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Targeted Intervention Update
Finance and Performance Committee 29 April 2025



This report has been prepared in accordance with the current NHS Wales oversight, escalation and de-escalation framework for 2024/25 (Level 4 - Targeted Intervention). It also reflects the recent Welsh Government assessment that has de-escalated us to Level 3 (Enhanced Monitoring) for performance and outcomes in Planned Care and CAMHS, and for Governance and Leadership, in recognition of the demonstrable improvements we have delivered in these domains. While Welsh Government has shared draft de-escalation criteria for 2025/26, these remain under negotiation and have not yet been formally adopted; consequently, our analysis and recommendations adhere strictly to the extant 2024/25 framework to ensure consistency and continuity.

For 2024/25 the Health Board has delivered a forecast deficit of £24.1m, outperforming the revised Target Control Total of £31.5m by circa £7.4m. This achievement has been underpinned by international nurse recruitment, enhanced rostering, medicines-management savings and targeted operational improvements across both primary and secondary care services. However, £17.6m of this improvement is non recurrent, exposing us to a material sustainability risk unless converted into recurrent schemes within the 2025/26 Annual Plan. Welsh Government has challenged our plan on the basis that our 2025/26 projection would revert to a larger deficit, highlighting a divergence in expectations that must be reconciled through robust scenario modelling and de-risking actions.

The tracker appended to this pack provides a full, criterion by criterion evidence base. The summary below focuses on:

- Savings Sustainability - the urgent need to convert non recurrent gains (£17.6m) into recurrent schemes, in line with emerging 2025/26 requirements for a clear, confidence rated savings pipeline.
- Financial Trajectory - the necessity to demonstrate an improving in year position towards breakeven by 2027/28, with explicit milestones and risk adjusted modelling delivered by the end of April. However, this is likely to require a longer period of time to ensure it is robust and aligns with the strategic direction of the Health Board.
- Capacity and Performance Pressures - sustained improvement in diagnostic services (notably non cardiac MRI and endoscopy), Urgent and Emergency Care pathways and the Single Cancer Pathway to meet tightened compliance thresholds.
- Governance and Planning Alignment - how existing workstreams, such as, the strategic refresh, Clinical Services Plan etc will be embedded to meet longer term financial sustainability expectation without creating parallel programmes or competing demands.

This introduction sets the scene for balanced oversight, recognising both the good practice that has earned de-escalation in key areas and the critical actions required to sustain and build upon our progress.

Criterion 1: Robust Financial Governance and Control Environment (Status: Advise)



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Overview and Key Issues

The Health Board has strengthened its financial governance, significantly improved controls and achieving a forecast deficit of £24.1m for 2024/25, better than the Welsh Government's revised target of £31.5m. Key actions such as international nurse recruitment and enhanced rostering have reduced reliance on costly agency staff. However, around £17.6m of these savings are non-recurrent, posing ongoing risks. Further improvements in medical staffing controls are necessary, alongside clear planning to deliver financial balance by 2027/28.

Actions Underway

- Established robust financial oversight through regular Directorate escalation meetings and the weekly Financial Control Sub-Group.
- Enhanced reporting mechanisms, including detailed monthly financial performance reports to Board and Sustainable Resources Committee/Finance and Performance Committee.
- Disseminated a detailed budget management control framework to Directorates to strengthen accountability.

Next Steps

- Develop additional recurrent savings plans for sustainable financial performance in the 2025/26 Annual Plan.
- Implement medical staffing controls, reflecting existing nursing frameworks.
- Comprehensive review and enhancement of contract management arrangements.
- Clearly outline strategic options, scenario modelling, and risks to achieve in-year financial balance by 2027/28.

Risks and Mitigations

The primary risk remains the significant reliance on non-recurrent savings. Continued stringent monitoring, structured governance oversight, and targeted intervention will mitigate this risk and support sustained financial governance improvements.

Criterion 2: Delivery of Targeted Intervention Action Plan (Status: Advise)



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Overview and Key Issues

The Health Board has demonstrated substantial progress against the Targeted Intervention Action Plan, significantly improving the year-end deficit forecast from an initial £74.7m to approximately £24.1m. This improvement has been driven by additional Welsh Government funding, savings initiatives, and operational efficiencies in primary care and medicines expenditure. Despite this positive trajectory, the reliance on £17.6m of non-recurrent savings presents ongoing risks for future financial stability and sustainability.

Actions Underway

- Successful implementation of international nurse recruitment and enhanced rostering practices, reducing agency costs.
- Ongoing dialogue with NHS Executive Finance, Performance & Delivery Team to validate and sustain financial improvements.
- Identification and on-going saving initiatives.

