

**PWYLLGOR STRATEGAETH A CHYNLLUNIO
STRATEGY AND PLANNING COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	01 July 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Update on 2025/26 Annual Plan
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Executive Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Shaun Ayres, Director of Delivery Daniel Warm, Head of Planning Angharad Lloyd-Probert, Senior Project Manager (Planning)

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The Health Board developed an Annual Plan for 2024/25, setting out the key delivery expectations for the organisation in response to Targeted Intervention and the broader challenges facing health services in West Wales.

The 2024/25 plan concluded at the end of March 2025 and at the March 2025 Public Board meeting, Board approved the one-year Annual Plan for 2025/26, which was subsequently submitted to Welsh Government on 31 March 2025.

This paper provides the Strategy and Planning Committee (SPC) with an update on the 2025/26 Annual Plan including the Planning Objectives aligned to it.

Cefndir / Background

At the March 2025 Public Board meeting, Board approved the one-year Annual Plan for 2025/26, which was subsequently submitted to Welsh Government on 31 March 2025. This plan, representing the second year of the Targeted Intervention (TI) journey, establishes a clear trajectory towards sustainable healthcare delivery, whilst targeting a financial control total of (£31.55m), a marked improvement on the Health Board's underlying deficit of (£51.1m).

As was noted to Public Board in May 2025, HDdUHB received correspondence from Welsh Government (Appendix 1) on 11 April 2025 highlighting that, whilst the Health Board has submitted a Plan that meets the Target Control Total (TCT), the Board is also currently planning on deteriorating in 2025/26 from its forecast outturn position in 2024/25 of a £24m deficit. Welsh Government therefore asked the Health Board to:

- Improve upon and de-risk the financial position to improve upon the TCT for 2024/25 in 2025/26 in line with the improvement trajectory that is expected
- Set out the options and choices available to the organisation in order to improve further upon the current plan alongside the impacts of doing so

- Increase confidence in delivery of the savings plan
- Set out the route map to in-year financial balance by 2027/28, as a second order requirement after detailing further improvement in 2025/26

In response, a comprehensive submission was made on 30 April 2025 (provided as Appendix 2), which re-affirms the Health Board's ambitions whilst recognising the considerable challenges ahead. The response outlined:

- The need to progress and de-risk delivery of plans through Quarter (Q) 1 2025/26
- The intention to develop plans to improve upon this position in Q2, aiming for a position which is below £30m
- The options and choices available to the organisation in order to improve further upon the current financial plan, in particular the circa £11.7m investments in priority areas
- The Health Board's commitment to establishing a clear route map to in-year financial balance by 2027/28

As outlined in the letter, the investments of circa £11.7m focus on cancer, diagnostics and ophthalmology; nurse staffing; the mitigation of estate risks; prevention, public health and value; as well as digital transformation. Consequently, they directly support the delivery of Ministerial Priorities, alongside responding to the Health Board's most significant clinical risks.

On 6 June 2025, the Health Board received formal notification regarding its 2025/26 Annual Plan (Appendix 3), which requires additional recovery actions to be submitted by 30 June 2025. Whilst the plan was developed and approved in accordance with the financial parameters and control total guidance available at the time of submission, subsequent review has identified the need for further measures to improve the financial position. The Board is required to identify additional savings beyond the £31.5m already planned, review planned investments of £11.7m and demonstrate an accelerated trajectory toward financial balance. This creates a material risk to both performance delivery and financial sustainability that requires the issue to be brought to the attention of SPC. The Executive Team alongside their senior leadership is developing comprehensive recovery actions that will attempt to address the financial requirements with, and highlight any impact before, said actions are undertaken.

Asesiad / Assessment

Performance Priority Areas

The following analysis examines four critical performance areas where current approaches have proven insufficient to achieve required Targeted Intervention requirements. Each area demonstrates sustained challenges, indicating intervention is required to achieve sustainable improvement.

Emergency Ambulance Handovers Exceeding One Hour

Current performance shows 1,059 monthly handovers against a target of 680, representing a 56% gap affecting 379 patients monthly. Statistical analysis over 27 months reveals zero instances of achieving target performance, with our best month (721 handovers) still exceeding target by 6%. The probability of achieving target under current conditions is extremely low, indicating fundamental constraints rather than pure inefficiencies. Recent six-month performance has deteriorated by 9.8%, averaging 996 handovers compared to 907 previously. The Annual Plan requirement for summer performance of 717 handovers to enable winter compensation sits below our best-ever achievement, requiring sustained exceptional performance that statistical analysis suggests is beyond current system capability. Intervention must focus on alternative capacity or demand reduction rather than process optimisation alone.

Pathways of Care Delays (PoCDs)

Performance shows 234 delays against a target of 174, creating a 34% gap affecting 60 patients monthly. Over 27 months, target achievement stands at 0% suggesting an extremely low probability of sustained delivery under current conditions. Whilst the overall trend shows monthly improvement of 1.7% delays, the performance has deteriorated by 4.4% over six months, suggesting volatility and improvement momentum is stalling. Analysis by county reveals Carmarthenshire at 106 delays versus a required 85, indicating a 25% variance from planning assumptions. Each delayed discharge typically occupies beds for weeks rather than days, creating cascade effects through Emergency Departments (EDs) and ambulance handovers. Success requires accelerated partnership working, expanded trusted assessor implementation, and additional intervention schemes beyond current plans.

Cancer Services Performance

Cancer pathway delivery demonstrates progress against targeted intervention criteria, with the Single Cancer Pathway achieving ASSURE status through three consecutive months above the 60% de-escalation threshold, reaching 62.4% in April 2025. This improvement reflects comprehensive interventions across key tumour sites, including major diagnostic capacity expansion in urology (Local Anaesthetic Transperineal (LATP) biopsy +260/year, Magnetic Resonance Imaging (MRI) +336/year, flexi cystoscopy +898/year), workforce innovation shifting Prostate-Specific Antigen (PSA) follow-up to digital platforms, and implementation of “one-stop” gynaecology models.

