be published in March 2026.

## Question 6

Recommendation 21: Your response to our budget report does not commit to extra funding for palliative or end of life care. Instead, it focuses on reviewing current spending, reducing duplication, avoiding low-value treatments, and preventing unwanted admissions. Can you provide details of the work that is currently underway, including:

- what work has actually begun to review current spending;
- what specific outputs will be completed before May 2026; and
- what concrete information will be passed to the next government to ensure this area is not left without a clear plan

### Response:

Substantial work is ongoing to ensure that current investment in palliative and end of life care is used effectively and consistently across Wales.

In summer 2025, the Director General for NHS Wales commissioned the NHS Wales Joint Commissioning Committee (JCC), working with the Strategic Programme for Palliative and End of Life Care, to develop a new national commissioning model by March 2026. All Health Boards and hospice providers have been engaged through a working group and national workshops, and for the first time a national baseline of hospice services, funding and contractual arrangements has been produced. Early analysis indicates over £19 million of combined NHS and Welsh Government investment annually, subject to validation.

The commissioning guidance due for publication by April 2026 will set out clear principles for consistent, transparent and needs based commissioning. This will provide a shared framework for improving equity, quality and value across Wales.

The next government will inherit a clear programme of work, including the commissioning model, the national baseline analysis, and a defined roadmap for

the next phase: a national needs assessment, development of a core service specification, recommissioning of services, and a national performance framework.

A further phase of work will see the development of a Commissioning Framework for Specialist Palliative Care following the hospice Framework. This will ensure consistency and equity in access, embed commissioning priorities into health boards Integrated Medium Term Plans, and maintain oversight of governance, quality and sustainability.

This structured approach ensures that future decisions, including any consideration of funding are based on a clear understanding of need, service expectations and the most effective use of resources.