ARAC and the annual plan

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Discussion paper for the Audit, Risk and Assurance Committee

The revised targeted intervention framework, what has changed, and the implications for overarching assurance

April 2026

Our escalation journey

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Since the whole organisation was placed into level 4 in January 2024, we have progressively de-escalated across multiple domains:

Jan 2024 Whole organisation escalated to level 4 across all domains **Level 4**

Mar 2025 Planned care, CAMHS, and leadership and governance de-escalated → **Level 3**

Jul 2025 Cancer de-escalated to level 3; CAMHS to level 1 → **Level 3 / 1**

Dec 2025 Leadership and governance de-escalated → **Level 1**

Feb 2026 Cancer de-escalated. Revised framework issued. → **Level 1**

Current position as at February 2026:

- Finance, strategy and planning **Level 4**
- Urgent and emergency care **Level 4**
- HCAIs and fragile services **Level 4**
- Planned care **Level 3**
- Cancer, CAMHS, leadership and governance **Level 1 (Routine Arrangements)**

How the framework has evolved

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

The February 2026 framework is the fourth iteration since April 2025. Comparing it against the June 2025 version reveals significant movements: three domains have been de-escalated out entirely, new de-escalation criteria have been introduced, and existing expectations have been sharpened.

Domains de-escalated to level 1 (no longer in the framework)

- ~~Cancer~~ level 4 → level 3 (July 2025) → level 1 (February 2026)
- ~~CAMHS~~ level 3 → level 1 (July 2025)
- ~~Leadership and governance~~ level 3 → level 1 (December 2025)

New de-escalation criteria (not in June 2025 framework)

- **Finance:** Deliver milestone target control totals on an ongoing basis; deliver a financial improvement trajectory towards in-year balance over two financial years
- **Strategy:** Planning maturity self-assessment against an agreed matrix; regional working now requires demonstrated joint plans and increased activity across five specialties
- **UEC:** New enabling metrics for emergency admissions over 21 days and pathways of care assessment delays

Criteria tightened or revised

- Finance: June 2025 required “annual plan demonstrating trajectory to deliver TCT”; February 2026 now requires ongoing milestone delivery and a two-year trajectory to in-year balance
- Planned care: follow-up reduction now requires continuous monthly improvement maintained for three months
- UEC and planned care: assessment of BCIs and complaints removed as de-escalation criteria but retained as action requirements

The breadth of commitments

Although three domains have been de-escalated, the revised framework has introduced new and more exacting criteria. Alongside the annual plan for 2026/27, the total set of commitments the health board must deliver against includes:

- **Level 4** Quantified de-escalation criteria across finance (4 criteria), strategy and planning (5 criteria), UEC (4 criteria plus 2 enabling metrics), HCAIs (3 criteria), and clinical services (6 criteria)
- **Level 3** Planned care de-escalation criteria across outpatients, RTT, diagnostics, endoscopy, NOUS/MRI, therapies, and follow-ups (9 criteria)
- Submit an acceptable annual plan for 2026/27 and demonstrate progress towards an approvable IMTP
- Progress regional service planning with Swansea Bay across orthopaedics, ophthalmology, stroke, urology, and upper GI with demonstrated joint plans and activity
- Deliver a credible financial improvement trajectory towards in-year balance over two financial years
- Maintain and sustain improvements in cancer, CAMHS, and leadership and governance to avoid re-escalation
- Respond to external reviews, inspections, royal college recommendations, and national programme requirements across all domains

This is being delivered alongside operational pressures and the normal business of running the health board. The question for the committee is whether we have sufficient organisational bandwidth to deliver the totality of what is required, and how any shortfall in one area may cascade into others.

Organisational bandwidth

No single board committee currently asks the systemic question: given everything the framework and plan require, is this deliverable?

Individual committees scrutinise their domains. But the interdependencies between those domains mean that pressure in one area can affect delivery in another:

- Financial recovery depends on service change, which depends on planning capacity and regional collaboration
- UEC performance depends on flow, which depends on delayed pathways of care, which depends on community capacity and planning capacity
- Fragile services require workforce stability, which competes with the same recruitment challenges affecting planned care delivery and consultation and engagement
- Meeting the expanded planned care criteria while also delivering the UEC and HCAI targets draws on the same clinical and operational leadership whilst balancing theatres

If a domain that has been de-escalated deteriorates, it could re-enter the framework and further stretch the organisation’s capacity to deliver across the remaining commitments.

What this means for ARAC

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

At a previous meeting, Mr Maynard Davies asked how ARAC provides overarching assurance on the annual plan when no de-escalation criteria are directly assigned to the committee.

The revised framework provides a basis for defining that role. We suggest ARAC's contribution is not to duplicate what other committees scrutinise, but to ask:

- Given the revised criteria and the breadth of what is required, is the overall position deliverable?
- Are there interdependencies or capacity constraints that could affect delivery across domains?
- Are all criteria allocated to a board committee with appropriate scrutiny arrangements?
- Are de-escalated domains being monitored to avoid re-escalation?

This gives ARAC a defined role that is distinct from other committees: overseeing the coherence and deliverability of the whole, rather than scrutinising individual parts.

Proposed next steps

We ask the committee to consider this approach and, if content, agree the following:

- **Note** the changes in the revised February 2026 escalation framework and the cumulative de-escalation progress since January 2024
- **Agree** that ARAC's role in relation to the annual plan is to provide overarching assurance on the deliverability and coherence of the totality of commitments, including organisational capacity to achieve overarching escalation
- **Receive** a consolidated position on delivery against the framework at each meeting, including cross-cutting risks and interdependencies
- **Refer** specific concerns to the relevant board committee for detailed scrutiny and require a response
- **Report** to Board where the committee identifies material concerns about overall deliverability

We will bring a fuller assessment of the revised criteria and their implications for committee assurance arrangements to the next meeting.