However, the sustainability of these improvements requires continued vigilance and protected investment. Underlying pathway indicators show positive trends including reduced diagnostic waiting list volumes (net reduction of 167) and increased treatment volumes, particularly in urology. The assessment emphasises the critical need to maintain monthly progress monitoring for high-risk tumour sites, prioritise workforce resilience in radiology, urology, and dermatology, and ensure planned investments are delivered to protect compliance across the annual cycle. Performance remains within narrow margins of compliance, with workforce fragility in key specialties presenting ongoing risks to sustained delivery.

Planned Care and Diagnostics Performance

Planned care performance reveals significant achievement alongside persistent systemic challenges requiring urgent attention. The elimination of 52-week outpatient breaches for three consecutive months represents a substantial accomplishment, whilst 104-week Referral to Treatment (RTT) performance, despite achieving zero breaches, has been reclassified from ASSURE to ADVISE following detailed operational analysis revealing fundamental sustainability concerns.

Critical capacity constraints persist across diagnostic services, with ophthalmology R1 performance classified as ALERT within the escalation framework, at 34% against the 65% standard, representing significant patient safety risk given the sight-threatening nature of delayed interventions. Theatre capacity analysis demonstrates cyclical performance patterns driven by operational inefficiencies, including over 350 hours of lost theatre capacity monthly and staffing deficits of 50.68 whole time equivalent posts across theatre departments. Non-obstetric ultrasound and non-cardiac MRI services remain significantly below the 85% eight-week standard at approximately 51%, whilst endoscopy services achieve 69% compliance. These diagnostic bottlenecks create cascading upstream pressures requiring strategic intervention beyond routine service improvement, with particular emphasis on workforce development and fundamental capacity expansion to achieve sustainable compliance.

Welsh Government Planned Care Support Programme

The Health Board's Planned Care recovery efforts have received significant reinforcement through Welsh Government's announcement in May 2025 of a comprehensive national programme designed to reduce waiting lists by 200,000 pathways across Wales. This initiative represents a substantial injection of additional capacity, providing targeted support through two complementary mechanisms that directly address HDdUHB's most pressured services.

The first element involves a nationally procured insourcing arrangement delivering 164,000 first outpatient appointments across the eleven highest-pressure specialties Wales-wide. For HDdUHB specifically, this translates to 13,246 additional first outpatient appointments, with allocations strategically targeted at the Health Board's most constrained services: 3,188 ophthalmology appointments, 2,666 orthopaedic appointments, 1,396 urology appointments, and 1,334 dermatology appointments. These allocations directly correspond to areas where capacity constraints have most significantly impacted patient access and waiting times.

The second component requires local delivery of an additional 2,827 first outpatient appointments through Health Board-managed arrangements, whether through internal capacity expansion or external commissioning. This represents approximately 5.7% of the total 50,000 Wales-wide local delivery target, reflecting HDdUHB's proportional share based on March 2025 waiting list positions. The programme emphasises that all additional capacity must represent 100% additionality above existing service levels, ensuring genuine expansion rather than substitution of planned activity.

Transformation Funding Support

Beyond capacity expansion, HDdUHB has secured £701.119k in dedicated transformation funding for 2025/26 to support systematic pathway improvements and sustainable service redesign. This funding targets multiple strategic areas including clinical implementation networks for orthopaedics and gynaecology (£64.122k combined), healthcare pathway clinical editors (£125k), and comprehensive optometry community pathway development totalling £160.073k.

The largest single allocation supports the 3Ps Waiting Well Policy (Promoting healthy behaviours, Preventing deconditioning whilst waiting, and Preparing for treatment and recovery) implementation through single point of contact development (£339.424k), directly addressing referral management and pathway efficiency challenges that contribute to downstream waiting pressures. Additional funding focuses on community optometry pathway expansion, including project management, leadership, and triage capabilities designed to shift appropriate activity from Secondary Care settings whilst maintaining quality and accessibility.

Administrative and Implementation Support

Recognising the significant operational challenge of managing increased patient throughput, Welsh Government has provided £194k specifically for additional booking, data, and administrative support to handle the enhanced volume from both national insourcing contracts and local delivery requirements. This funding has been made available in advance to enable recruitment and preparation ahead of programme implementation in July 2025.

The combined support package of over £1.4m provides both immediate relief for waiting list pressures and sustainable foundations for long-term service improvement. The programme's emphasis on treating patients in chronological order will particularly benefit those approaching 104-week thresholds, supporting HDdUHB's continued compliance with this critical standard whilst enabling local teams to focus on implementing transformation initiatives that will deliver lasting benefits beyond the current financial year.

Planning Objectives

The Planning Objectives remain a key element of the Annual Plan for 2025/26, and as noted in the SPC update in April 2025, four of these are aligned to the Committee, namely:

Planning Objective	Executive Lead	Updated position on 2024/25 Planning Objectives
PO6: Clinical Services Plan	Director of Strategy and Planning	On-track – currently out to consultation
PO7: Primary and Community Strategic Plan	Director of Primary Care, Community and Long-Term Care	On-track – timelines for the delivery have been revised.
PO8: Estates Plan	Director of Strategy and Planning	Behind – this is based on the timeline for the completion and submission of a Board approved A Healthier Mid and West Wales (AHMWW) Strategic Outline Case (SOC).
PO10: Population health	Director of Public Health	On-track

Whilst the Planning Objectives for 2025/26 continue to be in development, key aspects will be reviewed as part of other Committee agenda items. However, a number of the 2024/25 Planning Objectives continue to have actions to be completed – Appendix 4 provides the current position on these.

For the Clinical Services Plan, the public consultation for Phase 1 launched on the 29 May 2025 following Board approval. The consultation will run until 31 August 2025 and will seek the views of our staff, patients, partners and communities, including those who use these services from bordering areas in south Gwynedd, north Powys and Swansea / Neath Port Talbot. Our Clinical Services Plan consultation focuses on nine healthcare services most in need of support and aimed at addressing fragilities, improving standards, or reducing waiting times for people in need of diagnosis and treatment.

