

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	24 April 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Annual Plan 2025/26
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

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

Health Boards in Wales are required to produce a Board-approved Integrated Medium-Term Plan (IMTP) and submit to the Welsh Government (WG) for approval. A statutory requirement is that the IMTP must be financially balanced over the three-year period.

Whilst the ambition and aspiration for Hywel Dda University Health Board (HDdUHB) remains to submit an approvable IMTP, the challenges over the last 12 months are such that, despite our best endeavours, we are not in a position to produce a balanced financial plan at this stage. This was formally noted to Welsh Government (WG) in an accountability letter from the Chief Executive in February 2025.

In lieu of an IMTP, HDdUHB has developed a [one-year Annual Plan](#) for 2025/26 but within the context of the next three years.

Importantly, while this does not meet the statutory duty to break even, the plan achieves the control total of £31.55m as agreed with WG, representing a critical milestone in restoring financial discipline.

Further assurance is provided by the positive trajectory of improvement, reflected in the Cabinet Secretary's recent decision to de-escalate four domains: Child and Adolescent Mental Health Services, Planned Care, Governance and Leadership from Targeted Intervention (TI) to Enhanced Monitoring status. This external recognition reinforces the Health Board's direction of travel and substantiates the rationale for a single-year plan as an interim step toward an approvable IMTP.

The revised planning approach for 2025/26 also responds directly to the internal audit recommendations on planning maturity, with a strengthened Maturity Matrix process underpinning the Annual Plan and ensuring readiness for scrutiny and future de-escalation. Finally, the paper also provides the Strategy and Planning Committee (SPC) with an intended approach to the review of our Planning Maturity Matrix.

This paper therefore seeks to provide SPC with an update on the Plan, which was submitted to WG on 31 March 2025 following approval by Public Board on 27 March 2025.

Cefndir / Background

Annual Plan 2025/26

The submission of a three-year IMTP to Welsh Government is a statutory obligation. For an IMTP to be approvable it must show financial balance over the lifecycle of the Plan and, as such, HDdUHB has not had an approvable Plan to date.

Despite this, 2024/25 has marked a year of material progress. The Health Board has:

- Delivered over £30m in savings, including a significant proportion on a recurrent basis;
- Stabilised key areas of the workforce, particularly nursing, through targeted international recruitment and conversion of high-cost agency roles;
- Reduced waiting times and delivered improvement in long-wait patient pathways;
- Embedded stronger governance and scrutiny, supported by revised planning, financial and operational oversight mechanisms.

Reflecting this progress, four areas under the Welsh Government's oversight framework have now been formally de-escalated from Targeted Intervention (TI) to Enhanced Monitoring: Child and Adolescent Mental Health Services (CAMHS), Planned Care, Governance and Leadership. This recognition underlines both the improvement journey and the importance of the 2025/26 Annual Plan in continuing this trajectory.

Although there is an improving position, given the current financial position of HDdUHB, alongside the fact that the organisation remains in Targeted Intervention (save for the areas de-escalated), we have not been in a position to submit an IMTP and as such an Annual Plan was submitted instead to WG at the end of March 2025.

Maturity Matrix

In response to WG's Targeted Intervention, the Health Board initially developed and introduced the Planning Maturity Matrix in late 2022. The purpose of this matrix is to benchmark organisational planning maturity across nine domains, ranging from Strategy Development to Assurance, scoring each from 0 (no progress) to 5 (exemplar). WG's expectation is for the Health Board to reach a minimum Maturity Level of 3 (initial achievements) in each domain.

The inaugural assessment in 2023 identified mixed results - progress in some areas but limited progress (or regression) in others. A subsequent internal audit completed in June 2024 provided a Reasonable Assurance rating for this process, with two recommendations for improvements required in evidence usage and Board oversight.

The revised process for the 2025/26 planning round directly addresses these audit recommendations and incorporates comprehensive internal and external stakeholder engagement, reflective assessment and rigorous validation. This strengthened approach is fundamental in demonstrating the Health Board's preparedness for eventual de-escalation from TI and aligning our planning processes with WG expectations.

Asesiad / Assessment

The Annual Plan for 2025/26 represents a clear and deliberate progression in the Health Board's strategic and operational planning maturity. Whilst it does not fulfil the statutory requirement for an Integrated Medium-Term Plan (IMTP) due to the inability to demonstrate financial balance over a three-year horizon, it does nonetheless present a credible, structured,

and evidence-based response to the significant challenges facing the organisation. It offers assurance that the Health Board is on a strengthening trajectory both operationally and financially, and that the required frameworks and mechanisms are now embedded to enable further progression against Welsh Government expectations.

