GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol Hywel Dda
University Health Board

Canolfan Staff 1
Staff Base 1

Escalation Domains

1. Finance, strategy and planning
2. Performance and outcomes
3. Fragile services
4. Governance
5. Leadership, capability and culture
6. Quality of care

Finance and Performance Committee – 25 June 2025
Escalation Status Progress Report

Introduction

This paper presents the formal assessment of Hywel Dda University Health Board's (HDdUHB) position against Welsh Government's (WG) Escalation Framework and the de-escalation criteria, based on comprehensive evaluation of the Month 2 Financial Performance Report and supporting operational data. The assessment covers 17 specific criteria across financial governance, savings delivery, urgent care performance, planned care recovery, and mental health services.

The assessment methodology applied by the Health Board rates each criterion as ASSURE, ADVISE or ALERT. This formal evaluation process provides the evidence base for WG's consideration of de-escalation status and informs internal priority setting for executive intervention.

The assessment reveals five criteria requiring ALERT classification: financial savings delivery and annual planning (Criteria 2-3), ambulance handovers exceeding one hour (Criterion 15), median time to clinical assessment (Criterion 17), delayed packages of care (Criterion 18), and Ophthalmology R1 performance (Criterion 14). These represent areas where current performance demonstrates no or limited credible trajectory toward compliance without fundamental change.

Conversely, the assessment confirms ASSURE status for financial governance (Criterion 1), Single Cancer Pathway performance (Criterion 17), 52-week outpatient elimination (Criterion 26), and all mental health criteria (36-38), demonstrating organisational capability for sustained improvement when changes are properly implemented.

The 104-week Referral to Treatment (RTT) position, whilst achieving elimination in March 25, representing a 97% reduction from baseline, has been reassessed as ADVISE following detailed operational analysis revealing underlying sustainability challenges. Theatre capacity analysis demonstrates cyclical performance patterns driven by fundamental operational constraints, including over 350 hours of lost theatre capacity monthly and staffing deficits of 50.68 whole time equivalent posts across theatre departments.

This assessment follows WG's letter of 6 June 2025 rejecting the approved annual plan and requiring achievement of the 2024/25 outturn position as minimum performance, fundamentally altering the financial context within which all other performance must be sustained.

Finance

Financial Recovery - Critical Challenge (Criteria 2-3) - ALERT

The Health Board's assessment confirms substantial progress in developing sophisticated understanding of the deficit and strengthening governance over savings delivery. However, until most of the required savings are both identified and recurrently delivered, and reliance on non-recurrent measures is materially reduced, these criteria must remain ALERT.

The total savings requirement for 2025/26 stands at £44.4m, of which £14.8m (33%) is currently identified and being delivered in full, whilst £29.6m (67%) remains unidentified. The current approach includes use of non-recurrent mitigations such as holding run-rate positions and capitalising on in-year underspends to maintain delivery of the control total.

Welsh Government's letter of 6 June 2025 states the plan is "unsupportable and unacceptable" with the principal concern being the in-year deficit position of £31.5m, which is £7.5m higher than the 2024/25 outturn of £24m. WG expects all health boards in deficit to achieve, as a minimum, their 2024/25 outturn position.

Actions as specified in the assessment:

- Further review and challenge of all discretionary and non-statutory investments, with intention to defer or cease any that do not meet strict statutory or urgent quality and safety thresholds
- Identification of additional savings and mitigation opportunities, building on current plans and maximising both recurrent and non-recurrent options
- Wider engagement at all organisational levels to scrutinise opportunities, including targeted workshops and enhanced scrutiny through Value and Sustainability Group
- Integration into Executive residential away day in July 2025 to agree credible, board-approved route to in-year improvement and sustainable three-year trajectory

Urgent and Emergency Care

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Ambulance Handovers -1 > (Criterion 15)

Performance against this de-escalation criterion remains significantly off-trajectory. The baseline for ambulance handovers exceeding one hour (Q3 2023/24) is 964 per month. As at May 2025, performance stood at 1,059 handovers, representing a 10% increase above baseline and a 56% variance from the targeted intervention threshold of 680.