The services included are critical care, dermatology, emergency general surgery, endoscopy, ophthalmology, orthopaedics, radiology, stroke and urology. There are no changes to how people access emergency care (A&E) or minor injury care as part of this consultation (there is an ongoing separate consultation on minor injury care at Prince Philip Hospital, in Llanelli).

With respect to Primary Care at the previous SPC meeting, this was noted as being behind, however, the timelines have been reviewed and revised, such that the Planning Objective is now on-track. Since the last update, the Strategic Group recognised the challenges regarding the previous arrangements for the Clinical Reference Group, however they reaffirmed the importance of engaging with clinical professionals to gauge their views and feedback on options reported to Board/Executives over the last few months. There has been agreement to support the discussions with existing forums which would feed into a wider engagement event in October 2025 with a focus on:

- The proposed model of delivery
- Priorities / Options
- Key principles – how we can achieve and deliver transformation

An update on the Estates Plan is included on the agenda, however progress on the Planning Objective remains behind schedule. Whilst some outcomes within Planning Objective 8 have been delivered the timeline for completing and submitting a Board approved A Healthier Mid and West Wales (AHMWW) Strategic Outline Case (SOC), has not been met. A further

meeting with WG is planned for July 2025 to progress discussions on areas HDdUHB might progress and the WG affordability framework.

An update on Population Health plan is included on the agenda, with the Planning Objective currently on-track. Whilst some key areas are a resume of planning milestones for 2024/25, there are a number of new planned milestones for population health and prevention priority areas to deliver through 2025/26.

In supporting the development of 2025/26 Planning Objectives, a Plan on a Page is being developed for each, and these will be presented to the next Committee meeting.

Financial and Performance Trade-offs

The escalation status assessment reveals fundamental tensions between performance recovery and financial sustainability that require explicit acknowledgement. Welsh Government’s requirement for additional £7.5m savings beyond the approved Annual Plan creates competing imperatives that are not mutually inclusive with sustained performance improvement. The original 2025/26 Annual Plan represented a carefully calibrated balance across finance, workforce, performance, quality, and safety domains, achieved through extensive triangulation and stakeholder engagement.

The scale of additional savings required, combined with urgent care performance challenges requiring wholesale systematic change, suggests that difficult resource allocation decisions may be unavoidable. Whilst comprehensive Quality Impact Assessments and Equality Impact Assessments will be applied to all proposed changes, some decisions necessary to meet revised financial expectations may inevitably create tensions with performance objectives in other areas. The Health Board remains committed to protecting patient safety and statutory compliance as non-negotiable priorities. The next 30 days will be critical in determining how these competing imperatives can be reconciled whilst maintaining transparency about potential trade-offs and their broader implications.

Argymhelliad / Recommendation

The Committee is asked to **DISCUSS** the update on the 2025/26 Annual Plan.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.21 Seek assurance on delivery against all Planning Objectives aligned to the Committee, in accordance with the Board approved timescales, as set out in the Health Board’s Annual Plan, considering and scrutinising the plans and programmes that are developed and implemented, supporting and endorsing these as appropriate.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd:	6. All Apply

Enablers of Quality: Quality and Engagement Act (sharepoint.com)	
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	6 Clinical services plan 7 Primary and community strategic plan 8 Estates plan 10 Population health
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Annual Plan 2025/26 Board May 2025
Rhestr Termiau: Glossary of Terms:	Not applicable
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Strategaeth a Chynllunio Parties / Committees consulted prior to Strategy and Planning Committee:	Board May 2025

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Any financial impacts and considerations are identified in the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Any issues are identified in the report
Gweithlu: Workforce:	Any issues are identified in the report
Risg: Risk:	Consideration and focus on risk is inherent within the report. A sound system of internal control helps to ensure any risks are identified, assessed and managed.
Cyfreithiol: Legal:	Any issues are identified in the report
Enw Da: Reputational:	Any issues are identified in the report
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Phil Kloer
Chief Executive
Hywel Dda University Health Board

Philip.Kloer@wales.nhs.uk

Our Ref: JP/PK/AP

11th April 2025

Dear Phil

Hywel Dda University Health Board – Submission of Annual Plan 2025/26

Thank you for your Accountable Officer letter, dated 28th March along with the submission of your Annual Plan and supporting information.

I note that your Board has endorsed and submitted an Annual Plan for 2025-26 which meets the target control total (TCT) set for 2024-25. Whilst this is a clear baseline position, as we have discussed the expectation set by the Cabinet Secretary in 2024/25 and condition of additional funding was a plan that delivers an improvement trajectory towards in-year financial balance within three years. I would also reflect that whilst significant progress has been made and forecast delivery beyond the TCT set in 2024/25, the Board is currently planning on deteriorating in 2025/26 from its forecast outturn position in 2024/25 of a £24m deficit. This is an important milestone for the health board to continue on its improvement trajectory towards a sustainable and balanced financial position.

Whilst we are yet to fully appraise your submission, we have recognised that you do not plan to meet some of the targets set out in the strategic objectives and would urge you to reconsider this position in addition to the financial actions set out. I therefore ask you to undertake further work urgently on:

- Improving upon and derisking the financial position to improve upon the TCT for 2024-25 in 2025-26 in line with the improvement trajectory that is expected
- Setting out the options and choices available to the organisation in order to improve further upon the current plan alongside the impacts of doing so.
- Increasing confidence in delivery of your savings plan.
- Setting out the route map to in-year financial balance by 2027-28, as a second order requirement after detailing further improvement in 2025/26.

1

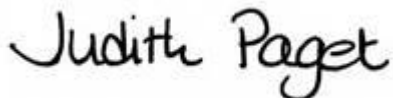
Whilst I understand and recognise the challenging financial position of the health board, the current position is not supportable. It is imperative that you address the concerns that have been highlighted. The Cabinet Secretary for Health and Social Care has been very clear on their expectations for the health board to continue the good progress made in 2024/25.