Y Grŵp Iechyd Gofal Cymdeithasol a’r Blynyddoedd Cynnar
Health, Social Care and Early Years Group

Phil Kloer
Chief Executive
Hywel Dda University Health Board

Eich Cyf/Your Ref:
Ein Cyf/Our Ref:

20 February 2026

Dear Phil

Revised Health Board escalation framework

Following the de-escalation of cancer from level 3 to level 1 on 19 February 2026, I enclose the revised version of the health board escalation framework.

Yours sincerely

Olivia Shorrocks

Olivia Shorrocks
HEAD OF PERFORMANCE, ESCALATION AND INTERVENTION

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.

Ffôn • Tel 0300 062 5545
Olivia.Shorrocks@llyw.cymru/
Olivia.Shorrocks@gov.wales

BUDDSODDWYR MEWN POBL | INVESTORS IN PEOPLE

Cyffordd Llundudno •
Llandudno Junction
LL31 9RZ

Gwefan • website: www.llyw.cymru
www.gov.wales

Health, Social Care and Early Years Group **Hywel Dda University Health Board** **Escalation Framework** **February 2026**	

Contents

Introduction 2
Escalation history 3
De-escalation 5
Roles and responsibilities 6
Finance, strategy and planning 7
Finance 7
Strategy and planning 10
Clinical services 11
Performance and outcomes 12
Urgent and emergency care 12
Quality of care related to HCAIs 14
Planned care 15
Version control 17

Introduction

Following an assessment against the NHS Wales oversight and escalation framework in November 2025, Hywel Dda Bay University Health Board escalation levels are as follows:

- level 4 for finance, strategy and planning, performance and outcomes related to urgent and emergency care, quality of care related to HCAIs and fragile services.
- level 3 for performance and outcomes related to planned care.

Level 4 is the second highest level of escalation within the NHS oversight and escalation framework. It is applied when organisations have serious problems and where there are concerns that they cannot make the necessary improvements without external support. The Welsh Government will take and co-ordinate action and direct intervention to support the health board to strengthen its capability and capacity to drive improvement. It consists of a set of interventions designed to remedy the problems within a reasonable timeframe. The interventions will normally be undertaken by the NHS Wales Performance and Intervention (NHS P&I) directed by Welsh Government. If appropriate, external support will be agreed with the organisation.

Level 3 occurs when Welsh Government has identified serious concerns related to the NHS organisation. Monitoring will be more frequent than that carried out under routine arrangements and may also take a wider variety of forms, including regular interactions and meetings in addition to written progress updates and submission of evidence, including updated action plans and qualitative and quantitative data. The NHS organisation will need to demonstrate that it is taking a proactive response to the escalation and will need to put in place effective processes to address the issue(s) and drive improvement itself. Welsh Government will co-ordinate activity to closely monitor, challenge and review progress.

Escalation history

September 2022
The health board was escalated to targeted intervention from enhanced monitoring for finance and planning. Quality and performance remained in enhanced monitoring following concerns around urgent and emergency care, planned care including cancer, neurodevelopment and child and adolescent mental health services.

January 2024
The health board was escalated to level 4 (targeted Intervention). The escalation of the whole organisation into level 4 reflected escalating concerns across all the domains within the oversight and escalation framework.

March 2025
The health board was de-escalated to level 3 for performance and outcomes relating to planned care and CAMHS and for leadership and governance.

July 2025
The health board was de-escalated to level 3 for cancer and to level 1 for CAMHS.

December 2025
The health board was de-escalated to level 1 for leadership and governance.

February 2026
The health board was de-escalated to level 1 for cancer.

NHS Wales oversight and escalation framework

The NHS Wales oversight and escalation framework sets out the process by which the Welsh Government maintains oversight of NHS bodies and gains assurance across the system. It describes the escalation, de-escalation and intervention process, the five levels of escalation and the domains against which each health board will be assessed.

During escalation, interventions will be:

- collaborative – we will seek to minimise duplication by working collaboratively with other national committees, groups and programmes.
- collective – we will maximise shared knowledge by sharing common approaches, tools, guidance.
- impact focussed - we will examine and seek assurance and evidence how organisations are obtaining assurance over delivery and impact of actions.
- be undertaken with openness; transparency; and mutual trust and respect between the health board, Welsh Government, and the NHS P&I.

Whilst the health board is in escalation:

- normal performance management arrangements will continue through the Integrated Quality, Planning and Delivery (IQPD) and Joint Executive Team (JET) meetings.
- quarterly escalation meetings will be chaired by the Director General of the Health, Social Care and Early Years Group / Chief Executive NHS Wales – these will cover both the level 4 and 3 progress, but with a greater scrutiny on level 4 actions and impact. The May and November meetings will be part of the JET meeting.
- finance, strategy and planning level 4 touchpoint meetings will be agreed with the Finance, Planning and Delivery team within NHS P&I - these will examine progress made against the action log, review evidence and agree outputs for inclusion at the Welsh Government led escalation meetings.
- the monthly IQPD meetings led by Welsh Government will be utilised to ensure effective ongoing oversight against the concerns related to performance and outcomes domain.

De-escalation

This framework sets out the expectations for de-escalation against each area and domain of escalation. Where possible, these de-escalation criteria are consistent with other health organisations in escalation.

