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Escalation Report – People, Organisational Development and Culture Committee (PODCC)

Shaun Ayres (February 2026)

Escalation De-escalation - Close-Down of Domain 5: Leadership, Capability and Culture



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Purpose

This paper presents PODCC with the formal confirmation that Domain 5 (Leadership, Capability and Culture) has been fully de-escalated from Welsh Government Targeted Intervention to routine arrangements. There are no remaining de-escalation criteria for this domain in the revised Escalation Framework (June 2025). The Committee is asked to agree the close-down of escalation-specific reporting.

Decision Required

PODCC is asked to agree the following:

- That formal escalation-specific reporting to PODCC linked to Domain 5 Targeted Intervention is now closed.
- That assurance for the areas previously reported under escalation has transitioned to business-as-usual governance.
- That PODCC will be re-engaged through enhanced reporting should Welsh Government re-escalate this domain.



De-escalation Journey

Stage 1: Level 4 (Targeted Intervention) to Level 3 (Enhanced Monitoring)

Confirmed by Judith Paget, Director General for Health and Social Services, in her letter to Professor Philip Kloer dated 11 March 2025. This letter confirmed that Governance and Leadership had demonstrated sufficient progress to move from Targeted Intervention to Enhanced Monitoring.

Stage 2: Level 3 (Enhanced Monitoring) to Routine Arrangements

Confirmed by Jacqueline Totterdale correspondence January 2026. This confirmed that Domain 5 (Leadership, Capability and Culture) had met the requirements for full de-escalation to routine arrangements.

Current Position

The revised Hywel Dda University Health Board Escalation Framework (June 2025) contains no de-escalation criteria for Domain 5. PODCC is the only Board Committee whose associated domain has been fully de-escalated to routine arrangements.

Evidence Summary - What Supported the De-escalation Decision



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Evidence That Supported De-escalation (1 of 2)

Substantive Executive Team

A full and substantive Executive Team is in place, including the appointment of a permanent CEO. No interim or acting gaps remain in key Executive roles. Organisational structure charts are presented and updated through Board papers.

Operational Structure

Clinical Care Groups became operational from April 2025. Organisational Change Policy (OCP) Phase 1 is complete with 11 key senior appointments made, plus a further four senior leadership appointments through the tailored recruitment programme.

Leadership Development

The LEAP programme has delivered five completed cohorts with three in progress. Three cohorts of the New Consultant Programme have been delivered. There are now 37 qualified coaches in place with 15 cohorts of the Coach Approach programme delivered. External evaluation confirms the programme is exceeding its delivery expectations.

Evidence Summary - What Supported the De-escalation Decision



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Evidence That Supported De-escalation (2 of 2)

Staff Engagement

An 8% improvement in engagement has been achieved with a 20% response rate to the NHS Wales Staff Survey. 1,050 staff completed the Culture Survey enabling development of localised people culture plans. Speak Up was launched in October 2024 with wide communications support.

Workforce Stabilisation

The Nurse Stabilisation Programme has significantly reduced the WTE gap and agency reliance. Over 60 operational workforce plans have been created. Staff retention groups are established for nursing and medical staff.

External Validation

The Structured Assessment 2024 was a positive report with only three recommendations. It confirmed that the Board and its committees continue to work well, maintaining a clear focus on governance, continuous improvement and hearing from patients and staff. Internal Audit provided reasonable assurance on TI governance arrangements.

Transition to Routine Arrangements



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Full de-escalation does not mean the work stops. It means Welsh Government is satisfied that the organisation can manage these matters through its normal governance processes without requiring formal TI oversight.

What Ceases

- Formal TI reporting to PODCC against Domain 5 de-escalation criteria.
- Inclusion of Domain 5 criteria in the Escalation Framework.
- Dedicated escalation meeting agenda items for this domain.

What Continues Through Business as Usual

- Committee oversight of leadership development and workforce planning.
- Staff engagement and culture reporting through normal PODCC business.
- Maturity matrix self-assessment as part of the annual governance cycle.
- Operational structure effectiveness review as planned.

What Welsh Government Expects

- Ongoing demonstration of leadership stability through delivery.
- Continued positive trajectory in staff engagement.
- Evidence of effective Clinical Care Group governance at quarterly escalation meetings.

Escalation Framework - Cross-Domain Position



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Current Escalation Framework Position (June 2025)

The revised Escalation Framework confirms the following position across all six domains:

- **Domain 1: Finance, Strategy and Planning (SRC)** - Remains at Level 4 Targeted Intervention with active de-escalation criteria.
- **Domain 2: Performance and Outcomes (F&P)** - Remains at Level 4 Targeted Intervention with active de-escalation criteria.
- **Domain 3: Fragile Services (S&P)** - Remains at Level 4 Targeted Intervention with active de-escalation criteria.
- **Domain 4: Governance (ARAC)** – Fully de-escalation although ARAC retain oversight of the entirety of Escalation.
- **Domain 5: Leadership, Capability and Culture (PODCC)** - Fully de-escalated to routine arrangements. No de-escalation criteria.
- **Domain 6: Quality of Care (QSEC)** - Remains at Level 4 Targeted Intervention with active de-escalation criteria.

ARAC and PODCC are the only committees whose associated domains has achieved full de-escalation.



The Committee is asked to:

- Note the confirmation from Welsh Government (Jacqueline Totterdale correspondence) that Domain 5 has been fully de-escalated from Enhanced Monitoring (Level 3) to routine arrangements.
- Note that the revised Escalation Framework (June 2025) contains no de-escalation criteria for this domain, confirming there are no outstanding TI requirements for PODCC to monitor.
- Agree that formal Escalation reporting to PODCC ceases from this meeting, with ongoing assurance managed through the Committee's normal business cycle.
- Note that matters relating to leadership, culture, and workforce will continue to be reported through PODCC's standing agenda as business as usual.