GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

ARAC Escalation Update

Consolidated assurance on the Escalation Arrangements

Audit and Risk Assurance Committee | 13 August 2026
Executive Lead – Lee Davies
Reporting Officer - Shaun Ayres

What we established in June, and what has changed

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Agreed at this committee, 23 June

- We noted and took assurance from the criteria mapping register and the boundary rules operating across committees, discharging action AC(26)38.
- We agreed that a consolidated update of this kind comes to each meeting, with referrals to lead committees where it identifies gaps. This is the second such update.
- We considered organisational bandwidth as a corporate risk, recognising the totality assessment of Alert.
- We agreed to advise the Board that our concern remains the deliverability of the whole, not the failure of any single part.
- We agreed to advise the Board on the Health Board's capacity to deliver both the Annual Plan and the de-escalation requirements in full. Although we recognised some natural overlap between the two areas.

What has changed since

- Correspondence across June and July forms one escalating line of challenge, rather than a series of separate requests.
- The 5 and 12 June letters raised delivery confidence, grip, capacity and capability. The 30 June direction and 1 July Chairs' letter added explicit programme, productivity, capacity, Board ownership and conditional funding tests; the 10 July review was structured around the same four-pillar actions.
- The Health Board's 20 July response showed material work in train, but recorded an incomplete diagnostic element. The 23 July letter is the culmination: the Plan remains unsupported and the statutory planning duty has not been met.

Architecture
Is every criterion owned by one committee, with no gaps?

Consistency
Is one account told internally and to Welsh Government?

Totality
Is the combined portfolio feasible at the required scale, within organisational capacity and capability?

The 23 July letter: the plan remains unsupported

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What Welsh Government concluded

- "the current position... continues to be unsupportable and unacceptable"
- "The health board has therefore breached its statutory duty": the statutory planning and financial requirements of the NHS Wales Planning Framework have not been met, nor the de-escalation criteria for a credible annual plan.
- "the health board does not have an agreed or supported plan": progress will be monitored through the regular Escalation Board meetings.

What the letter requires	By when	Route
Demonstrate delivery in full of the in year and recurrent savings that underpin the £41m forecast deficit.	In year; evidenced at each Escalation Board	F&P; Board
Clarity and assurance on delivery of £41m as a minimum, and a finance recovery plan to balance including a fully triangulated workforce plan and impact assessment deliverable within resources.	Discussed at the next Escalation Board, 4 August	Board; F&P
Improved, ambitious trajectories for urgent and emergency care, planned care and cancer, developed with NHS Performance and Improvement.	Work ongoing; progress at 4 August	F&P
Review of the urgent and emergency care de-escalation criteria, focused on 45 minute ambulance handovers and 12 hour waits.	Agreed with Welsh Government; timing to be confirmed	F&P; Board

What the letter acknowledges

£21m of the £42.8m savings target is now assessed green or amber; April brought improvement in ambulance handovers over one hour, handovers within 45 minutes and 12 - hour emergency department waits. The letter also records deterioration in pathways of care performance.

The correspondence read together: improvement everywhere, at once

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Eight items of oversight correspondence and review in sixteen weeks, grouped into six exchanges. Each is well founded in its own terms; read together, they require improvement in every domain at the same time.

What must improve	**April** Plan scrutiny and Chairs' objectives	**5 June** Accountability framework meeting	**12 June** Escalation Board letter	**30 June and 1 July** Planned care national directive	**10 July** Second performance review	**23 July** Annual Plan update letter	**Retired/Stepped Down**
Savings delivery	●	●	●	●	●	● ○	**None retired since 18 February**
Financial recovery to balance	●	●	●		●	●	
Planned care waits	●	●	●	●	●	●	
Cancer		●	●		●	●	
Urgent and emergency care	●	●	●		●	● ○	
Quality and safety	●	●	●		●		
Workforce		●		●	●	●	
Planning and the Annual Plan	●	●	●	●	●	●	
Regional working	●		●	●	●		

● improvement required or requirement restated ○ progress acknowledged within the same exchange

The requirement set has only widened. Cancer, the one de-escalation this year (18 February), left escalation through a single sustained test, and the letter confirming it still asked for continued improvement. Every requirement raised since April remains open. P&I stated there is a risk of Cancer being re-escalated.

Finance: the cumulative tests against the current position

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At month 3 the position is behind plan. Each of the letter's financial tests has a defined response, an owner and a date; detailed scrutiny sits with F&P.

