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Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Annual Report and Accounts

2023-24

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Chair and Chief Executive's Introduction



Dyfed Edwards
Chair



Carol Shillabeer
Chief Executive

We are pleased to present Betsi Cadwaladr University Health Board's Annual Report for 2023/24.

It has once again been a difficult year for the organisation, but also a year of great change. This has been the first full year since we were placed into special measures by Welsh Government, which triggered a change of leadership, including the appointment of a full new team of Independent Members to the Board.

Although the effects of COVID-19 are finally on the wane, we have been dealing with other challenging issues including industrial action by some of our staff and a continuing difficult financial situation. Meanwhile, significant failings with some aspects of our performance have been identified which we are working hard to address.

The financial context in which we, and virtually all other public bodies, operate continues to be challenging, both in the short and long term. Although we have made progress over the last year, we continue to have an underlying financial deficit which we must address.

We also continue to face staff shortages in many key areas, caused by a difficult recruitment market. That is why we, along with other Health Boards, supported the Welsh Government's recruitment drive for medical staff from India to come and work with us in Wales.

Our main focus throughout the year has been on patients and their needs. We understand the difficulties that many of them experience, including waits at Emergency Departments, for surgery and for dental appointments.

We share their frustrations and know that we can, and must, do better. We have taken a conscious decision to be as open and transparent as possible with the people of North Wales, so that they can understand the pressures we face and we can listen to their views.

That is why we have started a series of community conversations, visiting towns and villages across North Wales, where everyone is welcome to meet and question our board members and executive team on the services we provide. We want to hear about their experiences, both good and bad, so that we can listen and learn. These events will continue throughout this year and beyond.

While it is easy to focus on the negatives, there are reasons to be optimistic and for that we must thank our staff. They provide high quality care, support and treatment to thousands of people across North Wales every week, and we wish to pay tribute to their ongoing dedication and expertise for the way they look after our patients and the wider community.

The resilience, commitment and enthusiasm of front-line and support staff is something that we can all be proud of, and that's why we are optimistic for the future.

For example, over the last year we have reduced the number of people waiting 52 weeks for a first appointment by 45%, vascular services have received a positive external review from Health Improvement Wales and we have introduced new ways of treating and diagnosing some cancers including using artificial intelligence in breast and prostate cancers.

Construction work on a brand-new orthopaedic hub at Llandudno Hospital has also started. The Welsh Government agreed funding of up to £29.4m for the new facility to help reduce orthopaedic waiting times. The new hub will transform elective orthopaedic services by delivering a planned 1,900 procedures a year and will be operational in 2025.

We do recognise that we can't operate in isolation because we are part of a much wider health and social care system that includes local authorities, educational institutions, voluntary organisations and the ambulance service.

We value the partnerships we have with these and many other organisations across North Wales and beyond. They face similar challenges to us to meet growing demands within their available resources, and we will continue to work closely in partnership with them wherever possible to maximise the resources available to improve the health and wellbeing of our population.

For example, we continue to work closely with Bangor University where the first full medical degree programme in North Wales, delivered in collaboration with Cardiff University and primary care providers in the region, will welcome its first students in September 2024.

There is no doubt that the coming year will continue to be challenging, but there is hope for the future. We have produced a three-year plan, setting out our ambitions through to 2027, that embraces a culture of improvements to our services that we believe shows that we are prioritising the right things to improve the health service in North Wales.

PART ONE – Performance Report

Performance Overview

The Performance Overview is designed to give the reader a concise summary of the work of the Health Board: the population that it serves, the key challenges that we have faced over the past year, our levels of activity and how we have performed when assessed against national performance targets.

The Performance Analysis provides greater detail on the range of health services delivered for the people of North Wales, including those that we commission and those that are managed and delivered directly by the Health Board.

Integrated Performance Framework

The Health Board approved the Integrated Performance Framework (IPF) for 2023 to 2027 on the 28th September 2023. Along with the Integrated Planning Framework (IPanF) and the Integrated Risk Management Framework, it is one of three new frameworks that will drive delivery of the strategic objectives of the Health Board for the next four years. All three Frameworks are aligned to support the Board Assurance Framework (BAF) and will be aligned the Quality Management System Strategy.

