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Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

Ein cyf/Our ref: CEO.19167

Gofynnwch am/Please ask for: Kelly Sursona

Rhif Ffôn /Telephone: 01267 235969

Dyddiad/Date: 13<sup>th</sup> February 2026

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Dear Jacqueline,

## Hywel Dda University Health Board Accountable Officer Letter 2026/27

Following our recent discussions, and those held at the Public Board meeting on 29 January 2026 and the Finance and Performance Committee on 21 October 2025 and 16 December 2025, I am writing to formally notify you of our intention to submit a three-year financial plan covering the period 2026–29.

Despite the progress outlined below, the Board has concluded that we are not yet in a position to submit an Integrated Medium-Term Plan for 2026–29 that achieves full financial balance across the three-year period. This judgement reflects a realistic assessment of the scale of the financial challenge, the recurrent gap that remains, and the risks associated with assuming a pace of recovery that is not yet deliverable. This position is held despite the material improvements now in place in governance, organisational maturity, and financial grip.

The Board is fully sighted on our statutory responsibilities and the seriousness of this position. In line with the NHS Wales Oversight and Escalation Framework, we consider this decision to be consistent with operating transparently within Targeted Intervention. We are prioritising credible planning assumptions, patient safety, and service sustainability, while enabling continued close working with Welsh Government and NHS Wales Performance and Improvement to agree a deliverable trajectory to financial balance.

During 2025/26, we have made further positive progress in improving our financial position and our forecast remains to deliver the revised control total of £22.1m. This reflects, in part, additional in-year non-recurrent support provided by Welsh Government in respect of Band 2 and 3 re-banding and the Welsh Risk Pool risk-

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Cadeirydd / Chair  
**Dr Neil Wooding CBE**  
Prif Weithredwr / Chief Executive  
**Professor Phil Kloer**

share agreement, alongside demonstrable progress against our Targeted Intervention criteria.

While this progress is significant, we still need to plan a credible three-year trajectory to achieve financial balance, something that has not been achieved since our establishment in 2009. The 2025/26 financial year represents the second year of our approach to de-escalating against the Targeted Intervention criteria, and we look forward to continuing a constructive dialogue and demonstrating further progress in the year ahead.

Despite good progress, it would be remiss not to acknowledge the wider operating context. While financial improvement has been achieved over the past two years, current planning discussions remain challenging. Delivery against the performance expectations continues to be assessed and the opportunities for productivity and efficiencies will be a key component of the plan. Given the financial challenges, the Health Board is unable to allocate additional resources to meet increasing demand and capacity deficits in a number of key areas previously addressed through national funding. Furthermore the Health Board has a large number of risks, the majority of which are assessed as high or extreme, underlining the significant quality deficits we have alongside the financial deficit.

This increases the risk to our short term delivery over the coming financial year. The extent of the increase from Welsh Risk Pool for the risk share agreement is significant, and that will also be factored into our final planning submission following dialogue with the Director of Finance for Health, Social Care and Early Years Group.

The Board, and my Executive Team, remain focused on delivering the improvements we need to see in our Health Board.

Yours sincerely,



**Prof Phil Kloer**  
**Prif Weithredwr / Chief Executive**

CC:  
Neil Wooding (Chair)  
HDUHB Executive Team