

**PWYLLGOR ADNODDAU CYNALIADWY  
SUSTAINABLE RESOURCES COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 October 2024
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Targeted Intervention Progress Update
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies – Director of Strategy and Planning
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Shaun Ayres – Programme Director Targeted Intervention

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

Hywel Dda University Health Board (HDdUHB) was placed in Targeted Intervention in January 2024 due to significant challenges which included finances. Following the Targeted Intervention meeting in September 2024, the Health Board's financial position remains a serious concern. The current financial forecast for 2024/25 projects a deficit of £64.2m, which is just £200k above the £64m target set out in the 2024/25 Annual Plan.

To date, the Health Board has delivered £29.1m in savings, considered to be an exceptional achievement and unprecedented in the Health Board's history. Nearly £20m of these savings are recurrent, which is a significant step towards long-term financial sustainability.

This level of savings demonstrates the hard work and commitment of the teams across the organisation. However, despite this progress, a shortfall of £3.3m in savings remains and there is a need to ensure the residual non-recurrent savings are converted to recurrent where possible. Finally, it is critical that the £3.3m of savings be delivered, ideally on a recurrent basis, to ensure the financial position going into the 2025/26 financial year is more stable

Service discussions, to reduce the level of fragility and to optimise delivery within the resources available, are ongoing. This approach is aimed at driving financial sustainability whilst optimising patient care. The Targeted Intervention Progress Update is provided as **Appendix 1**.

**Cefndir / Background**

The Welsh Government (WG) letter, dated 3 October 2024, **Appendix 2**, outlined key expectations for HDdUHB to strengthen its financial position:

1. **Delivering the full savings target** - While £29.1m in savings has been delivered, the remaining £3.3m must be achieved to reduce the forecast deficit further. Welsh Government's expectation is for the Health Board to push as far as possible in reducing the deficit, with a focus on securing recurrent savings.

2. **Securing recurrent savings** - Achieving recurrent savings is essential to stabilising the financial position for 2025/26 and meeting the £44.8m control total by March 2026. WG also expects a clear route map to this control total to be presented ahead of the January 2025 meeting.
3. **Service Proposals** - To optimise resources, including to reduce service fragility, are essential to maintain and deliver safe, sustainable services, which have a financial consequence. These must be underpinned by quality impact assessments to safeguard patient care and ensure the changes contribute meaningfully to reducing the deficit.

The Health Board's financial outlook remains challenging over the next few years, but the £29m in savings achieved this year provides a strong foundation for continued progress. Achieving the remaining £3.3m in savings, especially on a recurrent basis, will be crucial to securing financial stability and preparing for the 2025/26 financial year. Finally, the early commencement of the planning cycle will also support and build on the foundation laid in 24/25, ensuring that the Health Board uses their successes as an on-going catalyst for sustainable services.

### Asesiad / Assessment

The Health Board has demonstrated significant progress in addressing its financial challenges, as evidenced by the current £64.2m forecast against the £64m Annual Plan deficit target, with the current forecast deviating by only £200k. This achievement can be attributed to the effective implementation of short-term financial management and cost control measures. However, the Health Board still faces considerable challenges in ensuring long-term financial sustainability while maintaining high-quality services for its population.

### **Recurrent Savings and Unidentified Savings**

One of the primary concerns is the recurrent nature of the savings identified. With £19m of the £29.1m of savings being recurrent (which is no easy feat), this means HDdUHB is confronted with a substantial gap that is likely to exert additional pressures in the 2025-26 financial year, as there is a shortfall of £13.4m recurrently. Moreover, the total savings requirement of £32.4m still has £3.3m of unidentified savings, which poses a risk to the complete delivery of the financial plan, conversely, if the residual £3.3m of unidentified savings can be identified recurrently, this offers an opportunity to reduce the impact of the £13.4m ahead of 2025/26. This highlights the need for on-going and sustainable approaches to savings identification and the importance of converting non-recurrent savings into recurrent ones.

### **Variable Pay Reductions**

HDdUHB has achieved exceptional reductions in variable pay, particularly in agency costs:

- Nursing agency expenditure has decreased by 58%, from 375 WTE in March 2023 to 158 WTE in August 2024, with monthly expenditure dropping from approximately £3m to below £1m. Further reductions are anticipated with the deployment of Newly Registered Nurses in September 2024. Plans are in place to eliminate all planned usage of agency nursing in Carmarthenshire, Pembrokeshire and Mental Health Services from 1st November, with Ceredigion removing agency from 1 March 2025.

- Medical agency usage has reduced from 45 agency doctors to 16, with plans to further reduce to 4 individuals, and the exiting of a high-cost ophthalmology locum.
- Enhanced Financial Control Group controls on recruitment have led to increased vacancies in Admin and Clerical, contributing to a £1.1m underspend to date.
- The Health Board is targeting zero agency use for Allied Health Professionals and Health Scientists by 1 November 2024, with potential savings of £10k per month.

While these reductions in variable pay are commendable, it is crucial to recognise that these areas will not be available for further substantial savings in the following financial year (2025/26) presenting a new challenge for future financial planning. This diminishing opportunity in variable pay reduction will necessitate more challenging conversations and decisions to balance the need to deliver the £44.8m control total against maintaining performance across directorates.

### **Financial Pressure Areas and Directorate Variances**

Key areas of financial pressure include:

- Drug cost pressures, especially in oncology where price per patient has increased by 13.7% in-month
- Commissioned healthcare service overspends

Equally, a number of directorates are showing significant variances:

- Unscheduled Care Glangwili Hospital (GGH): £1.1m overspend forecast, driven by drug costs and additional clinical services staff
- Unscheduled Care Withybush Hospital (WGH): £0.9m overspend forecast, largely due to under-delivery of savings and high-cost drugs
- Primary Care: £3.1m underspend forecast, mainly due to dental contract underspends

### **Operational Changes and Service Fragility**

It is important to note that operational changes, such as the temporary closure of the Paediatric Ambulatory Care Unit (PACU) on Angharad Ward at Bronglais Hospital (BGH) and the overnight closure of the Minor Injuries Unit (MIU) at Prince Philip Hospital (PPH), are primarily driven by service fragility and staffing challenges, albeit with financial consequences. The Health Board must navigate the delicate balance between achieving financial targets, maintaining high-quality services, and managing the public's concerns regarding these operational changes.

### **Board-Approved Actions and Intensive Therapy Unit (ITU) Bed Configurations**

The Board has agreed on specific actions to deliver £4.2m in savings, including service provision where there is service fragility and various variable pay reduction initiatives across directorates. However, it is crucial to emphasise that many operational changes are linked to fragility and the inability to sustain staffing levels, rather than being purely cost-saving measures in the traditional sense. The plan for ITU bed configuration has been adjusted to close two ITU beds and implement tighter grip and control around variable expenditure ensuring the £100k cost saving is achieved in line with the revised Critical Care plan.

