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

Escalation Update – April 2026

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Targeted intervention: Strategy and Planning Committee

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Purpose

This report provides the Committee with an assessment of progress against the five targeted intervention criteria within itsremit. Each criterion is rated using the Alert, Advise, Assure framework to support the committee in discharging its assurance responsibilities.

Escalation history

- September 2022: escalated to targeted intervention for finance and planning
- January 2024: escalated to level 4 across all domains
- March 2025: de-escalated to level 3 for planned care, Child and Adolescent Mental Health Services (CAMHS), and leadership and governance
- July 2025: de-escalated to level 3 for cancer; level 1 for CAMHS
- December 2025: de-escalated to level 1 for leadership and governance
- February 2026: de-escalated to level 1 for cancer

Current status - we remain at level 4 for finance, strategy and planning, and performance and outcomes (Urgent and Emergency Care (UEC), Health Care Acquired Infections (HCAIs), fragile services), and level 3 for planned care.

Summary of criteria ratings

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Five criteria from the February 2026 Escalation Framework are aligned to this Committee. The ratings below reflect the latestevidence, including the Annual Plan submission, the Welsh Government (WG) scrutiny session (12 March 2026), the Planning Maturity Matrix feedback letter (19 January 2026), and the current position matrix against the 2026/27 planning cycle.

- **Criterion 5: Submission of an acceptable annual plan - ALERT**
- **Criterion 6: Evidence of integrated planning - ADVISE**
- **Criterion 7: Clear roadmap and implementation of the Clinical Services Plan - ASSURE**
- **Criterion 8: Welsh Government confidence via planning maturity matrix - ALERT**
- **Criterion 9: Progress with regional planning - ADVISE**

The 2026/27 Annual Plan was submitted to WG on 26 March 2026 as a deficit plan (£41.0m). Following the scrutiny session, WG was clear that a deficit plan cannot be supported and the financial position must not deteriorate. The corporate risk score for the annual plan (Risk 2212) has been assessed at 16, an increase from 12, reflecting the deterioration in the financial position.

Criterion 5: Submission of an acceptable annual plan
[ALERT]

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Assessment: ALERT

Plan submission

The 2026/27 Annual Plan was approved by the Board on 26 March 2026 and submitted to WG with an Accountable Officer notification, recognising a planned deficit of £41.0m (£27.9m excluding Welsh Risk Pool costs).

This represents a deterioration from the 2025/26 revised target control total outturn of £22.1m. The plan does not meet the financial trajectory expectations set out in the February 2026 Escalation Framework and will not deliver the statutory breakeven duty. A qualified regularity opinion is anticipated.

The corporate risk score for the annual plan (Risk 2212) has been increased from 12 to 16, reflecting the deterioration in the planned financial position.

Key financial context

- Underlying deficit: £58.4m
- Savings identified at the point of scrutiny: £17.6m against a £47m total requirement, leaving a £30m gap
- Of £28.9m non-recurrent savings in 2025/26, a significant proportion are one-off benefits not repeatable in 2026/27
- The plan assumes £42.8m total savings delivery in 2026/27
- Conditionally recurrent funding is at risk if breakeven is not achieved within the required timeframe

Criterion 5: Annual plan – WG scrutiny session
[ALERT]

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Welsh Government scrutiny session (12 March 2026)

The scrutiny session reviewed the Health Board's financial position and plan submission. The formal response letter from Samia Edmonds, dated 31 March 2026, set out the following position:

- WG cannot support or accept a deficit plan; the financial position must not deteriorate
- No additional funding is available; the Health Board must work within existing resources
- Savings governance processes need to be updated to accelerate delivery and improve confidence levels

Welsh Government required four specific actions:

- Deliver recurrent savings from 2025/26 into 2026/27
- Undertake a follow-up performance discussion with NHS Performance and Improvement (P&I)
- Strengthen the ambition and clarity of the plan
- WG to share its own assessment of enabling actions

CEO response (1 April 2026)

The CEO acknowledged that the plan does not meet WG expectations and that the Board itself is not satisfied with the financial position. The response confirmed the Health Board's immediate focus on financially de-risking through Q1 2026/27 and working towards the revised target control total of £22.1m.

