Escalation status update

Committee alignment and overarching assurance

Audit and Risk Assurance Committee | 23 June 2026
Lead executive: Lee Davies - Executive Director of Strategy and Planning
Reporting Officer: Shaun Ayres – Director of Delivery

Discharges action AC(26)38: an update on the mapping of escalation criteria to committees
Appendix: criteria map and commitments log (Criteria Mapping Register)

What the committee asked for in April

- In April we agreed ARAC's role in escalation: **overarching assurance on the deliverability and coherence of the totality of commitments, including organisational capacity**.
- The committee also asked for an update on the mapping of criteria to committees, consideration of organisational bandwidth as a corporate risk, and training for independent members on the new Welsh Government arrangements.
- Other committees test whether their domain is improving. We answer three different questions:
  - **Architecture.** Does the whole assurance system work, with every criterion owned and no gaps or unintended duplication?
  - **Consistency.** Is the account we give Welsh Government the same account committees give the Board?
  - **Totality.** Taken together, are the commitments deliverable within our capacity?
- This paper reports against each question in turn. The appendix register is the standing evidence behind it, refreshed each cycle and used by all committees.

One committee owner for every criterion

- The register maps all 31 criteria and two enabling metrics in the February 2026 framework and retains the four de-escalated areas for sustained monitoring.
- **Finance and Performance Committee.** Finance criteria 1 to 4; urgent and emergency care 16 to 19 plus two enabling metrics; planned care, diagnostics and therapies 25 to 33; ophthalmology access (15); cancer sustain (21).
- **Strategy and Planning Committee.** Planning criteria 5 to 9: plan acceptability, integrated planning, the clinical services plan, planning maturity and regional planning.
- **Quality, Safety and Experience Committee.** Infection criteria 22 to 24 and fragile services criteria 10, 11, 13 and 14, with complaints, incidents and experience handled within the domain requirements.
- **People, Organisational Development and Culture Committee.** Workforce assumptions and controls that underpin deliverability; however, there are no formal criteria per se, as the Health Board was de-escalated for leadership and governance to routine arrangements.
- **ARAC and Board.** The assurance system itself, the leadership and governance domain de-escalated in December 2025, and the consolidated position at Board.

How escalation aligns to our committees

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Welsh Government and NHS Wales Performance and Improvement
external oversight: meetings, letters, evidence packs

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Board
owns the escalation position and the choices it requires

ARAC: does the whole assurance system work? every criterion owned · one consistent account · a deliverable totality

Finance and Performance

Is delivery happening at the pace required?

Finance criteria 1 to 4 **Level 4**
Urgent and emergency care 16 to 19 plus 2 enabling **Level 4**
Planned care and diagnostics 25 to 33 **Level 3**
Ophthalmology access criterion 15 **Level 4**
Cancer sustain criterion 21 **Level 1**

Strategy and Planning

Are plans credible and deliverable?

Planning and strategy criteria 5 to 9 **Level 4**
Plan acceptability
Integrated planning
Clinical services plan
Planning maturity
Regional planning

Quality, Safety and Experience

Are quality domains improving and risks controlled?

Healthcare associated infections criteria 22 to 24 **Level 4**
Fragile services 10, 11, 13, 14 **Level 4**
Experience and complaints within domain requirements

People, OD and Culture

Are workforce assumptions realistic?

Workforce the enabling domain
No formal criteria assigned
Workforce and finance triangulation ahead of the July regroup

Sustained after de-escalation, watched to avoid re-escalation: Cancer · Level 1 · Feb 2026 CAMHS · Level 1 · Jul 2025 Leadership and governance · Level 1 · Dec 2025 (held by ARAC)

How the boundary works in practice

- Separation is based on the assurance question each committee answers, not on whether a topic appears in more than one criterion:
  - **Strategy and Planning.** Are planning arrangements credible enough to produce deliverable plans?
  - **Finance and Performance.** Is delivery happening at the pace the plan and the criteria require?
  - **Quality, Safety and Experience.** Are the quality domains improving and patient risks controlled?
  - **People, Organisational Development and Culture.** Are workforce assumptions realistic enough to support delivery?
  - **ARAC.** Does the whole system work, and is the totality deliverable?
- Where we find a gap, we refer it to the lead committee and require a response; we do not re-scrutinise the issue within ARAC. Referrals are short, written and tracked in the register.
- The same discipline is now written into committee reporting, so every committee tells one story from one register.

