GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Strategy & Planning Committee – December 2025

Escalation Update

1. Introduction

This paper provides the Strategy and Planning Committee with an updated, evidence-based assessment of progress against the Welsh Government (WG) de-escalation criteria that fall within the Committee's remit. It draws together the key findings and implications from:

- The Month 7 2025/26 Financial Performance Report and Finance Roadmap to 2028/29
- The Annual Plan 2025/26 and 2026/27 Planning Cycle
- The Planning Workshop Thematic Analysis (November 2025)
- The "A Healthier Mid and West Wales" (AHMWW) Strategy Refresh and Community Schemes Update
- The draft Clinical Services Plan (CSP) Consultation Report prepared by Opinion Research Services (ORS).

The paper is structured around the relevant criteria and uses the Alert / Advise / Assure framework. For each criterion it sets out the current position, the operational and strategic context, and an assessment of impact and trajectory. The aim is to enable the Committee to form a balanced view of where there is genuine assurance, where progress is evident but work remains, and where significant risk persists.

2. Key updates and overall position

From a financial perspective, the Health Board is demonstrating improved in-year grip whilst still carrying a significant structural deficit. At Month 7, the reported year-to-date deficit is £16.3m against a planned deficit of £17.5m, and the forecast year-end deficit has improved to £28.3m compared with the revised annual plan deficit of £30.0m. The Board has agreed this revised forecast on the basis that it comprises a £24.1m operational position, aligned to the agreed control total, plus an additional £4.2m relating to the Welsh Risk Pool (WRP) risk share. Viewed in this way, the Health Board has, through a combination of planned savings and some fortuitous non-recurrent gains, brought its underlying operational performance back to the level expected by WG. Beneath this, however, the underlying deficit is assessed at £62.9m against an annual plan assumption of £58.5m, reflecting recurrent full-year savings of around £14.6m against an assumed £19.0m and therefore a greater reliance on non-recurrent and opportunistic measures than is sustainable over the medium term.

The planning approach has shifted decisively towards a risk-based and resource-constrained model. The Annual Plan and 2026/27 planning cycle set out clear principles: the Health Board will plan within its existing resource envelope; there is no central investment pot; and each Clinical Care Group (CCG) is required to bring only its top three risks, supported by evidence, into the planning round for collective prioritisation. A Planning Workshop in November 2025 brought CCGs and enabling functions together to apply this approach, surfacing a consistent set of system-wide issues and leading to the identification of three “natural clusters” of risk and opportunity: Flow and Frailty, Cancer Diagnostics and Capacity, and Urgent and Emergency Care (UEC) Configuration and Sustainability. These clusters now provide the organising spine for the emerging three-year plan.

Strategically, the AHMWW strategy has been refreshed in response to Welsh Government challenge on feasibility and affordability. The refresh acknowledges the need to develop a broader range of options for delivering the Clinical Strategy within the existing estate and to submit an addendum to the Programme Business Case by early 2026. Community schemes such as the Cardigan and Aberaeron Integrated Care Centres (CCs), the Carmarthen Hwb and Pentre Awel demonstrate tangible progress in shifting care closer to home. At the same time, schemes like Cross Hands Health and Wellbeing Centre illustrate the revenue and sequencing challenges that arise when new community capacity comes on stream before acute reconfiguration releases offsetting savings, reinforcing the need to align CSP implementation, Estates decisions and the Financial Recovery Plan.

2. Key updates and overall position

The CSP consultation has now concluded and provides a rich evidence base on public, staff and stakeholder views. Managed independently by ORS over 13.5 weeks, it generated more than 4,100 questionnaire responses, 31 public and patient events, 58 staff sessions, 21 stakeholder meetings, three county-based workshops, over 100 written submissions and a substantial petition on stroke services at Bronglais Hospital. The feedback shows broad recognition of the need to address service fragility, workforce shortages and long waits, alongside strong concerns about travel, transport and the impact of centralisation on rural communities, older people and vulnerable groups.