### **Planning and Targeted Intervention**

The Health Board is taking a proactive approach to planning for 2025-26, starting with a series of four scheduled workshops, with the first workshop arranged for 10 October 2024 and with the possibility of adding a fifth. These workshops are designed to produce clear, actionable outputs, ensuring that the plan is co-produced and co-designed by all teams and directorates. This collective approach, informed by the learning from the Targeted Intervention process, has proven more effective in driving results when all areas come together to contribute.

The early commencement of planning is critical to aligning financial sustainability with service delivery, particularly as opportunities for savings from variable pay reduce. The workshops will focus on aligning financial, operational, and workforce plans to ensure we meet the £44.8m control total and how we integrate the Clinical Services Plan. Additionally, they will address performance improvements, workforce development, and where appropriate service redesign, all while preparing for potential challenges like winter pressures.

By the end of these workshops, we aim to have a clear, staged roadmap for achieving our financial targets, ensuring that the plan is realistic, robust, and aligned with Welsh Government expectations. This collaborative planning process is expected to deliver better outcomes, drive efficiency improvements, and set a firm foundation for the Health Board's financial and operational success in 2025-26.

### Conclusion

HDdUHB has made significant strides in addressing its financial challenges, but the path to long-term sustainability remains complex. The Health Board must focus on converting non-recurrent savings into recurrent ones, identifying new areas for efficiency and savings given the reduced opportunities in variable pay reduction, and managing the public's concerns regarding operational changes driven by service fragility.

### Argymhelliad / Recommendation

The Sustainable Resources Committee is asked to:

- **ACKNOWLEDGE** and **ENDORSE** the significant progress made in achieving £29.1m in savings, recognising this as an unprecedented milestone for the Health Board.
- **RECOGNISE** that the £13.3m of financial risk posed by the non-recurrent nature of a portion of these savings, necessitating continued efforts to identify recurrent opportunities.
- **SUPPORT** and **ENDORSE** the early commencement of the planning cycle, which is focused on ensuring next year's plans are fully identified and aligned with financial sustainability, aiding in the triangulation of financial, operational, and workforce planning.
- **ACKNOWLEDGE** the gravity of the letter from Welsh Government dated 3 October 2024, outlining key expectations for securing further financial improvements, including a roadmap to achieve the £44.8m control total by March 2026.

### Amcanion: (rhaid cwblhau)

### Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.1	Receive assurance on delivery against the five areas of targeted intervention, and the required elements for de-escalation, related to finance (see Appendix 1 for information):
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	<ul style="list-style-type: none"> <li>i. Financial governance and control environment</li> <li>ii. Understanding the existing deficit and key drivers</li> <li>iii. Development and realisation of opportunities</li> <li>iv. Clear financial plan and strategy</li> <li>v. Delivery of Plan</li> </ul> <p>2.2 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning of potential performance issues, making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on the financial impact of in-year and medium-long term plans, impact of financial issues on service delivery, quality and patient experience, specific issues where financial performance is showing deterioration or there are areas of concern.</p> <p>2.4 To receive an assurance on delivery against all relevant Planning Objectives aligned to the Committee, falling in the main under Strategic Objective 6 Sustainable Use of Resources (See Appendix 2), in accordance with the Board approved timescales, as set out in the Health Board's Annual Plan.</p>
<p>Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:</p>	<p>Provide support to the Board in its role of scrutinising performance and assurance on overall performance and delivery against Health Board plans and objectives, including delivery of key targets, giving early warning on potential performance issues and making recommendations for action to continuously improve the performance of the organisation and, as required, focus in detail on specific issues where performance is showing deterioration or there are issues of concern.</p>
<p>Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a></p>	<p>7. All apply</p>
<p>Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a></p>	<p>6. All Apply</p>
<p>Amcanion Strategol y BIP: UHB Strategic Objectives:</p>	<p>All Strategic Objectives are applicable</p>

Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	2. Develop a skilled and flexible workforce to meet the changing needs of the modern NHS

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Contained in the attached Targeted Intervention Framework – Appendix 1
Rhestr Termau: Glossary of Terms:	Explanation of terms is included within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Not Applicable

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Any financial impacts and considerations are identified in the report and Appendices
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Any Quality and Patient Impact risks are identified in the report and Appendices
<b>Gweithlu: Workforce:</b>	Any issues and risks are identified in the report and Appendices
<b>Risg: Risk:</b>	Any issues and risks are identified in the report and Appendices

<b>Cyfreithiol: Legal:</b>	Any issues are identified in the report
<b>Enw Da: Reputational:</b>	Any issues are identified in the report
<b>Gyfrinachedd: Privacy:</b>	Any issues are identified in the report
<b>Cydraddoldeb: Equality:</b>	Any issues are identified in the report



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2. Performance  
and  
outcomes

6. Quality of  
care

**Escalation  
Domains**

3. Fragile  
services

5. Leadership,  
capability  
and culture

4. Governance

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Targeted Intervention Progress Report SRC- October 2024

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## Key Areas of Progress

- New governance and working arrangements established for executive team
- Reduction in reliance on agency staff and hospital beds
- Improvements in financial position and savings assurance
- Development of detailed action plans following independent planning reviews
- Progress in some aspects of healthcare acquired infections
- Improvements in RTT, diagnostics, and mental health targets
- Positive steps in ambulance handover performance at Withybush General Hospital

## Areas of Concern

- Financial position remains unsupportable
- Cancer performance needs improvement
- Urgent and emergency care continues to be a significant challenge
- Staff survey findings indicate poor levels of morale
- Complaints rate highest per thousand population in Wales
- C. Diff infections remain challenging
- Lower than expected promotion rate for overseas nurses who qualified in UK



## Key Actions and Expectations

1. Health board to provide timeline for achieving target control
2. Welsh Government to forward complaints data as part of performance pack
3. Health board to share national reported incidents data
4. Expectation to see improved performance in cancer, planned care, urgent and emergency care, and healthcare acquired infections
5. Clear route map to financial balance required
6. Quality impact assessments to be undertaken before any service changes

## Notable Discussions

- Potential controversial service changes being considered
- Progress on clinical services plan and consultation requirements
- Ongoing recruitment for Chief Executive and other senior posts
- Developments in regional solutions for cataracts and orthopaedics
- Establishment of CDI improvement group with Medical Director leading antimicrobial stewardship
- Workshops planned to improve complaints handling process
- Fragile services discussion, including emergency general services and GP practices



## **Financial Targets**

- Committed to achieving control target of £44.8 million by March 2026
- Current year's planned deficit: £64 million
- Assured savings to date: £28 million
- Additional savings required: £4 million

## **Overall Assessment**

Some progress noted, but significant challenges remain in financial position, performance improvements, and staff morale. Continued focus on targeted intervention areas is crucial. The health board needs to balance necessary service changes with maintaining service standards and patient care.

