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University Health Board



1. Finance,
strategy and
planning

2. Performance
and
outcomes

6. Quality of
care

**Escalation
Domains**

3. Fragile
services

5. Leadership,
capability
and culture

4. Governance

ARAC – 24th June 2025

Escalation Status Progress Report

Introduction



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This report provides the Audit and Risk Assurance Committee with a comprehensive assessment of the Health Board's progress against Targeted Intervention requirements, incorporating both the Enhanced Monitoring criteria aligned to the committee and areas of key concern as previously requested. The analysis highlights challenging operational areas with evaluation of governance maturity, providing assurance on areas of strength whilst identifying where further focused intervention remains necessary.

The report structure addresses three critical components. First, we present a material risk that has emerged regarding our Annual Plan and the underpinning financial planning position, which creates important context for all subsequent discussions. Second, we examine three priority performance areas where statistical analysis indicates significant system constraints and challenges; requiring strategic interventions. Finally, we assess our position against key ARAC-linked governance criteria, demonstrating the substantial progress achieved in leadership and governance arrangements.



2025/26 Financial Planning Position

The Health Board has received formal notification regarding its 2025/26 Annual Plan, which requires additional recovery actions to be submitted by 30 June 2025. Whilst the plan was developed and approved in accordance with the financial parameters and control total guidance available at the time of submission, subsequent review has identified the need for further measures to improve the financial position. The Board is required to identify additional savings beyond the £31.5m already planned, review planned investments of £11.7m and demonstrate an accelerated trajectory toward financial balance. This creates a material risk to both performance delivery and financial sustainability that requires the issue to be brought to the attention of ARAC. The Executive team alongside their senior leadership is developing comprehensive recovery actions that will attempt to address the financial requirements with and highlight any impact before said actions are undertaken

Performance Priority Areas

The following analysis examines three critical performance areas where current approaches have proven insufficient to achieve required Targeted Intervention requirements. Each area demonstrates statistical patterns indicating on the face of it fundamental capacity constraints rather than process inefficiencies, requiring strategic intervention to achieve sustainable improvement.

Emergency Ambulance Handovers Exceeding One Hour

Current performance shows 1,059 monthly handovers against a target of 680, representing a 56% gap affecting 379 patients monthly. Statistical analysis over 27 months reveals zero instances of achieving target performance, with our best month (721 handovers) still exceeding target by 6%. The probability of achieving target under current conditions is extremely low, indicating fundamental constraints rather than pure inefficiencies. Recent six-month performance has deteriorated by 9.8%, averaging 996 handovers compared to 907 previously. The Annual Plan requirement for summer performance of 717 handovers to enable winter compensation sits below our best-ever achievement, requiring sustained exceptional performance that statistical analysis suggests is beyond current system capability. Intervention must focus on alternative capacity or demand reduction rather than process optimisation alone.



Pathways of Care Delays

Performance shows 234 delays against a target of 174, creating a 34% gap affecting 60 patients monthly. Over 27 months, target achievement stands at 0% with an extremely low statistical probability of success under current conditions. Whilst overall trend shows monthly improvement of 1.7 delays, this rate would require 35 months to reach target levels. Recent performance has deteriorated by 4.4% over six months, suggesting improvement momentum is stalling. System analysis reveals Carmarthenshire at 106 delays versus a required 85, indicating a 25% variance from planning assumptions. Each delayed discharge typically occupies beds for weeks rather than days, creating cascade effects through emergency departments and ambulance handovers. Success requires accelerated partnership working, expanded trusted assessor implementation, and additional intervention schemes beyond current plans.

Ophthalmology R1 Performance

Current performance of 34% within target timeframes against a 65% standard represents a 48% gap with declining trajectory. Statistical analysis reveals zero months achieving target over 26 months with almost a 0% probability of achievement under current conditions. Performance is deteriorating by 0.75 percentage points monthly, annualising to 9 points yearly. Recent six months show 6.2% deterioration with coefficient of variation at 14.5%, indicating unpredictable service delivery for urgent eye conditions. This metric represents significant patient safety risk as R1 pathways cover sight-threatening conditions where delays cause irreversible damage. The combination of large gap, zero historical success, and accelerating deterioration indicates fundamental capacity failures requiring immediate focused intervention rather than routine performance management.

These priority areas are overseen by the Finance and Performance Committee and will be discussed at the upcoming meeting on the 26th June.



Criterion 41 - Revised Standard Operating Processes (SOPs) in Place and Assessed as Effective by Internal Audit Assessment – ASSURE

Following the organisational restructure, the Health Board has systematically revised and embedded its core SOPs across all Board and Committee functions. These changes are underpinned by the findings of the Internal Audit report "Targeted Intervention Governance" (May 2025), which provided Reasonable Assurance, identifying two medium-priority recommendations and no high priorities. The Board's 2025 Maturity Matrix exercise further confirms that Oversight and Administration Principles are now assessed at Level 4 – "Firm Progress", indicating that SOPs are both operational and well understood at all levels. Ongoing action is limited to the completion of an updated SOP flowchart and induction slide deck, due by September 2025, with progress monitored at each ARAC meeting. This approach provides robust evidence of effective process implementation and risk management, with residual risk assessed as low.