In the 27-month period reviewed, the Health Board has never achieved the required level in any single month. The best performance recorded was 721 handovers, still 41 above target. The probability of achieving the threshold under current system conditions is estimated at less than 5%. The recent six-month average (996) is higher than the preceding period (907), indicating further deterioration rather than improvement.

WG's expectation for zero handovers within 45 minutes by the second half of the year represents an exponential step change beyond current capability, requiring fundamental system transformation rather than incremental improvement.

Time to Clinical Assessment (Criterion 17)

Performance against this standard remains consistently off-target. The Health Board median time from arrival at the Emergency Department (ED) to assessment by a clinical decision maker was 70 minutes in May 2025, with all reported months in the analysis period exceeding the ≤60-minute threshold. The minimum achieved was 65 minutes; most data points are closer to or above 70 minutes.

Despite targeted interventions including senior triage and streaming models piloted at Prince Philip Hospital (PPH) and extended to other sites, and the Streaming Hub initiative designed to divert 20% of low-acuity patients by October 2025, the median time to assessment has remained stubbornly above target with no breakthrough improvement.

Urgent and Emergency Care

Delayed Packages of Care (Criterion 18)

Delayed packages of care remain a persistent and material constraint on system flow, patient experience, and the Health Board's ability to deliver on key Targeted Intervention (TI) objectives. The most recent data show 234 delayed packages of care against a target of 174, resulting in a 34% performance gap and 60 additional patients delayed each month.

There have been zero months at target across the last 27 months, with only a 3% statistical probability of success under current system conditions. Despite a modest trend of improvement (an average 1.7 fewer delays per month over 27 months), this would require approximately 35 months to achieve the target. However, if recent performance continues, which shows a 4.4% deterioration over the past six months, then the Health Board is unlikely to achieve the target.

These delays create cascading pressures across the whole system. Patients occupying acute beds for extended periods reduce capacity for new admissions, which in turn affects emergency department flow and exacerbates ambulance handover delays. Some causes and solutions extend beyond direct Health Board control, requiring effective partnership working with local authorities, social care, and independent providers.

Urgent and Emergency Care

Required System Change Analysis

Given the scale of transformation required to achieve both the 680 - handover target and WG's expectation of zero handovers within 45 minutes, dedicated analytical support is required to model the level of system change necessary. This analysis must quantify the capacity expansion, demand reduction, and operational redesign required to deliver exponential improvement beyond current capability.

Actions for consideration:

- Focus strategic attention on unlocking new/alternative capacity through physical expansion, commissioning of additional beds, or accelerating demand management schemes
- Formal review of impact of all current actions, discontinuing any that are not delivering material change
- Further escalation in intervention intensity with focus on rapid implementation of streaming and targeted triage resource investment
- System-level barrier escalation to regional and national forums to secure additional support for delayed packages of care
- Dedicated analytical modelling to quantify system change requirements for exponential performance improvement

Planned and Specialist Care

Single Cancer Pathway (Criterion 17) - ASSURE

The Health Board has achieved and sustained three consecutive months of performance above the targeted intervention de-escalation threshold of 60% for the Single Cancer Pathway. April 2025 performance was recorded at 62.4%, and May 2025 is on track to exceed 65% against a planned trajectory of 65%.

Underlying pathway indicators reinforce this positive trajectory: reduction in overall outpatient volume and patients waiting over 14 days, diagnostic waiting list volumes reduced by a net reduction of 167, and treatment volumes increasing particularly in Urology due to successful reductions in diagnostic delays.

Comprehensive improvement actions have been delivered across key tumour sites. Urology achieved major expansion of diagnostic capacity including LATP biopsy (+260/year), MRI (+336/year), flexi cystoscopy (+898/year), and nurse-delivered LATP (+210/year), with workforce innovation shifting PSA follow-up to digital/letter-based clinics. Gynaecology implemented full “one stop” PMB Hysteroscopy model from June 2025.

Actions as specified in the assessment:

- Maintain monthly progress monitoring for all high-risk tumour sites
- Prioritise workforce resilience actions in Radiology, Urology, and Dermatology
- Ensure planned investments are delivered and realigned as necessary to protect compliance across annual cycle

Planned and Specialist Care

Ophthalmology R1 Performance (Criterion 14) - ALERT

Current performance is 34% (April 2025) against a 65% target. Over 26 months, there have been zero months at target and the trend is deteriorating by 0.75 percentage points monthly. In the past six months, there has been a 6.2% further deterioration. High variability (14.5% CV) exacerbates unpredictability.

