



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board



Strategy & Planning Committee – October 2025 Escalation Update



This paper provides the Strategy and Planning Committee (SPC) with an updated and comprehensive assessment of progress against the five de-escalation criteria within the Committee's remit. These criteria remain central to Welsh Government's (WG's) framework for evaluating whether Hywel Dda University Health Board (HDdUHB) has developed the strategic planning capability required to move from Targeted Intervention status towards greater organisational autonomy.

The 2025/26 Annual Plan, submitted in March 2025, initially met WG's Target Control Total with a planned deficit of £31.5m and received positive audit assurance for both process and governance. However, subsequent WG feedback in July 2025 set a more ambitious financial recovery trajectory, requiring the Health Board to target a lower deficit and accelerate progress towards breakeven. This evolving position highlights the dynamic and challenging environment in which the Health Board must demonstrate planning maturity and adaptability.

Since the last update to this Committee in August 2025, there has been significant progress across all criteria. The Clinical Services Plan (CSP) consultation closed at the end of August with record levels of public engagement and a high volume of alternative options submitted for consideration. The 2026/27 annual planning process has been formally adopted, with risk-based prioritisation and broad organisational engagement now embedded. Regional governance structures have matured, with the Regional Joint Committee (RJC) and its sub-groups fully operational and delivering against a strengthened 2025/26 work programme. These developments have taken place against a backdrop of continued financial challenge, workforce pressures, and the need to balance immediate operational demands with longer-term strategic transformation.

Each criterion has been evaluated using the Alert, Advise, Assure (3As) framework, providing clear visibility of where the Health Board demonstrates strength and where further development is required.

Assessment of Criterion 4: Submission of Balanced and Credible Annual Plan



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Assessment – Alert

Current Position Summary (as at 15 October 2025)

HDdUHB remains at ALERT status for this criterion. Since June 2025, the position has evolved significantly, driven by both strengthened planning processes and a material shift in WG expectations. While the 2025/26 Annual Plan originally met the target control total of £31.5m, subsequent WG correspondence has set a revised deficit target of £24.1m. The Health Board has responded by improving its forecast to £30.0m (inclusive of a £2.0m National Insurance funding shortfall), with the latest reported position at Month 6 being £27.8m. Despite these improvements, the revised target remains a significant challenge, and the Health Board continues to operate under Targeted Intervention status, with a requirement to achieve breakeven by 2027/28.

Key Developments Since August 2025

WG's revised expectations were formally communicated in July and August 2025, requiring HDdUHB to deliver a deficit no greater than the 2024/25 outturn (£24.1m), superseding the previously agreed control total. The Health Board submitted a revised forecast deficit of £30.0m at the July 2025 escalation meeting, reflecting additional savings and the impact of a £2.0m National Insurance funding shortfall. The Health Board's planning and governance processes have been strengthened, with a risk-based prioritisation approach (Routes 1–3) and a comprehensive risk register now in place (605 risks logged as of October 2025).

Assessment of Criterion 4: Submission of Balanced and Credible Annual Plan (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Current Actions and Evidence Base

- The Health Board has identified £22.5m of potential cost reduction options to bridge the gap to the revised WG target. These options have been systematically documented, with clear Executive ownership and a focus on protecting essential services.
- A robust Quality Impact Assessment (QIA) framework is in place to ensure that all proposed savings are subject to clinical and organisational scrutiny, with assessments required at both Clinical Care Group (CCG) and directorate/corporate levels.
- The risk-based planning approach has categorised all risks into three routes, with prioritisation focused on those that can be addressed within available resources (Route 1), those requiring additional investment (Route 2), and strategic/system-wide issues requiring escalation (Route 3).
- The Health Board's financial trajectory has improved, with the reported deficit reducing from the original plan to £27.8m at Month 6. However, the scale of further savings required remains significant, and over-reliance on non-recurrent savings is recognised as a key risk.

Progress Against De-escalation Requirements

The revised escalation framework (July 2025) requires the Health Board to demonstrate robust financial governance, substantial progress in delivering the targeted intervention action plan, and an annual plan with Board approval showing a substantial financial improvement trajectory. The Health Board has made demonstrable progress against these criteria, with financial governance independently validated and the planning process receiving positive internal assurance. The targeted intervention action plan is being delivered, with improved understanding of deficit drivers and opportunity development.