The letter requires	Position at month 3	Action in train	By when
Savings delivered in full, in year and recurrent.	£21.0m of the £42.8m target identified; £5.1m recurrent against the £37.7m needed recurrently. Recurrent conversion is the core risk.	Variable pay opportunities of £27.9m under decision; £10m of care group offers tested through the internal Level 4 arrangements.	Offers tested 31 July; decisions by 31 August
Clarity and assurance on delivery of £41m as a minimum.	Year to date deficit £16.6m against a £10.2m plan; June £5.1m against £3.4m. The £41.0m forecast is held through £21.2m of mitigation.	Month 4 flash (highlights) position to the 30 July Board; a full forecast reassessment concludes by 5 September.	M4 initial highlights 31 July; reassessment 5 September
A recovery plan to financial balance, with a fully triangulated workforce plan.	Underlying deficit £68.9m; the letter notes assurance has not yet been provided on the planned underlying position for March 2027.	Route map to balance refined through the Executive Team for Board consideration in September, with workforce and finance triangulation built in.	Board, September

Performance: the cumulative tests against the current position

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The figures below are the figures Welsh Government sees: one account, reported through F&P and QESC and tested at the Escalation Board.

The letter's concern	Position today	Action in train	By when
Lack of commitment on 104 week waits; risk to the 104-week, 8 week diagnostic and 14 week therapy positions.	Without action, exposure builds to 5,672 waits over 104 weeks by March 2027.	Funded route submitted 20 July: productivity first, then targeted purchased capacity, with a £9.3m ask; regional cataract and orthopaedic models developed with Swansea Bay UHB; radiology completes the picture in the Board approved plan.	Board approved plan 31 July
The cancer backlog.	The April rise in the backlog was raised at the 3 June Escalation Board.	Refreshed cancer trajectory rebuilt/re affirmed with NHS Performance and Improvement alongside the planned care plan.	With the 31 July plan
Further improvement required on 45-minute handovers and 12 hour waits; pathways of care performance deteriorated.	June: 822 ambulance handovers over 45 minutes against a planned ceiling of 679; 12 hour waits 10.0% of attendances.	Scenario based trajectory rebuilt: the base case builds from 59.5% to 75.7% of handovers within 45 minutes by March 2027, with a costed stretch of 81.0% against the 95% expectation; de-escalation criteria review agreed.	Trajectories at 4 August; criteria review to follow

Ownership is confirmed. ARAC tests the whole

Lead committees scrutinise each criterion. ARAC tests whether the combined portfolio is coherent and feasible at the required scale.

Board: the consolidated position and the relationship with the Escalation Board

ARAC: assurance on the system itself, including architecture, consistency, totality and feasibility of the combined portfolio

Finance and Performance Committee

Finance criteria 1 to 4; key performance metrics; operational delivery including planned care (25 to 33) and urgent and emergency care (16 to 19).

Quality, Safety and Experience Committee

Quality and safety criteria, including healthcare associated infections, nationally reportable incidents, never events, complaints and patient experience.

Strategy and Planning Committee

Planning criteria 5 to 9: the annual plan, integrated planning, the clinical services plan, planning maturity and regional planning.

De-escalated and sustained at routine oversight: cancer performance (February 2026) and CAMHS. Sustaining these positions remains part of the whole.

The August rhythm

Committee reporting confirmed through workplans, with single route reporting operating. Escalation Board 4 August; this update to ARAC on 13 August; the consolidated position to Board. The criteria mapping register remains the working tool beneath this picture.

Our assessment: assure on the system, alert on the whole

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Architecture June: Advise **August: Assure (proposed)**	Every criterion has one owning committee and a workplan route. The register is operating and no unowned issue has arisen this cycle.	This changes if a criterion loses its route, or a referral is not acted on via any new framework being released
Consistency June: Assure **August: Assure**	The June and July correspondence does not create a separate governance route. It reinforces the account already reported by committees. The 20 July response demonstrates material work in train, but also records an incomplete diagnostic element; the 23 July letter therefore confirms that the Annual Plan remains Alert.	This changes if external oversight surfaces anything our reporting has not.
Totality June: Alert **August: Alert**	Lead committees can oversee individual criteria. The remaining question is aggregate feasibility: whether all 31 criteria, the Annual Plan and routine delivery form a coherent portfolio with clear programmes, outcomes, ownership, milestones, capacity and capability, dependencies, benefits and trade-offs. Within a fixed level of capacity, that requires an explicit order of effort.	This changes when every material criterion has a clear programme response and the combined portfolio is demonstrably sequenced, resourced and feasible.