Criterion 42 - Consistent Oversight and Scrutiny of Current Service Provision by the Board and Committees, Including Duty of Quality Assessment – ASSURE

The Board has maintained a consistent programme of oversight throughout 2024/25, holding all scheduled Public Board meetings and seminars as planned. Papers have been consistently issued at least seven days in advance, as confirmed in the Corporate Governance Code self-assessment (March 2025), and the refreshed report template now includes explicit prompts regarding the Duty of Quality, with a pilot conducted across six papers during April and May 2025. The Board's Maturity Matrix rates Transparency and Public Reporting at Level 3 – "In development but effective". Full roll-out of the new reporting template is scheduled for the October 2025 Board cycle, supporting further assurance of embedded scrutiny and transparency. No significant outstanding actions remain, with the residual risk assessed as low.



Criterion 43: Programme and Performance Management Framework with Effective Board Oversight Assessment - ADVISE

The Health Board has implemented a new Power BI Integrated Performance Assurance Report (IPAR), now live for 42 key performance indicators (KPIs), of which 28 (67%) include national benchmarking data. The Internal Audit report "Performance Management Arrangements" (April 2025) returned Substantial Assurance, confirming a sound framework and data-driven culture. However, the Board Maturity Matrix rates Delivery of Outcomes at Level 2, highlighting the need to extend benchmarking to all Tier 1 measures and develop a more comprehensive outcomes dashboard. The full roll-out of these improvements is targeted for December 2025, with regular reporting to ARAC. The outstanding risk relates to embedding outcome-focused reporting at Board level; residual risk is moderate but reducing.

Whilst significant progress has been made in developing the performance management framework and embedding Board-level oversight, a continuing challenge remains around the allocation of roles, responsibilities and resource mapping in support of priority delivery. Given the breadth and complexity of the improvement agenda and the scale of system fragility outlined above, there is a need for increased clarity regarding which individuals and teams are accountable for specific deliverables, and the timeframes for achieving key milestones. This is particularly pertinent in the context of multiple, concurrent priorities across clinical, operational, and enabling domains.

Current frameworks provide the foundation for assurance, but there is scope to further strengthen the alignment between agreed objectives and the deployment of skilled resource. Without robust mapping and clear allocation, there is a risk that critical programmes may not progress at the required pace, or that delivery responsibilities may become diluted among competing demands. The Board and ARAC should therefore retain a clear line of sight not only on performance outcomes, but also on the underpinning accountability and resource arrangements; ensuring that ownership is explicit, delivery is realistically resourced, and any emerging gaps can be escalated and addressed in a timely manner.



Criterion 44: Board is Sighted on Key Risks and Able to Offer Constructive Scrutiny Assessment - ASSURE

The Board receives the Board Assurance Framework (BAF) and Corporate Risk Register on a quarterly basis, ensuring regular and comprehensive review of principal risks. The Risk Appetite Statement was refreshed in January 2025 and has been operationalised throughout the year. Internal Audit of "Emergency and Business Continuity Planning" (2025) provided Reasonable Assurance and confirmed that all 161 services now have continuity plans in place. The Board's approach to risk management is rated at Level 4 ("Results Achieved") in the Board Maturity Matrix, reflecting the positive impact of scenario testing and action planning. Development of a real-time risk dashboard is in train, with go-live expected in November 2025. No critical gaps are identified; residual risk remains low.

Criterion 45: Clear Governance and Assurance Systems with Effective Escalation Assessment - ASSURE

A comprehensive review of the Board and Committee governance structure was undertaken in January 2025, resulting in a refreshed escalation protocol, including the "Triple-A" (Alert, Advise, Assure) reporting process. The new structure and terms of reference have streamlined Board and Committee business and are supported by Audit Wales' Structured Assessment 2024, which found Board and Committee conduct to be "appropriate and effective", with improved escalation of high-risk matters. The proportion of private/in-committee business has been reduced to 9% of all agenda items, strengthening transparency. A six-month review of the new structure is scheduled for December 2025. All core elements are in place and residual risk is considered low.



Criterion 49: Self-assessment Against the Governance and Leadership Maturity Matrix Assessment – ASSURE

The Board undertook a detailed self-assessment against the Corporate Governance in Central Government Departments Code of Good Practice 2017 and the updated Maturity Matrix at a seminar in April 2025. The process was externally benchmarked and confirmed as robust, with ARAC receiving a formal Assurance Report in May 2025. Levels were agreed as follows: four criteria at Level 3, two at Level 4, and one at Level 2, reflecting a balanced view of current maturity and ongoing areas for development. The Corporate Governance Code self-assessment confirmed "comply" status across all principles. The Board has committed to repeating the maturity matrix exercise in Q4 2025/26, including independent facilitation. Outstanding action relates only to the next iteration; residual risk is low.

Summary



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This assessment demonstrates significant progress in governance and leadership arrangements, with five of six ARAC criteria achieving ASSURE status, indicating robust controls and low residual risk. The single ADVISE rating for performance management appropriately reflects the need for continued development of outcome-focused reporting; acknowledging the substantial assurance provided by Internal Audit but recognising the resource mapping and alignment clarity required.

However, the performance analysis reveals fundamental challenges that require strategic intervention beyond conventional management approaches. All three priority areas show zero historical achievement of targets with statistical probabilities extremely low, indicating fundamental system constraints. These patterns, combined with the emerging financial constraints outlined in our material risk update, create a complex operating environment, requiring careful balance between financial recovery and service sustainability.