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**Escalation Update - Strategy and Planning Committee
De-escalation Assessment (February 2026)**

Purpose and Decision Required



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Purpose

This paper presents the Strategy and Planning Committee (SPC) with an assessment of the de-escalation position for Domain 1 (Finance, Strategy and Planning). The assessment covers five criteria aligned to the Welsh Government Escalation Framework: Criterion 4 (submission of a balanced and credible Annual Plan), Criterion 5 (evidence of integrated planning), Criterion 6 (Clinical Services Plan (CSP) roadmap and implementation), Criterion 7 (Planning Maturity Matrix assessment), and Criterion 8 (regional planning progress). The financial assessment for Criterion 4 is based on a brought forward underlying deficit of £58.9m, with the £26.0m conditional funding remaining in place. The core challenge is savings delivery against this position to achieve the target control total.

Criterion 4 – Submission of a Balanced and Credible Annual Plan



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Financial Starting Position

The Health Board enters 2026/27 with a brought forward underlying deficit of £58.9m. The £26.0m conditional funding from Welsh Government remains in place, contingent upon achieving breakeven by 2027/28. The core challenge is therefore savings delivery against this underlying position, requiring £47.5m of total savings (£19.0m recurrent plus carried forward gaps from 2025/26). Current savings identification stands at £11.2m recurrent against the £19.0m target, representing a significant deliverability gap.

Key Risks to Balanced Plan Delivery

- Historic over-reliance on non-recurrent savings: no year has achieved full year recurrent schemes to the same level as total savings delivered.
- Financial risks totalling £18.8m requiring mitigation, including medical staffing pressures (£1.9m), outsourced Mental Health (MH) beds (£1.0m), planned care activity cessation risk (£2.0m), and vacancy factor reduction (£10.1m).
- Conversion of £28.5m for non-recurrent savings. This added with £19.0m equals the total savings target we need at £47.5m.

Link to Triangulation (Criterion 5)

A credible Annual Plan requires clear triangulation between finance, workforce and operational plans. The current gaps in Clinical Care Group (CCG) submissions and enabling function readiness (detailed in Criterion 5) directly constrain the organisation's ability to demonstrate a balanced and deliverable plan. The integrated planning architecture must be strengthened to ensure savings plans are supported by workforce models and operational trajectories.

Conclusion: Alert

An Alert rating is appropriate. While the financial roadmap and three-year planning framework are in place, the current savings identification gap and reliance on non-recurrent measures present significant risk to delivering a credible and balanced Annual Plan. Substantial work is required before the March 2026 submission deadline.

Criterion 5 – Evidence of integrated planning



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Progress Achieved

There is clear evidence that the Health Board has moved toward a more integrated, risk-based and resource-constrained model. The Annual Plan and 2026/27 planning cycle explicitly require planning within the existing financial allocation. Each CCG and enabling function was required to articulate its top three risks, supported by data, narrative and deliverable multi-year interventions aligned with strategic objectives.

Remaining Gaps

- The Assurance Matrix identifies multiple enabling functions as RED and not plan-ready. Many CCG plans are still in draft stage which makes the integrated considerations difficult.
- Missing baselines, trajectories, quantified impacts, dependencies and risks across multiple portfolios.
- Cross-portfolio reconciliation of workforce, finance, activity and quality is still incomplete.
- Partnership links with Local Authorities and Regional Partnership Boards (RPBs) remain insufficiently explicit or systematic at the time of writing.

Conclusion: Alert

Alert rating is appropriate. There is strong evidence of positive change, a coherent planning framework, and a credible direction of travel. However, the absence of concrete plans due to increased operational pressures across the Health Board has resulted in limited submissions at the point of writing. For context, the Health Board was on its second set of draft plans at the same stage last year.

Criterion 6 - Evidence of clear roadmap and implementation of Clinical Services Plan (CSP)



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Assessment - Assure (process and roadmap)

The Health Board has completed a comprehensive, independently run CSP consultation, generating a large and diverse evidence base (4,100+ responses, 5,800+ attendees and significant public engagement). The process met recognised good-practice standards and ensured wide accessibility through multiple formats. Opinion Research Services' (ORS's) independent analysis provides a balanced assessment of benefits, risks, concerns and mitigations, giving the Board a strong and credible foundation for decision-making. The CSP roadmap is now clearly aligned with the A Healthier Mid and West Wales (AHMWW) Strategy Refresh, community infrastructure developments and the Finance Roadmap, with a defined timetable for Board consideration and transition into detailed implementation planning.

Consultation findings confirm strong acceptance of the need for change, particularly in relation to fragile services, workforce pressures, long waits and multi-site risks. Concerns raised relate mainly to implementation risks, travel and access, ambulance and transfer capacity, workforce sustainability, interdependencies between services, site impacts, Welsh language issues, and estates constraints. These concerns do not undermine the roadmap but highlight areas requiring detailed modelling and mitigation. Feedback also reinforces a clear strategic direction, including the need to consolidate fragile services, strengthen specialist centres, deliver planned care through dedicated models, modernise diagnostics, and centralise urology.