Assessment Against the Alert/Advise/Assure Framework

The criterion remains appropriately classified as ALERT. While significant progress has been made in planning capability, risk management, and financial improvement, the Health Board has not yet secured WG approval for the revised plan. The assessment recognises that HDdUHB has demonstrated mature planning processes and met the original control total, but the changed expectations mean further work is required. The evidence shows partial delivery with active mitigation underway, but the scale of further savings required carries operational and quality risks that must be carefully managed through the QIA process.

Assessment of Criterion 4: Submission of Balanced and Credible Annual Plan (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Forward Trajectory and Assurance

- The Health Board is progressing a three-year financial recovery trajectory, with a planned deficit of approximately £14m in 2026/27 and breakeven targeted for 2027/28. The planning process is anchored in a risk-informed framework, with clear milestones, Executive accountability, and robust monitoring arrangements.
- The Health Board's ability to identify additional savings opportunities while maintaining quality assessment processes demonstrates mature financial and operational management.
- The quarterly escalation meetings and enhanced monitoring arrangements provide appropriate oversight mechanisms to track progress and ensure accountability.
- The Health Board continues to engage constructively with WG to agree a realistic and achievable path to financial sustainability that protects service quality and patient safety.

Conclusion for Committee Assurance

SPC can take assurance that the Health Board has demonstrated mature planning capability, with robust processes independently validated and the original target control total achieved in the initial plan submission. The Health Board has responded proactively to evolving WG expectations, identifying additional savings opportunities while maintaining appropriate safeguards through comprehensive QIA processes. However, the criterion appropriately remains at ALERT status as WG approval has not been secured due to the requirement for a more ambitious financial trajectory than originally indicated. Continued Executive focus and Committee oversight will be essential to balance the competing demands of accelerated financial recovery and the maintenance of safe, quality services for the population served.

Criterion 5 - Evidence of Integrated Planning



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Assessment – ADVISE

Progress Since August 2025

HDdUHB has made significant progress in developing its integrated planning capability through the formal adoption of the 2026/27 annual planning process. The organisation has moved from conceptual frameworks to practical implementation, with the October 2025 workshop marking the start of a structured, risk-based approach. The journey towards fully mature integrated planning continues, but tangible steps have been taken.

Positive Developments

Establishing the Framework: The 2026/27 planning process now provides a structured approach to integration, requiring all CCGs, operational teams, and enabling functions to complete comprehensive risk-based assessments. As of October 2025, 605 risks have been logged and categorised using a three-route prioritisation matrix (Route 1: solvable within resources; Route 2: requires additional investment; Route 3: strategic/system-wide). These assessments explicitly identify dependencies between workforce, finance, infrastructure, and service delivery, representing a clear move from theoretical integration to practical application. A clear process for the integration of 20-4-7 is being developed

Clinical Engagement and Ownership: CCGs have taken on enhanced leadership roles, moving from participants to active drivers of integrated plans. This approach to working together, both between different levels of the organisation and across various teams, is starting to reduce the barriers that have traditionally kept departments separate. Early feedback from the October 2025 workshop indicates positive momentum, with ongoing work to ensure consistency.

Executive Commitment: The planning process has secured Executive acceptance and is being actively socialised across the organisation. The inaugural annual planning workshop was held in October 2025, with broad engagement from senior leadership. However, further work is required to fully develop the risks matrix and as such the decisions the Executives/Board will need to make. Looking ahead, further workshops and Board/Committee milestones are scheduled through December 2025, providing opportunities for collective prioritisation and decision-making. This collaborative approach demonstrates a commitment to genuine integration rather than parallel planning streams.

Criterion 5 - Evidence of Integrated Planning (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Strategy and Planning Working in Tandem

The “A Healthier Mid and West Wales” strategic refresh and operational planning are now being developed as one integrated process. Through “Improving Together” sessions, CCGs and corporate functions collectively assess which strategic areas remain relevant, which require refreshing, and which need new development. The findings from these sessions directly inform operational priorities for the three-year planning cycle, evidencing a shift from the traditional “strategy first, plan second” approach. The August 2025 Board Seminar formalised the scope of the Strategic Refresh to 2040, ensuring ongoing alignment.