The Plan has been developed through a robust and inclusive process, grounded in an improved planning architecture that reflects learning from internal audit recommendations, enhanced governance, and the rigour required under the Targeted Intervention framework. The engagement of clinical, corporate and operational stakeholders has been central to the formulation of the Plan, with scenario testing, modelling, and iterative triangulation exercises ensuring alignment across workforce, finance, performance and risk. This has ensured that the Plan is both deliverable and responsive and has provided a structure through which short-term improvements can be operationalised without losing sight of longer-term strategic goals.

Crucially, the 2025/26 Annual Plan has been developed in full alignment with the NHS Wales Planning Framework 2025–2028, ensuring that national expectations are fully embedded into local delivery. The Plan responds directly to the Ministerial Priorities—**Timely Access, Population Health and Prevention, Mental Health, Women’s Health, and Building Community Capacity**. These priorities have been mapped and aligned to the Health Board’s planning objectives, which provide the framework for delivery, performance monitoring and reporting. In doing so, the Plan does not simply mirror national aims it internalises them into local delivery systems and trajectories that are resourced, risk-assessed and tied into corporate accountability structures.

From a service delivery perspective, the Plan sets out a comprehensive and targeted improvement agenda. Across planned care, diagnostics, cancer services, mental health, urgent and emergency care, workforce, digital and estates, the Plan articulates trajectories, milestones and resourcing assumptions. Importantly, these are not isolated ambitions but closely interlinked with the Health Board’s overarching objective of transitioning from TI to a sustainable delivery model, with the Planning Framework acting as a unifying structure.

In Planned Care, the Health Board continues to make strong progress. The 2025/26 Plan commits to achieving 100% compliance for patients waiting less than 52 weeks for a first outpatient appointment and under 104 weeks from referral to treatment, across all specialties with the exception of ophthalmology. The shortfall in ophthalmology, and specifically cataract procedures, is transparently acknowledged. Addressing this will require targeted investment beyond current allocations, estimated at approximately £3m. For all other specialties, the existing resources are forecast to be sufficient to deliver the required improvements (inclusive of previous recovery monies). This reflects full alignment with the Planning Framework’s emphasis on sustainable reductions in long waits and evidence-based backlog clearance.

The Plan also includes a specific focus on R1 compliance in ophthalmology, targeting a 65% performance threshold for patients at risk of irreversible harm (in line with the TI criteria, not the 95% National Standard). Supported by expanded intravitreal therapy, recruitment of glaucoma specialists, and clinical estate expansion, the actions are designed not only to meet national standards but to maintain clinical safety for those most at risk.

In diagnostics, the Health Board has articulated a clear three-phase transformation strategy spanning 2025 to 2028, directly supporting the Timely Access and Digital and Diagnostic Infrastructure ambitions within the Framework. The Plan commits to using £3.4m funding to eliminate the urgent suspected cancer imaging backlog and improve scan-to-report turnaround times. A further £2.0 to £2.4m in non-recurrent investment is being pursued to fully eradicate 8-

week breaches by March 2026. These actions are critical to supporting parallel improvements across Planned Care, Urgent Care and Cancer services.

Cancer performance is a core priority within both the Planning Framework and TI de-escalation expectations. The Health Board has committed to increasing Single Cancer Pathway compliance to 80% by March 2026, from a baseline of approximately 60% (63.5% in February 25). Progress will be delivered through enhanced diagnostics, targeted pathway redesign and expanded service models particularly Acute Oncology. Diagnostic dependencies are recognised, and mitigating actions are included within the wider radiology and imaging plans. In line with Framework expectations, improvements are not confined to one part of the system but extend across multiple tumour sites and delivery points.

The Plan's response to urgent and emergency care is structured around the Six Goals for Urgent and Emergency Care (UEC), which are explicitly referenced in the NHS Wales Planning Framework as a Ministerial Expectation. The Health Board has committed to:

- Reducing ambulance handovers over one hour by 14%, and over four hours by 40%;
- Reducing patients waiting more than 12 hours in Emergency Departments (EDs) to below 10% — a 20–30% reduction;
- Reducing 21-day lengths of stay by 16.3%;
- Reducing Delayed Pathways of Care by 19%.

These are supported by delivery mechanisms including the Regional Clinical Streaming Hub, Frailty Front Door models, Hospital@Home and robust escalation arrangements through Integrated Quality, Financial Performance and Delivery Group (IQFPD).