Next Steps

- Embed operational improvements to sustain financial performance and enhance recurrent efficiency gains.
- Ensure learning from the compendium of variation directly informs planning and delivery of the 2025/26 Annual Plan.

Risks and Mitigations

The principal risk remains the reliance on non-recurrent savings. This is being actively managed through continuous validation of savings opportunities, structured oversight by the Value and Sustainability Group, and ongoing external engagement with NHS Executive colleagues.

Criterion 3: Annual Plan Approval and Financial Trajectory (Status: Advise)



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Overview and Key Issues

The Health Board has successfully delivered substantial financial improvements for 2024/25, forecasting a year-end deficit of £24.1m, well below the revised target control total (TCT) of £31.5m. Early planning for 2025/26 has identified around £17.0m of the required £19.0m recurrent savings. However, historical attrition rates highlight risks that further savings initiatives will be necessary to fully achieve planned targets. Welsh Government feedback has specifically highlighted the need for an improved trajectory demonstrating a clear pathway to financial balance by 2027/28.

Actions Underway

- Robust monitoring through structured governance processes, including the Financial Control Sub-Group and Value and Sustainability Group.
- Development of additional recurrent savings plans to mitigate potential savings attrition.
- Preparation of a detailed financial trajectory and comprehensive response addressing Welsh Government feedback by 30 April 2025.

Next Steps

- Identify and validate additional recurrent savings opportunities to ensure sustainability.
- Provide clear scenario modelling and risk analysis of strategic options for further financial improvement.
- Ensure clear alignment of financial improvement trajectory with strategic objectives outlined in the wider planning framework.

Risks and Mitigations

Primary risks are associated with achieving the necessary recurrent savings targets. These are managed through structured financial governance oversight, proactive identification of additional savings, and detailed strategic planning and scenario modelling to achieve long-term financial sustainability

Criterion 13: 60% SCP Performance Maintained (Status: Alert)



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Overview and Key Issues

Single Cancer Pathway (SCP) performance improved notably, achieving 63.5% compliance in February 2025, surpassing the 60% target. However, sustained performance over three consecutive months has not yet been demonstrated. Key issues remain concentrated in Urology and Lower GI specialties, accounting for approximately 45% of breaches, exacerbated by ongoing diagnostic capacity constraints in MRI and endoscopy (surveillance) due to workforce shortages and infrastructure limitations.

Actions Underway

- Implementation of additional theatre sessions and dedicated clinics targeting backlog reductions, especially in Urology and Lower GI.
- Expansion of diagnostic capacity through mobile MRI units and outsourced imaging and endoscopy services.
- Enhanced pathway management with fortnightly tumour-site operational huddles for proactive breach mitigation.
- Active recruitment and collaboration with independent providers to address critical workforce gaps.

Next Steps

- Maintain and enhance diagnostic capacity initiatives to stabilise performance above 60%.
- Embed workforce solutions and operational practices sustainably to address specialty-specific capacity constraints.

Risks and Mitigations

The primary risks involve sustaining diagnostic and clinical workforce availability, alongside capital resource limitations. Mitigation includes targeted workforce strategies, outsourced diagnostic support, and structured operational oversight to ensure robust, sustained SCP compliance.

Criterion 18: R1 Ophthalmology Patient Pathways (Status: Alert)



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Overview and Key Issues

Current performance in R1 ophthalmology pathways is significantly below target, with only 34.6% of patients waiting within 25% of their target date, against the required 65%. This represents a substantial deterioration from the previous baseline (45%), driven primarily by capacity constraints and rising demand pressures within ophthalmology services. Moreover, the revised 2025/26 for Targeted Intervention (subject to ratification) is likely to be 68%.

Actions Underway

- Extended evening and weekend ophthalmology clinics, particularly targeting high-demand areas like intravitreal therapy (IVT).
- Recruitment and training of non-medical injectors to increase service throughput.
- Expansion of community optometry pathways to alleviate hospital outpatient demand.
- Prioritised investment in essential ophthalmology equipment to enhance clinical throughput and operational efficiency.

Next Steps

- Further consolidation and reconfiguration of ophthalmology services in line with the Clinical Services Plan (CSP).
- Accelerate implementation of capacity-enhancing initiatives, particularly in workforce development and infrastructure improvements.

Risks and Mitigations

The key risk is ongoing capacity and workforce constraints. Mitigations include targeted workforce expansion, community service integration, and strategic infrastructure investments, underpinned by structured operational oversight.

Criterion 19: Diagnostic Waits – NOUS and Non-cardiac MRI (Status: Advise)



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Overview and Key Issues

Diagnostic performance remains mixed, with Non-obstetric Ultrasound (NOUS) slightly below the 80% target at 78.9%, and Non-cardiac MRI significantly below at 49.8%. MRI performance has notably deteriorated due to persistent capacity constraints and escalating demand pressures.