The Welsh Government interface

- Ten substantive exchanges with Welsh Government and NHS Wales Performance and Improvement since January: one account, told once. The register logs every exchange, the commitments arising and the committee where assurance on each commitment sits.
  - **February.** Accountable Officer notification on the IMTP position; invitation to scrutiny (session held 12 March); revised escalation framework issued on 20 February following cancer de-escalation.
  - **March.** The Board approved a £41.0m deficit plan for submission on 26 March, notifying a novel and contentious action and an expected qualified regularity opinion.
  - **April and May.** Revised oversight arrangements accepted; the rapid assessment found the plan insufficient; our 7 May response set out improvement plans and the evidence standard for June.
  - **June.** Accountability Framework Meeting with NHS Wales Performance and Improvement held on 1 June; output letter received 5 June with named actions and a regroup in four weeks; updated savings plans due 12 June.
- The main escalation feedback for this cycle is still awaited; the 5 June letter is the meeting output, not the response to the escalation meeting held on the 3 June. Our test each cycle stands: is every commitment owned by a committee, and is the external account consistent with what committees report internally?

One account: the assurance rhythm

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

1 **One register**
criteria, actions and correspondence, refreshed monthly

2 **Four committees**
each answers its own assurance question, no duplication

3 **One Board account**
the totality, the cross-cutting risks and the choices

4 **External oversight**
meetings, letters and evidence packs with NHSWPI and Welsh Government

feedback and commitments return to the register for the next cycle

ARAC audits the loop: every criterion has an owner · the external account matches the internal account · the totality is deliverable

This cycle: meeting held 1 June · output letter 5 June · savings plans 12 June · regroup in four weeks · main escalation feedback awaited

The consistency test, applied this cycle

- The discipline matters most when the position moves. Three live examples this cycle:
- **Urgent and emergency care.** Our 7 May letter accurately reported improvement to April. The position has since moved: 754 handovers over one hour in May against the 680 threshold (the annual plan profile was expecting an increase from April to 693). June reporting to committee and to Welsh Government carries that movement on the same basis, which is the discipline working as intended.
- **Cancer.** April performance of 58.3% sits below the 60% floor that secured de-escalation in February; two of the last three months are below it. The risk to sustaining this position was identified through our own monitoring and is reported openly, with support on cancer and diagnostics now agreed with NHS Wales Performance and Improvement.
- **Savings.** The 5 June letter records £18m identified, £8m of it at amber or green confidence. Our June committee view reports £8.7m validated as bankable, £2.5m of it recurrent. This demonstrates how the escalation process tracks the movements between meetings and committees
- Where data is incomplete we say so in both accounts: May delayed pathways are treated as incomplete because wards closed for infection prevention do not report delays, and no improvement is claimed.

What the first oversight letter tells us

- The 5 June output letter is our first formal feedback under the revised arrangements. It is structured around four pillars: finance, workforce, performance and delivery, and quality and safety, and it links understanding across them explicitly to Welsh Government's view of the Well Led domain.
- **Named actions, named owners.** Finalise the savings plan by the end of quarter one and convert more to recurrent; clarify workforce numbers and their financial implications, triangulated with the plan; revise the 104-week, cancer, diagnostics and urgent care trajectories; implement Handover 45 ahead of winter.
- **Well Led.** Our assurance architecture is itself being assessed, not only our performance. The two Limited Assurance audits on governance and internal escalation are directly relevant evidence, which strengthens the case for completing their management responses at pace.
- **Rhythm.** A regroup in four weeks sets an oversight rhythm tighter than committee cycles. The register is maintained monthly precisely so the account stays current between meetings.

The totality remains the principal risk

- No single criterion is the concern; the totality is. The same leadership, planning and delivery capacity carries the Annual Plan, the de-escalation criteria and the day job. We advised the Board to this effect in April; nothing since has softened that view.
- The register tracks the interdependencies where one choice moves several criteria:
  - The front door model carries the savings route, the urgent and emergency care trajectories and now the Handover 45 commitment ahead of winter.
  - A pathology savings proposal interacts directly with the cancer pathway while cancer sits below its sustain floor; the choice rests with the Board, taken with that consequence fully visible.
  - The radiology outsourcing premium reduction linked to recruitment is then reported as a recruitment risk, which needs correlation with radiology performance .
  - Workforce growth assumptions cannot be treated as deliverable until they triangulate with the financial plan, a named action in the 5 June letter.
- Savings stand at £8.7m identified against the £42.8m requirement, £2.5m of it recurrent. Choices of this kind cannot be made criterion by criterion; they need the whole picture in one place.
- The corporate risk on organisational bandwidth, requested by this committee in February, returns to this meeting.

