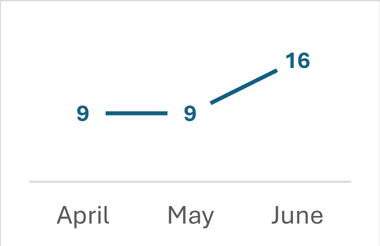
<table>
<tr><th>Risk Reference and Link to Strategic Priority</th><th colspan="2">Risk Description</th></tr>
<tr><td>SRR2

Strategic Priority

“Enabler Risk and incorporates all Strategic Priorities.”</td><td colspan="2">There is a risk that: The organisation could experience poor organisational health.

Caused by:
1. Ineffective or inconsistent organisational leadership and governance
2. Lack of progress towards our ideal organisational culture and behavioural expectations
~~3.~~ Inability to effectively engage our people
4. The impact of the lack of integrated and strategic workforce planning on capacity, skills and capability to deliver BAU/IMTP/LTS
5. Ineffective approaches to acknowledging, escalating and managing risks and issues at an organisational level.

Resulting in: poor engagement, diminished ability to deliver strategic priorities, reduced adaptability and innovation, poor attraction, and retention, and erosion of stakeholder confidence.</td></tr>
<tr><td>Executive Director Sponsor</td><td colspan="2">Director of People and Organisational Development</td></tr>
<tr><td>Assuring Committee</td><td colspan="2">People and Organisational Development Committee</td></tr>
<tr><td>Trend</td><td>Current Position of Risk Including Risk Appetite and Risk Decision</td><td>Position Statement – Executive Director Update</td></tr>
<tr><td>
</td><td><table><tr><td>Willing</td><td>PHW is eager to be innovative and take on a high level of risk, but only in the right circumstances.</td></tr></table>

Current Score = 16
Target Score = 6
Therefore, within risk appetite tolerance level.</td><td>June update:

Since the last update Leadership Team held a deep dive into SR2 to support the Business Executive Team in managing the risk. LT agreed to propose changes to:

• Address duplication with SR5
• Refine and rationalise the causal factors in the risk description
• Strengthen alignment with Corporate Risks so links can be made in future updates and progress with CRs informs the risk score
• Achieve cross organisational engagement on the management of the risk</td></tr>
</table>

		• Consider recent organisational reviews and incidents **After review by the Executive Team and informal discussion at PODCOM, the Risk score has been amended to 4x4 to reflect the current and emerging issues across the organisation in terms of culture, behaviour and SUS incidents. Whilst this means that the score changes to 16, it remains within Risk Appetite (Willing). The Business Executive Team will work with the risk owner over the next reporting period to consider whether, in light of performance indicators and known impact, the appetite for this risk be reduced to Open until controls have become more effective.** The proposed changes are presented below as part of the June update. If the changes are approved the Controls and Action Plans will be revised as part of the next update and in future. An assessment of the Corporate Risk Register (CRR) identified that the following Corporate Risks map to CR2: • CR1593 – Duty of Quality related • CR1678 – Risk Management related • CR2076 – Equality and Inclusion related **Other updates:** Recent reviews and incidents have highlighted the need to strengthen approaches to acknowledging, escalating and managing risks and issues at an organisational level

		and a 5th causal factor has been added to the Risk Description to reflect this. The findings of the BTW Review demonstrate the need to sustain focus on Culture, Behaviour (C2) and Employee Engagement (C3) and this is a core element of the improvement plan which responds to the review. In response to feedback, work has begun to simplify the language we use to talk about Culture and align it with the Being our Best Behavioural Framework that underpins our Values and Cultural Narrative. The aim is to demystify work on Culture and make it accessible. Two additional cohorts have commenced the PHW Leadership and Management Academy programme. The Academy aims to empower line managers to create environments where people and teams can thrive. The 2026-27 Developing People Managers programme has begun and work to develop foundational leadership and management learning to increase leadership and management skills, capability, and confidence which is a proposed IMTP commitment for 2026-27 continues following discussions with SET in June. A Cultural Advocates Network has been established and an Executive Sponsor put in place. In July the Executive team will: • Consider the refresh of the high-level integrated engagement plan, which is one element of this 2026-27 IMTP commitment: ‘Refresh the high-level