Integration Mechanisms Taking Shape

The planning principles require concurrent assessment across financial sustainability, workforce capacity, infrastructure constraints, and strategic alignment. This multi-dimensional evaluation is creating visibility of interdependencies that previously remained hidden until implementation. Early identification of risks that cannot be mitigated within current resources provides transparency and supports integrated decision-making.

Moving Towards Integrated Medium Term Plan Capability

A significant development is the commitment to frame the planning process within a three-year context, marking important progress towards Integrated Medium Term Plan (IMTP) capability. This shift from annual cycles to multi-year horizons represents organisational maturity and creates the conditions for more strategic, integrated thinking. The upcoming workshops and Board milestones will be pivotal in establishing how this longer-term perspective shapes immediate prioritisation decisions.

Criterion 5 - Evidence of Integrated Planning (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

External Recognition with Caveats

WG has acknowledged that HDdUHB's planning processes provide assurance, validating the progress made in developing integrated planning mechanisms. However, the distinction between having robust processes and achieving fully integrated outcomes remains. The organisation demonstrates it can plan in an integrated manner, but translating this into sustained delivery across all domains requires continued development.

Areas Requiring Continued Focus

The forthcoming prioritisation workshops and Board/Committee reviews represent critical tests of integrated planning in practice. The outcomes should support the Board, Executives, and Independent Members to navigate trade-offs and dependencies, demonstrating whether integration has moved from process to culture. The challenge remains to ensure integration consistency across all service areas, with some domains showing stronger integration than others.

The transition from annual planning exercises to genuine IMTP capability requires sustained focus over multiple cycles. While the framework is strengthening, embedding this as business-as-usual practice across the entire organisation remains an ongoing journey.

Recommendation

The Health Board has made some progress in developing integrated planning capability, with clear mechanisms, governance and engagement now in place. The October 2025 workshop and commitment to three-year planning horizons signal continued advancement. However, the Committee should note this remains a developing capability requiring sustained focus to achieve full maturity. The evidence supports an improving trajectory with key milestones ahead that will further test and strengthen integrated planning across the organisation.

Criterion 6 - Evidence of Clear Roadmap and Implementation of Clinical Services Plan



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Assessment – ASSURE

Current Position and Progress

The CSP continues to provide a structured approach to addressing service fragility across nine key service areas in Mid and West Wales. The programme has successfully progressed through Phases 1 and 2 and is now well into Phase 3, with the public consultation having closed on 31 August 2025. The consultation saw a high level of engagement, with nearly 4,000 responses and over 100 alternative options and ideas submitted by individuals, community groups, and organisations. A workshop was held on 9 October 2025 to review the alternative options against the hurdle criteria.

HDdUHB is now focused on reviewing and analysing this wealth of feedback, supported by independent analysis from Opinion Research Services (ORS). Given the volume and complexity of responses, it is now anticipated that final decisions on the CSP will be made at an Extraordinary Board meeting in February 2026, rather than November 2025 as originally planned. A full consultation report will be published in January 2026 to inform these decisions.

Implementation Through Active Consultation

The CSP demonstrates active implementation through the management of a comprehensive public consultation process, supported by external quality assurance and independent oversight. The consultation has tested the organisation's ability to engage with public concerns while maintaining clinical services and preparing for significant change. The Health Board has developed detailed workforce modelling and systematic hurdle criteria testing for all options, ensuring that clinical sustainability, deliverability, accessibility, strategic alignment, and financial sustainability are robustly assessed.

The process for considering new ideas is transparent and inclusive, with all suggestions being assessed against the established criteria before being scored and potentially developed further. This approach ensures that the CSP remains responsive to stakeholder input and adaptable to emerging challenges.

Criterion 6 - Evidence of Clear Roadmap and Implementation of Clinical Services Plan (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Critical Integration with Annual Planning

The relationship between the CSP and the 2026/27 annual planning process remains a key area of both strength and risk. The planning process is deliberately sequenced to ensure that CSP decisions inform operational plans, workforce strategies, and financial frameworks. However, the delay in finalising CSP decisions introduces uncertainty into the annual planning cycle for 2026/27, requiring ongoing scenario planning and close coordination between programme and planning teams.

