Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Pwyllgor Cyllid a Pherfformiad/ Finance and Performance Committee

DYDDIAD Y CYFARFOD: DATE OF MEETING:	**27 OCTOBER 2026**
TEITL YR ADRODDIAD: TITLE OF REPORT:	Planned Care Plan
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Chief Operating officer
SWYDDOG ADRODD: REPORTING OFFICER:	Keith Jones, Director of Operational Planning and Performance

Pwrpas yr Adroddiad (dewiswch fel yn addas) **Purpose of the Report** (select as appropriate)
Er Sicrwydd/ For Assurance

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

Welsh Government (WG) has confirmed a final Planned Care Recovery allocation of £12.850m for 2026/27. This compares with the Board approved recovery requirement of £15,497, as reflected in the Planned Care Delivery and Sustainability Plan submitted on 31 July 2026.

This allocation is £2.647m (17.1%) below the full plan requirement:

- The allocation comprises £8.628m for Referral to Treatment (RTT) 104-week delivery, £3.744m for diagnostics and £0.478m for sustainability support.
- The allocation is predicated on eradication and sustained elimination of waits over 104 weeks at the earliest achievable point, with March 2027 the latest acceptable position, alongside additional activity, productivity improvement and sustainable transformation.
- The principal residual risk is diagnostics: the Health Board's plan identified diagnostics as a system dependency for RTT and cancer recovery.

The Health Board accepted the allocation and associated delivery conditions on 30 September 2026, with a qualification that the allocation shortfall represents a significant risk to delivering both diagnostic and cancer pathway improvement ambitions within the confirmed allocation.

Delivery trajectories for all elements covered by the WG allocation have been submitted to NHS Performance & Improvement (NHS P&I), who will monitor Health Board delivery progress on behalf of WG.

Cefndir / Background

In July 2026, the Finance and Performance Committee approved the Health Board's Planned Care Delivery and Sustainability Plan for submission to Welsh Government. This plan was subsequently endorsed by the Board in July 2026.

Alongside a range of measures to further improve planned care productivity and reduce avoidable demand, the plan:

- Sought £15.497m in-year support, including £9.036m external funding for the forecast 104-week RTT pathway delivery gap and £5.784m for diagnostic recovery solutions.
- Modelled a route from a forecast RTT 104 week pathway delivery gap of 5,672 patients to zero by March 2027 using core delivery, validation/booking, regional capacity, insourcing/ Waiting List Initiatives (WLI), outsourcing and further productivity measures.
- Described a range of diagnostic 8 week and cancer pathway diagnostic recovery measures including five mobile scanners plus insourcing for 4,786 non-obstetric ultrasound examinations, with a trajectory to zero >8-week radiology breaches by March 2027.

On 23 September 2026, Welsh Government issued a funding allocation confirmation letter to the Health Board of £12,850m. The allocation letter (Appendix 1) explicitly recognised the scale of the planned care challenge facing the Health Board and the level of assurance provided through the assessment process conducted following submission of the Health Board's plan in July 2026. It also contained a clear expectation that the funding has been allocated to support delivery of the agreed recovery plan, accelerate reductions in waiting times, improve diagnostic and treatment access, increase productivity and support the delivery of sustainable planned care transformation in line with national priorities.

Delivery trajectories for all elements covered by the WG allocation have been submitted to NHS P&I who will monitor Health Board delivery progress on behalf of WG. Weekly delivery assurance reviews with NHS P&I commenced in September 2026.

Asesiad / Assessment

Funding comparison and risk assessment

The confirmed allocation funds approximately 82.9% of the £15.497m July requirement. Within the £2.647m aggregate shortfall, the primary delivery risk relates to the diagnostic funding shortfall and potential implications for sustained delivery of diagnostic improvements to both 8 week diagnostic and cancer pathway improvements beyond Q3.