# Annual Plan 25/26 - Workshop Outputs and Process



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## Engagement and Collaboration

- Approximately 35 senior leaders from Operational and Corporate Teams participated.
- Strong emphasis on co-production, ensuring the Plan is an organisational product.

## Key Discussions

- Financial Roadmap - Greater clarity needed on significant financial changes and smaller-scale efficiencies.
- Performance Impact - Strategies to ensure performance remains unaffected.
- Building on Current Year - Continuity of initiatives, allowing sufficient time for workforce planning and Quality Impact Assessments (QIAs).
- Strategic Alignment - Ensuring planning aligns with the overall organisational strategy.
- Support Services Inclusion - Need to formally include services such as Health Records and Medical Secretaries to avoid unintended impacts.
- Regional Collaboration - Continued focus on collaboration between Health Boards and regional partnerships.

## Priority Areas Identified

- Teams broke into groups to identify priorities, focusing on how they support performance, TI de-escalation, and financial objectives.
- Thematic analysis of these outputs is currently underway.

## Next Steps

- A follow-up meeting on 15th October to review outcomes.
- Outputs from the workshop will feed into the next full workshop on 11th November.



## Overview of Planning Approach

### Introduction of Planning Coordination Group

- A newly formed, action-oriented Planning Coordination Group to ensure effective coordination across strategic areas.
- Representation from key directorates - Operations, Planning, Finance, Workforce, Quality and Safety, Governance, Medical, and Performance.
- Group size limited to 10-12 members (ideally) for efficiency and effectiveness (this is a co-ordination group).
- Responsible for ensuring each component of the plan is accounted for and addressing any gaps.

### Key Functions

- Executive Focus- Business Executive meetings will conduct fortnightly deep-dives into strategic areas, setting the overall planning goals and agreeing on deliverables.
- Workshops and Planning Sessions - Monthly workshops to foster cross-team collaboration, with direct executive oversight for strategic alignment.
- Focused Plan Development - Methodical approach to develop the plan, ensuring all components are integrated with a focus on outcomes, deliverables, and trajectories.



## Effective Planning Principles and Roles

### Roles and Responsibilities

- Planning Coordination Group - Supports operational aspects, oversees plan development, and cascades information to respective teams.
- Business Executive Meetings - Equivalent to Board seminars, setting key planning objectives, SMART deliverables, and resource needs.
- Executive Team Seminars - Sessions led by relevant executives to produce visually appealing, outcomes-focused information that reduces duplication.

### Core Benefits

- Strategic Alignment - Ensures cohesion between executive vision and operational planning.
- Timely Delivery - Regular touchpoints and small focused teams facilitate timely action and problem-solving.
- Stakeholder Engagement: Representation from each major directorate (clinical and managerial) ensures co-production and integration of perspectives.

### Next Steps

- Priority Setting and Coordination - Members are tasked with identifying priority areas, ensuring alignment with overall strategic and operational goals, including, addressing information gaps through direct cross-team collaboration.
- Workshops and Feedback Loop - Continue monthly workshops, follow-up meeting on 15th October (small group) and next full workshop on 11th November to refine and finalise planning components.



## Update on Additional Measures to Control Variable Spend from 1st November

As part of our ongoing efforts to control variable spend, the following measures will be implemented across all directorates and professional areas starting from the 1st of November:

- 1. Prioritisation of Internal Staff Over Agency** - From the 1st of November, we will be prioritising the use of bank staff and additional hours for substantive employees. Overtime will only be authorised when absolutely necessary, and agency staff will be a last resort, requiring higher-level approval. This approach will help ensure that we are maximising our existing workforce and controlling costs effectively.
- 2. Discontinuation of HCSW Agency Usage** - In line with our cost-saving measures, the use of agency Health Care Support Workers (HCSW) will no longer be supported after the 1st of November. All staffing gaps will be covered by internal staff, with additional hours and overtime being used where required.
- 3. Strengthened Authorisation Process** - The booking of additional hours, overtime, and agency shifts will follow a strict escalation process. Senior nurse managers or heads of service will need to sign off on all agency requests, ensuring that internal options have been fully explored before committing to external solutions. This will provide more robust control over workforce spend.
- 4. Risk-Assessed Enhanced Patient Support** - Any requests for enhanced patient support staffing must go through a thorough risk assessment, ensuring that internal staff rotations are considered first. Additional staffing will only be authorised if the need is critical, and regular monitoring will help ensure that we are deploying resources appropriately.
- 5. Ongoing Monitoring and Documentation** - We will be conducting regular spot audits and reviewing staffing plans to ensure that the process remains effective. All requests for additional staffing must be documented, and decisions will be reviewed periodically to ensure alignment with our financial objectives.

These measures will significantly help us reduce reliance on agency workers and better manage variable spend while maintaining patient safety and staff wellbeing. We will continue to review these measures with our trade union colleagues to ensure they remain effective.



The revised structure for the Targeted Intervention (TI) pack focuses on achieving a more streamlined and impactful approach to managing the alerts that are critical for driving progress towards de-escalation. Currently, the TI pack contains a large number of alerts and actions, which has diluted focus on key areas where more imminent action is required. This new approach aims to shift towards a systemic review of the key priorities, particularly those flagged by Welsh Government, to ensure we are better positioned to meet their expectations and demonstrate progress.

## Focus on Six Core Alerts

The revised alerts system will focus on six key alerts that have been identified as priority areas where more immediate action is necessary. These alerts have been selected based on feedback from Welsh Government, as well as their alignment with our strategic objectives for de-escalation. The logic behind this refined focus is to ensure that:

1. **Clarity and Confidence** - We have a clear understanding and assurance around the actions that need to be taken, allowing us to build confidence internally and externally.
2. **Actionable Focus** - We are concentrating efforts on delivering tangible outcomes in the short term, particularly on areas that will drive de-escalation when we next meet Welsh Government in January.
3. **Reduced Complexity** - By reducing the number of competing alerts, we avoid the risk of losing focus in the wider complexities of the full TI pack, allowing us to concentrate on the areas that will have the biggest impact.

## Rationale Behind the Focus

The rationale for narrowing the focus to these six alerts is that the broader TI framework is aimed at supporting de-escalation. While we recognise the systemic challenges and complexities that exist, these six areas are critical “big-ticket” items that require urgent and coordinated action. Importantly, we are not disagreeing with the broader set of actions required, but rather ensuring that our focus remains aligned with Welsh Government’s priorities.