One action set: owners, dates, expected impact

- Scarce capacity demands action discipline. One action set spans the committees; each action carries an owner, a date and the impact we expect. The register holds the full view, including the criteria each action moves.
- **Finalise the savings plan and convert to recurrent (finance, end of quarter one).** A credible route to the £42.8m requirement of savings and the £41.0m to £22.1m bridge; moves criteria 2 to 5.
- **Community streaming hub live (operations, June).** Pulls ambulance handovers back towards the 680 threshold and underpins the Handover 1 hour commitment (45 min national target); moves criteria 16 and 18.
- **Same day emergency care at Withybush (operations, October).** An assumed 2.6 percentage point reduction in twelve-hour waits; moves criterion 17.
- **Workforce and finance triangulation (workforce and finance, ahead of the July regroup).** Growth assumptions are funded or removed; protects the run-rate, the savings phasing and fragile services resilience.
- **Revised trajectories for 104-week waits, cancer, diagnostics and urgent care (operations with NHSWPI support, July).** Planned positions Welsh Government can accept, ambitious yet deliverable; moves criteria 16 to 19, 21, 27 and 30 to 32.
- **Quality and safety readiness** External scrutiny met from evidence the committee already holds; covers criteria 22 to 24 and the fragile services position.
- **Operating model implementation and audit responses (operations and corporate governance, through quarter two).** Internal escalation that works below Board; sustains the leadership and governance de-escalation.

The third line: what internal audit tells us

- Two Limited Assurance reports in April tested the machinery below Board: operational governance, and internal escalation at levels 3 and 4. Both found systems well designed but not operating as intended.
- The findings are the architecture question in miniature: unclear escalation routes, actions not evidenced in one place, recovery meetings not consistently held, and duplication between operational governance and internal escalation. The response is now agreed: revised ways of working set out in the new Health Board operating model, with corporate absolutes, performance and delivery agreements for each function and explicit escalation triggers. This addresses a key aspect of the findings directly.
- The response has momentum behind it: phase two of the organisational change process progressed throughout May, giving functions the structures the model needs, and the governance handbook covering standing orders, financial instructions and the escalation map was refreshed in May 2026. We alerted the Board in April; updates return to this committee.
- Why this matters for escalation: leadership and governance was de-escalated in December 2025. Sustaining that de-escalation requires the internal machinery to work, not only the Board-level architecture.

Assessment against our three questions

- **Architecture: Advise.** The map is complete and every criterion has one owner, with AMAT criterion references being confirmed with the corporate team. Internal audit shows the mechanisms below Board are not yet operating as intended, with the revised ways of working now agreed as the response, and the Well Led linkage in the 5 June letter makes this externally assessed ground.
- **Consistency: Assure.** The oversight cycle is fully logged, commitments are owned, and June reporting carries deterioration honestly, including where data is incomplete. The savings reconciliation (£18m pipeline, £8m amber or green, £8.7m validated) is the item to keep tight each cycle.
- **Totality: Alert.** Capacity remains the binding constraint. The savings gap, the urgent and emergency care reset and the cancer sustain risk all draw on the same organisation at the same time.
- This position is consistent with the committee's April advice to the Board, and with the account we have given Welsh Government.

What we ask of the committee

- **Note and take assurance** from the criteria map and commitments log at appendix, which discharges action AC(26)38, and from the boundary rules now operating across committees.
- **Agree** that the register and a consolidated update of this kind come to each meeting, with referrals to lead committees where we identify gaps.
- **Consider** organisational bandwidth as a corporate risk, as requested in February, recognising the totality assessment of Alert.
- **Advise** the Board that our concern remains deliverability of the whole, not the failure of any single part, consistent with April.

Cyfarwyddwr Cyffredinol Grŵp Iechyd, Gofal ac Atal / Prif Weithredwr GIG Cymru

Director General Health, Health, Care and Prevention Group / NHS Wales Chief Executive

Llywodraeth Cymru
Welsh Government

Phil Kloer
Chief Executive
Hywel Dda University Health Board

12 June 2026

Dear Phil

Thank you for attending the Level 4 escalation board on 03 June and for the evidence submitted. I understand the health board was content with the circulated terms of reference.

This letter sets out the key issues and the actions now required.