Whilst the itemised WG allocations for both RTT and diagnostic elements do not exactly match the structure of the Health Board's submitted plan and associated funding requirements, the table below summarises the current position:

Area	July plan comparator	WG allocation	Variance	Committee interpretation
Total recovery programme	£15.497m	£12.850m	-£2.647m	Allocation is 82.9% of plan requirement
RTT 104-week recovery	£9.036m external funding ask	£8.628m	-£0.408m	WG funding covers specified T&O, ophthalmology, ENT, urology, dermatology and anaesthetic stabilisation schemes
Diagnostics	£5.784m total diagnostic requirement	£3.744m total diagnostics	-circa £2m (but not directly like-for-like)	Includes £2.894m radiology, £0.509m endoscopy, £0.121m cystoscopy and £0.220m echo
Enabling Costs	£0.677m external support requested	£0.478m	n/a	£0.299m programme support and £0.178m POPS

Referral to Treatment (RTT):

- Within the allocated £8.628m, the specialty specific elements are Trauma and Orthopaedics (T&O) (£3.702m across insourcing/WLI, outsourcing and regional delivery), Ophthalmology outsourcing (£1.688m), Urology (£1.050m), Ear, Nose and Throat (ENT) (£0.857m), Dermatology (£0.108m). These allocations match the Health Board's requirement as reflected in the submitted plan.
- The £0.408m shortfall relates exclusively to the forecast cost of stabilising Anaesthetic support of core capacity operating lists (Anaesthetic stabilisation) which has been funded at 75% (£1.223m) of the amount requested. The advised allocation for this element is sufficient to cover forecast costs of delivery for the remaining part of the year but does not cover additional expenditure incurred year to date.

Diagnostics:

- Within the allocated £3.744m, key elements include Radiology £2.894m, Endoscopy £0.509m, Echocardiography £0.220m and Cystoscopy £0.121m.
- This represents a circa £2m shortfall versus the support requirement identified by the Health Board, broadly split between a £1.2m shortfall for Radiology and £0.8m shortfall for Pathology which WG have advised falls outside the current funding specification and will require further review.
- The shortfall between the diagnostic allocation and the level of support required has significant implications for the Health Board's forecast ability to sustain combined 8 week and Cancer pathway diagnostic improvements beyond Q3. Further reviews of the Health Board's modelling of Radiology demand & capacity have been scheduled with NHS P&I during October 2026 to inform further discussions re the potential for additional support beyond Q3.

Enabling Costs:

- The WG allocation of £0.478m for programme support (£0.299m) and Peri-operative support (POPs) (£0.178m) is less than the total request of £0.677m. Whilst the POPs scheme is fully resourced through to March 2027, plans for application of programme support funding are currently subject to further review in light of the funding shortfall for this specific element.
- Outside of the current allocation, the potential remains for additional support of the Health Board's validation capacity, subject to agreement of a delivery proposal with NHS P&I.

Taking the above into consideration, the table below summarises the delivery consequences, dependencies and risk:

Area	Assurance	Committee judgement / evidence
104-week RTT	**AMBER**	Funding is substantial and aligned to named recovery schemes, but delivery remains conditional on protection of core activity, additionality, productivity and trajectory achievement. WG expects earlier delivery than March 2027 wherever achievable.
Diagnostics / cancer	**RED**	The Health Board has highlighted a significant risk to delivering both diagnostic and cancer ambitions within the total allocation. Whilst improvement trajectories have been submitted for Q3, this is likely to impact delivery in Q4 after application of the current allocation for Radiology is exhausted.

Anaesthetics Stabilisation	**AMBER**	£1.223m allocated, representing 75% of the request. This is sufficient to support the projected cost of anaesthetic support of core capacity for the remainder of the year with delivery dependent on securing appropriate Anaesthetic cover.
Enabling Costs	**AMBER**	Plans for application of programme support funding are currently subject to further review in light of the funding shortfall for this specific element

Delivery Assurance

Health Board progress in delivering required volumes of core and additional activity supported by this allocation will be monitored via weekly review with NHS P&I. The majority of additional recovery activity is scheduled to commence from mid October 2026 onwards, following commencement of insource/outsource solutions delivered by independent sector partners and additional internal activity delivered above planned core capacity.

Progress in respect of planned care transformation and productivity improvements is being overseen via the Planned Care Transformation workstream of the Executive Recovery Programme.

Progress in respect of the delivery trajectories agreed with NHS P&I, additional activity delivered and associated expenditure will be reported to the Committee through to March 2027.

