

Structured Assessment 2025

Swansea Bay University Health Board

December 2025

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Audit snapshot

What we looked at

- 1 We looked at how well Swansea Bay University Health Board (the Health Board) is governed and whether it makes the best use of its resources. We looked at four areas in particular:
 - how well its board works;
 - how it keeps track of risks, performance, service quality, and recommendations;
 - how it produces key plans and strategies; and
 - how it manages its finances.
- 2 We also looked at the Health Board's progress in implementing recommendations from:
 - previous structured assessment reports; and
 - our [2024 report on cost savings](#);

Why this is important

- 3 NHS bodies continue to face a wide range of challenges associated with the need to modernise and transform services to deal with constrained finances, growing demand, treatment backlogs, workforce shortages, and an ageing estate. It is therefore more important than ever for the boards of NHS bodies to have strong corporate and financial governance arrangements in place. This helps provide assurance to themselves, the public, and key stakeholders that they are taking the right steps to deliver safe, high-quality services and to use public money wisely.

What we have found

- 4 The Health Board has good governance arrangements that enable the Board and its committees to run effectively. High-quality information continues to support scrutiny, and there remains a continued commitment to hearing from patients, service users, and staff. However, we continue to find areas where Board transparency could be further enhanced.
- 5 External support is helping the Board develop and mature, and progress has been made to further strengthen arrangements for managing risk. The Health Board has recently agreed a revised long-term strategy, and work has started to ensure the organisation is set up to for success. But a revised performance management framework is not yet fully in place and audit recommendations are taking time to be addressed.
- 6 Of greatest concern however is the Health Board's financial position. A substantial year-end deficit is forecast for 2025-26 with the Health Board's current savings plan considerably off track. Both the Board and Welsh Government were unable to approve the Health Board's Annual Plan due to the financial position. Additional support from Welsh Government as part of its escalation and intervention arrangements is starting to help. But savings schemes are short term and the ability to control the position in the remaining months of the financial year is a challenge. Without decisive and sustained action, the financial position risks further deterioration.

What we recommend

- 7 We have made four recommendations to the Health Board, which focus on
 - improving public transparency arrangements;
 - expanding reporting of declarations of interest compliance;
 - enhancing reporting and oversight of Board member visits and walkarounds; and
 - embedding the Performance Management Framework and increasing oversight of the escalation status of service groups.

Key facts and figures

Under the Welsh Government's escalation and intervention arrangements, the Health Board is at Level 4 for Finance, Strategy and Planning, Urgent and Emergency Care, Cancer Services, Healthcare Associated Infections (HCAIs), Maternity and Neonatal Services. It is also at Level 3 for Planned Care and Child and Adolescent Mental Health Services.

The Health Board does not have an approved Annual Plan or Integrated Medium Term Plan for 2025-26.

The Health Board did not meet its financial duty to break even on its revenue spend over the three-year period 2022-25, reporting a cumulative deficit of £57.4 million for 2022-25.

In 2024-25, the Health Board delivered savings of £51.6 million, against a savings target of £26.1 million. Over £37 million were recurrent.

The Health Board is forecasting a year-end deficit of £58.7 million for 2025-26, against a Welsh Government expectation of £42.5 million and a control total of £17.1 million. At month six, the Health Board has only delivered £10.9 million of savings against the annual target of £55.4 million.

The Health Board has fully implemented six outstanding recommendations since our last structured assessment report. Four recommendations remain in progress, and nine have been replaced by new recommendations made this year.

Our findings

Board effectiveness and openness

The Board and its committees continue to work well but improvements are needed on late papers, outdated policies, declarations of interest, walkrounds reporting and cross-committee referral clarity

Public openness of board business

- 8 We found that whilst the Board stays committed to conducting its business in an open manner, there are opportunities still to enhance this further:
 - members of the public can attend public Board meetings in person, but live streaming is still unavailable;
 - the Health Board publishes recordings of public Board meetings within 24 hours, but there are still times when it is difficult for the viewer to see who is speaking;
 - public Board papers are available five days before each meeting on its website, but this is not always the case for committee papers; and
 - whilst members of the public can request to observe committee meetings, the Health Board does not promote this, and future dates and times of committee meetings are not on the website (although confirmed minutes for Board and committee meetings are promptly uploaded to the website).
- 9 The Board uses private sessions only when needed to discuss sensitive topics. A summary of these discussions is provided at the next public Board meeting as part of the Corporate Governance report. This report also has information on Welsh Health Circulars received as well as the application of

any Chair actions. However, there continues to be little detail on the costs or resource implications associated with Chairs Actions.

- 10 The Health Board has taken steps to ensure that key documents are up to date on its website including the People Strategy 2024-2029, but some documents are still difficult to find or out of date. The Health Board needs to update its website, enabling easier access to valuable information for the public, and continue to improve signposting to events using social media.
- 11 The Health Board has a Stakeholder Reference Group to bring together representatives from local community groups, patient advocacy organisations, and equality and diversity networks. The Health Board also runs an active Healthcare Professionals Forum and Partnership Forum. Whilst all forums report regularly to Board, the Chairs of these groups do not attend Board, limiting their representation.

Supporting effective board conduct

- 12 The Health Board has clear and up-to-date governance arrangements that help the Board and its committees run effectively. The Audit Committee ensures that key governance controls are in place and followed. This includes routinely overseeing compliance with Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation. The committee received updates on these in March 2025 and September 2025.
- 13 The Health Board has appropriate arrangements in place to promote and ensure probity and propriety. Declarations of Interest, Gifts and Hospitality Registers are up-to-date and reviewed by the Audit Committee (September 2025) and a current copy is available on the Health Board's website. Although, the Health Board's Standards of Business Conduct policy has recently expired¹. In 2022 Internal Audit recommended that the Health Board strengthen its arrangements by widening the Declarations of Interest to include staff with a secondary job who are in decision making roles. The Health Board has not yet put this in place.