Against this backdrop, the current assessments are:

- **Criterion 4 – balanced and credible plan:** Advise
- **Criterion 5 – integrated planning:** Advise
- **Criterion 6 – CSP roadmap and consultation**: Assure (process and roadmap)
- **Criterion 7 – planning maturity:** Advise (with potential to move to Assure once WG ratification and further evidence are available)
- **Criterion 8 – regional planning:** Advise.

3. Assessment of Criterion 4 - Submission of a balanced and credible Annual Plan

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Assessment – Advise

For this criterion, the central test is whether the Health Board has a plan that is financially credible and moving towards balance over the medium term. The current evidence gives a more nuanced picture than in previous cycles and, taken in the round, supports a movement from Alert to Advise. Operationally, the Month 7 position shows improved in-year control. The year-to-date deficit of £16.3m is £1.2m better than the planned deficit of £17.5m, and the forecast outturn has further improved to £28.3m, compared with a revised Annual Plan deficit of £30.0m and an original planned deficit of £31.5m. Over the course of the year, the Board has increased the savings target, deferred a number of investments and strengthened local financial controls. These decisions, combined with forecasting discipline, have contributed to an improving run-rate and reduced variance from plan.

Crucially, the revised forecast is now explicitly framed as two components: a £24.1m deficit, which is aligned to the agreed target control total, and a £4.2m WRP risk-share pressure that has emerged in-year and sits outside local control. Stripping out the WRP impact, the Health Board is forecasting delivery of its control total. This provides an important signal of grip and credibility: despite the more challenging national context, the Health Board has demonstrated that it can manage its operational position back to the level set by WG.

At the same time, the underlying picture remains challenging and underlines why this cannot be rated as Assure. The Annual Plan assumed an underlying deficit of £58.5m, predicated on delivering £19.0m of recurrent savings. Recurrent full-year savings at Month 7 are around £14.6m, which increases the underlying deficit to £62.9m. The total savings programme of £46.4m is over-identified in gross terms, at £48.4m, and £48.1m is forecast to deliver. However, a significant proportion of this delivery is non-recurrent, including one-off underspends, technical adjustments and slippage. These “fortuitous” gains are legitimate and expected features of in-year financial management, and they have been used effectively to offset the unplanned WRP pressure. But they do not resolve the structural gap and cannot be assumed at the same level going forward.

3. Assessment of Criterion 4 - Submission of a balanced and credible Annual Plan

The Health Board has begun to address these structural issues more systematically. This has included forecasting processes with clearer differentiation between recurrent and non-recurrent savings and a further improved profiling of delivery. Targeted review meetings between CCGs, corporate executives and finance colleagues are in place to challenge assumptions and identify further opportunities. The Finance Roadmap to 2028/29 sets out, for the first time, a structured three-year view of how the underlying deficit could be reduced to breakeven under different funding scenarios. That roadmap makes explicit that recurrent savings in the order of £25 to 30m per annum, alongside productivity gains and service change linked to CSP implementation and the AHMWW strategy, will be required to close the gap.

Taken together, the position can reasonably be described as “improving but not yet resolved”. The Board has shown that, when the WRP pressure is separated out, the operational control total is achievable; there is clearer visibility of the underlying problem; and a coherent recovery plan has been articulated. Those are significant steps forward and justify moving this criterion from Alert to **Advise**.

At the same time, the Plan is not yet balanced on a recurrent basis, the underlying deficit is larger than planned, and the savings profile remains too dependent on non-recurrent and opportunistic measures for full assurance. The priority over the next planning cycle is therefore to protect delivery of the revised forecast and accelerate the shift from non-recurrent housekeeping to larger-scale, recurrent schemes.