Our approach is designed to be collaborative and proactive. We are not aiming to create a hierarchical relationship between us and Welsh Government but instead to ensure that we are presenting clear, actionable steps that demonstrate meaningful progress. This will give Welsh Government the confidence that we are working towards de-escalation in a structured and measurable way.

## Ensuring Assurance and Focus

In this revised structure, each of the six core alerts will be reviewed systemically to ensure we are confident in the complexity of the actions required. The focus will be on ensuring:

1. Ownership and Accountability - Each alert will have a designated lead and clear action points to ensure accountability. Progress will be reviewed regularly, and issues escalated where necessary.
2. Clear Milestones - We will set specific milestones for each alert to ensure progress is being made, with regular updates to provide assurance that actions are on track.
3. Integration with Broader TI Framework - While the focus is on these six alerts, we will continue to monitor and address the wider TI framework to ensure that longer-term and systemic issues are still captured, without allowing them to overshadow the immediate priorities.

## Systemic Review and Delivery Focus

The revised alert system will drive a more systemic review of progress on the key areas, ensuring that we are continuously aligning our actions with the goal of de-escalation. By focusing on these six alerts and providing clear, detailed updates on progress, we will be well-positioned to demonstrate our commitment to delivering on Welsh Government's feedback.

Ultimately, this approach will give us the clarity and confidence needed to drive towards delivery in a coordinated and focused way. The next few months leading up to the January meeting with Welsh Government will be critical in ensuring that we maintain momentum, avoid distraction from broader complexities, and achieve meaningful progress towards de-escalation.

# Alerts and Advise aligned to Welsh Government Feedback



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Number	Concern	Action	Reporting Group	Committee	Status	Lead	Actions to be Taken	Action Completion Date
1	Urgent and Emergency Care (UEC)	Apply learning from Withybush to improve GGH's ambulance handovers and UEC performance	IQFPD	SDODC	Alert	Chief Operating Officer	<ol style="list-style-type: none"> <li>1. Develop a plan to replicate Withybush model.</li> <li>2. Track UEC performance.</li> <li>3. Monthly reporting to TI pack.</li> </ol>	
2	Fragile Services (Critical Care & Service Configuration)	Conduct QIA and develop action plans for critical care optimisation and service configuration decisions	IQFPD/AHMWW	SDODC	Alert	Director of Planning	<ol style="list-style-type: none"> <li>1. Complete QIA/EQIA for all service changes.</li> <li>2. Continue to highlight and report on fragile services to the Board.</li> <li>3. Monitor monthly through Directorate Escalation Meetings - through agreed baselines and metrics</li> </ol>	
3	Cancer Performance	Develop and implement a revised detailed action plan to improve cancer performance	IQFPD	SDODC	Alert	Chief Operating Officer	<ol style="list-style-type: none"> <li>1. Review and amended as appropriate the current interventions to meet cancer targets.</li> <li>2. Review performance bi-weekly.</li> <li>3. Update Welsh Government on the progress via IQPD and Targeted Intervention</li> </ol>	

# Alerts and Advise aligned to Welsh Government Feedback



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Number	Concern	Action	Reporting Group	Committee	Status	Lead	Actions to be Taken	Action Completion Date
4	Financial Roadmap	Submit a clear timeline for achieving the £44.8 million control target	Value and Sustainability	SRC	Alert	Director of Finance	1. Develop financial roadmap, as part of the Annual Planning Process for 25/26	
							2. Present timeline to November Board.	
							3. Provide final update to Welsh Government in January 25.	
5	Complaints Handling	Implement workshops and meet 70% closure rate target for complaints	IQFPD	QSEC	Alert	Director of Quality	1. Schedule workshops with key stakeholders.	
							2. Track complaints closure progress.	
							3. Report bi-monthly.	
6	Healthcare-Acquired Infections (HCAIs)	Improve CDI rates and implement CDI improvement strategies	IQFPD	QSEC	Alert	Director of Quality	1. A review of the IPC priorities is underway and recommendations will feed into the CDI group	
							2. Monitor CDI rates monthly.	
							3. Submit bi-monthly progress reports to QSEC.	

# Alerts and Advise aligned to Welsh Government Feedback



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Number	Concern	Action	Reporting Group	Committee	Status	Lead	Actions to be Taken	Action Completion Date
7	Staff Morale and Leadership	Implement action plan based on staff survey and leadership development	Value and Sustainability	PODC	Advise	Deputy Chief Executive & Director of Workforce	<ol style="list-style-type: none"> <li>1. Implement leadership development programme.</li> <li>2. Monitor staff morale improvement.</li> <li>3. Report quarterly on staff survey outcomes.</li> </ol>	
8	Clinical Services Plan Phase 2	Submit clinical services plan and engage stakeholders for Phase 2	AHMWW	SDODC	Advise	Director of Strategy and Planning	<ol style="list-style-type: none"> <li>1. Submit Phase 2 plan to November Board.</li> <li>2. Begin stakeholder engagement.</li> <li>3. Provide updates through the Healthier Mid and West Wales strategy.</li> </ol>	



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Approach to TI and revised arrangements

# Definitions



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Assurance Level	
Assurance Level: High = Assure	<ul style="list-style-type: none"><li>• There is strong evidence that the criteria are being met or exceeded.</li><li>• Actions are robust and effectively addressing the issue.</li><li>• No significant concerns exist, and performance is consistently on target.</li></ul>
Assurance Level: Moderate = Advise	<ul style="list-style-type: none"><li>• There is partial evidence that the criteria are being met.</li><li>• Actions are in place but require close monitoring and additional efforts.</li></ul>
Assurance Level: Low = Alert	<ul style="list-style-type: none"><li>• There is little or no evidence that the criteria are being met.</li><li>• Actions are insufficient or not effectively addressing the issue.</li><li>• Significant concerns exist, and there is a high risk of not meeting targets.</li></ul>