¹ September 2025

- 14 The Health Board has made progress addressing out-of-date policies. In March 2025, the Health Board had 183 policies of which 39 were out of date. Many of these (28) were Welsh Government policies which the Health Board has reported are still extant while awaiting national review. However, 11 were Health Board policies. Given that some of these policies are significant, for instance relating to disclosure and barring, there needs to be a continued focus on ensuring they are up to date.

Assurance on Joint Commissioning Committee effectiveness

- 15 The Joint Commissioning Committee (JCC) was set up in April 2024 as a joint committee of the seven health boards in Wales. The JCC plans and commissions a range of specialised services and other healthcare services, including emergency medical services, on behalf of the seven health boards.
- 16 As part of this year's structured assessment, we reviewed whether the Board is receiving the right level of assurance on JCC business, as well as on the Health Board's involvement in JCC meetings and activities. Our work shows that both the Board and the Quality and Safety Committee receive routine assurance on the work of the JCC. In March 2025, both the JCC Chair and Chief Commissioner delivered a presentation to Board members, providing an overview of the Committee's work.

Board and committee meeting effectiveness

- 17 Since our last structured assessment, changes to the committee structure and meeting cycles have settled in. Committee terms of reference are up-to-date, and work programmes reflect the full scope of Board business. There is an improved approach to agenda planning, although there have been some issues this year with late papers or papers not publicly available in advance of the meeting which risk reducing the effectiveness of scrutiny and transparency.

- 18 The Health Board appropriately considers how its committees work and makes changes if needed. In March 2025, the Health Board amended the remit of the Population Health and Partnerships committee to focus solely on Population Health. We have observed an increased the focus on Population Health, and we note recent work in areas including cardiovascular disease. Assurance on partnerships is now provided directly to the Board with the Audit Committee continuing to provide oversight of partnership governance arrangements. There is good oversight of partnerships, and we discuss this further in **paragraph 50**. In May 2025, the Health Board appointed a new Chair of the Quality and Safety Committee which is driving a new improved focus on quality matters.
- 19 Board and committee meetings continue to be well chaired, and most run to time. Independent Members take part fully in meetings, providing the appropriate amount and level of challenge as well as scrutiny on the information presented. However, there has been an increase in the cross-referral of reports between committees. This can lead to confusion and unnecessary duplication unless the purpose and expected actions of each referral are clearly defined. To address this, the Director of Corporate Governance has introduced a new committee referrals and action plan log. This log aims to ensure that Independent Members specify the rationale and intended outcomes when referring items between committees, helping to prevent agenda overload and maintain effective scrutiny.
- 20 The Health Board has introduced a new structure to its escalation processes from committees to the Board. The new 3A-style² reporting is now a standard feature at Board meetings and Committee Chairs use this format for their reports. The approach ensures consistent, structured reporting and strengthens oversight by highlighting key issues, actions, and assurance levels.

² Alert, Assurance and Advise

21 The Board and its committees continue to receive high-quality information that supports effective decision-making, scrutiny, and challenge. However, some papers are still lengthy. The Health Board is continuing to provide support and training to report authors to present key issues and risks more clearly and concisely, both verbally and in writing. Whilst papers are mainly sent and uploaded on time, we found instances of papers tabled on the day such as the unscheduled care redesign presentation at the July 2025 Board meeting. This could affect the Independent Members' ability to undertake effective challenge and scrutiny.

Hearing from staff and service users

22 The Board continues to be committed to hearing from patients, staff, and service users. The Board and the Quality and Safety Committee continue to use patient and staff stories to guide their work, which are balanced and recognise the challenges of the Health Board. The Quality and Safety Committee receives a detailed patient experience report every quarter, which includes feedback gathered through the Friends and Family Survey.

23 The Health Board uses a range of approaches to hear from patients and service users from diverse backgrounds, including good community engagement with hardly reached groups. Board members also visit frontline services through individual visits and as part of formal walkarounds. However, there is no formal reporting of these activities to the Quality and Safety Committee. There is also no centralised recording system of visits which would help reduce the risk of duplication but also ensure that all services are covered by these activities. In addition, there is no reporting on actions taken in response to issues found. The Health Board has recognised this and will be introducing reporting to ensure oversight.

Board cohesion and continuous improvement

24 The Health Board now has a stable executive team following the substantive appointment to several roles. Since our last structured assessment, the Health Board has appointed:

- a Director of Planning and Partnerships in February 2025;

- a Director of Nursing and Patient Experience in March 2025;
- a Director of Workforce and OD in May 2025; and
- an Interim Director of Public Health until March 2026³.

25 In October 2025, the Health Board realigned its Executive Portfolios as part of its 'Organised for Success' programme⁴. Changes include:

- the performance portfolio moving from Director of Finance to the Director of Planning and Partnerships;
- business intelligence moving from the Director of Digital to the Director of Planning and Partnerships; and
- patient experience, incidents and complaints moving from the Director of Corporate Governance to the Director of Nursing and Patient Experience.

26 In September 2025, the Health Board also appointed into a new Chief Business Officer role. This role provides strategic support directly to the Chief Executive and Chair of the Health Board.