De-escalation will be no more than one level at a time with reduced oversight and intervention at each stage of de-escalation. De-escalation from level 3 (enhanced monitoring) will typically be to level 1 (routine arrangements).

To be considered for de-escalation, an organisation must demonstrate that progress towards the de-escalation criteria is being made.

There are two approaches to de-escalation:

1. The Welsh Government will coordinate activity to closely monitor, challenge and review progress made by the NHS organisation. If the NHS organisation can provide evidence of sufficient and timely improvement, then the Welsh Government and external review bodies will share knowledge to enable them each to consider whether de-escalation of the intervention arrangements placed on the NHS organisation is appropriate. For de-escalation to occur, the NHS body may not have achieved all of the de-escalation criteria, but they will need to demonstrate sustained improvements with a credible improvement plan to maintain improvements.

2. De-escalation for those areas with quantifiable outcomes and targets such as performance and outcomes will take place once the de-escalation criteria have been met and sustained for the agreed period of time. If the NHS organisation meets the de-escalation criteria for a specific domain or sub-domain then they will be de-escalated to the next level on the escalation scale. This de-escalation will be automatically triggered outside of the normal escalation cycle and will be confirmed in writing to the organisation.

Roles and responsibilities

The roles and responsibilities of Welsh Government are to:

- support a formal structure for reviewing and reporting progress.
- signpost relevant best practice guidance and frameworks.
- act as a critical friend and sounding board on existing practices and new developments.
- review and provide feedback on action plans.
- undertake and share relevant analysis and deep dives of national data.
- enable shared approaches to key national issues across Welsh organisations and promote shared learning.
- direct the NHS P&I to provide targeted support to areas of concern to help the health board to improve their progress against programme objectives.
- work with the health board on critical enablers relating to regional planning, clinical services redesign, infrastructure (digital and buildings).

The roles and responsibilities of the health board are to:

- appoint an SRO(s) for all areas of escalation.
- ensure Board ownership and oversight with a clear governance structure, ensure that the Board is appraised of the escalation plan and evidence regular progress updates to the Board on progress against de-escalation criteria.
- produce a realistic and achievable level 3 / level 4 plan in response to the areas of concern and in line with the agreed de-escalation criteria.
- provide progress reports and evidence against the escalation plan to Welsh Government.
- give assurance that there are formal review mechanisms in place within the health board to monitor and deliver the required improvements.

Finance, strategy and planning

Finance

The finance intervention and focus whilst in level 4 covers the following areas:

The health board will be required to action and:

- demonstrate financial governance and financial control environment mechanisms that are robust, and sufficient assurance is received on their effectiveness by undertaking a review of the financial management arrangements in place against an appropriate best practice framework(s) and developing and implementing an action plan to address any gaps in approach.
- articulate clearly the drivers of the current deficit to inform a triangulated approach to identify and deliver actions that will improve efficiency, sustainably reduce costs, and maximise the sustainable use of resources.
- evidence clear policies and processes supporting the identification, delivery and monitoring of all savings schemes and opportunities. This should include having a clear and robust opportunities framework (and pipeline) that contains realistic opportunities to support and manage the short-term challenges being faced, as well as driving the larger-scale transformational changes that will support long-term sustainability.
- evidence an integrated planning approach and strategy to deliver a clear roadmap and key milestones for delivery of a breakeven plan in line with the expectations set by Welsh Government. This should include clear and realistic planning assumptions, which triangulates with the organisation's longer-term strategic objectives around service delivery, workforce, infrastructure, etc.
- challenge and stress-test the health board's plan submission for 2026/27 and identifying opportunities for improvement.
- deliver an improving financial trajectory in line with the organisation's Board approved plans, including significant progress towards in-year financial balance over the next two financial years.

The health board will be required to action and demonstrate financial governance and a control environment through:

- the financial governance framework at the health board that is robust in both design and implementation, including a self-assessment against best practice frameworks.
- the financial committee structure; clearly articulated and addresses key risks.
- financial reports and supplementary presentations that include the analysis and narrative explanation required to enable management and the board to discharge their duties.
- financial controls at the health board that are robust in both design and implementation, including a self-assessment against model frameworks, review implementation of the Standing Financial Instructions, internal audit reviews, or other control reviews.
- the finance function that has the necessary capacity and capability to support the needs of the wider organisation.
- holding budget holders and managers to account for delivering their financial plans.

- delivery of its action plan to improve the financial governance and financial control environment.

<u>The health board will be required to action and demonstrate understanding of the existing deficit and key drivers and must:</u>

- demonstrate there is a clear understanding of the cost drivers and investment decisions responsible for the growth in deficit across the organisation, including an explicit breakdown by key service area and cost driver.
- review prior year investments to assess whether the planned benefits have been delivered.
- implement a robust process for challenging underlying deficits reported at local divisional levels.
- understand that the drivers and investment decisions responsible for the growth in workforce are well understood; are reviewed for ongoing value; and are monitored through the integrated performance report.
- ensure integrated performance reports clearly identify and monitor metrics against key activity cost drivers.

As a result of the above, there are triangulated approaches to identify and deliver actions to improve efficiency and maximise the use of resources.

<u>The health board will be required to action and demonstrate development and realisation of opportunities and must:</u>

- have a clear process and approach across the organisation to support the identification, delivery and monitoring of all savings schemes.
- develop a comprehensive opportunities framework with a constant pipeline of opportunities and establish clear roles and responsibilities for developing opportunities into saving schemes and subsequent delivery of these saving schemes.
- translate national opportunities identified through the Value and Sustainability Board into local savings.
- have clear policies and processes in place to enable budget holders and managers to realise and deliver identified savings schemes.
- demonstrate how the health board uses Value based health care principles across the organisation through specified services and pathways.