4. Criterion 5 – Evidence of integrated planning

Assessment – Advise

There is clear evidence that the Health Board has moved from fragmented, bid-driven planning towards a more integrated, risk-based and resource-constrained approach, although this is not yet fully embedded across all areas. The Annual Plan and 2026/27 planning cycle explicitly commit the Health Board to plan within its existing resource envelope and reject unfunded “wish lists.” Each CCG and enabling function is required to present only its three highest risks, underpinned by data and narrative, into the planning process. The emphasis is on deliverable, multi-year interventions and on prioritising schemes that align with strategic objectives, clinical outcomes and the financial recovery trajectory.

The Planning Workshop Thematic Analysis provides tangible evidence of this approach in practice. It shows how CCGs presented their top three risks and how these were mapped to identify interdependencies across sites and specialties. Through this exercise, three cross-cutting clusters emerged: Flow and Frailty; Cancer Diagnostics and Capacity; and UEC Configuration and Sustainability. These clusters bring together acute, community, workforce, diagnostic and estates considerations in a way that reflects how services actually function. The workshop also introduced an integrated impact framework, intended to track quality, outcomes, performance, workforce and finance for each CCG and to support the development of aligned schemes.

This emerging planning architecture is anchored in the refreshed AHMWW strategy and in the programme of community schemes. The Strategy Refresh restates the long-term ambition while responding to WG concerns about feasibility, affordability and sequencing. Community developments such as the Cardigan and Aberaeron centres, Pentre Awel and the Carmarthen Hwb are being positioned as enablers of flow, frailty pathways, intermediate care and integration with Local Authority services, rather than as stand-alone projects. There is therefore a clearer line of sight from strategic intent, through service change, to financial and workforce implications than has previously been the case.

4. Criterion 5 – Evidence of integrated planning

However, the new model is still maturing. Some CCGs are more advanced than others in articulating, in part, integrated plans that balance activity, workforce, quality and finance. While partnership working with Local Authorities and Regional Partnership Boards (RPBs) is active, the links between these programmes and the core Annual Plan could be made more explicit and systematic. For these reasons, an **Advise** rating is appropriate: there is strong evidence of positive change and a coherent framework for integrated planning, but it is too early to characterise this way of working as fully embedded and assured.

5. Criterion 6 - Evidence of clear roadmap and implementation of Clinical Services Plan

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Assessment - Assure (process and roadmap)

The CSP is central to addressing long-standing service fragility and to delivering an element of both the Finance Roadmap and the AHMWW strategy. The recent consultation has been a major undertaking and provides a robust foundation for Board decisions. ORS managed the process independently over a 13.5-week period, using multiple channels to reach the public, patients, staff and stakeholders. The scale and breadth of engagement, reflected in more than 4,100 questionnaire responses, extensive public and staff events, stakeholder meetings and workshops, written submissions and a large petition indicates that the case for change and the proposed options have been thoroughly tested.

The consultation findings are nuanced. Many respondents accept the need to tackle service fragility, workforce challenges and long waits, and acknowledge that “doing nothing” is not sustainable. At the same time, there is strong concern about the potential impact of centralisation, especially in terms of longer travel times, transport costs and accessibility for rural communities, older people and those on lower incomes. Services such as Stroke and Critical Care generate particularly strong and mixed views: there is anxiety about the loss of local provision and a recognition of current safety and staffing risks. The importance of community hospitals, local rehabilitation, digital options and regional collaboration is a consistent theme, as is the need for clearer modelling and communication of assumptions around workforce and travel.

From a process standpoint, the CSP consultation can reasonably be regarded as robust and independent. It meets accepted standards for reach and transparency and has surfaced the key risks and concerns that must shape the final CSP and its implementation. The CSP work is now being integrated with the AHMWW strategy refresh, the community schemes and the Finance Roadmap, so that decisions on configuration are aligned with estate options, community capacity and the financial recovery trajectory. There is a clear timetable for presenting the consultation findings and options to the Board and for moving into detailed implementation planning in early 2026 (February).