27 The Health Board still needs to complete two remaining phases of the 'Organised for Success' programme. Phase 2, which was underway during our review and scheduled for completion by April 2026, involves restructuring services from a geographically led model to one based on service type. This phase also includes reviewing the number of divisions and directorates, as well as assessing management layers to reduce them where appropriate. Phase 3, due to conclude by April 2027, will focus on reviewing wraparound support for service groups and corporate support services, with the aim of reducing duplication.

³ The substantive Director of Public Health is currently seconded to Welsh Government

⁴ The Organised for Success programme is the Health Board's strategic initiative to transform healthcare delivery by improving quality, equity, and access to services across the region.

- 28 The Board has a stable group of Independent Members, with all but one position filled. At the time of our work, the Associate Member for Social Services position was vacant and had been since the previous member left in June 2025. The Health Board was working with local authority partners to appoint a replacement. The Health Board has recognised the need for specific representation on “Inclusion and Belonging” matters at the Board and at the time of our work was looking to appoint an associate member⁵ of the Board to take up this role.
- 29 The Health Board has continued its formal programme of committee effectiveness reviews and developed actions plans to make improvements, with progress routinely reported to the Board. The Board has also continued its development programme over the past year and has focused on a range of areas including winter preparedness, annual plan, organisational strategy, ‘Organised for Success’ programme, Board effectiveness, and strategic risk management. The Health Board has commissioned the Good Governance Institute (GGI) to deliver the Board development programme in 2025-26.

⁵ Associate members are not full voting members of the Board, their role is to contribute expertise, insight, and stakeholder perspectives to Board discussion.

Providing board assurance

The Health Board needs to fully embed its revised performance management framework, improve quality reporting and ensure recommendations are implemented

Managing strategic and corporate risks

- 30 The Health Board is developing a Strategic Risk Register (SRR), which will also be its Board Assurance Framework. At the time of our work, this was in draft. The Health Board had held sessions with Independent Members to update on the development and progress to date. In June 2025, the Good Governance Institute facilitated a Board workshop to develop risk appetite and conduct strategic risk mapping. The Health Board plans to present its completed Strategic Risk Register at the November 2025 Board meeting.
- 31 Currently, the Health Board manages its risks through its Health Board Risk Register. However, this is very operational in focus. At the time of our work, the Health Board was reviewing its arrangements for managing corporate risks and is intending to introduce a Corporate Risk Register for cross organisational risks and an Operational Risk Register for risks escalated from service groups. The Health Board plans to complete this work by April 2026.
- 32 The Health Board has a well thought out Risk Management Implementation Plan, which is regularly updated. The approach to risk management is set out clearly in the Health Board's Risk Management Policy. The Health Board last reviewed its risk appetite in November 2023 but is planning to update this for approval in November 2025.

- 33 The Health Board's Audit Committee continues to oversee risk management effectively, while other committees maintain scrutiny of the corporate risks assigned to them. Both the Board and committees receive regular updates with summary reports clearly highlighting new risks and changes in risk scores. A Risk Management Group provides scrutiny and assurance over escalation and de-escalation processes.
- 34 In September 2024, Internal Audit reviewed the risk management arrangements within service groups (which will inform the Health Board Risk Register). It gave reasonable assurance on the corporate processes in place, but did recommend improvements in evidencing, monitoring, and reviewing risks at both service group and corporate levels. In May 2025, Internal Audit also reviewed the procedures for identification, management, and reporting of key strategic and operational risks through the BAF and the corporate risk register. It gave reasonable assurance on these arrangements and will undertake a further review in 2026.

Managing performance

- 35 The Health Boards's Performance Management Framework sets out the arrangements for performance management and escalation in relation to finance, performance, and quality. In May 2025, the Health Board updated the framework. The revised framework strengthens the performance review arrangements for service groups and corporate directorates, and aligns to the NHS Wales Oversight and Escalation Framework. The framework is clear on responsibilities and the engagement of the whole executive team to ensure oversight and scrutiny across finance, performance, and quality. However, at the time of our work, the Board had not approved the revised framework. There has been no reporting of the escalation status of the service groups or corporate directorates as described in the framework.

- 36 The current financial position highlights the need for the Health Board to improve its approach for holding operational teams to account for delivery. Our 2024 Review of Cost Savings Arrangements identified weaknesses for the internal escalation process for underperforming service groups and corporate directorates, recommending a comprehensive review of these arrangements. However, this recommendation has not yet been actioned. Through our structured assessment work, we have also found opportunities to strengthen training on financial and budget management for operational staff although the Health Board has put in some online training 'Brilliant Basics.'
- 37 The Health Board has continued to improve its organisational performance reporting. The Board and the Performance and Finance Committee receive the Integrated Performance Report (IPR) at each meeting. The Health Board updated the IPR this year to track progress against its three key priorities:
- Welsh Government escalation performance areas;
 - the Health Board's five strategic objectives; and
 - the Cabinet Secretary's enabling actions.
- 38 The Health Board's IPR provides a good overview of performance and the executive summary highlights areas of underperformance as well as actions. Officers also produces monthly deep dives into specific areas of concern in the IPR for Performance and Finance Committee, for example neurodevelopmental services, endoscopy, and theatres. Following our previous recommendation that the Board should increase its focus on primary care, it is encouraging to see the introduction of a rolling programme of primary care deep dives at Board meetings. However, more broadly, there are still opportunities to enhance the presentation of performance data through digital solutions and include comparative data from other NHS bodies in Wales.