Financially, the Plan achieves the control total of £31.55m, despite the underlying deficit of £51.1m. The Health Board has demonstrated a sustained improvement in financial management, delivering over £30m in savings in 2024/25 of which nearly £20m were recurrent. The Plan for 2025/26 includes the requirement to deliver £43.5 million in-year (£19m recurrent, £24.5m non-recurrent), supported by three Executive-led oversight groups and clear directorate-level accountability.

The governance arrangements that support the Plan reflect improved maturity. The implementation of the Clinical Care Group (CCG) structure embeds local ownership of delivery across quality, finance, performance and workforce. These are directly linked to IQFPD and relevant Board Committees, enabling triangulated assurance and early identification of risk.

In addition, the Planning Maturity Matrix process has been strengthened significantly. Aligned with the Planning Framework's focus on continuous improvement and de-escalation readiness, the 2025/26 cycle includes:

- Full internal evidence collation and mapping (March–April 2025);
- Structured stakeholder and scoring workshops (with effect from 12 May 2025);
- Welsh Government feedback integration (late May–early June);
- Governance scrutiny and Board sign-off by 31 July 2025;
- Formal submission to WG in early August 2025.

In summary, the Annual Plan 2025/26 has been developed in full alignment with the NHS Wales Planning Framework, demonstrates improvement across each of the Ministerial Priority areas, and provides clear and measurable trajectories for delivery. While financial balance over three years remains a longer-term aim, the Plan offers assurance on grip, governance, delivery and maturity. The Health Board is demonstrably more stable than 12 months ago and now has the building blocks in place to transition from recovery to sustainability.

Argymhelliad / Recommendation

The Strategy and Planning Committee is asked to:

- **RECEIVE ASSURANCE** with regard to the Annual Plan for 2025/26.
- **APPROVE** the approach and process with regard to the review of our status against the Planning Maturity Matrix.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.4. Receive assurance on delivery of the Health Board's Annual Plan through the scrutiny of regular monitoring reports.
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: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
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:	Not applicable
Rhestr Termiau: Glossary of Terms:	Contained within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Datblygu Strategol a Chyflenwi Gweithredol: Parties / Committees consulted prior to Strategy and Planning Committee:	Executive Team Public Board (March 2025)

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	This is a key component in the delivery of the Integrated plan for the period 2025/26
Ansawdd / Gofal Claf: Quality / Patient Care:	This is a key component in the delivery of the Integrated plan for the period 2025/26
Gweithlu: Workforce:	This is a key component in the delivery of the Integrated plan for the period 2025/26
Risg: Risk:	Risks will be assessed as part of the ongoing process of both the development of the 2025/26 Plan and its subsequent monitoring
Cyfreithiol: Legal:	As above
Enw Da: Reputational:	Hywel Dda University Health Board needs to meet the targets set in order to maintain a good reputation with Welsh Government, together with our stakeholders, including our staff
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Consideration of Equality legislation and impact is a fundamental part of the planning of service delivery changes and improvements.

Hywel Dda University Health Board

Comprehensive Planning Maturity Matrix Assessment Process 2025/26

Formal Procedure and Timeline

Introduction

Hywel Dda University Health Board (HDdUHB) remains in Targeted Intervention (TI) status, requiring ongoing scrutiny and systematic improvements across all organisational domains. This status was escalated by the Welsh Government (WG) in September 2022 due to persistent challenges in delivering a balanced and approvable Integrated Medium-Term Plan (IMTP), compounded by increasing financial deficits. Consequently, WG introduced a Planning Maturity Matrix designed to objectively assess the Health Board's planning capabilities, underpin improvements, and demonstrate measurable progress.

Given the critical importance of this assessment to our TI de-escalation journey, HDdUHB is committed to conducting a rigorous, transparent, and comprehensive annual review. The 2025 assessment builds upon insights and learnings from the previous year's processes, internal audit recommendations, and feedback from both internal stakeholders and WG. The enhanced process set out here will provide a robust evaluation not only of the annual planning cycle but also against the broader TI escalation criteria and the associated 56 de-escalation requirements.

Background

In response to WG's Targeted Intervention, the Health Board initially developed and introduced the Planning Maturity Matrix in late 2022. The purpose of this matrix is to benchmark organisational planning maturity across nine domains, ranging from Strategy Development to Assurance scoring each from 0 (no progress) to 5 (exemplar). WG's expectation is clear - the Health Board must reach a minimum Maturity Level of 3 (initial achievements) in each domain.