5. Criterion 6 - Evidence of clear roadmap and implementation of Clinical Services Plan

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

Significant work remains on acceptability and implementation. Travel and access will need to be addressed through concrete mitigations, such as non-emergency transport solutions, hub-and-spoke models, outreach clinics, enhanced use of community hospitals and digital pathways. Equality and rurality impacts will need explicit consideration and mitigation. Workforce plans will have to demonstrate that the preferred configurations are deliverable in practice. These are substantial challenges, but they relate to implementation rather than to the quality of the roadmap and the evidence base. On that basis, an **Assure** rating is justified for the CSP process and roadmap, with the clear understanding that assurance on deliverability and public confidence will need to be revisited when final decisions and detailed plans are in place.

6. Criterion 7 - Planning Maturity Matrix

Assessment – Advise

The Planning Maturity Matrix (PMM) is the main mechanism used by WG to assess planning capability. The Health Board has undertaken a refreshed self-assessment against the PMM, drawing on evidence from finance, performance, workforce, quality and engagement. That assessment reflects the strengthened planning and financial governance arrangements, the move to a three-year financial and service trajectory, and the emerging cluster-based integrated planning framework.

The supporting reports demonstrate many of the behaviours and processes that the PMM is intended to test. The Finance Roadmap and Annual Plan show a clearer integration of financial, workforce, activity and performance planning over a multi-year horizon in 2025/26. The adoption of risk-based prioritisation, resource-constrained planning and CCG-based working indicates a more mature approach to aligning resources with strategic priorities in 2026/27. Governance has been reinforced through the role of the Strategy and Planning Committee (SPC), Board Seminars and external scrutiny of planning and financial processes.

On 1 December 2025, a constructive informal discussion took place between WG colleagues (Jamie Kaijaks and Caroline Lewis from the Delivery and Performance team) and HDdUHB representatives (Daniel Warm, Head of Planning, and Shaun Ayres, Director of Delivery) to review the Health Board's Planning Maturity Matrix self-assessment. WG expressed appreciation for the submission format, particularly valuing the presentation of baseline, twelve-month and two-year follow-up scores, which clearly demonstrated the Health Board's development journey. The comprehensive approach taken, including the provision of transcripts showing internal deliberation, was recognised as providing helpful transparency.

WG colleagues acknowledged the significant progress made across multiple domains, highlighting in particular the robustness of the Health Board's internal escalation framework (which mirrors WG structures), the development of integrated performance dashboards, and the embedding of value-based healthcare principles within enabling actions. Caroline Lewis specifically noted that the Health Board may have been overly self-critical in its scoring, suggesting that more credit could be taken for the substantial work undertaken. This honest and reflective approach to self-assessment was welcomed, with WG recognising the mature stance of identifying areas for continued improvement rather than overstating organisational capability.

6. Criterion 7 - Planning Maturity Matrix (Cont)

Assessment – Advise

The discussion acknowledged the particular complexities facing the Health Board in delivering robust annual planning whilst simultaneously refreshing the AHMWW strategy and developing the CSP. WG accepted this challenging context and noted the pragmatic approach taken to anchor planning priorities against emerging strategic pillars and the corporate risk register (for the 2026/27 Annual Plan). The evolution of CCG structures, the strengthening of clinical engagement mechanisms, and the clear line of sight from operational delivery through to Board-level accountability were all recognised as positive developments demonstrating increasing planning maturity.

To further strengthen future submissions, several developmental opportunities were identified. Firstly, adopting a logic model approach would more explicitly demonstrate how planning inputs and activities translate into measurable outputs and impacts, providing a clearer narrative of cause and effect. Secondly, whilst the Health Board's internal processes are well-established, articulating more explicitly the "how" behind improvements, the specific mechanisms, governance arrangements and process changes implemented, would enhance the evidence base underpinning self-assessed scores. Thirdly, building upon existing demand and capacity modelling work to demonstrate more granular, service-level planning capability would support progression towards higher maturity levels. Finally, incorporating benefits mapping and realisation into future submissions would help demonstrate the tangible value derived from planning improvements. Welsh Government confirmed that progress would continue to be monitored through existing touchpoint arrangements in a supportive manner, and that additional maturity matrices covering other domains are in development, which will provide clearer delineation of planning-specific requirements in due course. However, this needs to be considered in relation to the size of the planning team and in the context of the on-going development of organisational planning maturity.