Criterion 5: Annual plan – mitigating actions
[ALERT]

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Immediate priorities

- Financially de-risk the plan through Q1 2026/27 and clarify the trajectory to the revised target control total of £22.1m
- Undertake the follow-up performance discussion with NHS P&I as required by WG
- Convert non-recurrent savings to recurrent schemes wherever possible, recognising that £9.0m of 2025/26 savings were one-off benefits
- Accelerate savings governance to improve the confidence level of identified schemes and close the £30m gap

Assurance on planning quality

Internal Audit has independently validated the planning process in 2025/26: reasonable assurance for plan development and substantial assurance for planning governance. This provides confidence that the planning framework is sound, even where the financial outcome does not yet meet the required trajectory.

Key constraints

- Workforce recruitment lead times of six months or more limit the pace at which planned service changes can deliver financial benefit
- Capital estate constraints, particularly at Glangwili theatres, affect capacity-dependent savings
- Diagnostic funding remains subject to WG allocation decisions

The Q1 financial position and trajectory to the target control total will be the first substantive test of the plan's deliverability.

Criterion 6: Evidence of integrated planning
[ADVISE]

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Assessment: ADVISE

Current position

We have moved from fragmented, bid-driven planning towards a more integrated, risk-based and resource-constrained approach. Each Clinical Care Group and enabling function presents its three highest risks into the planning process, underpinned by data and narrative.

Evidence supporting Advise

- Planning workshops identified three cross-cutting clusters: Flow and Frailty; Cancer Diagnostics and Capacity; and UEC Configuration and Sustainability
- An integrated impact framework tracks quality, outcomes, performance, workforce and finance for each Clinical Care Group
- The refreshed AHMWW strategy and community schemes (Cardigan, Aberaeron, Pentre Awel, Carmarthen Hwb) are positioned as integrated enablers of flow and intermediate care
- Internal Audit confirmed triangulation of critical enablers aligned to Ministerial Priorities and targeted wider escalation actions
- Integrated Governance Groups meet fortnightly across all domains

Why not Assure

Some Clinical Care Groups are more advanced than others. Links between local authority partnership programmes and the core annual plan could be more systematic. The new planning model is still maturing.

Criterion 7: Clinical Services Plan roadmap and implementation [ASSURE]

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Assessment: ASSURE

Current position

The Clinical Services Plan (CSP) consultation was completed over 13.5 weeks, managed independently by Opinion Research Services (ORS), with more than 4,100 questionnaire responses alongside extensive public and staff engagement. The CSP is now being integrated with the AHMWW strategy refresh, community schemes and the Finance Roadmap.

Evidence supporting Assure

- Three-phase roadmap completed on schedule: clinical case (Phase 1), options (Phase 2), and public consultation (Phase 3)
- Independent quality assurance by Hugh Irwin and Company under the Enhanced Consultation Framework
- Rigorous hurdle criteria testing against clinical sustainability, deliverability, accessibility, strategic alignment and financial sustainability
- Granular workforce modelling for each service configuration including establishments, recruitment, training and rota sustainability
- Quality, Health, Equality and Regional impact assessments completed as live documents

Areas for continued focus

Travel and access mitigations, workforce deliverability of preferred configurations, and building public confidence. Board decisions and detailed implementation planning are the priority for 2026/27.

Criterion 8: Planning maturity matrix – WG feedback
[ALERT]

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Assessment: ALERT

WG feedback (19 January 2026)

WG commended the Health Board for approaching the self-assessment with commendable transparency and constructive self-critique. The submission demonstrated strong engagement and internal discussion, adding credibility to the scoring process.