		integrated engagement plan - using insights from the 2025 NHS Wales Staff Survey and Culture Pulse – to identify cultural priorities, strengthen flexible, equitable ways of working and foster a psychologically safe workplace where every colleague can thrive.' • Meet with the Cultural Advocates Network to discuss their work and how it can be supported by BET.

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C1:** Ineffective organisational leadership and governance			
Control Reference	**Internal Control**	**Internal Sources of Assurance**	**How/When is it monitored?**
C1.1	The refreshed Long-Term Strategy, Strategic Priority Route Maps and Integrated Medium-Term Plans (IMTP), provide clear strategic direction and are monitored through regular reporting cycles. Targeted and regular development of the Business Executive Team (BET) to enhance strategic oversight and decision-making.	• BET/Board minutes • IMTP reporting • PODCOM minutes • Internal Audit and Audit Wales reports	• Regular BET/Board meetings • Ongoing IMTP milestone tracking • Regular PODCOM meetings • Annual accountability reporting to Welsh Government

[1] Three Lines of Defence Model
First – Operational Management control of organisational risks
Second – Risk management and compliance functions, reporting to senior management
Third – Internal audit to provide assurance.

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C1:** Ineffective organisational leadership and governance			
Control Reference	**Internal Control**	**Internal Sources of Assurance**	**How/When is it monitored?**
	A systemic programme of work which will increase leadership and management skills, capacity and confidence including formal learning. Compliance with Standing Orders, Scheme of Delegation, and Board Etiquette Protocol. Implementation of an organisation-wide Records Management system. Embedding the Duty of Quality and standardised governance practices. Assessment of our organisational approach to equalities work. Embedding the Leadership and Management Academy.		

Internal System of Controls – Linked to ‘Caused By’ section of Risk Description and Source of Assurance [1] **C2:** Lack of progress towards our ideal organisational culture			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C2.1	Use of the Organisation Culture Inventory (OCI) to assess progress against cultural priorities. A Cultural Narrative which articulates the desired organisational culture and values, championed by a network of Cultural Advocates across the organisation. Agreement of a strategic and integrated approach to improving staff experience with a focus on embedding behaviours that align with the ‘Being Our Best’ framework and fostering a psychologically safe and inclusive environment. People Strategy and PS Implementation Plan.	• Staff Survey and OCI results • IMTP reporting	• Employee engagement measures developed in 2024-2025 • Annual staff survey • OCI progress tracking (Culture Pulse survey in Q2 2025/26) • Ongoing IMTP milestone tracking • Mid and end of year review process.

Internal System of Controls – Linked to ‘Caused By’ section of Risk Description and Source of Assurance [1] **C3:** Inability to appropriately engage, develop and enable our people. to deliver our Long-Term Strategy			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C3.1	A strategic approach to engagement, and a comprehensive approach to workforce development, underpinned by the People Strategy and Strategic Workforce Planning (SWFP) framework.	• Learning and development records • Staff survey insights • SWFPs • IMTP reporting	• Performance Assurance Reporting • Annual staff survey • Regular review of SWFPs/ workforce actions • Ongoing IMTP milestone tracking

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C3:** Inability to appropriately engage, develop and enable our people. to deliver our Long-Term Strategy			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
	Learning and development needs are identified through annual reviews and SWFPs, ensuring alignment with organisational goals. These are supported by a comprehensive learning and development offer. People Strategy implementation plan. Integrated Engagement Action Plan.		