As part of the submission process, you were invited to a Scrutiny Session, where officials expressed their concerns against some areas of your plan. Whilst I note improvements were subsequently made to the final submission, some concerns remain.

The Welsh Government alongside the Cabinet Secretary have been very clear in their expectations of NHS organisation in Wales. I urge you to work with your executive team and Board to address the issues raised in this letter.

I expect to receive an updated position by 30th April and if you require any further guidance please let me know or contact Samia Edmonds or Hywel Jones in the first instance.

Yours sincerely

A handwritten signature in black ink that reads "Judith Paget". The signature is written in a cursive, slightly slanted style.

Judith Paget CBE

cc: Nick Wood, Deputy Chief Executive NHS Wales
Samia Edmonds, Planning Programme Director
Hywel Jones, Director of Finance, Health and Social Services Group



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Ein cyf/Our ref: CEO.17201

Gofynnwch am/Please ask for: Kelly Sursona

Rhif Ffôn /Telephone: 01267 239569

Dyddiad/Date: 30th April 2025

Swyddfeydd Corfforaethol, Adeilad Ystwyth
Hafan Derwen, Parc Dewi Sant, Heol Ffynnon Job
Caerfyrddin, Sir Gaerfyrddin, SA31 3BB

Corporate Offices, Ystwyth Building
Hafan Derwen, St Davids Park, Job's Well Road,
Carmarthen, Carmarthenshire, SA31 3BB

Mrs Judith Paget
Director General Health and Social Services

By e-mail to: Judith.Paget001@gov.wales

Dear Judith,

Thank you for your letter dated 11th April 2025 regarding our Annual Plan for 2025/26. As requested we have fully considered the content of your letter, initially in our Formal Executive Team meeting and subsequently within a Board Seminar.

As a Board we take extremely seriously our responsibilities to deliver on the ministerial priorities whilst operating within our allocated funding. As noted in your letter we have made significant strides over the past 12 months in responding to our service, workforce and financial challenges which have historically prevented us from delivering this. We wholeheartedly agree that it is paramount this improvement trajectory continues.

A key aspect of our approach over the last year has been setting ambitious expectations, underpinned by robust delivery plans. We believe this is essential to ensure plans are both bold and credible, and ultimately delivered upon. This however does not set a limit to our ambitions, as has been demonstrated through 2024/25 where we exceeded our annual plan expectations in a number of areas including planned care, nurse staffing and finances.

We commenced our planning process earlier this year and, as an organisation in Targeted Intervention, have worked closely with Welsh Government officers on the development of the plan. The main elements were considered by the Board in a Seminar in February and the document finalised in early March and subsequently published on our website as part of the Board papers. We are making complex decisions and, as a principle, we aim to be transparent with our Board, government and public about the trade-offs we are making within the plan.

The key deliverables within our Annual Plan were developed through a detailed assessment of demand and capacity, workforce redesign and recruitment plans, savings opportunities and service change aspirations. We have sought to strike a balanced approach, delivering improvements across all domains of access, quality and finance, in a sustainable manner. As a result, for the first time we are able to develop

Swyddfeydd Corfforaethol, Adeilad Ystwyth,
Hafan Derwen, Parc Dewi Sant, Heol
Ffynnon Job,
Caerfyrddin, Sir Gaerfyrddin, SA31 3BB

Corporate Offices, Ystwyth Building,
Hafan Derwen, St Davids Park, Job's Well Road,
Carmarthen, Carmarthenshire, SA31 3BB

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

Bwrdd Iechyd Prifysgol Hywel Dda yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Hywel Dda
Hywel Dda University Health Board is the operational name of Hywel Dda University Local Health Board

Mae Bwrdd Iechyd Prifysgol Hywel Dda yn amgylchedd di-fwg Hywel Dda University Health Board operates a smoke free environment

a plan that meets the Target Control Total, whilst simultaneously delivering improvements across the ministerial priorities and setting the foundations for longer-term transformation through the Clinical Services Plan and our programmes for Digital, Primary Care and Population Health.

Whilst this represents a highly ambitious set of plans, underpinned by £44m of savings, we fully accept that this does not yet move us towards financial balance. We also know we need to go further on urgent and emergency care and have aspirations to make progress in other areas, including going beyond 104 weeks for RTT performance.

The annual plan of course represents a point-in-time assessment and since the finalisation of the plan work has continued.

In the first instance it is necessary to progress delivery of the existing plans and our intention is to significantly de-risk the plan through quarter one, in line with the approach we took last year. Unlike last year, our recurrent savings plans of £19m are fully based on plans which have been developed by our operational and clinical teams. We are currently working to reduce the risk profile of these schemes to secure delivery in-year.

As part of our deliberations, the Board has also made the choice to assume £25m of non-recurrent opportunities continuing into 2025-26. Our focus will be on converting these non-recurrent opportunities into further recurrent savings.

We note that we are currently an outlier across Wales in our investments which are being made into the system. We have £11.7m in our planned investments this year. While significant, these have been thoroughly scrutinised, as follows:

1. Investment in cancer, diagnostics and ophthalmology

We have recognised that our performance in our diagnostic 8 week target and single cancer pathway in particular requires improvement, alongside challenges in delivering our IVT service.

Within cancer and diagnostics, we have held a significant demand/capacity mismatch within these services for a number of years, the impact of which has grown and increased our backlog.

We have consequently provided additional funding of £1.5m in our plan to Radiology (in addition to allocating £1.8m of funding recurrently from our planned care recovery fund). We have also allocated an additional £0.7m to address endoscopy demand issues, which includes addressing our surveillance backlog.

Demand within our SACT units has grown significantly, and we have therefore invested £0.4m to maintain safe staffing levels across our units and maintain our delivery trajectory.