Argymhelliad / Recommendation

The Finance and Performance Committee is:

- Requested to **NOTE** the final WG Planned Care Recovery allocation of £12.850m against the £15.497m provisional requirement set out in the July 2026 Planned Care Delivery and Sustainability Plan.
- **ADVISED** that the Health Board has formally accepted the allocation and conditions and has established weekly national and strengthened Executive oversight of delivery.
- Requested to **TAKE ASSURANCE** that the RTT 104 week allocation meets the Health Board's forecast requirement.
- **ALERTED** to the residual risk that the confirmed allocation may not enable full delivery of both diagnostic recovery and cancer pathway ambitions, including the lower radiology allocation relative to the July 2026 modelled solution and the further review required for pathology funding.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Cyfeirnod Cylch Gorchwyl y Pwyllgor: Committee ToR Reference:	2.1 The purpose of the Finance and Performance Committee is to provide advice and assurance to the Board on the following: 2.1.2: oversight of performance and delivery against Health Board plans and objectives, with early warning of performance issues and recommendations for improvement.

Cyfeirnod Cofrestr Risg Datix, Teitl a Sgôr Risg Cyfredol: Datix Risk Register Reference and Score:	
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	2. Timely
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Great care
Nodau Cynllunio 2026/27 Planning Goals 2026/27	6. Safe, Timely, High Quality Care
Hypergyswllt i Amcanion Llesiant HDdUHB 2026 Hyperlink to HDdUHB Well-being Objectives 2026	10. Not Applicable
Model Cymdeithasol ar gyfer Iechyd a Llesiant: (wedi'i gwblhau ar gyfer newid strategol a/neu newidiadau sylweddol i wasanaethau) A Social Model for Health and Wellbeing: (*complete for strategic change and/or significant service changes)*	Not Applicable
Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Planned Care Delivery & Sustainability Plan (31 July 2026); WG Funding Allocation Confirmation (23 September 2026).
Rhestr Termau: Glossary of Terms:	Reflected in report

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y cyfarfod hwn: Parties / Committees consulted prior to this meeting:	Finance & Performance Committee (July 2026) Public Board (July 2026)

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Reflected in report
Ansawdd / Gofal Claf: Quality / Patient Care:	Recovery funding is intended to shorten long waits, improve diagnostic and treatment access and support sustainable pathway transformation.
Gweithlu: Workforce:	Anaesthetic stabilisation funding is conditional on a sustainable plan and job-plan evidence. Additional activity remains dependent on appropriate workforce capacity.
Tegwch Iechyd: Health Equity:	• Have the potential impacts on health equity been considered? Yes/No/N/A • Has an equity focussed health impact assessment been undertaken Yes/No/N/A
Risg: Risk:	Diagnostic capacity remains the principal residual risk because it supports the 8-week diagnostic standard, RTT progression and cancer pathways.
Cyfreithiol: Legal:	N/A
Enw Da: Reputational:	Health Board financial stewardship.
Gyfrinachedd: Privacy:	N/A
Cydraddoldeb: Equality:	N/A

Y Grŵp Iechyd, Gofal ac Atal
Health, Care & Prevention Group

Cyfarwyddwr Gweithreidiadau, GIG Cymru
Director of Operations, NHS Wales

Llywodraeth Cymru
Welsh Government

Philip Kloer
Chief Executive Officer
Hywel Dda UHB

Our Ref: JG/PCRF2026-27/FINAL

23 September 2026

Dear Phil

Subject: Planned Care Recovery 2026-27: Funding Allocation Confirmation

Following the issue of the Tranche 1 and Tranche 2 Planned Care Recovery funding allocation letters, and completion of the comprehensive assessment, assurance and plan refinement process undertaken jointly by NHS Wales Performance & Improvement and Welsh Government, I am writing to formally confirm the Planned Care Recovery funding allocation for your organisation for 2026-27.

The earlier Tranche 1 and Tranche 2 allocation letters were issued to enable the timely mobilisation of approved schemes, commencement of delivery and early action to reduce waiting times whilst the full assessment process was concluded. This letter now supersedes those previous allocation letters and represents the full funding determination for your organisation's 2026-27 Planned Care Recovery Programme.

The total funding allocation for your organisation is **£12,849,721**.