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C4:** Lack of adequate capacity or capability to deliver BAU/IMTP/SP route maps and flexibility/ adaptability/ readiness for change			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C4.1	The implementation plan for the 'Designed to Deliver' element of the People Strategy Change management support for Tier 1 and 2 organisational change provided by the Programme/Project Management Office and People and OD. Change is delivered in partnership with Trade Unions.	IMTP reporting Change programme boards Local Partnership Forum / Joint Medical and Dental Negotiation Committee minutes Training compliance from PMO Change programmes have benefits realization as a standard reporting outcome.	Ongoing IMTP milestone tracking Regular programme progress reporting Regular partnership working meetings Audit against PMO standards and SOPs Gateway reviews

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C4:** Lack of adequate capacity or capability to deliver BAU/IMTP/SP route maps and flexibility/ adaptability/ readiness for change			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
	Learning and development and supporting guidance for change management, as well as support for those going through change. Organisational change work is embedded within the IMTP, designed to enable effective delivery of both business-as-usual and strategic initiatives. PMO provide specific training and support on benefits realisation and how this can be implemented and progressed throughout PHW.		Narrative from staff survey on experience of being part of a change programme.

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C5:** Lack of integrated and strategic workforce planning			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
C5.1	An established Strategic Workforce Planning (SWFP) process and framework, including clear roles and responsibilities. The framework is designed to align with the timeframe of the Long-Term Strategy.	• SWFPs • IMTP reporting	• Regular review of SWFPs/ workforce actions • Ongoing IMTP milestone tracking

Internal System of Controls – Linked to 'Caused By' section of Risk Description and Source of Assurance [1] **C5:** Lack of integrated and strategic workforce planning			
Control Reference	**Internal Control**	**Source of Assurance**	**How/When is it monitored?**
	Integration of the SWFP process and framework with operational and financial planning / Strategic and operational workforce plan as an embedded element of the IMTP process		

Gaps in Assurance / Action Plans for the cause C1						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP1.4	Standardised approach to Governance and Quality Management / Duty of Quality/ Continue to embed the Quality Oversight Group and Duty of Quality.		Robust, standardised approach to organisational governance			**June 2026 updates:** AP1.1 and 1.2 moved to the Controls section as per the April update. AP1.5 to be discussed at BET in June. A review of the delivery date will follow. **April 2026 updates:** Whilst AP1.1 and 1.2 are complete work to increase leadership and management skills, capacity and confidence will
AP1.5	Develop and commence the delivery of foundational leadership and management learning and development to increase leadership and management skills, capability, and confidence.	IMTP milestone reporting Participation rates Evaluation feedback	Builds foundational leadership capability and confidence, supports operational and strategic delivery	Director of People and OD	30 September 2026	

Gaps in Assurance / Action Plans for the cause C1						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
						continue (see new AP1.5). Assurance on AP 1.1 and 1.2 provided to PODCOM in April 2026, these actions will be moved to controls section as part of next update. AP1.4 will be considered at the deep dive with LT in May.

Gaps in Assurance / Action Plans for the cause C2 (Lack of progress towards our ideal organisational culture)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP2.3	Refresh the high-level integrated engagement plan - using insights from the 2025 NHS Wales Staff Survey and Culture Pulse – to identify cultural priorities, strengthen flexible, equitable ways of working and foster a psychologically safe	People Strategy Implementation Plan IMTP milestone reporting Staff Survey results	Embeds cultural values and supports inclusive organisational development Clear longer-term roadmap for employee experience	Director of People and OD	31 March 2027	**June 2026 updates:** AP2.1 moved to the controls section as per the April update. AP2.3 is on track, will be discussed with BET in July. **April 2026 updates:** AP2.1 complete, will be moved to controls

Gaps in Assurance / Action Plans for the cause C2 (Lack of progress towards our ideal organisational culture)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
	workplace where every colleague can thrive.					section as part of next update.