Within ophthalmology, we have recognised £1.6m of funding needed to support the delivery of the IVT service. This mainly relates to the cost of drugs.

2. Investment in nurse staffing

You will be aware that we are currently managing a significant risk in Band 2/3 challenges across the Health Board. We have therefore set aside £2.3m which is the current best estimate of the potential full year impact of this challenge. We have addressed the likely liability of back-pay within our 2024/25 financial accounts.

Nurse staffing across 25A areas remains a concern, along with staffing within our MHLID inpatient service. We have therefore set aside £1.4m to address these areas. Because recurrent funding has not been provided to address these challenges in previous years, there has been a reliance on temporary staff costs. Allocating this funding will allow permanent recruitment and reduce our reliance on agency.

3. Mitigating estate risks

The condition of our estate has created a significant level of risk, which we need to mitigate. To this end, in our plan, we have increased our maintenance budget by £0.4m, we have increased our budget to respond to the RAAC monitoring requirement by £0.2m, and have provided £0.2m for fire wardens at WGH as a mitigation deemed necessary by Mid and West Wales Fire and Rescue Service due to the reduced scope of fire compliance capital works. This has increased our budget in estate and facilities by £0.8m in total.

4. Prevention, public health and value

We have recognised the success of the work of the VBHC team with Heart Failure and have needed to substantiate the costs of this service at £0.6m. While significant, there has been a notable improvement in our performance in Heart Failure. Unfortunately, this has not yet realised a cashable benefit to allow it to be self-funding. By substantiating, this provides an opportunity to consolidate the service and enables further VBHC work to progress into the new financial year.

We have recognised £0.3m for work which is required to begin to address underinvestment in our work on childhood obesity.

5. Other areas

Following a robust process, we have accepted business cases for areas of digitally enabled transformation. In addition to delivering national programmes, we have recognised a requirement to introduce a flow and e-obs system to facilitate the improvements we need to see across our urgent and emergency care system. We are confident that the £1.8m allocated to this will allow us to deliver notable improvements and identify issues which cause delays at a patient level across our services. This will provide a key opportunity to deliver further savings into year 2 and 3 of our plan.

We have also recognised that the costs of litigation are increasing significantly and have allocated £0.3m to addressing this increased level of costs.

While this is a significant level of investment, there is a robust process in place, overseen by the Finance and Performance Committee, to scrutinise the investments before they are released from reserves and to track the impact of investments on improvements in performance, quality, safety and the delivery of return on investment.

At this point, while we have a line of sight to deliver our £31.5m control total, we do not have an assured plan to deliver against this. We are therefore focused on de-risking the savings requirement in quarter one to allow us to have greater assurance over our trajectory.

It is our collective commitment to work to de-risk our performance against £31.5m in quarter one and to develop plans to improve upon this position in quarter two, aiming for a position which is below £30m. Our aim is to assess the opportunities where it may be possible to go beyond what is in our plan, both in-year and in subsequent years. I would be keen for my Executive Team to work with your officers to undertake this assessment as we seek a path to in-year financial balance by 2027-28.

In respect of the options and choices to further improve upon the current plan, it is important to note the £44m savings assumption goes beyond last year, which itself was the highest savings delivery ever achieved by this Health Board. As noted above, we do not yet have an assured plan (green / amber rated savings schemes) to reach this level. On that basis we as a Board do not consider it credible to further extend our savings assumptions, at least at this stage.

Beyond savings, the key choices made by the Board are as set out above and in the presentation in our scrutiny session. This reflects the Board's judgement on the appropriate balance across access, quality and finance. As described above, financial provision has been made within the plan to address some (but not all) of the most significant clinical and delivery risks facing the Health Board, however not yet committed. Naturally, there are areas where we could go further to improve service provision and reduce clinical risk, equally there are options to delay or reduce these investments, with a corresponding improvement to our financial forecast, if these risks could be addressed through alternative means.

Since the plan was finalised there is increasing clarity on the national plan to reduce planned care waiting times and that will have a bearing on our local plans. Dialogue is ongoing with Welsh Government officers and I am optimistic this will allow us to secure and exceed our planned care trajectories. It may also allow us the opportunity to review our local investment plans as described above.

In summary, we are fully committed to eroding our financial deficit and agree that continuing our improvement trajectory is of paramount importance for 2025/26. We have an ambitious and balanced plan, including £44m of savings, improved delivery across each of the ministerial priorities and transformational change. In line with last year our approach is to progress and de-risk delivery of this plan through quarter one and we will pursue further improvements beyond this and into subsequent years.

Yours sincerely,



Dr Phil Kloer
Chief Executive Officer

**Cyfarwyddwr Cyffredinol Grŵp Iechyd, Gofal Cymdeithasol a'r
Blynyddoedd Cynnar / Prif Weithredwr GIG Cymru**

**Director General Health, Social Care & Early Years Group / NHS
Wales Chief Executive**



**Llywodraeth Cymru
Welsh Government**

Dr Philip Kloer
Chief Executive
Hywel Dda University Health Board

Our Ref: JP/HJ/SB

6 June 2025

Dear Phil

2025/26 Annual Plan & Financial Position – Next Steps

Thank you for your response letter of 30th April with regard the health board's 2025/26 annual plan. This letter confirms receipt of that supplementary information provided on your plan, and to set out next steps.

Whilst your submission provided some assurance about the processes in place across your organisation and the conversations being explored, it ultimately failed to deliver a material improvement to your plan and its financial position. We have also discussed this at your subsequent JET meeting of 1st May. Your plan remains unsupportable and unacceptable, and further actions are essential to deliver the level of improvement that is expected.

For clarity, ten NHS bodies have submitted balanced financial plans for 2025/26, with four health boards unable to meet that requirement and forecasting substantial deficits which cannot be supported. It is imperative that further actions are taken by those four health boards to deliver financial improvement. This is an essential requirement, alongside delivery of other ministerial priorities such as implementing the priority enabling actions of the NHS Wales Planning Framework.