Governance and Forward Path

The Board continues to provide robust oversight, with regular updates and formal approvals at key milestones. The upcoming Extraordinary Board meeting in February 2026 will be critical in moving from consultation to implementation, with decisions required that balance clinical sustainability with public accessibility and feedback.

Recommendation

The CSP continues to demonstrate a clear roadmap actively progressing through a comprehensive and inclusive public consultation. WG's positive engagement, the independent review of consultation feedback, and robust governance arrangements provide assurance of the programme's trajectory. However, the Committee should note the critical interdependency between CSP timelines and the annual planning process, where delays or unexpected consultation outcomes could require significant replanning. Successfully navigating the path from consultation through decision-making to implementation, while managing these uncertainties and maintaining WG confidence, will require continued careful coordination and potentially difficult trade-offs in the months ahead.

Criterion 7 - Planning Maturity Matrix assessment



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Assessment – ADVISE (Assure pending WG ratification)

Building Welsh Government Confidence

HDdUHB continues to take significant steps to build WG confidence in delivery through a fundamentally reformed approach to the Planning Maturity Matrix assessment. Formal endorsement remains pending, but WG has acknowledged the robustness of the process and the constructive dialogue underway since submission following Board approval in July 2025.

Strengthened Credibility Through Reformed Approach

The Health Board's approach has evolved markedly from previous cycles, moving from optimistic self-assessment to rigorous, evidence-based evaluation. All scoring is now supported by verifiable evidence or transparent narrative where evidence is developing. This cautious, honest appraisal builds greater confidence than inflated scores, demonstrating organisational maturity and self-awareness.

Evidence of Improving Capability

The two-year follow-up review evidences progression, particularly in operational and performance domains. Improved maturity in cross-functional planning, triangulation of finance and workforce, and operational delivery shows that the building blocks of effective planning are strengthening. WG has noted the inclusive engagement across clinical, operational, planning, workforce and finance teams, confirming that the matrix reflects genuine organisational capability rather than a planning team exercise.

Criterion 7 - Planning Maturity Matrix assessment (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Managing Expectations Whilst Building Confidence

HDdUHB acknowledges that work remains to embed best practice and multi-year financial planning fully. This realistic self-assessment demonstrates understanding of what true planning maturity means and reinforces WG confidence that improvement efforts are focused on the right areas. Integration of the matrix with the strategic refresh process further evidences systematic thinking and alignment with organisational development priorities.

The Path to WG Endorsement

The assessment has been submitted for WG review, with ratification expected later in Quarter (Q) 4 2025. Based on previous feedback and the strengthened approach adopted, the Health Board remains optimistic that WG will recognise the progress made and the credibility of the assessment process. The combination of honest self-appraisal, evidence-based scoring, and clear governance should provide WG with confidence that the organisation understands its current capability and has realistic plans for improvement.

Recommendation

The Health Board has developed a credible and robust approach to the Planning Maturity Matrix assessment that should build WG confidence in both current capability and trajectory of improvement. While formal confirmation of assurance awaits WG ratification, the strengthened methodology and governance arrangements position the organisation well for endorsement. The key achievement is that WG can trust the process, even if maturity scores reflect an ongoing journey rather than completed transformation.

Criterion 8 - Regional Planning Progress



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Assessment – ADVISE

Current Position

Regional planning has now moved from concept to structured governance, with the RJC and its Clinical Services Planning Sub-Group fully operational. The RJC met in August 2025, confirming progress across all sub-groups and a stable governance environment. The 2025/26 work programme is being strengthened, with revised sub-group work programmes to be ratified at the next meeting.

Progress Across Services

Orthopaedics and Eye Care: Advances include joint theatre utilisation and single waiting lists. Implementation of the OpenEyes digital patient record system is underway, with Swansea Bay University Health Board (SBUHB) going live in September 2025 and HDdUHB in March 2026.

Urgent and Emergency Care (UEC): The RJC supported a 90-day sprint to develop a single point of access before winter 2025, with priorities including Artificial Intelligence- (AI-) enabled predictive intelligence and digital inclusion. This reflects a rapid, outcome-focused approach to regional collaboration.