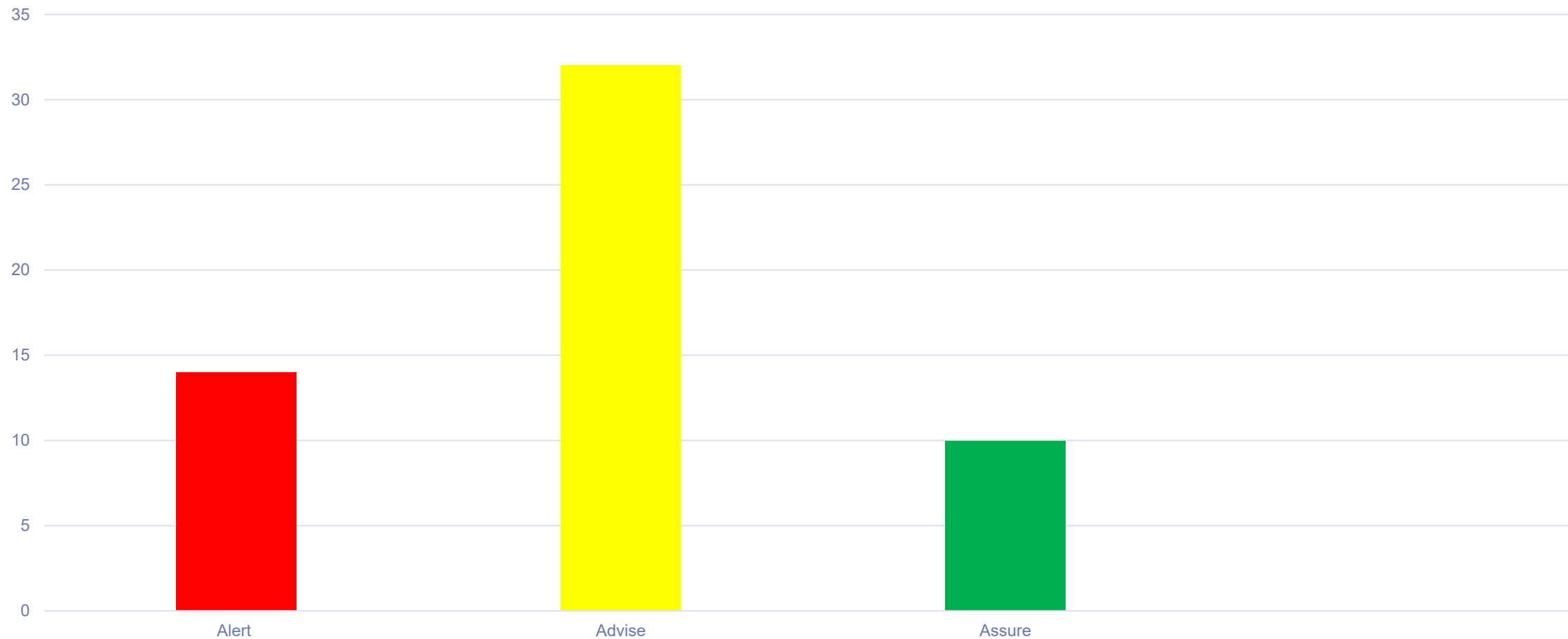
# TI progress July 2024



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Current Status of the 56 De-escalation Criteria



# TI responsibilities



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Action	Lead	Committee	RAG Status	Comments
1 Appoint an SRO(s) for the overall escalation and each domain if considered necessary and appropriate project leads.	CEO	ARAC	Assure	Complete - Director of Strategy and Planning appointed as SRO
2 Have board ownership and oversight with a clear governance structure, ensure that the Board is appraised of the escalation plan and evidence regular progress updates to the Board on progress against de-escalation criteria.	SRO	ARAC	Assure	The de-escalation criteria is clearly set out and aligned to leads and committees. All current alerts have clear actions and/or plans
3 Agree the Targeted Intervention plan(s) and commit sufficient resources to ensure that the plan deliverables are achieved.	CEO	ARAC	Advise	Some not all resources have yet been identified
4 Provide monthly progress reports and evidence against the escalation plan to Welsh Government/NHS Wales Executive as required.	SRO	ARAC	Assure	Yes, this TI Framework is a live document and is updated daily/weekly/monthly and then shared as required.
5 Strengthen the formal review mechanisms to support urgency in delivering confidence and improvement to the overall position.	DOF	ARAC	Assure	



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board



1. Finance,  
strategy  
and  
planning

2. Performance  
and  
outcomes

6. Quality of  
care

Escalation  
Domains

3. Fragile  
services

5. Leadership,  
capability  
and culture

4. Governance

## Domain 1: Finance, strategy and planning

# Domain 1: Finance, Planning and Strategy



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University Health Board

Criteria	Reporting Group	Committee	Status	Comments
1 The health board must demonstrate that there are robust financial governance and robust financial control environment in place with risks minimised.	Value and Sustainability	SRC	Advise	Additional measures introduced.
2 Substantial progress to be made in delivering the targeted intervention action plan including actions to improve the organisation's understanding of the existing deficit and key drivers and development and realisation of opportunities.	Value and Sustainability	SRC	Advise	Further work undertaken on the opportunities to underpin the financial route map but continues to be raised as a concern by WG.
3 Annual plan developed with board approval demonstrating a substantial financial improvement trajectory to deliver as a minimum the target control total.	Value and Sustainability	SRC	Alert	Annual plan does not deliver the control total.
4 Submission of an acceptable annual plan in line with the current planning framework.	TI coordination group	SDODC	Alert	Annual plan remains unacceptable.
5 Evidence of integrated planning across the organisation which supports the development of a coherent and deliverable annual plan.	TI coordination group	SDODC	Advise	This remains on-going and through the annual plan and TI workshop, the integrated planning process will be enhanced
6 Board clarity on the strategic vision for the organisation.	AHMWW	SDODC	Advise	Agreed strategy in place, AHMWW, however PBC not yet endorsed by WG and therefore strategic plan remains uncertain.