It is anticipated that a decision letter will soon be issued by the Cabinet Secretary to your Chair confirming that the health board has breached its statutory financial and planning duties, which draws the planning process to a close in order to focus on delivery and improvement, and it is anticipated the immediate next steps set out below become a priority for the organisations focus and response.

In terms of next steps:

- You are required to set out by return to me by **30th June** the detailed actions that the health board can and will take to reduce the current financial forecast from £31.5m to an improved position.

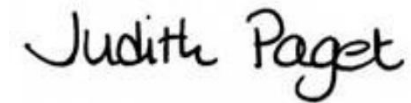
- These must be meaningful and deliverable actions that will reduce the current forecast with clear delivery profiles and milestones in 2025/26.
- As we have discussed, a clear requirement was set for 2025/26 by the Cabinet Secretary in allocating additional funding in 2024/25, that the health board would submit a plan with an improvement trajectory towards in-year financial balance over the next three years. Your current plan to deliver the target control total set in 2024/25 of £31.5m does not meet this requirement. For clarity, I am expecting you submit detailed actions to deliver a forecast position that maintains your outturn position of 2024/25 as a minimum as a stepping stone to that expected improvement trajectory set out.
- We will be arranging for the four health board Chief Executives and Chairs to meet with the Cabinet Secretary and myself over coming weeks to discuss this requirement and expectation further.
- Whilst this process is undertaken, and improvement actions identified, there will be a pause on approving any capital developments that would result in additional capital allocations to the health board, unless there are schemes with immediate urgent, safety, or contractual issues that necessitate an urgent decision. Regular interaction with lead officials will be expected to ensure any key immediate issues by exception can be considered as required.
- As part of these recovery actions for the Hywel Dda position specifically, it is anticipated that:
 - The health board is taking actions to significantly reduce its planned investments set out for 2025/26 of £11.7m. We have discussed the health board is a significant outlier in this regard and planning investments the board cannot resource, for benefits that are unclear.
 - You provide assurance that the actions are in place to deliver your existing planned savings assumptions in full.
 - There are tangible and specific additional actions set out that can be delivered by the health board to reduce the current forecast deficit, with clear consideration of managing any associated impacts of these actions.
 - Rapid progress is made on mitigating your current risks and reducing the expenditure run rate, given your challenging month 1 position. I am expecting rapid actions early in the financial year to reduce risk and provide clarity and confidence in delivery.

If you would value a discussion on this requirement in more detail and the actions that will be implemented, or have any clarification issues, please contact Samia Edmonds and Hywel Jones directly in the first instance who will be happy to support.

As above, it is anticipated that a decision letter will soon be issued by the Cabinet Secretary to your Chair confirming that the health board has breached its statutory financial and planning duties. This, alongside the response to this requirement, will be an important factor when next considering the health board's escalation status.

Following receipt of your further recovery actions on 30th June, provided this submission meets the requirements set out above, the focus on forecast delivery will continue via your scheduled IQPD, JET, and escalation meetings, as well as via routine monitoring mechanisms.

Yours sincerely

A handwritten signature in black ink that reads "Judith Paget". The signature is written in a cursive, flowing style.

Judith Paget CBE

cc: Hywel Jones, Director of Finance HSCEY Group / NHS Wales
Samia Edmonds, Planning Director, HSCEY Group

Planning Objective: 6 – Clinical Services Plan

Executive Lead: Lee Davies/ Mark Henwood

Reporting Period: Up to May 2025

Overall status: On-track

- **Rationale for overall status: PACE project plan for Phase 3 – Public Consultation is on track overall.**

Progress against planned outcomes / trajectories / milestones:

- **November 2024:** The Board approved the Clinical Services Plan (CSP) and the four options submitted to progress to Phase 3 – Public Consultation. This included simplifying the view of the options by service and considering phased assessments based on existing resources. The Board also approved the procurement process and the utilization of Hugh Irwin & Co (HICO) for quality assurance of Phase 3. Opinion Research Services (ORS) were approved to support the independent analysis of questionnaire feedback.
- **December 2024:** A phased assessment was conducted for the nine services within the scope of the CSP, evaluating their varied options.
- **January 2025:** The Board approved the CSP Consultation Mandate.
- **February 2025:** Pre-consultation planning activities commenced, including the development and testing of the questionnaire with a readers panel. The main consultation documents were drafted and progressed to design. The CSP Sub Group agreed on the alternative options process for the public consultation phase, utilising the current Hurdle and Evaluation Criteria process from Phase 2.
- **March 2025:** Development of the summary document, animation, and detailed consultation planning activities progressed. Regional Impact Assessments were shared with Powys Teaching Health Board (PTHB), Betsy Cadwaladr University health Board (BCUHB), and Swansea Bay University health Board (SBUHB) for feedback following the Quality Impact Assessment (QIA) panel checks in February 2025.

Activities planned for next milestone and reporting period

- **May 2025 Completed** - Production of detailed Consultation Plan for Board in May 2025 with request for Board approval to go live with a CSP Public Consultation on that day.
- **May 2025 Completed** - Production and implementation of all related planning in relation to Public Consultation for the CSP for the planned period between 29MAY2025-31AUG2025.
- **May 2025 Completed** - Refreshed impact assessments EqIA's, Regional Impact Assessment and HIA's with support and feedback from EDI and Public Health.
- **May 2025 Completed** - Refined Support Document Suite (a directory of links in relation to all technical information accessed and utilised throughout Phase 1 – Issues Paper and Phase 2 – Options Development process).
- **STAGED January 2025 – January 2026** Public Consultation quality assurance through HICO

Any other Comments

Matters for information:

- **March 2025** - Further engagement sessions have taken place with Stroke colleagues in Bronglais Hospital (BGH) to listen to concerns and share the information used within the programme to date. This has also included sharing information with neighbouring Health Boards on the CSP programme.
- **May – June 2025** There is potential that the CSP Public Consultation will overlap with the proposals for a Prince Philip Hospital (PPH) Minor Injuries Unit (MIU) engagement. There could be aspects contained within the CSP consultation that could further cause concern for services users in within the PPH catchment area.