It is therefore appropriate to classify this criterion as **Advise**: there is demonstrable progress in planning maturity and a realistic prospect of moving to Assure in due course, but further evidence; including external validation and consistent delivery over at least one full planning cycle is needed before that judgement can be made.

7. Criterion 8 - Regional planning progress

Assessment – Advise

Regional planning is an essential component of sustainability for several key services and for the management of cross-border flows. Formal regional governance arrangements, including a Regional Joint Committee (RJC) and thematic sub-groups, are now in place, with workstreams covering Urgent and Emergency Care (UEC), Stroke, Orthopaedics, Diagnostics and other shared priorities. The CSP consultation materials and supporting narratives reflect these interdependencies, particularly in relation to A Regional Collaboration for Health- (ARCH-) related programmes and collaboration with neighbouring Health Boards.

The Financial Report highlights significant financial flows through long-term agreements, including increased emergency activity at neighbouring providers. These flows reinforce the point that unilateral change by any single organisation is unlikely to be sustainable and that regional solutions are required for some pathways. There is also evidence of active partnership working with Local Authorities and RPBs on community capacity, intermediate care and broader population health initiatives.

What is less visible in the current suite of reports is a single, consolidated view of the regional programmes, their milestones, risks and explicit links into the Health Board's own Annual Plan, Finance Roadmap and CSP implementation. For that reason, an **Advise** rating is appropriate. There is sufficient evidence of regional engagement and joint work to avoid an Alert, but more systematic documentation and Board-level visibility will be needed to move to Assure.

8. Conclusion and Committee Considerations

Overall, the evidence points to a Health Board that has strengthened its grip, begun to refresh its strategic direction and improved the coherence of its planning, but which still faces a significant financial and delivery challenge. Financially, the Health Board is forecasting a £28.3m year-end deficit that includes an adverse WRP movement; on an underlying operational basis it is on course to deliver its £24.1m control total deficit. This represents an improvement in in-year control and, when viewed alongside strengthened governance and a clearer three-year recovery roadmap, supports moving the balanced and credible plan criterion from Alert to **Advise**, whilst still recognising the underlying deficit of £62.9m and the continued reliance on non-recurrent savings.

Integrated planning capability continues to be in development . The shift to risk-based, resource-constrained and thematic-based planning, anchored in the refreshed AHMWW strategy and the community schemes, justifies an **Advise** position for planning integration and maturity: the direction of travel is positive and the frameworks are coherent, but they need to be fully embedded. The CSP consultation and associated strategic work provide a robust, transparent and independently validated roadmap for clinical change, warranting an **Assure** rating on process and evidence, while appropriately highlighting the substantial work that remains on implementation, mitigations and public confidence. Regional planning is active and substantive in key areas but not yet presented as a single, coherent programme, and so remains at **Advise**.

8. Conclusion and Committee Considerations

In this context, the Committee is asked to:

- **DISCUSS**
  - The updated assessment against each criterion, including the reclassification of the financial plan criterion to Advise;
  - The inter-locking nature of the Finance Roadmap, integrated planning clusters, CSP implementation and the AHMWW Strategy Refresh.

- **SCRUTINISE**
  - The robustness of the emerging themes-based on the planning framework and its ability to drive integrated change across finance, workforce, quality and performance; and

- **RECEIVE ASSURANCE that:**
  - The Health Board is demonstrating improved in-year financial grip and is on course to deliver its target control total/Annual Plan before WRP;
  - Planning maturity is progressing, with a revised framework now in place for integrated, risk-based and resource-constrained planning;
  - The CSP consultation and strategic refresh work provide a sound evidential basis for the Board's forthcoming decisions on clinical configuration.

DIOGEL | CYNALIADWY | HYGYRCH | CAREDIG

SAFE | SUSTAINABLE | ACCESSIBLE | KIND

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board