Monitoring quality and safety

- 39 The Health Board has a quality strategy that commits to delivering high quality care. The statutory duties from the Health and Social Care (Quality and Engagement) (Wales) Act 2020 underpin the strategy. The Health Board will be reviewing the quality strategy in light of its updated organisational strategy which it launched in September 2025. At the time of our work, we were undertaking a follow up of our 2022 Review of Quality Governance Arrangements.
- 40 The Quality and Safety Committee's oversight of the quality of services in the last 12 months has been assisted by updates on progress against the Health Board's quality priorities⁶, the Annual Quality Report in September 2025 and several deep dives⁷.
- 41 However, there are gaps in the information the Committee receives. The Health Board continues to provide the same report to the Quality and Safety Committee as the Performance and Finance committee report. At the time of our work, the Health Board was developing a real-time quality dashboard. This will enable the Committee to move from retrospective review to proactive oversight, improving the ability to identify emerging risks and trends.

Tracking and monitoring recommendations

- 42 The Health Board continues to have good arrangements for tracking internal and external audit recommendations. The Health Board has an audit tracker for both Audit Wales and Internal Audit recommendations, which Executive Directors update, review and scrutinise at their Executive Committee. The Health Board reports progress at each Audit Committee.
- 43 This year, the Health Board has improved its approach to monitoring Healthcare Inspectorate Wales recommendations. The Quality and Safety Committee received the External Inspections Report in July 2025,

⁶ Current priorities are preventing harm from falls, pressure damage, end of life care and nutrition and hydration.

⁷ Deep dives have focused on specific areas of clinical quality and patient safety, including end of life care, nutrition and hydration, stroke, and ligature risk assessments.

summarising recent inspection activity across the Health Board. The report included findings from bodies such as Healthcare Inspectorate Wales (HIW). The Committee received assurance that service groups had developed action plans in response to inspection findings and that follow-up reviews were underway.

44 Despite the arrangements described above, our review of the Health Board's progress to address previous recommendations has found a mixed position, with:

- six out of 22 recommendations from past structured assessment reports now complete. Four are in progress, with three not yet started and nine superseded; and
- seven out of 13 recommendations from our cost savings report are now complete. We discuss this more in **paragraph 68**.

45 This level of progress suggests that the Health Board's approach to implementing recommendations could be stronger. The Health Board should include progress with audit recommendations as part of its Performance Management Framework to strengthen accountability.

Preparing strategies and plans

The Health Board has refreshed its organisational strategy and is strengthening its partnership working but needs to ensure all underpinning strategies align

Producing key strategies and plans

- 46 The Health Board launched its refreshed long-term strategy 'A Healthier Swansea Bay' at its Annual General Meeting in September 2025. The Health Board developed the strategy through comprehensive engagement with stakeholders and partners. The strategy builds on its agreed long-term vision to create a future for everyone in the Health Board's community to live and age well. The strategy provides a planning framework for all Health Board activities, built around five strategic objectives. Each objective includes defined measures of success for both 2028 and 2032.
- 47 The Health Board is currently developing a new Clinical Services Plan. While the earlier plan covered the period 2019–2024, the updated version is still in progress and will align with the refreshed organisational strategy. The timeline for approval is March 2026.
- 48 The Health Board is currently working to an Annual Plan as it was unable to submit an approved financially balanced three-year Integrated Medium-Term Plan to the Welsh Government. The Health Board has continued to demonstrate good engagement in development of the plan. However, the plan did not meet the financial targets set by Welsh Government and at the time of our work, remained unapproved by both the Board and Welsh Government due to the worsening financial position and forecast deficit for 2025-26. We discuss the Health Board's financial challenges in more detail in **paragraph 59**.
- 49 The Annual Plan aligns with the long-term strategy as a delivery plan. The Annual Plan is structured around the five strategic objectives and brings together the supporting strategies such as the People Strategy, the Digital Strategy, and the Estates Strategy.

Board assurance on partnership working

- 50 The Board receives regular updates on partnership work. This includes the regional partnership board, public services boards, and collaboration with other health boards including Hywel Dda University Health Board. Reports to Board highlight both the opportunities and challenges of working in partnership.
- 51 Since last year, the Health Board has established a formal Regional Joint Committee with Hywel Dda University Health Board. The committee met for the first time in January 2025 and meets quarterly. Its terms of reference, agreed by the two Boards, sets out five regional objectives. These focus on the regional health economy, clinical services, corporate functions, the regional capital programme, and research, innovation, and excellence. A dedicated work programme with clearly defined joint leadership supports each objective. However, progress across the five programmes varies, as they are at various stages of development.
- 52 The Regional Joint Committee has met three times since its establishment and is still embedding its processes. Our observation found robust scrutiny, a shared sense of responsibility between the two health boards and an increased willingness to work together. While regional solutions are expected to support long-term service sustainability, concerns were raised by executives and Independent Members about the capacity to develop and deliver these programmes whilst also managing immediate operational pressures.

Monitoring delivery of strategies/plans

- 53 The Health Board has generally good arrangements for monitoring delivery of corporate plans and strategies, but opportunities remain to strengthen these arrangements further.

- 54 The Annual Plan sets out key service changes, milestones, and priorities for 2025-26. The Annual Plan is supported by defined outcome measures and baselines to support monitoring. However, the Health Board has not yet updated the Board on progress against delivery of these milestones. An update is planned for the November 2025 Board meeting. Whilst we recognise that the Annual Plan is unapproved, progress against delivery of the stated actions still needs to be monitored. The Health Board has also not formally reported its progress against its well-being objectives as part of its duty under the Well-being of Future Generations Act (2015).
- 55 To support delivery, the Health Board has developed a range of enabling plans and strategies, most of which include clear milestones. The Board appropriately delegates strategy and plan oversight to its committees. Officers provide updates on key strategies and programmes, and we have observed good monitoring of delivery. We have seen particular improvements this year to the monitoring of delivery of the People Strategy and Digital Strategy.
- 56 The Health Board has recognised that not all its current enabling strategies are aligned with the new long-term strategy and its timeframe. The Health Board is currently addressing this.