Planning Objective: 7

Executive Lead: Jill Paterson, Director Primary Care, Community and Long Term Care

Reporting Period: April – June 2025

Overall status: On-track

Rationale for overall status (please provide a brief summary of current progress indicating any key highlights or potential barriers to delivery)

The timescale to achievement had previously been recognised as being a challenge given the wide scope and number of service areas included within the Strategic Plan. Engagement in the Clinical Referenced Group (CRG) has proved to be challenging

Progress against planned outcomes / trajectories / milestones (please provide SPC/data charts and an explanation of any variances):

Strategic group recognised the challenges regarding the previous arrangements for CRG, however reaffirmed the importance of engaging with clinical professionals to gauge their views and feedback on options reported to Board/Executives over the last few months. Agreed to support the discussions with existing forums that would feed into a wider engagement event in September 2025 with a focus on:

1. The proposed model of delivery
2. Priorities / Options
3. Key principles – how we can achieve and deliver transformation.

Activities completed in previous reporting period

- As above

Activities planned for next milestone and reporting period

June 2025 – August 2025

- Focus groups are currently being booked for June/July/August with General Medical Services (GMS), Practice Managers, Community Pharmacy, Dental, Optometry, Allied Health Professionals, Community Nursing Teams to review the options and listen to their views. (Utilising existing collaborative meetings where possible)
- Linking with the existing meetings scheduled for June (eg Think Tank and Clinical Priorities Advisory Group (CPAG)) on Six Goals/ Urgent and Emergency Care (UEC) to further discussions around alignment and take the options specifically around out of hours, 111 etc into that forum
- Supported by the Team we will be hosting meetings led by Sion James and Will Mackintosh to have a discussion on best practice Primary Care models, to determine what our model should look like

September 2025

- Wider engagement event will take place that will provide an opportunity for feedback from focus groups but wider discussion on the model and priorities.

Any other Comments

Matters for information: Ongoing – is how we link with the Strategic Refresh and timescales for public engagement during the autumn. The work over the next couple of months will help us shape what might require engagement or consultation noting there are differences.

Risks to delivery: Clinical input is essential to shaping the potential shift left to enable engagement with workforce and the population

Any other comments: Alignment with the wide Health Board strategic work is key to ensure that there is not a fragmented approach in delivering a Primary Care and Community services Strategic Plan

Planning Objective: PO8 Estates Plan

Executive Lead: Lee Davies

Reporting Period: Quarter 1 – April, May, June, 2025

Overall status: Complete / Ahead / On-track / Behind

Rationale for overall status (please provide a brief summary of current progress indicating any key highlights or potential barriers to delivery). Whilst the Health Board has delivered against some of the outcomes contained in Planning Objective (PO) 8 we remain behind on the timeline for the completion and submission of a Board approved A Healthier Mid and West Wales (AHMWW) Strategic Outline Case (SOC). Hywel Dda University Health Board (HDdUHB) was invited to the Infrastructure Investment Board (IIB) with Welsh Government (WG) on 23 January 2025 to clarify the next steps for the infrastructure requirement to implement the AHMWW. At the meeting the following summary position was reached :

1. WG are supportive of the development of a long term strategic solution for West Wales
 2. There was agreement on the need to develop a strategy document. The precise form of that document and the content and component parts are to be the subject of a workshop to be held between WG and HDdUHB officers within six weeks of the IIB meeting date
 3. It was agreed there needs to be a plan which addresses the clinical services and estate fragility.
 4. It was agreed the plan will need to include any regional opportunities most particularly with Swansea Bay University Health Board (SBUHB).
- WG welcomed the pragmatic approach being adopted by HDdUHB to find consensual agreement on the best way forward and the shared aim that this will result in a supportable and deliverable programme plan. A further meeting with WG is planned for July 2025 to progress discussions on areas the Health Board might progress and the WG affordability framework.

Progress against planned outcomes / trajectories / milestones (please provide SPC/data charts and an explanation of any variances):

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Response to the Nuffield Trust Review to be presented to Infrastructure Investment Board 2. Secure Ministerial endorsement to AHMWW Programme Business Case (PBC) 3. Completion and submission of Board approved SOC 4. Review and refresh 10 year Regional Capital Plan 5. Submission of Full Business Case (FBC) Cross Hands 6. Submission of FBC for Pentre Awel | <ol style="list-style-type: none"> 7. Submission of Business Justification Case (BJC) for Carmarthen Hwb 8. Appointment of Supply Chain Partner Fishguard SOC/ Outline Business Case (OBC) 9. Implementation of Property Asset Strategic Plan as a consequence of the limited response to the market testing exercise to inform the scheme target price 10. Scoping agreed for Aberystwyth Integrated Care Centre (ICC) 11. BJCs for major infrastructure 12. Continued implementation of Hywel Dda University Health Board (HDdUHB) Decarbonisation Plan |
|---|---|

Activities completed in previous reporting period

1. WG AHMWW meeting March 2025
2. Participated in the refresh of the 10 year Regional Capital Plan
3. Development of bids for Decarbonisation scheme through WG Invest to Save funding
4. Progress of Community Schemes to include:
5. Continued discussion with WG on Cross Hands timeline and capital costs for refreshed FBC
6. Meeting with WG on Aberystwyth ICC 12 February 2025
7. Internal review of options for Fishguard Health and Wellbeing Centre

Activities planned for next milestone and reporting period

1. Meeting with WG on 3rd July, 2025 to agree AHMWW next steps
2. Continuation of development of Community Schemes (Fishguard, Pentre Awel, Carmarthen Hwb, Cross Hands in line with project timelines and key milestones).
3. WG Meeting on Cross Hands scheme 16 July 2025

Any other Comments

Matters for information: All other matters reported via S&PC SBAR updates and reports to the AHMWW Group.