# Domain 1: Finance, Planning and Strategy

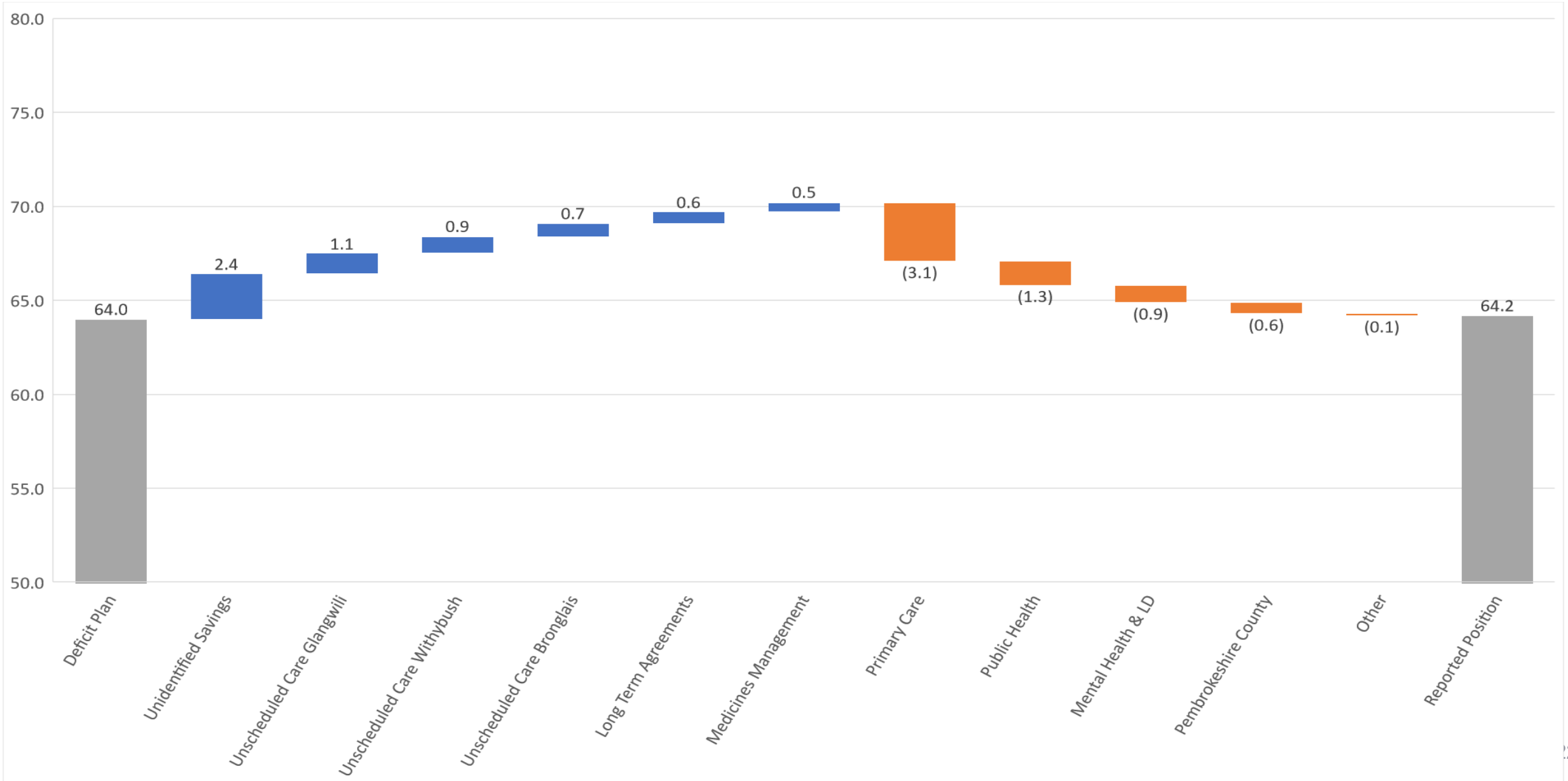


GIG  
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NHS  
WALES

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Hywel Dda  
University Health Board

Criteria	Reporting Group	Committee	Status	Comments
7 Evidence of a clear roadmap and implementation of the health board's Clinical Services Plan.	AHMWW	SDODC	Advise	Work on the CSP is progressing but remains in development phase.
8 Delivery of commitments set out within the annual plan, particularly in relation to the ministerial priorities.	IQFPD	SDODC	Alert	Currently significant challenges in Urgent and Emergency Care, Cancer and Diagnostics. Orthopaedics remains an outlier to achieving stage 104 week waits.
9 Significant progress on a clinical services plan.	AHMWW	SDODC	Advise	Work on the CSP is progressing but remains in development phase.
10 Sustained improvements in delivery of the plan throughout the year.	IQFPD	SDODC	Advise	There are several improvements, however the status may need to be reviewed in September 2024.
11 Welsh Government's confidence in delivery based on an assessment against the planning maturity matrix and planning quadrant.	TI coordination group	SDODC	Advise	Our position has shown improvement; however, this is finely poised and may require revision in September 2024
12 Establishment of a Joint Committee with Swansea Bay UHB and demonstrate improved regional collaboration where required to ensure continued safety, quality and ongoing viability and sustainability of regional services; including orthopaedics and ophthalmology.	Executive team	BOARD	Advise	The joint committee is currently being established with the relevant executives meeting to discuss both the sustainability and prioritisation of services.