Overall position
The discussion supported the view the organisation does not have sufficient grip on its most significant challenges, financial position and performance challenges.

In particular, we have concern:

- around the financial position,
- urgent and emergency care and planned care performance,
- quality and safety, particularly NRIs and responding to complaints.

Leadership, governance and culture
The improvements over the last two years were noted. There was challenge from the Board and there is an expectation for the organisation to improve and to be de-escalated, recognising the improvements required and how this will translate into better outcomes for patients.

Performance and delivery
Despite some improvements, the urgent and emergency care position remains a concern. The de-escalation criteria have been in place for close to three years and there has been no sustainable improvements. You highlighted there was strong clinical leadership and were looking at flow through the department, improving discharge and preventing admission. We agreed to review the de-escalation criteria and to focus on 45-minute ambulance handover and 12-hour waits. It was disappointing to note the forecast deterioration in 104-week waiting times, with a lack of ambition moving forward. It was noted that the letter on return of your plan did not make a commitment on 104 weeks and was expressed incorrectly. You will need to write into the Director of Operations NHS Wales with this confirmed position. There is real opportunity for the health board, working regionally to make improvements.

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The cancer backlog going up in April is a consistent occurrence that demonstrates a lack of oversight. You are working closely NHS P&I colleagues, and we expect to see improved, ambitious trajectories for urgent and emergency care, planned care and cancer by the end of the month.

Quality and safety
We remain concerned around the IPC position. We need to see the position improve, with a clear action plan that includes milestones for delivery. On complaints, you highlighted the ambition to improve from the current 65% to 85% of complaints responded to within 30 days by the end of quarter 4. There had been two recent never events reported, both related to nasal-gastric tubes, and it was of concern that there was no learning following the first event. Your approach to this requires further consideration.

Finance and planning
The forecast £41m deficit and deterioration from last year is unacceptable. There is no recovery plan in place and part of the funding allocated last year was predicated on delivering a balanced plan by 2027-28. You stated there was an in-committee meeting being held on 18 June to discuss the financial position. We will need a clear plan by the end of June that sets out how you will get to £41m and a clear route map to zero. It was suggested you have a conversation with colleagues in Powys tHB who are carrying out a similar exercise.

The question was posed as to whether there was sufficient capacity and capability within the organisation to make the necessary changes. You took away an action to consider this more broadly particularly in developing a plan for a new hospital within an agreed working timeframe between government and yourselves.

Required actions
Ahead of the next escalation meeting, you must provide:

- a clear roadmap on how you will deliver the required financial position and a route map to balance.
- A 50% reduction in NRI investigations.
- Clear and ambitious performance trajectories for planned care, cancer and urgent and emergency care.

Conclusion
In summary, whilst progress has been made in some areas, there appears a clear lack of ambition to deliver. We are keen for the health board to succeed and to be de-escalated and we are here to support you on that journey.

Progress will be closely monitored through escalation arrangements.

Yours sincerely

Jacqueline Totterdell

cc: Neil Wooding, Chair – Hywel Dda University Health Board

In attendance

Welsh Government: Jacqueline Totterdell, Nick Wood, Jeremy Griffith, Hywel Jones, Sue Tranka, James Calvert (representing CMO), Martyn Rees, Kate O'Neill

Hywel Dda University Health Board: Phil Kloer, Andrew Carruthers, Andrew Spratt, Mark Henwood, Sharon Daniel, Lee Davies, Alwena Hughes-Moakes, Corinna Lloyd-Jones, Joanne Wilson

NHS Performance and Improvement: Chris Clayton

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5th June 2026

Dear Phil,

Accountability Framework Meeting NHSWPI & HDUHB

Thank you for taking the time to meet with colleagues in NHSWPI on 1st June 2026 and for participating in the important conversation that was had.

The Health Board is in escalation Level 4 for finance, strategy and planning, and performance and outcomes related to UEC and fragile services. The meeting focused on understanding how the plan has been developed and establishing the historical delivery pattern. There is a need for a clear set of actions that can support de-escalation and build collective confidence in the onward position. I recognise and acknowledge the careful balancing required to achieve performance improvement, financial balance and onward sustainable operating.