Risks to delivery: The programme is in delay. There is a risk that the programme might be further delayed or stopped. This is because of the risk of insufficient capital (or potentially revenue for innovative finance solutions) to support the development and implementation of the programme infrastructure requirements. The impact would be the highly significant risk to current service provision, location of services, equity of access and the need for unplanned service changes in response to potentially unsustainable service scenarios. There will also be a need for significant interim investment in the current estate



DIOGEL | CYNALIADWY | HYGYRCH | CAREDIG
SAFE | SUSTAINABLE | ACCESSIBLE | KIND

Submitted By: Bethan Lewis, Assistant Director, Public Health

Date Submitted: 10 June 2025



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Planning Objective: 10 – Population Health

Executive Lead: Dr Ardiana Gjini, Executive Director of Public Health

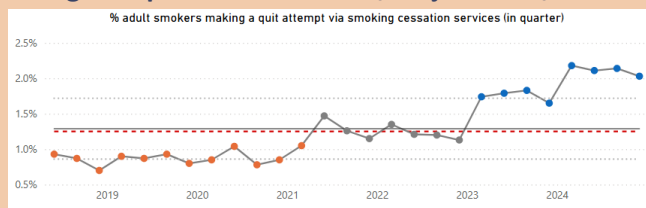
Reporting Period: Quarter 1 – April – June 2025

Overall status: Complete / Ahead / **On-track** / Behind

Rationale for overall status (please provide a brief summary of current progress indicating any key highlights or potential barriers to delivery)

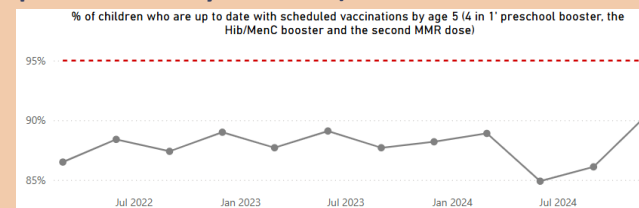
Key deliverable actions for reporting period in Quarter 1 are on track. Whilst some key areas are a resume of planning milestones for 2024/25 there are a number of new planned milestones for population health and prevention priority areas to deliver through 2025/26.

Progress against planned outcomes / trajectories / milestones (please provide SPC/data charts and an explanation of any variances):



Current position reflects a sustained performance at 2.1%, with the overall performance at 6.36% against an All-Wales target of 5%.

The latest data is showing an improving variation



Quarter 3 uptake position showed an improvement from previous reporting period with uptake at 90.4%.

The latest data is showing usual variance.

Activities delivering in Quarter 1:

- 10.1 Strengthening Prevention & Population Health Programs** – strengthened immunisation outreach with planning for targeted summer drop-in sessions across the three counties for catch up childhood immunisation, and targeted Respiratory Syncytial Virus (RSV) catch up programme. Letter drop signposting population to check immunisation status sent to 197,000 homes. 75.2% of all schools in Hywel Dda are currently ‘action planning’ for whole school approach to emotional and mental wellbeing, ahead of trajectory measure for quarter. Improvement noted against smoking cessation initiatives with 17% compliance for CO validation of quit attempt, ahead of trajectory measure for quarter. Review of Vaping Policy for Health Board in progress.
- 10.2 Advancing Prevention in Healthcare Services** – 20-4-7 framework developed identifying core interventions for priority communities. Assertive outreach through Wallich third sector support achieved towards elimination of Hepatitis B and C plan. Eliminating HIV steering group established, a multiagency group brought together with the aim of eliminating transmission of Human Immunodeficiency Virus (HIV) by 2030.
- 10.3 Embedding the Social Model for Health & Wellbeing** – Delivery Plan drafted and with all partners to approve and agree prioritisation. Summit report and wider learning finalised. Exploration commenced into an asset-based approach for wellbeing assessments.
- 10.4 Addressing Priority Population-Level Risks** – Climate Adaption Plan under development in conjunction with local partnerships and on track. Health Coaching project plan developed in conjunction with Value based Healthcare (VBHC) and awaiting approval. Making Every Contact Count (MECC) training across Health Board and Local Authority teams being developed to expand.
- 10.5 Driving Innovation and System Development** – planning and consultation in progress across Health Board to align prevention in system-wide transformation, aligning to CSP, Fragile Services and the Strategy refresh. Discussions commenced regarding digital

Priority areas to deliver in Quarter 2:

- 10.1 Strengthening Prevention and Population Health Programs** – mid-year review of immunisation uptake refining target outreach approaches, implementation of expanded school-based prevention and mental wellbeing initiatives as schools re-open, implementation of smoking cessation and vaping prevention initiatives including targeted engagement in high-prevalence areas.
- 10.2 Advancing Prevention in Healthcare Services** - initial implementation in select GP clusters and high-risk healthcare settings, coordination of implementation to improved screening, workforce capacity building and data.
- 10.3 Embedding the Social Model for Health & Wellbeing** – strengthening community health partnerships to connect individuals to prevention initiatives.
- 10.4 Addressing Priority Population-Level Risks** – Climate Adaptation Plan refined and finalised for approval, service enhancements delivered at scale integrating workforce development into Primary and Secondary Care of health coaching.
- 10.5 Driving Innovation and System Development** – initiation of change processes embedding prevention into Health Board strategies, pilot phase launched for social innovation, digital tools and Artificial Intelligence- (AI-) driven activity.

Any other Comments

Matters for information: Ambition for immunisation improvement identified as 5% improvement of last year’s baseline within a three-year planning cycle– our local ambition therefore would be to achieve 92% uptake by 2027 in planned outcome measure for percentage of children who are up to date with their scheduled immunisations by age 5 years (Annual target for 2026 is 90%).

Risks to delivery: 1884 - Risk of not being able to provide a timely and effective Public Health service due to limited Public Health Consultant capacity. Risk increased to 16 due to increased absence in team and service has a vacant full time Consultant post.