<u>The health board will be required to action and demonstrate a clear financial plan and strategy through:</u>

- an integrated and triangulated plan, with clear and realistic planning assumptions to deliver a (recurrent) breakeven position over the medium-term, with a clear roadmap and key milestones for delivery.
- a clear engagement plan to communicate the necessity for financial improvement across the organisation.

The health board will be required to action and demonstrate delivery of a plan through:

- a clear improvement in the planned financial trajectory for 2026/27 including further progress around identification and delivery of recurring opportunities.

De-escalation criteria
In order for the health board to be de-escalated to the next level of intervention, they must meet the criteria set out below:

- demonstrate that there are robust financial governance and robust financial control environment in place with risks minimised.
- make substantial progress in delivering the level 4 action plan, including actions to improve the organisation's understanding of the existing deficit and key drivers and development and realisation of opportunities.
- continue to deliver milestone target control totals on an ongoing basis such as the reset TCT for 2025/26 of a £22.1m deficit.
- continue to demonstrate and deliver a financial improvement trajectory to deliver in-year financial balance in line with Welsh Government expectations.

Strategy and planning

The strategy and planning intervention and focus whilst in level 4 escalation covers the following areas:

The health board will be required to action and demonstrate delivery of milestones within the approved plan and must:

- show evidence of improved integrated planning across the organisation to develop an approvable IMTP, providing a route map towards the health board's longer-term ambition.
- deliver a credible annual plan as a stepping stone towards a full and financially balanced IMTP.
- make good progress in delivering the ministerial targets, delivery expectations and enabling actions (as set out in the NHS Wales Planning framework 2025-28), accountability criteria and the level 4 requirements.

The health board will be required to demonstrate how the delivery of a clinical strategy and plan is supporting:

- future planning and investment decisions.
- decision making across the organisation.

The health board will be required to demonstrate how regional planning is supporting the health board to:

- ensure the delivery of key objectives through the Joint Committee with Swansea Bay University Health Board, demonstrating improved regional collaboration where required to ensure continued safety, quality and ongoing viability and sustainability of regional services, including orthopaedics and ophthalmology.

De-escalation criteria
In order for the health board to be de-escalated to the next level of intervention, they must meet the criteria set out below:

- submit an acceptable annual plan in line with the current planning framework.
- evidence an integrated planning across the organisation which supports the development of a coherent and deliverable annual plan.
- evidence a clear roadmap and implementation of the health board's clinical services plan.
- increase Welsh Government's confidence in delivery based on an assessment against an agreed planning maturity matrix.
- evidence progress made with regional planning in relation to orthopaedics, ophthalmology, stroke services, urology, and upper gastrointestinal services in 2025/26 as demonstrated by joint plans, improved working, and increased activity delivered through regional working.

Clinical services

The fragile services intervention and focus whilst in level 4 will alter over time in response to workforce and estate challenges. The current focus will be on the nine clinical areas identified in the health board's clinical services plan:

1. Critical care
2. Dermatology
3. Elective orthopaedics
4. Ophthalmology
5. Urology
6. Emergency general surgery
7. Stroke
8. Endoscopy
9. Radiology

De-escalation criteria
In order for the health board to be de-escalated to the next level of intervention, they must meet the criteria set out below:

- evidence that the health board has the appropriate mechanism to understand the drivers behind a fragile service through the triangulation of key data points, including staffing levels, staff and patient feedback, concerns, incidents, stakeholder feedback (HIW, Audit Wales, HMC, Royal Colleges, Llais etc), mortality reviews, duty of quality / candour, infection protection control, performance, clinical and medical leadership.
- demonstrate that fragile services are supported by strong clinical leadership, have an effective integrated improvement plan, project management structure and effective transformation support.
- show progress is being made towards key performance metrics.
- evidence that all recommendations from the Royal Colleges, HIW and other reviews specific to Hywel Dda UHB are discharged and either verified or delivered or scheduled for delivery within the health board's longer-term improvement plan.
- evidence that the Board is sighted on fragile services and has a robust response and action plan for each area.
- 65% R1 ophthalmology patient pathways to be waiting within or no longer than 25% of their target date for an outpatient appointment and maintained for 3 months.

Performance and outcomes

Urgent and emergency care

The performance and outcomes level 4 intervention and focus for urgent and emergency care (UEC) covers the following areas:

The health board will be required to action and demonstrate sustainable services and must:

- ensure that recovery and improvement plans are in place and that agreed priorities are being implemented, in accordance with evidence-based practice and national requirements.
- improve unscheduled care performance to ensure that patients access safe, timely and effective unscheduled care services, reducing waiting times, delays and improving quality.
- deliver activity in line with agreed trajectories and implement any necessary changes where performance falls below trajectory.
- deliver the UEC enabling actions in the 2025/28 planning guidance.
- demonstrate how the health board responds and handles concerns, complaints, incidents and patient experience feedback related to UEC as part of the quarterly escalation meetings.
- assess declared BCIs, including reasons why, actions taken, and lessons learnt.
- ensure that patients are clear where they can and should access support, signposting away from emergency services.

The health board will be required to action and demonstrate working with national programmes and respond to external reviews and must:

- work with and implement the recommendations from national programmes including but not limited to Strategic Programme of Primary Care, Six Goals for Emergency Care and the National Diagnostic and Endoscopy Programmes.
- support the implementation and realisation of GiRFT and the national programme reviews opportunities.
- develop a prompt response to any HIW unannounced inspections, Audit Wales and Royal College recommendation, developing and completing action plans that demonstrate sustainable evidence.