Managing finances

Despite having oversight and control mechanisms in place, the financial position is still a significant concern and is at risk of further deterioration

Meeting financial objectives and duties

57 The Health Board did not meet all its financial duties in 2024-25. Of the three duties, it met its capital resource limit, reporting a small underspend of £61,000. However, it did not:

- spend within its revenue resource limit for the period 2022-25; and
- have an agreed three-year Integrated-Medium Term Plan for 2024-27.

58 The Welsh Government set the Health Board a target deficit of £17.1 million for 2024-25. The Health Board did not meet this, reporting a year-end deficit of £42.4 million. Welsh Government also gave extra support in 2024-25 of a recurrent £6.4 million allocation.

59 The Health Board does not have a balanced financial plan for 2025-2026. The Board could not support or accept the plan as it outlined a year-end forecast deficit of £58.7 million, against a Welsh Government target deficit of £17.1 million. Welsh Government have not approved the plan as it falls significantly short of the Health Board's target deficit. Welsh Government also raised concerns of the rate and scale of deterioration of the Health Board's financial position.

60 In June 2025, Welsh Government communicated to the Health Board a revised expectation for 2025-26. This was that the year-end deficit, at a minimum, must be equal to the 2024-25 outturn position of a £42.5 million deficit.

- 61 The increase in escalation was accompanied by additional funding from Welsh Government which the Health Board used to commission support from Deloitte in July 2025. They have been working with the Health Board to review financial plans, controls, and financial governance. Their work is also supporting delivery of tactical schemes and savings plans for 2025-26 and future years.
- 62 At month six of 2025-26, the Health Board's year end forecast position is still at £58.7 million deficit. However, operational pressures and run rates to date are above the planned trajectory. For the remaining months of the financial year, the Health Board will need to underspend on its operational delivery to meet its forecast.

Financial planning arrangements

- 63 In 2024, the Health Board set up a Recovery and Sustainability Board (RSB). The RSB oversees a programme of work to find savings schemes and monitor delivery and has representatives from across service groups and corporate directorates. The Health Board has a strong track record of savings delivery. In 2024-25 the Health Board delivered savings of £51.6 million against a target of £26.1 million, with £37.3 million recurrent savings.⁸
- 64 The Health Board is currently off-track on its savings schemes in 2025-26. The Health Board needs to make annual savings of £55.4 million. However, at month six the Health Board has only delivered £10.9 million against its year-to-date target of £27.7 million. The level of savings delivered over the past three years means that going forward schemes need to be more cash releasing and strategic and transformational. The Health Board has a savings plan in place which has identified savings of £46.4 million, leaving a savings gap of £9 million. The Health Board has not yet assessed how much of its current savings are recurrent, making it difficult to understand the long-term impact on its financial position. The focus currently is on the in-year delivery, and the Health Board has yet to develop a long-term financial plan.

⁸ Cumulative savings since 2022 delivered totals £138.6 million

- 65 The RSB is focussing on several savings schemes, which include workforce schemes, continuing healthcare, urgent and emergency care, procurement, medicines management and planned care. Our 2025 review tackling the planned care challenges, found opportunities for greater efficiency and productivity in relation to improving utilisation of theatres, maximising the use of outpatient capacity and increasing the use of day surgery.
- 66 Independent Members have expressed concern with the capacity and ability of the RSB to deliver its programme. At the time of our work, Deloitte was chairing the RSB, but their contract is due to end in November 2025.
- 67 The Health Board keeps the Board informed of the required savings to achieve financial balance, the savings approach, and the risk of non-delivery. Where schemes are off track there are plans in place to recover the position. However, we have not seen any learning reported on failed or under-delivering schemes from previous or current financial years. At the time of our work the Health Board were starting planning processes for 2026-27, with discussions to be held in mid-November on discussions on strategic and transformational schemes.
- 68 In 2024, Audit Wales reviewed the Health Board's approach to cost savings. Of the 13 recommendations in that report, the Health Board has made progress but has more to do: seven are complete, five are still in progress, and one has not yet started. Areas in which further progress is required include **Appendix 2**.

Financial management arrangements

- 69 The Health Board has the expected financial controls in place. The Board reviews its Standing Orders and Standing Financial Instructions regularly, most recently in September 2025. The Health Board also continues to have good arrangements for ensuring compliance with statutory instruments, and to report and challenge breaches. However, the current financial position means it needs to improve its arrangements.

- 70 The Health Board needs to significantly improve its arrangements for holding budget holders to account for delivering financial targets. Despite service groups and corporate directorates signing accountability letters, and detailed financial data being available, there are still significant overspends.
- 71 The Board delegates financial oversight to the Audit Committee and the Performance and Finance Committee. These committees discharge their responsibilities appropriately. This includes overseeing reports on compliance with financial processes and controls, and assurances from Internal Audit and Counter Fraud work. The Health Board also reports on high-value purchases and single tender actions.
- 72 The Health Board submitted good quality draft financial statements for external audit within the required timescales. Our audit found no material misstatements but did find some areas where corrections needed to be made. We issued an unqualified opinion in respect of the true and fairness of the accounts but a qualified regularity due to the Health Board breaching its revenue resource limit over the three-year period 2022–2025. This is irregular expenditure which required the regularity opinion to be qualified.