Pathology: Progress continues on developing a regional diagnostic service, with a Clinical Director appointed and a report on final Cellular Pathology recommendations approved / endorsed by Board in September 2025.

Data and Digital: A phased Regional Digital Strategy is being developed, with AI integration and a desktop exercise to draft the Strategy based on existing Health Board plans.

Finance and Contracting: A strategic review of resource allocation is underway, with a shadow revenue allocation model due in December 2025 to clarify regional versus local responsibilities.

Criterion 8 - Regional Planning Progress (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Variable Progress and Resource Constraints

Progress remains variable across workstreams, reflecting the complexity of regional working and differing starting positions. Some areas, such as orthopaedics and Urgent and Emergency Care (UEC), are advancing rapidly, while others, like regional waiting lists in vascular services, are still in development. Resource constraints are a critical thread, with some programme's dependent on time-limited or seconded staff. The Committee is transparent about these limitations and the need to redeploy resources as priorities shift.

Integration with Statutory Partnerships

The Health Board continues to work effectively with statutory partners through Public Service Boards (PSBs) and the West Wales Regional partnership Board (RPB). The RPB is focusing on a small number of shared priorities, supporting innovation and learning, and reviewing governance structures to align with new statutory requirements. The Regional Integrated Fund (RIF) is under evaluation, with a gateway process to assess all programmes against WG criteria, aiming to mainstream or exit projects as appropriate.

Governance and Assurance

The RJC assures Boards that governance principles underpin leadership and work programme development, with measurable outcomes and delivery expectations to be specified for the next meeting. Revised work programmes will be presented for approval and ratification. The Committee is committed to developing an integrated dashboard for quarterly monitoring and strengthening quantitative analysis to demonstrate activity benefits. No new risks have been identified for escalation, and learning is being shared across sub-groups.

Criterion 8 - Regional Planning Progress (cont)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Recommendation

Regional planning demonstrates clear progress in establishing governance frameworks and achieving tangible improvements in some service areas, particularly where clinical need has driven collaboration. The mixed picture across services reflects the reality of regional working, some areas naturally lend themselves to collaboration, while others require more time to develop shared approaches. The transparency about resource constraints and realistic timescales for benefit realisation shows mature programme management. The Committee should take partial assurance that regional planning is developing, while recognising that sustainable progress requires addressing resource vulnerabilities. The commitment to explicit milestones, comprehensive benefits tracking, and integrated monitoring provides a pathway to stronger assurance in future reporting cycles

Summary



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

The assessment confirms that HDdUHB has made clear progress in developing its strategic planning capabilities, with a strong trajectory towards greater maturity.

Across the five criteria, there is robust evidence of strengthening foundations, planning processes have been independently validated, major transformation programmes are underway, integrated planning is moving from concept to practice, and regional collaboration structures are now fully operational.

These developments reflect genuine organisational growth and a shift towards sustainable change. The mixed assessment ratings highlight both achievements and ongoing challenges. The CSP justifies an Assure rating, while the Annual Plan remains at Alert, not due to any deficiency in planning capability, which has been validated as robust, but because WG's financial expectations have shifted since submission, creating a gap between the original requirements and the current target.

Three criteria remain at Advise, reflecting areas where capability is developing but not yet fully mature. Integrated planning and regional collaboration are progressing, though not all services advance at the same pace. Integrated planning is showing tangible progress, with the 2026/27 planning process underway and risk-based prioritisation now embedded. The Maturity Matrix assessment has been fundamentally reformed, with a transparent, evidence-based approach submitted for WG review and ratification. Regional planning demonstrates real progress, particularly where clinical imperatives drive collaboration, but also acknowledges that not all services or workstreams will advance at the same pace. These ratings reflect an honest and transparent appraisal of a Health Board that is continuing to evolve, building the capabilities required for sustainable transformation while managing immediate operational and resource pressures.

Looking ahead, the key test will be maintaining momentum and coherence across all criteria, balancing interdependencies and resource demands. Continued committee oversight will be essential to ensure progress is sustained and aligned with Welsh Government expectations for de-escalation from enhanced monitoring.



The Committee is requested to:

- **NOTE** the SPC De-escalation Criteria Assessment October 2025 Report
- **RECEIVE ASSURANCE** as indicated in the body of the report



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



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board