As Chief Executive, you highlighted three strategic priorities that you would like to make progress against this coming year, listed as follows:

- The organisation must deliver significant progress on urgent and emergency care. This includes advancing an existing transformation programme and strengthening grip and control over performance trajectories, with external support where required to improve outcomes.
- There are ongoing structural challenges across a number of fragile clinical services. While a clinical services plan is in development (including areas such as stroke), additional services outside the initial scope also require attention, indicating a broader and systemic fragility that needs addressing through further planning and implementation.
- The organisation needs to move towards a balanced financial position. This requires de-risking the current plan, improving delivery of savings, and developing a credible trajectory back to financial balance. The financial challenges are closely linked to pressures in urgent care, service fragility, and underlying workforce issues.

After identifying these and other key strategic areas for improvement in the Health Board's current 2026/27 plan, the review of the four performance pillars drew out the following observations and actions; recognising too that understanding of these will support Welsh Government's view of the *Well Led* domain:

Finance

The Health Board outlined a savings target of £42.8m for the current year (3.2% of 25/26 expenditure, representing one of the higher savings levels across Wales) to reach a planned deficit of £41m which represents a significant deterioration in the underlying position; at this time, this planned deficit position is not agreed with or acceptable to Welsh Government (WG). At present, you have £18m of savings identified (of which £8 million are considered amber or green). This year's savings plan is smaller in overall terms than last year's attained savings however we established the in-year non-recurrent financial benefit that occurred in last year, elevating the position. We also checked and challenged the need for increasing ratios of recurrent to non-recurrent savings in each year. To improve the planning position across these key identified challenges we agreed several key actions including the need to finalise the savings plan by the end of Q1 and convert more opportunities into recurrent savings; furthermore, to increase clarity on the current underspends profile with a view to improving the underlying position.

Action: CG & HT to reviewing the underlying position and improve the planning and delivery of savings' profile by the end of Q1.

Workforce

The Health Board's approach to workforce plans was discussed, including agency reduction efforts, the implications of the planned workforce growth in the areas described, and the need for triangulation between workforce, financial, and operational plans. Rapid internal work is required by the Health Board to clarify workforce numbers and their financial implications, with support from NHS P&I. We agreed that any planned growth in workforce numbers against such a challenging financial position would need to be robustly challenged however, you gave reassurance that the currently reported numbers were not inclusive of any net reductions that may occur on triangulation with the developing financial plan.

Action: CG, RW & HT to review workforce plans and their financial implications.

Performance and Delivery

Operational risks were discussed, focusing on 104-week waiting times, the impact of ophthalmology capacity constraints, and the need for revised trajectories and efficiency improvements.

It was agreed that efforts to revise operational trajectories, particularly for 104-week waits, should be intensified as the current planned position, particularly on those longest waiting cases, is unacceptable. That said, it was clear from our conversation today that you hold that position also and that work is occurring internally to improve the plan position. Further work will be undertaken on cancer and diagnostics, with support from NHSWPI in these areas.

We briefly discussed the work underway to review UEC plans and trajectories and the need to continue at pace; Handover 45 will be a significant priority for implementation ahead of winter.

Action: CCa and AS to review Planned Care, Diagnostics and Cancer trajectories and planning assumptions with AC with a view to developing more ambitious yet deliverable plans

Action CCa and RB continue work with AC to review current trajectories and key milestones for all aspects of UEC delivery for this year.

Quality & Safety

It was acknowledged that a more in-depth discussion is required on the important issue of Quality and Safety, and that this will be taken forward at the next meeting. In the meantime, NHS P&I will work with Health Board colleagues to discuss Quality and Safety to ensure readiness for this discussion.

Action: HP and SD to meet prior to the next meeting to review Q&S performance.

In summary, whilst recognising the improvements that have been made in recent years and also, in recognising the open and transparent way in which you and your organisation engages with external agencies, we were all clear on the seriousness of the current planning position and the significant risks to delivery across the year that are present. We agreed to regroup in 4 weeks time to review the above actions and understand the improvements that will have been made during that time.

Thank you once again for your time today and for the preparation for the meeting in the background.

Yours sincerely

Dr Chris Clayton
Managing Director, NHS Wales Performance and Improvement

Copied to:
Jacqueline Totterdell, Director General Health, Social Care & Early Years Group / NHS Wales Chief Executive, Welsh Government
Nick Wood, Deputy Chief Executive NHS Wales, Welsh Government
Hywel Jones, Director of Finance, HSCEY / NHS Wales, Welsh Government

Rydym yn croesawu gohebiath yn Gymraeg. Byddwn yn ymateg yn Gymraeg heb oedi.
We welcome correspondence in Welsh. We will respond in Welsh without delay.