Actions Underway

- Extended scanning sessions, including evening and weekend provision, focused specifically on MRI capacity.
- Continued use of independent sector providers to manage immediate MRI backlogs.
- Implementation of a detailed Radiology Improvement Plan addressing equipment upgrades and staffing levels.
- Regional collaboration under the ARCH framework to enhance overall diagnostic imaging capacity.

Next Steps

- Accelerate workforce recruitment and stabilisation, particularly targeting radiographers and radiologists via the annual plan investment
- Prioritise capital investments to modernise diagnostic infrastructure and equipment, improving service efficiency.

Risks and Mitigations

Key risks are associated with staffing shortages and ageing diagnostic infrastructure. Mitigations include proactive workforce planning, targeted capital investment, and sustained outsourcing arrangements to manage capacity in the short term.

Criterion 22: Therapy Waiting Times (Status: Advise)



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Overview and Key Issues

Current therapy performance is at 79.2%, below the 85% target for patients waiting less than 14 weeks. Despite improvement from the baseline (75%), ongoing variability remains due to workforce pressures and capacity limitations, particularly within physiotherapy, occupational therapy, and speech & language therapy services.

Actions Underway

- Expansion of therapy services into weekends and evenings to manage high demand effectively.
- Increased utilisation of virtual appointments and group therapy models to optimise capacity.
- Focused recruitment and targeted use of agency staff to address critical workforce gaps.
- Comprehensive analysis of demand and capacity to inform targeted operational improvements.

Next Steps

- Accelerate workforce stabilisation through targeted recruitment and retention initiatives.
- Further expansion and embedding of digital and group-based therapy models.
- Complete and Implement specific recommendations from the ongoing detailed demand and capacity review.

Risks and Mitigations

The primary risks are workforce stability and maintaining consistent service capacity. Mitigation strategies include proactive recruitment and retention, enhanced utilisation of virtual therapies, and structured operational oversight to sustain performance improvements.

Criterion 24: Ambulance Handovers Over One Hour (Status: Alert)



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Overview and Key Issues

The Health Board has not met the target of reducing ambulance handovers over one hour by at least 11% for three consecutive months. March 2025 recorded 988 delayed handovers, an increase from the October to December 2023 baseline average of 964. Despite some month-on-month variation, performance has remained broadly static and significantly above the target threshold of 680.

Actions Underway

- Implementation of a 7-day Regional Clinical Streaming Hub to reduce inappropriate Emergency Department (ED) attendances and support front-door deflection.
- Expansion of Same Day Emergency Care (SDEC) and acute frailty assessment services to improve flow and reduce admissions.
- Embedding of the Optimal Hospital Flow Framework, including Red2Green and Discharge-to-Recover-and-Assess (D2RA) models.
- Continued adherence to the regional Ambulance Handover Guidance with operational audit and escalation procedures.

Next Steps

- Maintain targeted actions through urgent and emergency care governance forums, supported by weekly and monthly trajectory reviews.
- Scale successful models across all acute sites and continue collaborative work with ambulance services to address systemic barriers.

Risks and Mitigations

Key risks include limited discharge capacity, workforce constraints, and inconsistent implementation across sites. These are mitigated through robust site-level escalation protocols, 7-day discharge planning, and strategic alignment with regional partners to drive sustainable reductions.

Criterion 25: Patients Waiting Over 12 Hours in ED (Status: Alert)



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Overview and Key Issues

Current performance stands at 8.9% of patients waiting over 12 hours in ED, slightly improved from the baseline of 9% but still above the 7% target. Performance has varied significantly, reflecting ongoing operational pressures, increased demand, and constraints in patient flow and discharge processes.

Actions Underway

- Continued embedding of the Optimal Hospital Flow Framework, with Red2Green protocols and proactive discharge management.
- Expansion of SDEC models across all sites to reduce avoidable ED admissions.
- Development and implementation of integrated clinical streaming and front-door frailty assessment services to rapidly manage patient pathways.

Next Steps

- Strengthen and sustain flow improvement initiatives across all hospital sites.
- Further enhance SDEC services and integrated frailty pathways.
- Reinforce proactive seasonal demand management strategies and discharge pathways.

Risks and Mitigations

Primary risks include sustained high demand, workforce and constrained discharge capacity. Mitigation strategies involve structured discharge planning, targeted operational management, and continuous oversight through established governance arrangements.