De-escalation criteria
In order for the health board to be de-escalated to the next level of intervention, they must meet the criteria set out below:

- continuous reduction of ambulance handovers over an hour of at least 11% in three consecutive months and maintained for 3 months (Based on agreed baseline).
- continuous monthly improvement towards achieving no more than 7% of patients waiting over 12 hours at each individual site and across the health board.
- continuous improvement in the median time from arrival at an emergency department to assessment by a clinical decision maker to achieve a maximum of 60 minutes.

- continuous reduction in delayed pathways of care (with a focus on those caused by assessment issues) of 5% for three consecutive months and then maintained (based on agreed baseline).

The enabling metrics for de-escalation are:

- a three-month continuous reduction of at least 5% in each month (from the November 2023 baseline) in the number of people admitted as an emergency who remain in hospital over 21 days since admission.
- a three-month continuous reduction of at least 5% in each month in pathways of care assessments issues (from the November 2023 baseline).

Quality of care related to HCAIs

The performance and outcomes level 4 intervention and focus for quality of care related to Healthcare Acquired Infections (HCAIs) covers the following areas:

The health board will be required to demonstrate how they are delivering sustainable services through:

- stabilisation of the increased trajectory of cases of HCAI and evidence of continuous improvement accompanied by a strong QI approach and plan that has oversight and monitoring by the health board Quality, Safety and Experience Committee and Board.

The health board will be required to demonstrate appropriate governance and leadership through:

- a clear improvement plan based on a root cause analysis to address the issue of hospital onset HCAIs.
- having clear and effective response mechanisms in place to respond to outbreaks reporting directly to Board.

De-escalation criteria
In order for the health board to be de-escalated to the next level of intervention, they must meet the criteria set out below:

- reduce the number of hospital onset C-Diff infections by 25% and maintain for 3 months (from a baseline of the average number of cases in quarter 3 (2023/24) of 8 cases to no more than 6 per month).
- reduce the number of hospital onset Staph Aureus infections by 33% and maintain for 3 months (from a baseline of the average number of cases in quarter 3 (2023/24) of 3 cases to no more than 2 per month).
- reduce the number of hospital onset E-Coli infections by 25% and maintain for 3 months (from a baseline of the average number of cases in quarter 3 (2023/24) of 7 cases to no more than 5 per month).

Planned care

The performance and outcomes level 3 intervention and focus for planned care covers the following areas:

The health board must demonstrate how they have sustainable planned care services through:

- a robust improvement plan in accordance with evidence-based practice and national requirements.
- improved access to planned care services with reduced waiting times in line with the de-escalation criteria.
- delivery of the planned care enabling actions in the 2025/28 planning guidance.
- how the health board responds and handles concerns, complaints, incidents and patient experience feedback related to planned care at the quarterly escalation meetings.
- implementation of an outpatient transformation plan in line with the requirements of the planned care programme.
- utilisation of regional working arrangements to improve outcomes and improved access to services.

The health board will be required to action and demonstrate working with national programmes and respond to external reviews and must:

- work with and implement the recommendations from national programmes including but not limited to Planned Care Improvement and the National Diagnostic and Endoscopy Programmes.
- support the implementation and realisation of the three Ps policy, GiRFT, theatre optimisation, the CIN optimisation programmes and related national improvement recommendations.
- respond effectively to HIW unannounced inspections, Audit Wales and Royal College recommendations, developing and completing action plans that demonstrate sustainable evidence.

The health board must demonstrate improved communications and engagement through:

- having effective and meaningful engagement with patients related to service changes, waiting times policies and the provision of appropriate support that keeps patients well whilst waiting.
- ensuring patients are clear where they can and should access support.
- ensuring the benefits of new pathways such as straight to test, primary care management, self-management and see on symptoms pathways are communicated effectively.

De-escalation criteria

In order for the health board to be de-escalated, they must meet the criteria set out below:

- 100% of open outpatient pathways to be waiting less than 52 weeks and maintained for 3 months.
- continuous improvement towards 75% of all open outpatient pathways waiting less than 26 weeks.
- 100% of open pathways to be waiting less than 104 weeks and maintained for 3 months.
- continuous improvement towards 80% of all open pathways waiting less than 36 weeks.
- continuous monthly improvement towards achieving a 12% reduction in the number of patients delayed by 100% for their follow up appointment in three consecutive months and maintained for 3 months (based on the agreed baseline).
- 85% of patients waiting for a diagnostic test to be waiting less than 8 weeks and maintained for 3 months.
- 85% of patients waiting for a diagnostic endoscopy to be waiting less than 8 weeks and maintained for 3 months.
- 85% of patients waiting for a NOUS and non-cardiac MRI to be waiting less than 8 weeks and maintained for 3 months.
- 90% of patients waiting for therapies to be waiting less than 14 weeks and maintained for 3 months.

Version control

Date	Comments
August 2025	Revised version shared with health board incorporating comments received
September 2025	Final version with accessibility changes incorporated
December 2025	New framework following changes in escalation status in December 2025.
February 2026	Revised framework following de-escalation for cancer.