Monitoring financial performance

- 73 There are good arrangements for overseeing financial performance, but they focus on the current pressures and give little assurance on the impact on future years.
- 74 Both the Board and the Performance and Finance Committee receive a regular financial performance report. The report clearly sets out the revenue position, forecast position, as well as performance against the required savings target, capital spends, costs associated with commissioned activity and payment of non-NHS invoices. The Health Board has further strengthened arrangements through the Performance and Finance Committee by ensuring service groups provide financial reporting presentations on a quarterly basis.

- 75 Detailed information continues to be provided to the Board and Performance and Finance committee on key cost drivers, variances for each of the service groups and corporate directorates, and the risks associated with non-delivery of savings. The Health Board's Risk Register also includes risks associated with achieving the financial plan. The Performance and Finance Committee continues to meet monthly due to the Health Board's current financial performance. The Committee also receives regular updates on the work of the RSB, including presentations from Deloitte.
- 76 The Health Board is also subject to significant increased levels of scrutiny, challenge, and reporting requirements by the Welsh Government because of its escalation status. However, oversight and scrutiny focus on the current financial year, and the significant issues and risks on in-year delivery. There is currently little focus on future years.

Recommendations

77 The following table details the recommendations arising from our work.

Recommendations

R1 The Health Board should improve Board transparency by:

- 1.1. ensuring its website content is up to date;
- 1.2. implementing live streaming of the Board, with an improved ability for viewers to identify speakers; and
- 1.3. ensuring there is visibility and timeliness of Board and committee meeting dates and papers (**paragraph 8**).

R2 The Health Board should implement the 2022 Internal Audit recommendation to update its Standards of Business Conduct Policy to include the requirement for staff in secondary jobs in decision-making roles to avoid conflicts of interest. In addition, compliance should be monitored every six months and reported to Audit Committee (**paragraph 13**)

R3 The Health Board should publish a visit schedule and report outcomes and actions from Board member visits and walkarounds to the Quality and Safety Committee (**paragraph 23**)

- R4** The Health Board should further strengthen its performance management arrangements by:
- 4.1 fully embedding the framework to hold service groups to account for performance, finance, and quality (**paragraph 35**);
 - 4.2 including progress with audit recommendations within the framework to hold service groups to account for performance, finance, and quality (**paragraph 45**); and
 - 4.3 routinely report the escalation status for each service group and corporate directorate to the Performance and Finance committee (**paragraph 35**).

Appendices

1 About our work

Scope of the audit

We looked at the following areas for the period June to October 2025:

- How well the board works.
- How well the board oversees risks, performance, and the quality and safety of services and tracks recommendations.
- How well the body prepares key strategies and plans.
- How well the body manages its finances.

We did not look at the body's operational arrangements.

Audit questions and criteria

Questions

Our audit addressed the following questions:

- Does the Board conduct its business appropriately, effectively, and transparently?
- Is there a sound corporate approach to managing risks, performance, and the quality and safety of services?
- Is there a sound corporate approach to producing strategic plans and overseeing their delivery?
- Is there a sound corporate approach to financial planning, management, and performance?

Criteria

Our audit questions were shaped by:

- Model Standing Orders, Reservation and Delegation of Powers.

- Model Standing Financial Instructions.
- Relevant Welsh Government health circulars and guidance.
- The Good Governance Guide for NHS Wales Boards (Second Edition).

Methods

We reviewed a range of documents, including:

- Board and committee papers and minutes.
- Key governance documents, including Standing Orders and Standing Financial Instructions.
- Key strategies and plans, including the Annual Plan.
- Key risk management documents, including the Board Assurance Framework.
- Annual Report, including the Annual Governance Statement.
- Relevant policies and procedures.
- Reports prepared by other relevant external bodies.

We interviewed the following key stakeholders:

- Chair;
- Chief Executive;
- Director of Finance;
- Director of Planning and Partnerships;
- Interim Director of Public Health;
- Director of Workforce and Organisational Development;
- Director of Corporate Governance;
- Chair of Audit Committee;
- Chair of Quality and Safety Committee;
- Chair of Performance and Finance Committee;

We observed Board meetings as well as meetings of the following committees:

- Audit Committee;
- Performance and Finance Committee;
- Population Health Committee;
- Quality and Safety Committee; and
- Workforce and Organisational Development Committee.

2 Previous audit recommendations

Outstanding recommendations from previous structured assessment reports

The table below sets out the progress made by the Health Board in implementing outstanding recommendations from previous structured assessment reports.

2022 Recommendations

- R2** Reporting on progress against the clinical and corporate plans supporting the Clinical Services Plan (CSP) could be improved at all levels. The Health Board should improve reporting to the Management Board to enable progress against all plans to be easily tracked (**superseded, paragraph 47**).
- R3** While the BAF has improved, opportunities exist to develop and enhance it further. The Health Board should ensure that the BAF's principal risks reflect the long-term strategy, as well as ensure that controls, assurance, and mitigations are comprehensive and robust. This should include assurances relating to estates (**superseded, paragraph 30**).
- R5** The Integrated Performance Report has improved but opportunities exist to improve it further. The Health Board should look at opportunities to use digital solutions to present the report as well as include comparative data for other NHS bodies across Wales (**in progress, paragraph 37**).

R6 The process for making changes for timescales for completing audit recommendations is unclear. In addition, recommendations made by organisations including Healthcare Inspectorate Wales and the Delivery Unit are also not tracked or scrutinised by the appropriate committee or included on the audit recommendations tracker. The Health Board should:

- b) ensure appropriate monitoring and scrutiny of progress in addressing actions relating to recommendations by other external inspection and review bodies (**complete, paragraph 43**)

R7 Opportunities exist to further enhance the transparency of Board and committee business. The Health Board should:

- a) ensure that policies and procedures on the public website, as well as key strategies are up-to-date and accessible. In doing so, older documents should be removed to avoid confusion (**superseded, 2025 Recommendation 1.1**).
- b) ensure confirmed minutes of Board and committee meetings are uploaded to the public website in a timely way (**superseded, 2025 Recommendation 1.3**).
- c) ensure that formal reporting of Chair's Actions includes greater detail on costs or wider resource implications particularly if the action is material in nature (**not started, paragraph 9**).