This confirmed allocation reflects both the scale of the planned care challenge facing the organisation and the level of assurance provided through the assessment process. The expectation is that this investment will translate into demonstrable improvements in waiting times, productivity, patient access and sustainable service transformation during 2026-27.

This funding has been allocated to support delivery of the agreed recovery plan, accelerate reductions in waiting times, improve diagnostic and treatment access, increase productivity and support the delivery of sustainable planned care transformation in line with national priorities.

The primacy now is that the eradication of waits over 104 weeks is delivered and sustained.

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Whilst progress is being made across NHS Wales, long waits continue to have a significant impact on patients. Recovery funding has therefore been allocated to accelerate delivery and support organisations to eliminate and sustain the elimination of waits over 104 weeks at the earliest achievable opportunity.

Purpose of Funding
To reaffirm, this funding is provided for the specific purpose of:

- Accelerating reductions in waits over 104 weeks.
- Increasing planned care activity and reducing overall waiting list size.
- Supporting diagnostic and treatment capacity in line with agreed delivery plans.
- Improving productivity and efficiency across planned care pathways.
- Supporting pathway validation and demand management activity.
- Delivering sustainable service transformation that reduces future demand and supports long-term recovery.
- Implementing modernised clinical pathways and operating models that improve access, productivity and patient outcomes.

The organisation should ensure that all expenditure can be clearly linked to the delivery of these objectives and that implementation remains aligned to the schemes and interventions approved through the allocation process.

Accelerating Delivery
In reviewing submissions across NHS Wales, it is evident that many organisations have planned on the assumption that the delivery milestone for elimination of long waits is March 2027. The Welsh Government expectation is that organisations accelerate progress wherever possible and achieve elimination of waits over 104 weeks in the shortest achievable timeframe. I am reminding organisations that starting positions vary considerably and therefore the pace and timing of delivery should also differ. Plans should therefore continue to be recalibrated to maximise available capacity, productivity and transformation opportunities, with trajectories reflecting the earliest deliverable reduction in long waits. The 104 zero position has to be delivered as soon as possible with March 2027 being the very latest.

As part of acceptance of this final allocation, organisations are expected to review all trajectories, milestones and delivery assumptions and identify opportunities to bring forward achievement dates, particularly where additional capacity, productivity improvements or pathway redesign can accelerate delivery.

Transparency and Public Accountability
Transparency and public accountability are fundamental requirements of this programme.
Each organisation will be expected to publish its Planned Care Recovery objectives, delivery trajectories and expected timelines on its public website.
Separate guidance will be issued regarding the format, content and publication requirements.

Sustainable Recovery and Modernisation
Whilst additional activity and temporary capacity solutions will continue to play an important role in reducing long waits in the short term, they cannot be the sole basis for sustainable recovery. The long-term challenge facing NHS Wales requires a greater emphasis on service redesign, pathway modernisation and productivity improvement to ensure that gains made through recovery funding can be sustained. Advice provided by National Clinical Leads and Clinical Implementation Networks has consistently highlighted that recovery funding should serve two purposes: delivering immediate reductions in waiting times whilst also accelerating the transition to a modernised planned care system that is capable of meeting future demand more effectively. Organisations are therefore expected to use this investment not only to increase activity, but also to strengthen the underlying operating model for planned care. Future success will require demonstrable progress in:

- Effective demand management.
- Referral optimisation.
- Improved advice and guidance.
- Better pathway design.
- Reductions in unnecessary follow-up activity.
- Improved clinical validation.
- Greater utilisation of Treat in Turn principles.
- Increased theatre and diagnostic productivity.
- Day Case First approaches.
- Digital enablement.
- Pathway standardisation.
- Better utilisation of regional and national capacity.

All funded schemes should therefore contribute to the transition towards sustainable, modernised and clinically led planned care services, ensuring that the benefits of this investment extend well beyond the immediate recovery period

Conditions of Funding
The following conditions apply to this allocation:

- Funding must be ringfenced solely for approved schemes.
- Core delivery must not deteriorate.
- Funding is conditional upon continued delivery of agreed trajectories and milestones.
- The organisation must demonstrate that funded activity is additional and contributing to reductions in waiting times and waiting list size.
- Progress will be monitored through enhanced national performance arrangements.
- Any forecast underspend must be reported immediately.
- Welsh Government reserves the right to amend, withhold, recover or redeploy funding where delivery is not demonstrated.
- Organisations must continue to maximise internal capacity before seeking further external capacity solutions.
- Organisations must demonstrate progress against expected productivity standards.