Gaps in Assurance / Action Plans for the cause C3 (Inability to appropriately engage, develop and enable our people to deliver our Long-Term Strategy)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP3.3	AP1.5 and AP2.3 Implement the Job Families Steering Group, and associated actions agreed by Bet in 2025.26	People Strategy Implementation plan Staff survey scores	Supports career development and workforce planning	Director of People and OD	31 Dec 2026	**June 2026 updates:** AP3.1 and AP3.2 moved to the controls section as per the April update. Next steps for AP3.3 will be discussed at Leadership Team in July. **April 2026 updates:** AP3.1 complete, People Strategy implementation plan now in place, assurance and reporting to PODCOM. AP3.2 complete, assurance provided to PODCOM October 2025. These actions to

Gaps in Assurance / Action Plans for the cause C3 (Inability to appropriately engage, develop and enable our people to deliver our Long-Term Strategy)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
						be moved to controls section as part of next update.

Gaps in Assurance / Action Plans for the cause C4 (Lack of adequate capacity or capability to deliver BAU/IMTP/SP route maps and flexibility/ adaptability/ readiness for change)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP4.2	Provide change management support and learning and development via PMO and POD.	L&D needs analysis/identification of future skills/scarce skills and strategic alignment	Improved capability in the skills to manage change well, and capacity to support organisational change	Directors of People and OD / Finance and Operations	31 March 2026	**June 2026 updates:** AP4.1 moved to the controls section as per the April update. Elements of AP4.2, AP4.5, AP4.6, AP4.7 map to the new SR5 and will be removed as part of the next update to address duplication. AP4.4 is a 2026-27 IMTP commitment and is dependent on WG approval of the IMTP. April 2026 updates: AP4.1 complete, implementation plan in place, action to be moved to the controls section in next update.
AP 4.4	Established a fully integrated planning approach including long-term workforce planning, ensuring future alignment with Strategic Priorities and informing a sustainable skills development programme		Builds organisational capability and adaptability Ensures the organisation has the agility to respond to future challenges.	Director of People and OD	31 Dec 2026	
AP4.6	Ensure DDDA fulfils the role of gatekeeping new change programme proposals	Periodic programme review as per best practice standards.	Driving up standards and providing senior management oversight of capacity and capability.	DDDA Membership	Ongoing	

Gaps in Assurance / Action Plans for the cause C4 (Lack of adequate capacity or capability to deliver BAU/IMTP/SP route maps and flexibility/ adaptability/ readiness for change)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP4.7	BET/Programme Change Board to provide a structured approach to ensure capability and capacity is assessed before formal agreement and ensure benefits realisation plan links to proposal.	Reports received at the Change Board reflecting the requirements.	Executive/Director oversight and assessment.	Change Board membership and Executive Directors	Ongoing	AP4.2 - a review of the POD change toolkit has been undertaken; more work is needed on further actions to develop skills and support for change – to be discussed at LT deep dive 7 May. Delivery date for AP4.4 to be confirmed in the next update.

Gaps in Assurance / Action Plans for the cause C5: (Lack of integrated and strategic workforce planning)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
AP5.2	Establish a fully integrated planning approach including long-term workforce planning, ensuring future alignment with Strategic Priorities and informing a sustainable skills development programme.	IMTP milestone reporting Alignment with IMTP, SEP, and strategic priorities	Ensures long-term workforce sustainability and strategic alignment Improves resource efficiency and strategic delivery	Director of People and OD	30 December 2026	**June 2026 updates** AP5.1 moved to the controls section as per the Apri update. AP5.2 is a 2026-27 IMTP commitment and is dependent on WG approval of the IMTP. **April 2026 updates:**

Gaps in Assurance / Action Plans for the cause C5: (Lack of integrated and strategic workforce planning)						
Reference	**What Action?**	**How will we measure efficacy?**	**How will this action impact/mitigate the risk?**	**Who is Responsible?**	**By When?**	**Progress**
						AP5.1 complete, will be moved to the controls section in the next update. New action added (AP5.2) to reflect 2026-27 IMTP commitments.