The CSP now benefits from a comprehensive evidence base, alignment with wider programmes, clear next steps, defined modelling requirements and cross-cutting mitigation themes. Collectively, this represents a mature, credible and well-sequenced roadmap from consultation → Board decision → detailed design → implementation.

Conclusion: Assure

The CSP process and roadmap are robust, transparent and evidence-based. While deliverability risks such as workforce, transport, estates and public confidence, will require ongoing scrutiny as implementation plans are developed, the assurance level for the roadmap itself remains Assure.

Criterion 7 - Planning Maturity Matrix



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Welsh Government Feedback (19 January 2026)

Welsh Government acknowledged the transparency, constructive self-critique and internal engagement demonstrated through the submission, and recognised progress in strategic refresh work, CSP development and more structured planning methods. However, Welsh Government highlighted significant evidence gaps, noting that much supporting material remained high-level, lacked embedded examples, and did not include expected accompanying actions.

Key Maturity Gaps

- Strategy development (pending completion of Strategy Refresh and CSP)
- Strategy alignment and Integrated Medium Term Plan (IMTP) development (inconsistent demand and capacity (D&C) modelling; limited cost-impact evidence)
- Operational planning (variable application of demand/capacity methods; incomplete service-level returns)
- Realistic and deliverable planning (no consolidated financial sustainability roadmap at required level)
- Systems, accountability and improvement (maturing but not yet embedded)

Conclusion: Advise

Advise rating remains appropriate. Meaningful progress toward higher planning maturity is evident, but evidence gaps, inconsistent execution across portfolios and incomplete trajectories mean the criteria for Assure have not yet been met.

Welsh Government feedback — what is evidenced

- Welsh Government welcomed transparency and constructive self-critique; transcript demonstrated strong internal engagement.
- Two material deficiencies: (1) limited evidence underpinning scores; (2) no accompanying actions, which WG expects as part of the submission.

Domain scores (self-assessed; WG broadly aligned)

Maturity domain	Level
Strategy development	1
Strategy alignment & IMTP (3-year)	2
Dynamic & engaged planning	2
Operational planning	2
Best practice approach to improvement	2
Realistic & deliverable	1
Systems for performance/accountability	2
Measurable & improving performance	2
Assurance	3 (WG noted parts may be closer to 2)

ADVISE

Maturity is “developing” (overall operating around Level 2), with critical Level 1 gaps.

Until actions and evidence are produced, WG confidence in delivery is constrained.

What must change next

- Produce Welsh Government -facing action plan (owners, dates, measurable impacts) treat as de-escalation evidence, not narrative.
- Standardise D&C modelling across portfolios and evidence cost-impact testing.
- Demonstrate CCG model effectiveness using measurable indicators (not process measures alone).

Criterion 8 - Regional planning progress



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Assessment – Advise

Regional planning has strengthened during 2025/26, with formal governance now in place through the Regional Joint Committee (RJC) and its thematic sub-groups, supporting coordinated work across Urgent and Emergency Care (UEC), orthopaedics, ophthalmology, stroke and diagnostics. Recent Joint Committee and collaborative updates show active participation in regional commissioning, specialised services and major workforce and digital programmes, while statutory partnerships continue to progress population health, community capacity and prevention priorities.

Financial flows set out in the Financial Report demonstrate significant cross-border activity, reinforcing the need for joint solutions with neighbouring providers and the unsustainability of unilateral change. CSP consultation findings also reflect these regional interdependencies and provide a strong evidence base for future clinical configuration.

However, a consolidated, time-phased regional delivery programme, showing milestones, risks and alignment to the Annual Plan, the Finance Roadmap and CSP implementation remains absent. The Assurance Matrix similarly identifies gaps in documenting regional dependencies across UEC, diagnostics, workforce, estates and digital.

Conclusion: Advise

An Advise rating remains appropriate. Regional activity is substantive and maturing, but further work is required to provide Board-level visibility, a coherent regional programme, and the evidence needed to progress toward Assure.



Recommendations

In this context, the Committee is asked to:

- **ACKNOWLEDGE** the updated assessments across Criteria 4–8, including the Alert ratings for the Annual Plan (Criterion 4) and integrated planning (Criterion 5), continued Advise ratings for planning maturity (Criterion 7) and regional planning (Criterion 8), and the Assure rating for the CSP process and roadmap (Criterion 6).
- **SCRUTINISE** the evidence underpinning the assessments, particularly: the £7.8m savings identification gap against the £19.0m recurrent target and £18.8m of financial risks requiring mitigation (Criterion 4); the incomplete triangulation of finance, workforce and operational plans and enabling-function weaknesses (Criterion 5); and the evidence gaps and RED/AMBER domains highlighted in the Planning Maturity Matrix (Criterion 7).
- **RECEIVE ASSURANCE** that progress continues in several core areas, including:
 - A three-year Financial Roadmap with clear trajectory toward breakeven by 2027/28, supported by the retained £26.0m conditional funding,
 - A maturing integrated planning framework and strengthened governance,
 - A robust, independently validated CSP roadmap, providing a clear and credible basis for future configuration decisions.



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