

Good Practice Guide Appendices Appendix 13

NHS Finance (Wales) Act

In September 2013, the Welsh Government brought forward the *NHS Finance (Wales) Bill* and in January 2014 the *NHS Finance (Wales) Act* received Royal Assent. The aims and benefits of the Act are summarised in Box 29 and introduce two new duties for health boards in Wales:

- To break even over a rolling three-year period.
- To have a three-year integrated plan that is submitted to and approved by Welsh Ministers each year.

The three-year integrated plans are about much more than finances. They should be based on the NHS body's strategic plan for meeting health needs of the local population and will include plans for the workforce, for the estate and for service delivery, as well as financial plans.

Aim, Purpose and Benefits of the NHS Finance (Wales) Act, 2014

Aims:

- Target NHS funding at those services and interventions providing best value for money
- Improve the health outcomes of the Welsh population in short, medium and long-term

Purpose:

- Make provision in relation to the financial duties of health boards in Wales
- Each health board in Wales to ensure expenditure does not exceed funding over a period of three years

Benefits of financial flexibility within a rolling three-year period:

- Allows health boards to focus their service planning, workforce and financial decisions over a longer period
- Results in better decision-making and optimal solutions by health boards
- Removes the challenges that encourage short-term decision-making around the financial year-end
- Encourages longer-term planning solutions that benefit health board communities