Grŵp Iechyd a Gwasanaethau Cymdeithasol
Health and Social Services Group

Philip Kloer
philip.kloer@wales.nhs.uk

Our Ref: SSE/HDUHB

31 March 2026

Dear Philip,

Hywel Dda University Health Board – Scrutiny Session

Thank you to your team for attending the health board's scrutiny session on the 12th March. The purpose of the meeting was to gain assurance from the executive team based on the issues raised in your Accountable Officer letter that was submitted on 13th of February. Prior to the scrutiny session, you and your team were advised that we would be seeking assurance against:

- Performance ambitions, including the organisation's assessment against the delivery expectations, enabling actions and MAG recommendations
- Actions to address and reduce the underlying deficit
- The total opportunity pipeline available to the organisation
- Detailed actions and savings plan with confidence assessment
- Ownership of risks and mitigations – with clear next steps
- Options and choices to take the organisation to financial balance

I opened the meeting by reflecting that the health board's scrutiny session was triggered because the organisation had signalled that it could not submit a Board approved financially balanced plan. I reiterated that the requirement remains the same – the organisation is expected to submit a balanced plan that delivers against the expectations of the Planning Framework. Furthermore, a deterioration of the financial position would be unacceptable and unsupportable. It is expected that as a minimum, the organisation will balance against and improve upon this year's outturn position.

I acknowledged that the health board had shown progress over the past two years, specifically in relation to

- Strengthened organisational capability
- De-escalation in cancer
- Improvements in data quality, planning, and grip of delivery.

Your team set out the detail of the status of your current financial assessment, which at the time of meeting was an underlying deficit of £58.4m, which is not acceptable. It is Welsh Governments view that choices can be taken to reduce this figure, such as improving on the £28.9m of savings the health board describes as being non-recurrent You also described an initial forecast deficit as things stand of £41m. We were clear that Welsh Government cannot support or accept a £41m in-year deficit plan. The health board delivered 2025 / 26 forecast outturn deficit of £22.1m against a revised control total.

We acknowledged the incremental progress the organisation has made in recent years. However, Welsh Government has been clear on numerous occasions, and the health board has delivery conditions associated with funding provided on a conditionally recurrent basis in 2024/25, on setting out a clear route-map to deliver in-year financial balance. This has not been provided and must be the focus of the health board.

Your current savings was at £17.6m against a £47m total, leaving a £30m gap. You advised me that the health board was updating its governance process to accelerate conversion of value opportunities into deliverable savings. We reiterated to you that the Welsh Government expects to see improvement in all aspects of the plan including the underlying deficit, actions being taken to mitigate new projected costs, and confidence in plans to realise savings delivery.

On urgent and emergency care, you have genuine ambitions to further improve the one-hour delay metric for ambulance handover to achieve the targeted intervention threshold, improve on the 45-minute ambulance handover time, overall average handover times and the total hours lost over the next 12 months which is heavily dependent on the investment received.

Performance across cancer, planned care and diagnostics has remained stable over the past year, which was supported by targeted investment and prioritisation of diagnostic capacity. However, progressing further towards the 75% cancer ambition will require additional step-up improvements and continued delivery of your productivity and optimisation framework, alongside the structural and enabling actions already underway. You mention that mental health and learning disability services remain key areas of focus.

Most specialties are now operating in sustainable balance, but a small number continue to drive significant delivery gaps. Dermatology accounts for around half of the outpatient shortfall, with an expected gap of just over 9,000 patients against the 26-week standard. For 104-week pathways, the gap is approximately 5,500 patients, two-thirds of which sits within ophthalmology. These specialties have longstanding reliance on external capacity and are part of ongoing Clinical Service Planning and Regional Planning work.

You mention the productivity gains achieved in outpatients, reduced follow-ups, and improved DNA rates, and further improvement will be dependent on additional resource, particularly to expand diagnostic capacity in endoscopy, radiology, and cellular pathology. These areas face genuine demand-capacity pressures that must be addressed to support continued performance improvement.

In relation to planned care you have access to viable solutions to close the gaps identified, but these come with a significant financial cost, which remains the central

challenge to delivery. Therapy provision continues to be an area of difficulty, with limited progress against the 14-week measure and you remain at Level 3. Current breach levels sit at approximately 2,300, with the potential to exceed 3,000 next year due to sustained demand pressures.

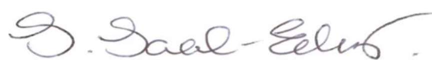
To reiterate, there is no available funding to support additional delivery requirements. You must therefore proceed on the basis that no additional financial support will be provided by the Welsh Government. If enabling actions are fully delivered and remaining opportunities maximised, the level of investment required should be significantly lower. The cited requirement of £12.5m does not align with this understanding. There is a need to rapidly reconcile these differing interpretations to ensure a shared and accurate view of what is genuinely required to deliver the plan.

Whilst I understand that the organisation is in a challenging position, Welsh Government's position remains the same. More must be done to improve the current position which is, at present unacceptable. A deficit plan cannot be supported. Should you wish to speak with me or any of the senior officials prior to the submission of your plan, we would be happy to do so.

From a Welsh Government perspective, in summary, clear actions must be taken at pace by the health board to:

- Deliver recurrently savings and mitigations from 2025/26 to not deteriorate the underlying position.
- Undertake a follow-up performance discussion with Jeremy Griffith.
- Strengthen the plan's ambition and clarity.
- Welsh Government to share the assessment for the opportunities relating to enabling actions.

Yours sincerely



Samia Edmonds MBE
Director of Strategic Planning

Ein cyf/Our ref: CEO.20064
Gofynnwch am/Please ask for: Kelly Sursona
Rhif Ffôn /Telephone: 01267239569
Dyddiad/Date: 1 April 2026

Swyddfeydd Corfforaethol, Ail Lawr, Bloc C.
Adeiladau'r Llywodraeth, Heol Picton,
Caerfyrddin, Sir Gaerfyrddin, SA31 3BT

Corporate Offices, Second Floor, Block C,
Government Buildings, Picton Terrace,
Carmarthen, Carmarthenshire, SA31 3BT

Samia Edmonds MBE
Director of Strategic Planning
Health and Social Services Group
Welsh Government

By email: Samia.Saeed-Edmonds@gov.wales

Dear Samia

Thank you for your letter of 31 March 2026 and the discussions at our scrutiny session. We welcome the ongoing dialogue and recognise the seriousness of the Board's position as we head into 2026/27.