However, two areas did not fully meet expectations:

- Evidence was limited, relying primarily on high-level bullet points rather than detailed examples or embedded documents. Reviewers drew on their own knowledge to provide feedback
- The submission did not include associated actions, which WG considers one of the most critical components of the process

WG agreed our self-assessed levels across all nine domains:

- Level 1: Strategy Development; Realistic and Deliverable
- Level 2: Strategy Alignment and Integrated Medium Term Plan (IMTP); Dynamic and Engaged Planning; Operational Planning; Best Practice Approach; Systems and Accountability; Measurable and Improving Performance; Assurance

WG also highlighted the need to strengthen planning capacity across the organisation, building on the findings of the Sally Attwood review, and to embed planning intentions within delivery teams. For the key consideration of operational delivery disconnect from planning intentions, WG encouraged the Health Board to reflect on ways to address this as part of its action plan development.

Criterion 8: Planning maturity matrix – current position
[ALERT]

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The 2026/27 planning round has tested our self-assessed position in practice

The planning architecture we have developed – the risk-based approach, integrated impact framework, and Clinical Care Group-based working - is sound in design. However, the 2026/27 cycle has exposed a gap between the architecture and our capacity to populate it consistently across theorganisation.

The domains most affected relate to operational execution and measurable delivery:

- Operational Planning and Realistic & Deliverable: consistent demand and capacity modelling and cost-impact testing at scale has not yet been evidenced; the plan's affordability and gap-closure pathway remain the highest material risk
- Systems & Accountability and Measurable & Improving Performance: validated trajectories and measurable indicators are not yet consistently in place across the system
- The pace and consistency of planning submissions during the 2026/27 cycle did not meet the standard required, and this will be a factor in WG's next assessment

Key mitigation

The proposal for planning capability and capacity is recognised as the critical enabler. Building on the Sally Attwood review, this is intended to close the gap between planning design and delivery by strengthening capacity within Clinical Care Groups and enabling functions. Until additional capability is in place, the ability to consistently demonstrate measurable improvement across all domains remains constrained.

The next formal PMM assessment, following the annual plan submission, will provide the definitive position for 2026/27.

Criterion 9: Progress with regional planning
[ADVISE]

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Assessment: ADVISE

Current position

Formal regional governance is in place through the Regional Joint Committee and thematic sub-groups covering urgent and emergency care, stroke, orthopaedics, diagnostics and other shared priorities. Furthermore, work continues to be progressed in mid Wales through the Mid Wales Joint Health and Social Care Committee. A detailed update was provided to the February 2026 Strategy and Planning Committee.

Progress by service

- Orthopaedics: both health boards achieved the 104-week ministerial target; regional Standard Operating Procedure (SOPs) for arthroplasty implemented; 50 longest-waiting Swansea Bay University Health Board (SBUHB) patients treated at Prince Philip Hospital
- Ophthalmology: region broadly maintaining compliance; four subspecialty charters approved; single service model design underway
- Stroke: Regional Programme Board re-established; baseline pathway mapping and demand modelling complete; video triage pilots operational
- Urology and Upper Gastrointestinal (GI): included within CSP consultation; no dedicated regional workstream yet established

Why not Assure

A single consolidated view of regional programmes, milestones, risks and their links to the Annual Plan, Finance Roadmap and CSP is not yet in place. More systematic documentation and Board-level visibility are needed.

Conclusion and recommendations to the Committee

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The Committee is asked to:

Note

- The overall position across the five criteria: two at Alert (annual plan and planning maturity), two at Advise (integrated planning and regional planning), and one at Assure (Clinical Services Plan)
- The WG scrutiny session letter of 31 March 2026, which confirmed that a deficit plan cannot be supported and that the financial position must not deteriorate
- The corporate risk score for the annual plan (Risk 2212) has increased from 12 to 16, reflecting the deterioration in the planned financial position
- The current position matrix against the Planning Maturity Matrix shows four of nine domains at RED, indicating that planning maturity progress has not yet translated into consistent organisational delivery

Advise

- The Health Board will undertake a financial de-risking exercise and trajectory to the £22.1m target control total in Q1 that will be presented to the appropriate committees and Board at the earliest opportunity

Be assured

- That the Clinical Services Plan process and roadmap (Criterion 7) demonstrates mature programme management and organisational readiness for complex transformation
- That the assessment methodology is evidence-based, drawing directly on WG correspondence, the Annual Plan, the Planning Maturity Matrix self-assessment, and the current position matrix