The inaugural assessment in 2023 identified mixed results — progress in some areas but stagnation and regression in others. A subsequent internal audit completed in June 2024 provided a Reasonable Assurance rating, highlighting essential improvements required in evidence usage and Board oversight.

The revised process for the 25-26 planning round directly addresses these audit recommendations and incorporates comprehensive internal and external stakeholder engagement, reflective assessment, and rigorous validation. This strengthened approach is fundamental in demonstrating the Health Board's preparedness for eventual de-escalation from TI and aligning our planning processes with WG expectations.

Step-by-Step Detailed Process for 2025

Step 1 - Initial Evidence Gathering and Preparation (March–April 2025)

- Undertake a comprehensive review of internal documents, including operational plans, strategy alignment documents, previous maturity matrix outcomes, and TI criteria.
- Collate evidence proactively across all nine maturity domains to ensure readiness for scoring sessions.
- ***Audit Recommendation Action*** - Ensure all evidence is prepared and clearly accessible to stakeholders ahead of scoring events.

Step 2 - Initial Internal Scoring and Stakeholder Engagement (Week Commencing 12th May 2025)

- Clinical, Operational and Corporate Stakeholder Event (all those part of the workshops - Monday 12 or Tuesday 13 May 2025).
- Engage operational, clinical and corporate teams and senior managers in a structured session to validate evidence, score maturity domains, and capture feedback.
- **Executive Business Meeting** - Wednesday 14 May 2025
- Conduct an Executive-level session to review operational scoring, integrate strategic oversight, and refine maturity scores based on Executive insights and wider reflections.
- ***Audit Recommendation Action*** - Facilitate scoring based explicitly on prepared evidence.

Step 3 - Incorporation of Welsh Government Feedback (Mid to Late May / Early June 2025)

- Obtain and incorporate WG feedback on the Annual Plan submitted by 31st March 2025.
- Reflect all TI correspondence throughout 24/25 to ensure the matrix reflects a longer-term planning period
- Update maturity matrix scoring and narrative to reflect WG feedback, ensuring alignment with external expectations and TI criteria.

Step 4 - Final Review and Consolidation (June 2025)

- Reassess and consolidate maturity matrix scoring based on integrated internal stakeholder sessions and WG feedback.
- Provide detailed narrative justifications and evidence to support each maturity score comprehensively.
- ***Audit Recommendation Action*** - Explicitly demonstrate linkage between evidence, feedback, and maturity scoring in documentation.

Step 5 - Committee Reviews and Governance Scrutiny (June–July 2025)

- Present revised maturity matrix to relevant internal committees for detailed scrutiny and validation
- Strategy and Planning Committee Review - Tuesday 1 July 2025
- Review consolidated matrix, provide recommendations, and approve forwarding to the Public Board.
- Address any committee recommendations prior to Board submission.

Step 6 - Board Approval and Formal Sign-off (31st July 2025)

- Submit the final Planning Maturity Matrix document to the Public Board for formal approval.
- Document Board feedback comprehensively and make necessary amendments before final submission.
- ***Audit Recommendation Action*** - Ensure final Board approval occurs prior to submission to WG.

Step 7 - Submission to Welsh Government (Early August 2025)

- Officially submit the Board-approved Maturity Matrix to WG, supported by comprehensive evidence and committee endorsements.

Supporting Evidence and Documentation to develop the 25/26 Maturity Matrix

- Previous maturity matrix assessments (2023, 2024)
- Internal audit report and action plan (June 2024)
- Targeted Intervention Documentation (throughout 24/25)
- Detailed operational and strategic planning documentation (25-26)
- WG Annual Plan feedback
- Minutes from stakeholder, executive, and committee meetings

Conclusion

The comprehensive and structured approach outlined above seeks to ensure that the Health Board rigorously addresses the key areas identified through past assessments, internal audit recommendations, and targeted intervention feedback. By systematically incorporating internal stakeholder insights, clear evidence-based assessments, and external Welsh Government feedback, we aim to achieve demonstrable improvements across all maturity domains. This careful process is critical for providing the clarity, accountability, and transparency necessary for successful governance and strategic alignment, thereby

positioning the Health Board towards sustained improvement and meeting criteria required for de-escalation from Targeted Intervention status. Ultimately, our goal is to embed a culture of continuous planning, and effective governance that underpins high-quality, sustainable patient care across our systems.