# End of Year: Key Directorates (£'m)



# Savings Plans and Delivery Performance



**Annual Plan Requirement**  
**£32.4m**



**In-Year Delivery**  
**£29.1m**



**In-Year Shortfall**  
**£3.3m**

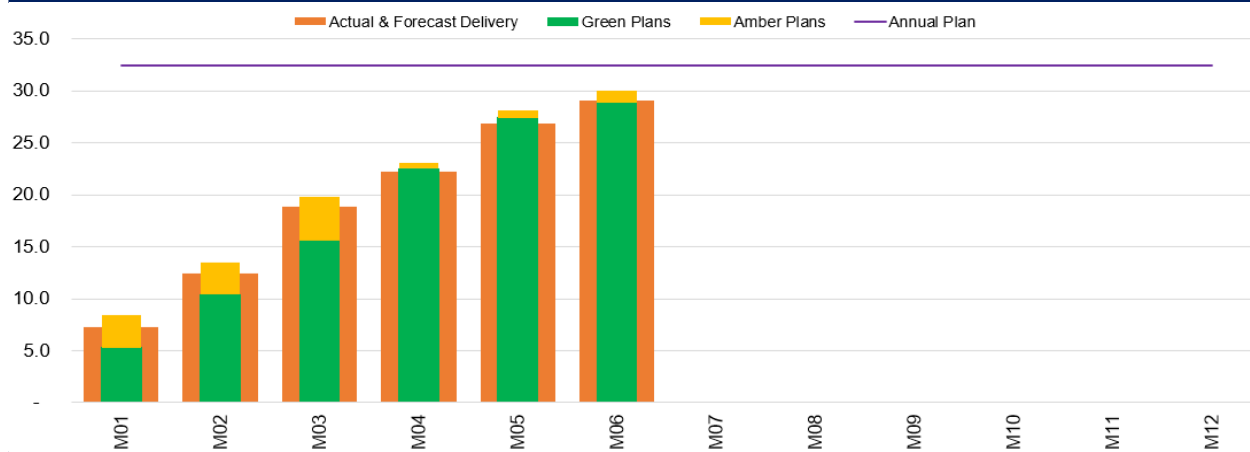


**Recurrent Delivery**  
**£19.0m**

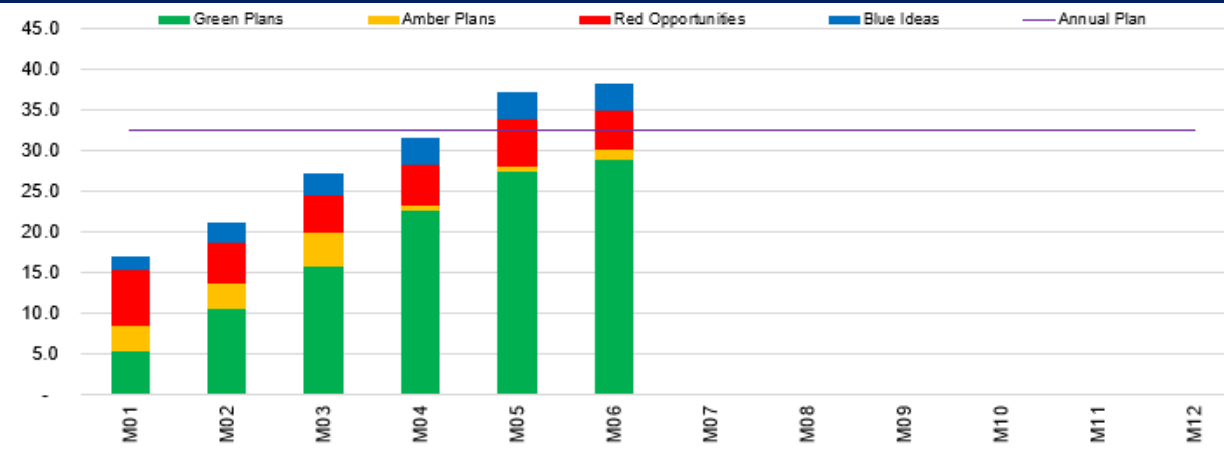


**Recurrent Shortfall**  
**£13.4m**

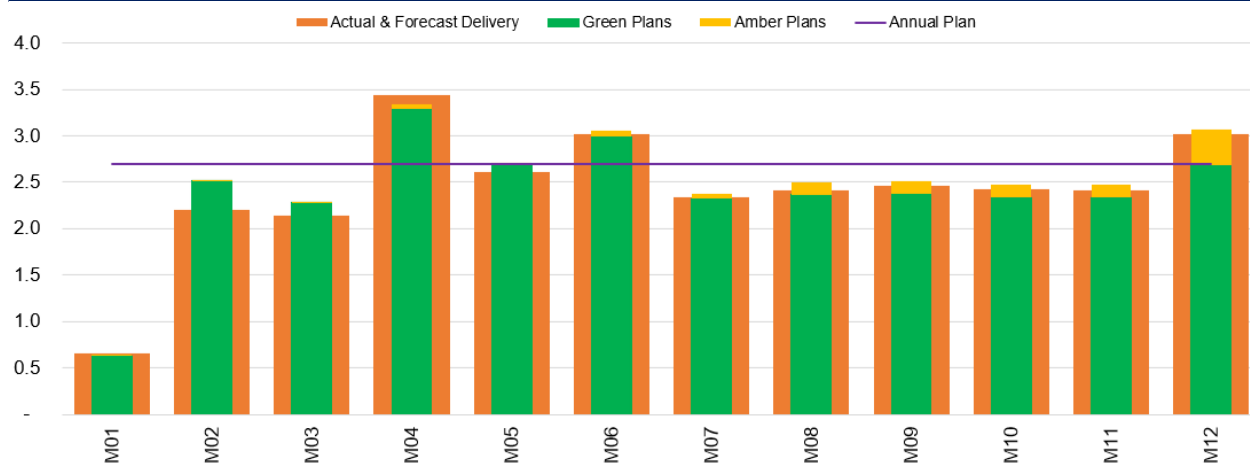
**Monthly Trend of Annual In-Year Risk-Assessed Savings Delivery (£'m)**



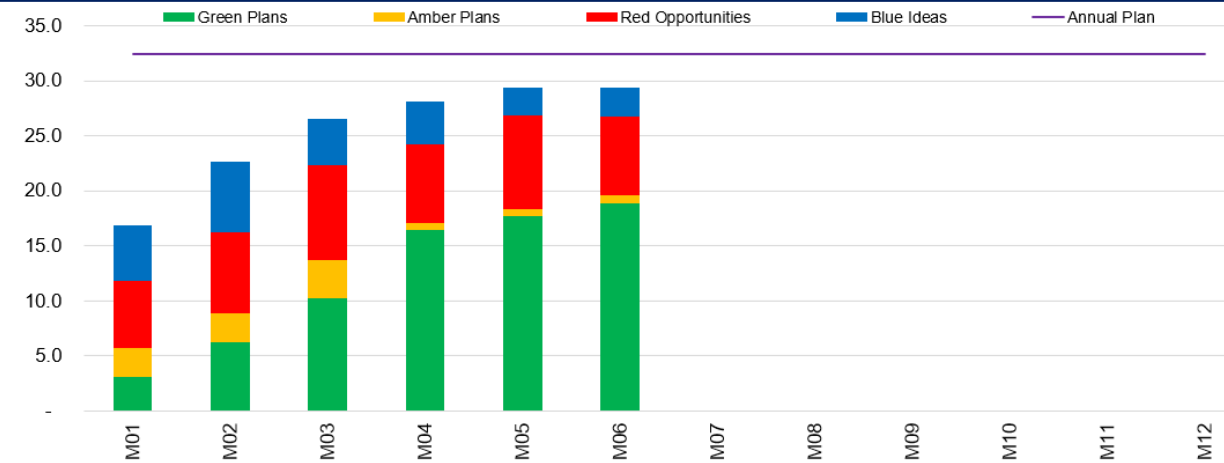
**Monthly Trend of Annual In-Year Opportunity, Pipeline & Savings Plans (£'m)**



**Monthly Profiled Risk-Assessed Savings Delivery (£'m)**



**Monthly Trend of Annual Recurrent Opportunity, Pipeline & Savings Plans (£'m)**



# End of Year: Savings Identification and Delivery Summary

Saving Identification	£'m	Comments
Savings Target	32.4	As per Annual Plan
Underspend conversions	0.0	None converted in Month 6
Newly identified schemes	1.7	11 new schemes identified in Month 6, 5 schemes as recurring £0.9m, 6 schemes as non-recurring £0.8m
Red & Blue conversions	0.2	3 Red recurrent schemes converted to Amber/Green
<b>New Identified Savings</b>	<b>1.9</b>	<b>Added since the prior months end of year forecast</b>
Previously Identified Planned Schemes	28.1	Identified within the prior months end of year forecast
<b>Total Savings Plans Identified</b>	<b>30.0</b>	<b>Identified plans (not necessarily the actual delivery)</b>
<b>Unidentified Savings Gap to Annual Plan</b>	<b>2.4</b>	
Under / (Over) Delivery of Planned Schemes	0.9	Shown within directorate financial performance
<b>Savings Delivery Gap</b>	<b>3.3</b>	

# Welsh Government Finance Themes

- Welsh Government Finance Themes are:
  - System affordability in the short term (cash releasing efficiency opportunities)
  - System sustainability in the longer term (productivity and prevention opportunities)
  - Impact of expenditure (performance, outcomes and broader impact on economy, environment, and culture of our communities)
- Our design principles need to ensure that the tensions and trade-offs between these themes are managed.