2023 Recommendations

R1 Opportunities exist to further enhance the transparency of Board and Committee business. The Health Board should:

- a) review the systems and processes used to livestream Board meetings, with a view to improving the audio and visual quality (**superseded, 2025 Recommendation R1.2**); and
- b) ensure that all Board meetings and other events, such as the Annual General Meeting, are promoted via the Health Board's social media channels (**in progress, paragraph 8**).

R3 Board walkarounds are ad-hoc and focus too much on secondary care services. The Health Board should:

- a) develop a framework for visits to enable a consistent approach **(superseded, 2025 Recommendation 3)**; and
- b) ensure key themes and actions arising from the visits are reported to the Quality and Safety Committee **(superseded, 2025 Recommendation 3)**.

R6 The Integrated Performance Report has limited reference to primary care performance. As part of the planned refresh, the Health Board should ensure there is a greater focus on primary care performance **(in progress, paragraph 38)**.

R9 Despite the financial challenges facing the Health Board, two accountability letters are yet to be signed. The Health Board should ensure that all accountability letters for 2023-24 are signed **(complete, paragraph 70)**.

2024 Recommendations

R1 The Health Board should:

- 1.1.** develop a long-term strategy, aligned to its long-term vision, which defines the required sustainable service solutions and decisions for the medium to longer term, whilst also providing a strong focus on population health and prevention **(complete, paragraph 46)**.
- 1.2** develop a balanced financial plan that is linked to the new long-term strategy **(not started, paragraph 59)**; and
- 1.3** review and where appropriate refresh relevant enabling strategies and plans (i.e. estates, digital, workforce, clinical services) to ensure they align with the new long-term strategy **(in progress, paragraph 56)**.

R2 The Health Board needs to ensure that the Board and its committees regularly monitor and scrutinise progress against delivery of its well-being objectives **(not started, paragraph 54)**

- R3** The Health Board needs to ensure that Board and committee arrangements for monitoring and scrutinising the delivery of the Health Board's savings schemes are able to capture performance across the entirety of savings schemes that are in place **(complete, paragraph 70)**.
- R4** The Health Board needs to strengthen ownership and accountability of audit recommendations to ensure that recommendations are addressed in a timely manner **(superseded, 2025 Recommendation R4.2)**.
- R5** The Health Board should address the issues currently preventing it from livestreaming public Board meetings **(superseded, 2025 Recommendation 1.2)**.
- R6** The Health Board needs to improve agenda planning for committees to ensure sufficient time is available to cover items **(complete, paragraph 17)**.
- R7** The Health Board should transfer responsibility for patient concerns and complaints from the Director of Corporate Governance to an appropriate Executive Director **(complete, paragraph 25)**.

Recommendations from our 2024 Review of Cost Savings Arrangements

The table below sets out the progress made by the Health Board in implementing recommendations from our 2024 Review of Cost Savings Arrangements.

- | | |
|-----------|---|
| R1 | The Health Board should continue to work with its corporate directorates and service groups to ensure that their base budgets are accurate. This will ensure that there is an agreed understanding of the financial position and provide a clearer baseline from which to deliver any financial efficiencies (complete) . |
| R2 | The Health Board needs to ensure that its savings plans for 2024-25 and beyond are based on a broader and more systematic analysis and implementation of the opportunities that exist, which includes drawing on data and intelligence from the VAULT, Value & Sustainability Board workstreams, GIRFT reviews, and the Grant Thornton work on the ASMR. As part of this work, the Health Board needs to ensure it has sufficient capacity and capability (corporately and within corporate directorates and service groups) to analyse and use the data and intelligence effectively to identify, develop, and deliver viable savings opportunities for 2024-25 and beyond (complete) |
| R3 | The Health Board needs to work quickly and across its service groups and corporate directorates to both develop and implement a more structured approach to developing transformative, cross service efficiencies and savings to ensure its savings are put on a more sustainable footing (In progress) |
| R4 | <p>The Health Board should put appropriate arrangements in place to assure itself that all relevant staff are applying its CIP gateway process in a consistent manner, particularly in relation to:</p> <ul style="list-style-type: none"> a) the way the views of service users and stakeholders are sought to generate savings ideas (complete), and b) the process for identifying and assessing the potential impacts of savings schemes on quality and patient safety (complete). |

- R5.1** The Health Board should make improvements to how it reports on cost savings by ensuring that future savings reports to Board and committees articulate all the savings the organisation needs to deliver each year to meet its Welsh Government control total deficit **(complete)**.
- R5.2** The Health Board should continue to work with service groups and corporate directorates to ensure any future iteration of the savings tracker and report meets their needs and provides a 'single source of the truth' for savings and financial efficiencies that is consistently used across the organisation **(complete)**.
- R6** The Health Board should routinely monitor the effectiveness of its new approach to savings allocation to ensure that service groups and corporate directorates are implementing it as planned **(in progress)**
- R7** The Health Board should quickly identify and fill any financial capability or capacity gaps that exist across the organisation to ensure that relevant staff, such as budget holders, are equipped with the necessary information and skills to identify and deliver viable savings opportunities **(in progress)**.
- R8** The Health Board should continue to assess and improve the extent to which clinicians are sufficiently engaged and supportive of efficiency and savings schemes **(complete)**.
- R9** The Health Board should ensure that its review of the internal escalation process identifies shortcomings in the current process and leads to a process which is more action focused that clearly identifies the steps needed to address any savings underperformance **(not started, paragraph 35)**
- R10** The Health Board should ensure that its savings planning for 2025-26 commences earlier and a greater emphasis on managing the inherent risk within its identified savings by focusing on moving its red and amber schemes to green schemes and identifying a greater level of recurrent saving opportunities **(in progress, paragraph 65)**