Capacity, capability and the order of effort

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The question beneath the totality assessment has already been posed, in terms, by the correspondence itself.

> "The question was posed as to whether there was sufficient capacity and capability within the organisation to make the necessary changes."
>
> Welsh Government letter, 12 June 2026, following the 3 June Escalation Board

Four priorities in twelve weeks

"Ensure Patient Safety is a priority." **Chairs' objectives, April**

"Handover 45 will be a significant priority for implementation ahead of winter." **5 June**

"The priority is clear: the elimination of waits over 104 weeks." **30 June**

"The immediate priority is to de-risk and improve your performance and financial positions in-year, alongside the requirement to develop a financial recovery plan to balance." **23 July**

Each is right in its own terms. Read together, they are concurrent, and the capacity behind each is the same.

Where the test was single, the position moved

Cancer: one criterion, 63% for three months. Met, and de-escalated on 18 February.

Nationally reportable incidents: one number, from 38 open investigations to no more than 19. 32 open at 22 July, on a controlled closure profile to October.

The agreed review of the urgent care criteria points the same way: it narrows the test to two measures, 45 minute handovers and 12 hour waits.

Concentrated effort behind a defined test is the Health Boards demonstrated route to delivery.

Where the requirement is broad, the judgement hardened

5 June: "we were all clear on the seriousness of the current planning position."

12 June: "the organisation does not have sufficient grip on its most significant challenges."

23 July: "breached its statutory duty... does not have an agreed or supported plan."

The same letters acknowledge progress in individual areas. The judgement on the whole has moved one way.

The assurance question for the committee

The whole remains the requirement; an explicit order of effort is the mechanism for delivering it. The committee can seek assurance that the Board's portfolio shows which improvements are resourced first, what each is expected to deliver by when, the capacity each consumes, and the accepted consequence for the pace of the remainder.

The 30 June directive models the same discipline nationally: a clear first call on effort, internal capacity before external provision, funding following evidence. The organisational bandwidth corporate risk, agreed by this committee in June, is the route for pursuing it.

The correspondence converges on the 4 August Escalation Board

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24 July
Return of the three commissioned actions to Welsh Government

30 July
Board: planned care plan for approval; M4 flash; clinical services plan and stroke updates

31 July
Board approved plan, radiology and refreshed cancer trajectory submitted

3 August
Evidence pack submitted in advance

4 August
Escalation Board: discursive review of the evidence

13 August
This committee meets; next NHS Performance and Improvement review

Commissioned action (3 June)	Position at drafting	Complete by
A clear roadmap to the required financial position and a route map to balance.	Response returned 24 July; route map refined through the Executive Team for the September Board.	24 July; September Board
A 50% reduction in open nationally reportable incident (NRI) investigations: 38 to no more than 19.	32 open at 22 July, with a controlled closure profile through to October and learning from the two never events embedded.	Profile runs to October
Clear and ambitious trajectories for planned care, cancer and urgent and emergency care.	Rebuilt with NHS Performance and Improvement; planned care and cancer land with the 31 July plan; urgent care base and stretch cases modelled.	31 July; 4 August

[To be added following the 4 August Escalation Board: outcome and any revised requirements: presenting officers, by 8 August] – if papers are issued before this can be updated, then please can member note the purpose of this box/space and seek a verbal update.

Matters for the committee

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The committee is asked to:

NOTE	the cumulative June and July correspondence, culminating in the 23 July conclusion that the Health Board has breached its statutory planning duty and does not have an agreed or supported plan.
SEEK ASSURANCE	that every material criterion is aligned to a clear programme or workstream, and that the combined portfolio rests on an explicit order of effort: which improvements are resourced first, what each is expected to deliver by when, the capacity each consumes, and the accepted consequence for the pace of the remainder.
TAKE ASSURANCE	from the alignment between the June and July correspondence and what lead committees have already reported, and from the confirmed mapping of all 31 criteria to owning committees.
ADVISE	the Board that aggregate deliverability remains a material concern until the portfolio is demonstrably sequenced, resourced and feasible, with any trade-offs reflected in Board prioritisation decisions.