In line with Welsh Government requirements, we submitted our Annual Plan yesterday, supported by a covering Accountable Officer letter, following extensive discussion at our Board meeting on 26 March 2026. The Accountable Officer letter provides further context and the Annual Plan sets out detail on the financial position, performance expectations and delivery of the enabling actions.

It was acknowledged at Public Board, as discussed in our Scrutiny session, that the scale of the financial deficit means our Plan will understandably be deemed unacceptable and unsupportable by Government. The Plan also carries significant risks. Our immediate intention is therefore to de-risk the Plan through quarter one of 2026/27. In addition, in my Accountable Officer letter, I reference the request of our Board to assess what would be required to meet the revised Target Control Total of £22.1m.

In response to the four specific actions outlined in your letter:

Deliver recurrently savings and mitigations from 2025/26 to not deteriorate the underlying position

Our Plan describes the current position and work will continue through quarter one as part of our intention to de-risk the Plan. As we presented in the scrutiny session, the £28.5m non-recurrent saving delivered during 2025/26 falls into four categories:

- One-off benefits not to be repeated in 2026/27: £9.0m
- Ongoing recurrent savings already supporting the underlying position: £9.0m
- Policy driven: £4.8m
- Health Board choices: £6.1m

Within the Health Board choices, the most significant areas relate to Workforce and Organisational Development (e.g. Apprenticeship recruitment), Planned Care (predominantly theatres) and Public Health (Health Protection Strategy and Health Coaches).

While some of these underspends can be continued non-recurrently into 2026/27, making them permanent would have implications for longer-term sustainability and performance delivery.

Undertake a follow-up performance discussion with Jeremy Griffith

An initial meeting with Jeremy took place prior to the scrutiny session, focused on enabling actions and performance trajectories and I have asked Andrew Carruthers to arrange a follow-up. Productivity and efficiency will be a central focus for 2026/27 and we welcome the continued support of Jeremy and NHS Performance and Improvement.

Strengthen the plan's ambition and clarity

At the scrutiny session we were able to provide a high-level overview of our Plan. The full Annual Plan has now been submitted and I hope this provides the additional clarity sought. If there are any aspects that you would like to discuss further, we would be very happy to do that, perhaps initially through the regular touchpoints. I have asked Lee Davies to discuss this with you at your next meeting.

With regard ambition, we recognise that our Plan does not meet the expectations of Welsh Government. We as a Health Board are also not satisfied with it and have some significant concerns, in particular regarding the financial position and the projected deterioration in planned care performance. Ultimately, this is an unsustainable position and is the focus of our attention heading into 2026/27.

While the Plan does not meet Government expectations it provides a comprehensive and transparent baseline of our position and the actions underway. It assumes delivery of £42.8m of savings in 2026/27 and progress against the enabling actions, with associated risks set out in my Accountable Officer letter. We remain committed to strengthening ambition and pace while ensuring plans remain credible and deliverable.

Our immediate focus through quarter one is to de-risk the financial plan, clarify what would be required to deliver the revised £22.1m Target Control Total and strengthen delivery confidence in the highest risk areas, particularly planned care and urgent and emergency care. This will inform further discussions with Welsh Government ahead of quarter two.

Welsh Government to share the assessment for the opportunities relating to enabling actions

We welcome Welsh Government insight into further opportunities to improve our position. This will be a key focus of follow-up discussions with Jeremy Griffith and ongoing touchpoint meetings, reflecting our Targeted Intervention status. The Plan includes a detailed assessment of progress against the enabling actions and quantifies further opportunities, which we anticipate will mitigate some of the financial and performance challenges facing the Health Board.

Thank you again Samia for you and your colleagues' continued engagement and support. We have made progress over the past 12 months and remain determined to build on this, recognising the challenging outlook for 2026/27. With the forthcoming election, we also anticipate the need for plans to remain agile and responsive. There is significant work ahead to deliver the Plan and, beyond that, move towards a sustainable health and care system for West Wales. We look forward to continuing to work with you to achieve this.

Yours sincerely

Prof Phil Kloer
Chief Executive

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

Swyddfeydd Corfforaethol, Ail Lawr, Bloc C.
Adeiladau'r Llywodraeth, Heol Picton,
Caerfyrddin, Sir Gaerfyrddin, SA31 3BT

Corporate Offices, Second Floor, Block C,
Government Buildings, Picton Terrace,
Carmarthen, Carmarthenshire, SA31 3BT

Ein cyf/Our ref: CEO.19167

Gofynnwch am/Please ask for:

Lia Mapuranga

Dyddiad/Date: 31/03/2026

Jacqueline Totterdell
Director General Health and Social Services
NHS Wales Chief Executive
Health and Social Services Group
Cathays Park
Cardiff
CF10 3NQ

By e-mail to: jacqueline.totterdell@gov.wales

Dear Jacqueline,

Accountable Officer Letter regarding Hywel Dda University Health Board Annual Plan 2026/27

Please find attached Hywel Dda University Health Board's Annual Plan for 2026/27, which was considered and approved for submission by our Public Board on 26th March 2026. As this represents approval for submission of a deficit plan, please accept this letter as an Accountable Officer notification regarding the novel and contentious actions we have taken as a Board.