**Cyfarwyddwr Cyffredinol Grŵp Iechyd, Gofal Cymdeithasol a'r  
Blynyddoedd Cynnar / Prif Weithredwr GIG Cymru**

**Director General Health, Social Care & Early Years Group / NHS  
Wales Chief Executive**



**Llywodraeth Cymru  
Welsh Government**

Dr Philip Kloer  
Interim Chief Executive  
Hywel Dda University Health Board  
Corporate Offices  
Ystwyth Building  
Hafan Derwen,  
St Davids Park  
Jobswell Road  
Carmarthen  
SA31 3BB

Our Ref: JP/GE/SB

3 October 2024

Dear Phil

### **Targeted Intervention meeting**

This is the second targeted intervention meeting since the health board was escalated earlier this year. Thank you for the slide pack that forms an important part of the record. Apologies were noted from Sue Tranka, Jeremy Griffith and Hywel Jones.

#### Update on targeted intervention oversight and governance

You explained the new governance and working arrangements that have been established for the executive team including your internal performance and escalation framework. The new way of working was bedding in and starting to bear fruit from a cultural perspective. A reduction on reliance on agency staff, and the reliance on hospital beds was noted.

#### Finance

You confirmed that you are committed to achieving the control target of £44.8 million by March 2026. Your assurances to reach or better on the deficit of £64 million this year was covered in your annual plan. You are confident this will be achieved.

You advised month five had seen some improvement, with a reduction in in-month expenditure and improvements to the end of year forecast position. To date, you have assured savings of £28million with a further £4million required to achieve the £64million

planned deficit. You were increasingly confident around the delivery of this year's annual plan but highlighted the challenges on securing those savings on a recurrent basis. I would like to receive the timeline in place to achieve the target control timeline.

You highlighted the improvement made on agency nursing spend through the international recruitment plans.

You mentioned a number of potential service changes around critical care bed optimisation, optimisation of day surgery unit at Withybush Hospital, closure of surge capacity beds, MIU opening hours at Prince Philip Hospital and the paediatric service at Bronglais Hospital that are being discussed. These are likely to be highly controversial. I would urge you to keep me updated on any developments, to ensure that service standards and patient care will not be compromised, and that the necessary quality impact assessments are undertaken before any decision is made.

### Planning

You have developed detailed action plans following the independent planning reviews carried out last year. The revised governance framework ensures that targeted intervention is embedded into every aspect of the organisation's operations. The de-escalation criteria are monitored weekly and reported through to the appropriate committees.

Phase two of the clinical services has been concluded, and a paper would be submitted to the public board in November 2024. This will progress to engagement and consultation on some of the clinical changes. I welcome wider discussions between yourselves and Welsh Government colleagues around the strategic direction and other consultation requirements.

### Quality and Safety

Some progress has been made in some aspects of the healthcare acquired infections though not in all areas and your intention is to achieve the set trajectories. The developments and improvements made around the quality management system was noted along with the QIA process due to the scale of the potential service changes.

C Diff continues to be challenging for the health board and I note the progress with your improvement plan, including the establishment of a CDI improvement group to focus on higher-level management strategies with the Medical Director taking the lead on antimicrobial stewardship.

On complaints, the health board has the most complaints per thousand population in Wales. You have arranged some workshops during the autumn where colleagues from the Welsh Risk Pool, Ombudsman and medical examiners would be attending to discuss how to improve your complaints handling within the organisation and achieve the 70% target of closing complaints within 30-working days by quarter four. Welsh Government colleagues would forward the complaints data to the health board as part of the performance pack shared with all organisations.

The health board agreed to share a copy of their national reported incidents with Welsh Government colleagues outlining the closure rate and times to closure.

## Performance and Outcomes

I note the progress being made against the 104-week RTT, diagnostics and mental health targets. Cancer performance however needs to improve. Unfortunately, urgent and emergency care continues to be one of your biggest challenges and an even bigger risk going into the winter period. The improvements seen in ambulance handover performance at the end of August at Wthybush General hospital is a positive step forward. This must be maintained and learning applied to Glangwili General hospital.

Discussions with Swansea Bay health board colleagues were ongoing for a regional solution for cataracts and the Regional Orthopaedics Programme Board meeting had recently met to develop an agreement on a regional solution.

## Fragile Services

A discussion was held on emergency general services surrounding the clinical services plan, critical care issues and the temporary model in place at Prince Philip General hospital, and the single handed and managed GP practices.

## Governance and Leadership

You highlighted a series of workshops had been held for each of the committees to support continuous learning and effective leadership. The newly appointed Chair is focused on developing leadership skills. I note the health board is actively trying to recruit to the Chief Executive as well as other senior posts.

We discussed your staff survey findings which were concerning as they highlighted poor levels of morale amongst staff. A workshop with your trade union to discuss the findings and develop an action plan has happened.

In relation to your WRES action plan, 55 of the overseas nurses who qualified in the UK have been promoted during the last two years, echoing concerns that this is lower than expected and you will continue to develop this area.

## Summary

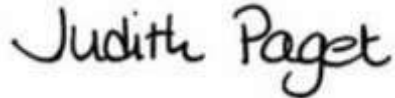
My overall reflection is one of some progress being made. This had been a helpful discussion around the processes and systems in place to support targeted intervention within the health board. I do expect to see performance improved for cancer, planned care, urgent and emergency care and healthcare acquired infections.

Your financial position is not supportable, and the health board will need to reduce its forecast deficit both in-year and on a recurrent basis. I expect you to have a clear route map to financial balance which reverses the deteriorating trajectory of the financial position. We agreed the following actions:

- Health board to forward a copy of the timeline towards achieving the target control timeline.
- Welsh Government colleagues to forward the complaints data as part of the performance pack shared with all organisations to the health board.
- The health board to share a copy of their national reported incidents with Welsh Government colleagues outlining the closure rate and time to closure.

Please thank your team for the discussion and information provided. I look forward to seeing progress at the next meeting.

Yours sincerely



**Judith Paget CBE**

**Attendance**

<b>List of attendees and noted apologies</b>	
<b>Health Board</b>	<b>Welsh Government</b>
Dr Philip Kloer	Judith Paget - Chair
Andrew Carruthers	Pushpinder Mangat
Joanne Wilson	Helen Arthur
James Severs	Olivia Shorrocks
Huw Thomas	Samia Edmonds
Lee Davies	Richard Desir
Lisa Gostling	Gaynor Evans - Secretariat
Sharon Daniel	
Helen Mitchell	Claire Green – NHS Executive
Jill Paterson	
Alwena Hughes	
Ardiana Gjini	
<b>Apologies</b>	
	Hywel Jones
	Jeremy Griffith
	Sue Tranka