Criterion 26: Median Time from ED Arrival to Clinical Assessment (Status: Alert)



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Overview and Key Issues

Median assessment time in ED currently stands at 76 minutes, exceeding the target of 60 minutes. Although recent improvements have been observed, assessment times remain consistently above the required threshold, primarily driven by high demand, workforce pressures, and suboptimal patient flow within ED settings.

Actions Underway

- Further implementation and refinement of integrated clinical streaming hubs to divert non-urgent cases and optimise ED capacity.
- Strengthened ED triage processes through consistent application of Emergency Department Quality Standards (EDQS).
- Expansion of SDEC units to improve front-door efficiency and reduce initial assessment delays.
- Continuous embedding of the Optimal Hospital Flow Framework to improve inpatient capacity utilisation and discharge efficiency.

Next Steps

- Accelerate implementation of ED improvement actions and triage protocol enhancements.
- Maintain proactive demand and flow management strategies to sustain recent performance gains and achieve target compliance.

Risks and Mitigations

Primary risks include ongoing workforce limitations and variable patient demand. Mitigations include targeted staffing initiatives, structured triage enhancements, and robust governance oversight to ensure consistent delivery of improved clinical assessment times.

Criterion 27: Delayed Pathways of Care (Status: Alert)



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Overview and Key Issues

Performance in delayed pathways of care remains above the targeted reduction, with March 2025 showing 218 delays, exceeding the baseline (October to December 2023 average) of 203. Despite monthly fluctuations, there has been no sustained improvement towards achieving the target of 174 delays, highlighting ongoing challenges around patient discharge processes and community capacity constraints.

Actions Underway

- Continued embedding of the Optimal Hospital Flow Framework, including D2RA and Red2Green approaches.
- Expanded use of the Trusted Assessor model to streamline discharge decisions across health and social care partners.
- Strengthened multi-agency cooperation to enhance community-based support and expedite safe discharge pathways.
- Regular structured reviews and targeted multidisciplinary management of patients with prolonged stays.

Next Steps

- Intensify implementation of targeted discharge and community response initiatives.
- Further develop regional partnerships to ensure integrated and timely discharge planning, especially during peak demand periods.

Risks and Mitigations

The key risks include workforce shortages, inconsistent community support capacity, and persistent demand pressures. Mitigations involve structured discharge oversight, improved inter-agency collaboration, and dedicated resource allocation to support robust and sustainable discharge pathways.

Conclusion



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In conclusion, the Health Board has made good strides under the extant 2024/25 framework, delivering a forecast deficit of £24.1m that was £7.4m below the revised Target Control Total and strengthening our governance, control and operational frameworks. Our performance improvements have been acknowledged through de-escalation to Level 3 for Planned Care, CAMHS, Governance and Leadership, reflecting effective leadership, robust project management and targeted clinical improvements in those areas. These successes demonstrate our capacity to embed good practice and drive enhancement across multiple domains simultaneously.

Nevertheless, our position remains vulnerable in several respects. The predominant risk is the heavy reliance on £17.6m of non-recurrent savings, which must be converted into recurrent schemes to avoid a widened deficit in 2025/26. Equally, persistent capacity constraints in diagnostics, cancer pathways, emergency care and therapy services continue to challenge performance against national standards, requiring accelerated capital investment, workforce development and refined operational protocols.

To address these imperatives and align with the forthcoming 2025/26 de-escalation criteria and without introducing new, competing programmes we will need to:

1. Convert Non-Recurrent Savings - By the end of Quarter 1 2025/26, validate and secure delivery confidence for at least £19.0m of recurrent savings through existing directorate workstreams and the Value and Sustainability Group pipeline.
2. Deliver Robust Scenario Modelling - Utilise existing forums and programmes to undertake a scoping and modelling exercise in Q1 2025/26, integrating assumptions from the strategic refresh and Clinical Services Plan to produce a risk adjusted financial trajectory towards breakeven by 2027/28, complete with clear governance escalation triggers.
3. Leverage Existing Programmes - Adapt current structures and governance forums, Clinical Services Plan delivery groups and strategic refresh groups to fulfil new modelling, planning and reporting requirements, thereby avoiding duplication and maximising resource efficiency.
4. Sustain and Enhance Capacity Investments - Prioritise targeted capital and workforce initiatives in non-cardiac MRI, endoscopy, SCP specialties, Urgent and Emergency Care streaming models and community therapy innovations, ensuring sustained compliance with tightened performance thresholds. Whilst balancing points 1-3 respectively.
5. Prepare for Formal 25/26 Targeted Intervention Framework Adoption – Align committees and outputs with the revised TI criteria to guarantee a consist and smooth transition once the 2025/26 framework is ratified, demonstrating our commitment to sustainable financial balance, quality improvement and strategic alignment with the Mid and West Wales Strategy.



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