Over the past twelve months, we have delivered real and measurable improvements across the organisation. When the Health Board was placed in Level 4 Targeted Intervention in January 2024, concerns existed across every domain of the escalation framework. Since then, through sustained and focused effort, we have secured de-escalation in four areas: planned care and CAMHS were de-escalated to Level 3 in March 2025; cancer was de-escalated to Level 3 in July 2025 and then to Level 1 routine arrangements in February 2026; CAMHS reached Level 1 in July 2025; and leadership and governance was also de-escalated to Level 1 in December 2025.

These are significant milestones that reflect the maturity, grip and determination of the organisation, and they represent real progress towards our ambition of building a reputation for professionalism and delivery that secures Hywel Dda's place as a trusted and sustainable part of the NHS in Wales. Additionally, we have made significant steps regarding the refresh of our Strategy – A Healthier Mid and West Wales; and our Clinical Services Plan.

Despite these positive steps, I must acknowledge that Hywel Dda University Health Board continues to face substantial challenges which prevent us from submitting a balanced Integrated Medium-Term Plan (IMTP). We are operating within a structural financial deficit, with a projected Year 1 position of £41.0 million including the projected Welsh Risk Pool additional costs. Within that constraint, this plan is built on disciplined choices about where to direct limited resources for the greatest impact on quality, safety and value. We remain subject to Targeted Intervention arrangements in Planning and Finance, Urgent and Emergency care and Hospital Acquired Infections.

Our 2026/27 plan is ambitious yet realistic. The approach we have taken to developing this plan is grounded in value, collaboration and rigour. Every service area has been built from detailed demand and capacity modelling, with trajectories rooted in what is already being delivered rather than untested assumptions. Our Clinical Care Groups have worked together to produce integrated chapters that tell a coherent story across urgent and emergency care, planned and specialist services, cancer and diagnostics, mental health and learning disabilities, primary care, and the enabling functions of workforce, finance and estates.

Throughout 2026/27, we will continue to prioritise urgent and high-priority patients, including those on cancer and emergency pathways, while working to improve access, reduce long waits and deliver sustainable improvements in performance. Where we cannot yet meet every standard, we have costed recovery plans ready to deploy should additional resources become available. Our commitment to delivering safe, high-quality care for every patient known to the Health Board remains unwavering, and the pursuit of value in everything we do, for patients, for staff and for the public purse will guide every decision we make in the year ahead.

However, the Plan also identifies a number of material risks, dependencies and constraints:

- As this point there is a risk to the delivery of the performance expectations and the Targeted Intervention criteria. The plan is explicit about what can and what cannot be delivered within the resources available, with productivity and efficiency a central theme of this year's Plan.
- The savings programme requires conversion of a significant proportion of non-recurrent benefits into recurrent savings. Progress on this conversion will be a critical determinant of the financial trajectory in-year.
- Workforce recruitment timelines, particularly for senior clinical roles in diagnostics, theatres and acute medicine, can exceed six months and represent a delivery risk to the phased programmes.
- The continuation of Welsh Government non-recurrent diagnostic funding is unconfirmed and its loss would materially worsen both the diagnostic and cancer performance positions.
- The Glangwili theatre estate presents a significant and ongoing operational constraint to elective activity across multiple specialties.
- Delayed pathways of care require effective system-wide partnership with local authorities that extends beyond the Health Board's direct operational control.
- The conditionally recurrent funding received in a prior year remains at risk if the Health Board does not achieve financial breakeven within the anticipated timeframe.

- A Senedd election is anticipated during the planning period, which may result in changes to ministerial priorities and expectations.

The 2026/27 Annual Plan represents another significant milestone in this journey, combining realistic and robust financial management with ambitious service transformation. Overall, I believe this plan represents a credible and deliverable approach to both financial recovery and service improvement. The Board has thoroughly scrutinised the proposals through our committee structure and board seminars, culminating in formal approval for submission on 26th March 2026. In recognition of the breach of our statutory duty to break even, the Board has:

1. **RECOGNISED** that the financial plan for 2026/27 presents a planned deficit of £41.0m, or £27.9m excluding the additional impact of Welsh Risk Pool, which does not meet the financial trajectory expectations set out in the Welsh Government's February 2026 Escalation Framework, nor does it deliver against the Health Board's statutory breakeven duty; and that this will consequently result in a qualified regularity opinion.
2. **AUTHORISED** that I, as Accountable Officer, formally notify Welsh Government that the Board's decision to approve the submission of a plan that does not meet statutory requirements represents a novel or contentious action.
3. **APPROVED** the submission of the Annual Plan to Welsh Government, in line with the NHS Wales Act 2006.
4. **APPROVED** the onward delegation and allocation of 2026/27 financial budgets based on Year 1 of the financial plan, inclusive of Long Term Agreements (LTAs) – Commissioning £207,719,882 (Excludes Public Health Wales) and for Income £25,064,098 (Excludes Public Health Wales)

As discussed at Board on 26th March, I and the Board are firmly committed to improving on our financial trajectory and establishing a clear and deliverable route map to sustainability, as evidenced in our progress throughout 2025/26. Given the financial position of the Health Board, we as a Board are ourselves dissatisfied and further work will be undertaken to financially de-risk the Plan through quarter one of 2026/27. In addition, Board has asked the Executive Team to describe what would be required to reduce our forecast deficit from £41.0m to the revised Target Control Total of £22.1m.

I look forward to continuing our constructive dialogue and welcome the opportunity to discuss the plan in more detail.

Yours sincerely,

Professor Phil Kloer
Chief Executive Officer
Hywel Dda University Health Board