R11 The Health Board should strengthen its arrangements for sharing best practice and learning on savings schemes with service groups and corporate directorates (**in progress, paragraph 65**)

3 Management response

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R1	The Health Board should improve Board transparency by:	Health Board will complete a benchmarking exercise to understand the processes, protocols and infrastructure to support the website. Report summarising the benchmark review and options to be presented to the Management Board in March 2026.	March 2026	Director of Insights, Communication & Engagement
	1.1. ensuring its website content is up to date;	Health Board has been testing functionality of live streaming, and this will be implemented in January 2026. Health Board has recently purchased new cameras to support better visibility of speakers.	January 2026	Director of Corporate Governance
	1.2. implementing live streaming of the Board, with an improved ability for viewers to identify speakers; and	Process for Board and Committee reports publication to be revised and training provided to the SBU Board Services Team.	January 2026	Director of Corporate Governance
	1.3. ensuring there is visibility and timeliness of Board and committee meeting dates and papers (paragraph 8).			

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
R2	The Health Board should implement the 2022 Internal Audit recommendation to update its Standards of Business Conduct Policy to include the requirement for staff in secondary jobs in decision-making roles to avoid conflicts of interest. In addition, compliance should be monitored every six months and reported to Audit Committee (paragraph 13)	Policy has been updated and consulted on within the organisation and will be submitted to Audit Committee for approval.	November 2025	Director of Corporate Governance
R3	The Health Board should publish a visit schedule and report outcomes and actions from Board member visits and walkarounds to the Quality and Safety Committee (paragraph 23)	Quality & Safety Committee will receive and consider the schedule of visits for 2026/2027 and details of the visits and outcomes.	February 2026	Executive Director of Nursing
R4	The Health Board should further strengthen its performance management arrangements by:		January 2026	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)
	<p>4.1 fully embedding the framework to hold service groups to account for performance, finance, and quality (paragraph 35);</p> <p>4.2 including progress with audit recommendations within the framework to hold service groups to account for performance, finance, and quality (paragraph 45); and</p> <p>4.3 routinely report the escalation status for each service group and corporate directorate to the Performance and Finance committee (paragraph 35).</p>	<p>Framework will be re launched in January 2026.</p> <p>Framework will be embedded in the organisation in Q1 2026/27 and will include a section on risks and compliance.</p> <p>Process for routinely reporting the escalation status for the Clinical Care Groups and Corporate Directorates to be developed in Q4.</p> <p>Routine reporting on escalation status to commence in Q1 2026/27 and reporting to Performance & Finance Committee on escalation levels reported six monthly to coincide with the Welsh Government announcement on escalation levels and would include Clinical Care Groups escalation status.</p>	<p>June 2026</p> <p>March 2026</p> <p>June 2026</p>	<p>Executive Director of Planning & Partnerships</p> <p>Executive Director of Planning & Partnerships</p> <p>Executive Director of Planning & Partnerships</p> <p>Executive Director of Planning & Partnerships</p>

4 Key terms in this report

Term	Description
Board Assurance Framework	A Board Assurance Framework sets out the risks linked to the organisation's strategic objectives, and the controls and assurances in place to manage those risks.
Clinical Strategy	A Clinical Strategy is a long-term plan that helps shape how healthcare services are designed and delivered to meet the needs of patients and communities.
Corporate Risk Register	A Corporate Risk Register sets out the organisation's significant risks (either those with high scores or organisation-wide impact) and the actions in place to manage them.
Counter Fraud	Counter fraud refers to the activity undertaken by the organisation to prevent, detect, and investigate fraud, bribery, and corruption. This work is led by the NHS Counter Fraud Service (CFS) Wales, which operates under the NHS Wales Shared Services Partnership.
Integrated Medium Term Plan	An Integrated Medium-Term Plan is a three-year plan that sets out how the organisation will deliver its services, manage its workforce, and meet its financial duties to break even. The organisation submits its plan to the Welsh Government for approval.
Quality Governance	Quality governance is the combination of structures, processes, and behaviours used by an organisation, particularly its board, to lead on and ensure high-quality performance, including safety, effectiveness, and patient experience.
Register of Interests	The Register of Interests helps ensure transparency by recording any personal or business interests of Board members and staff that could influence decisions.

Term	Description
Scheme of Reservation and Delegation	The Scheme of Reservation and Delegation sets out which responsibilities stay with the Board, and which are passed to committees and executives, along with reporting arrangements to ensure proper oversight.
Single Tender Action	A Single Tender Action is when an organisation buys goods or services from one supplier without going through a competitive process, usually because there is only one suitable option or urgent need.
Standing Financial Instructions	Standing Financial Instructions set out the financial responsibilities, policies, and procedures adopted by the organisation.
Standing Orders	Standing orders set out the rules and procedures by which the organisation operates and make decisions.
Well-being of Future Generations Act (2015)	This Act requires public bodies in Wales to work sustainably and collaboratively to improve well-being across social, economic, environmental, and cultural areas, by setting long-term goals (called well-being objectives), involving citizens, and making decisions that consider the impact on future generations.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

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galwadau ffôn yn Gymraeg a Saesneg.