- Continued consideration of future funding support will depend upon evidence of delivery, productivity improvement, sustainable transformation and implementation of agreed actions.

Ongoing Monitoring and Assurance
NHS Wales Performance & Improvement will continue to monitor delivery through established national performance and assurance arrangements. The expectation is clear that organisations will demonstrate timely delivery against agreed trajectories, sustained improvement in performance, measurable productivity gains and tangible progress towards a modernised planned care system. Where delivery falls behind plan, organisations will be expected to implement corrective actions at pace and provide assurance that recovery objectives remain achievable.

The scale of investment provided reflects the importance Welsh Government and NHS Wales place on reducing long waits and restoring timely access to care. This funding should therefore be viewed as both an opportunity and an obligation: an opportunity to accelerate recovery for patients and an obligation to deliver demonstrable improvements in access, productivity, sustainability and outcomes.

The expectation remains that organisations will pursue the earliest achievable eradication of waits over 104 weeks and sustain that position thereafter.

Next steps
Chief Executives should write to me within 7 days of receipt of this letter to confirm acceptance of the allocation and agreement to the conditions, expectations and responsibilities set out herein.

I would like to thank you and your teams for your continued commitment to improving planned care services and delivering better outcomes for patients across Wales.

Yours sincerely



Jeremy Griffith

Director of Operations
NHS Wales

cc:
Jacqueline Totterdell, Chief Executive, NHS Wales
Hywel Jones, Director of Finance, Welsh Government
Julie Broughton, Deputy Head of Financial Management (NHS Budgets), Welsh Government
Nick Wood, Deputy Chief Executive NHS Wales, Welsh Government
Steven Thomas, Head of Planned Care Policy, Welsh Government

Andrew Carruthers, Chief Operating Officer, Hywel Dda UHB
Huw Thomas, Director of Finance, Hywel Dda UHB
Claire Green, Director of Finance and Resource Allocation, NHS Wales P&I
Corrina Casey, Director of Performance and Delivery, NHS Wales P&I
Deb Lewis, Specialist Operational Adviser, NHS Wales P&I
Phil Barry, Director of Operational Improvement, NHS Wales P&I
Brett Denning, Assistant Director Strategic Programme for Planned Care, NHS Wales

Appendix

RTT 104 Week Delivery				
Speciality	Solution	Volume	Allocation	Comment
T&O	Insourcing / WLI	450	£2,250,000	As per conditions set out in the letter above.
T&O	Outsourcing	109	£991,246	
T&O	Regional	182	£460,460	
Ophthalmology	Outsourcing	1200	£1,688,400	
ENT	Insourcing / WLI	229	£687,000	
ENT	Outsourcing	68	£170,000	
Urology	Insourcing / WLI	210	£1,050,000	
Dermatology	Outsourcing	43	£108,425	
Anaesthetic Stabilisation			£1,222,500	Following review of the additional information on HDUHB's anaesthetic provision, 75% of the requested funding has been allocated. This is conditional on submission of a sustainable anaesthetic plan, including the movement of sessions between sites, and provision of job plans to NHS Wales Performance & Improvement for review.
		Total	**£ 8,628,031**	

Diagnostics				
Speciality	Solution	Volume	Allocation	Notes
Endoscopy	Insourcing / WLI	588	£509,000	As per conditions above.
Urology (Cystoscopy)	Insourcing / WLI	260	£121,000	As pathology is not a reportable diagnostic service, it falls outside the scope of the funding specification set out in the ministerial advice. NHS Wales Performance & Improvement and Welsh Government will undertake a further review of pathology funding requests.
Cardiology (echo)		2368	£220,000	
Radiology			£2,893,985	
		Total	**£3,743,985**	

Sustainability		
Scheme	Allocation	Notes
Programme Support Team Costs	£299,371	A HDUHB validation proposal will be considered on the submission of a validation plan to P&I.
POPS	£178,334.00	
Total	**£477,705**	