The clinical significance is critical: patients risk irreversible sight loss due to these delays. The pattern signals fundamental system constraint where R1 pathway capacity, clinical prioritisation, and downstream process design are not sufficient to deliver the required outcome.

Despite enhanced triage, validation, and prioritisation in ophthalmology pathways, independent sector and insourcing activity to reduce backlog, and development of a digital eye care platform, the trend remains negative, and backlog is growing.

Actions as specified in the assessment:

- Enhanced triage, validation, and prioritisation in ophthalmology pathways
- Independent sector and insourcing activity to reduce backlog
- Development of digital eye care platform for improved pathway tracking
- Review of resource allocation to target high-risk groups
- Service in enhanced monitoring with escalation and additional transformation support required

Planned and Specialist Care

104-Week RTT Breaches (Criterion 28) - ADVISE

Zero 104-week RTT breaches maintained for three consecutive months, supported by independent sector solutions and close tracking. However, comprehensive analysis reveals sustainability concerns which moves this criterion from an ASSURE to ADVISE classification.

The analysis demonstrates a 97% reduction from July 2024 to 438 patients (June 2025). There was a further material reduction in late March 2025, when the cohort reduced from 499 to 0 . However, subsequent rebuilding through April and May to 560 patients before reducing again illustrates fundamental sustainability challenges.

Theatre capacity analysis reveals significant operational constraints. Theatre utilisation averaged 79.45% in May 2025, but 54% of theatre sessions experienced late starts (200 sessions out of 368), resulting in circa 136.07 hours lost. Early finishes occurred in 57% of sessions, resulting in 241.18 hours lost. Combined inefficiencies represent 377.25 hours of lost capacity monthly, equivalent to approximately 82 full theatre sessions.

The underlying staffing establishment shows a shortfall of 50.68 whole time equivalent staff across theatre departments, creating a 36% staffing deficit compared to assessed clinical requirements, directly manifesting in operational inefficiencies.

Actions based on operational analysis:

- Daily and weekly Situation Report (SITREP) monitoring with robust validation and dynamic deployment of recovery resource
- Use of recovery monies for pressure specialties with ongoing risk management for resource disruption
- Theatre utilisation monitoring to address late starts and early finishes
- Business case development for theatre staffing establishment addressing identified WTE deficit

Summary

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The paper reveals a fundamental tension that requires explicit acknowledgement by the Committee. Whilst the Health Board has demonstrated meaningful improvements in several areas, including cancer care and sustained mental health performance, WG's requirement for an additional £7.5m savings beyond the approved annual plan creates competing imperatives that are not mutually inclusive.

The original 2025/26 Annual Plan was predicated on a carefully calibrated balance of resources across multiple domains: finance, workforce, performance, quality, and safety. This balance was achieved through multiple triangulation exercises and extensive stakeholder engagement, ensuring that statutory requirements, quality imperatives, and performance targets could be delivered within the approved £31.5m control total.

The fundamental challenge is that the actions required to achieve the revised financial expectations may inevitably create tensions with other strategic objectives. Areas such as urgent care require wholesale systematic system change, whilst the scale of additional savings required suggests that difficult choices regarding resource allocation may be unavoidable.

While the organisation will apply comprehensive Quality Impact Assessments and Equality Impact Assessments for all proposed changes, the Committee should be aware that some decisions taken to meet the financial trajectory may have consequences for performance in other areas. At this stage, it would be premature to specify which services or performance areas might be affected and the Health Board remains committed to protecting patient safety and statutory compliance as non-negotiable priorities.

The improvements achieved provide confidence that focused intervention can deliver results, but the systemic challenges identified require solutions that must be balanced against the financial expectations. This will require sustained executive leadership, difficult decision-making and continued Committee oversight to ensure that any necessary trade-offs are made transparently, with full consideration of their broader implications.

The next 30 days will be critical in determining how these competing imperatives can be reconciled, and the Committee's continued scrutiny will be essential in ensuring that patient safety and quality remain at the centre of all decisions taken in response to the financial challenge now before us.