The purpose of the IPF is to integrate key performance indicators (KPIs) taken from:

1. Key deliverables from the Annual Plan (IMTP)
2. NHS Wales Assurance & Oversight Performance Framework 2023/24 and 2024/25
 1. NHS Wales Performance Framework Measures 2023/24 and 2024/25
 2. NHS Wales Policy Assurance Assessments 2023/24 and 2024/25
 3. Key deliverables in response to Welsh Government (WG), Health Education and Improvement Wales (HIEW) and other formal recommendations

The IPF will support the delivery of better outcomes for our patients and our staff, and ensure that all stakeholders understand their roles, responsibilities, and accountabilities. The management requirements of the IPF are aligned to the Health Board's corporate governance structure.

The IPF encourages and nurtures performance improvement through a partnership approach of openness about our performance and innovation and engenders a commitment to improve at all levels of the organisation. The Framework is firmly based on our values:

- Put patients first
- Work together
- Value and respect each other
- Learn and innovate
- Communicate open and honestly

The IPF reflects the Health Board's current level of performance escalation with Welsh Government. The Framework implementation approach will be subject to review should escalation levels change.

Throughout 2024/25, the Performance Directorate will be working with key stakeholders throughout the organisation in implementing the IPF.

Chief Executive's Summary

The past 12 months have again been very challenging for the Health Board. We, like every other Health Board in Wales, have faced increased costs, leading to pressure on our already strained budgets as we strive to do the very best for the people of North Wales.

2023/24 also marks the first full year of being placed into special measures by Welsh Government, adding to the issues we face here.

Being placed into special measures is not the only issue we have had to deal with this past year. NHS staff across Wales have been on strike and, while we understand the reasons for their industrial action, it has caused disruption to many planned procedures.

Following a critical Audit Wales report on our governance and financial management in 2023, we're pleased that the latest report published in 2024 acknowledges the progress that we've made, although there is still some work to do.

There have been a number of other complex and difficult issues raised during the year:

- We are still experiencing challenges in recruiting staff in some disciplines, but have recently been successful in recruiting nurses from India for some posts.
- Waiting times are still too long in many cases and we share the frustration of patients who are waiting for treatment.
- Primary care services, including dentistry, are under exceptional pressure and we are taking action to improve these services.
- The Health Board was fined following a Health and Safety Executive prosecution. We have apologised to the family involved and are determined to keep improving the service we provide, especially where we fall short of our ambition to be an excellent service.
- We have also been the subject of a number of Prevention of Future Deaths reports from North Wales coroners. We acknowledge the importance of these reports and take them seriously as behind the statistics are people who have experienced personal loss. Work is ongoing to identify and respond to the key themes and points of learning that the reports contain. We have much to improve on to ensure that we provide services with quality and patient safety at their heart.

We have demonstrated areas of improvement during the year, with activity levels across nearly every aspect of our services building on improvements from last year and continuing to increase, and we have successfully delivered a number of key strategic projects.

Our new Integrated Health Communities are establishing themselves as a key structure in our efforts to progress our working relationships with local authorities, especially in relation to social services and education.

As for special measures, it is never good for any public body to be placed in this situation. However, it has helped focus our efforts on elements of our service that need improvement.

We have already seen improvements and are treating people sooner in a number of areas. For example, the number of people waiting more than 52 weeks for a first appointment has been reduced by 45% and the number of people waiting over 104 weeks has been reduced by 37%.

Vascular services have been de-escalated by Health Inspectorate Wales and received a positive external review, and Welsh Government has approved our plans for a multi-million-pound orthopaedic centre in Llandudno that will treat an additional 1,900 patients a year when it's operational in 2025.

Behind the scenes we're managing our budgets better. We've agreed a financial plan and savings target, and provided additional training for more than 400 staff on improving our procurement practices. We've reduced expensive short-term contracts, including interim staff, by 82%.

We now have a full complement of Independent Board Members who can ensure scrutiny of our services through our sub committees. We're investing in our staff and are encouraging a positive working culture that is open and transparent so that everyone can share their thoughts and ideas to improve the patient experience.

We have made progress over the last year. But I am in no doubt that we still have some way to go. Improving our services so that we exit special measures is important, but even more important is ensuring that all the services we provide are the best for the people of North Wales.

Carol Shillabeer
Chief Executive

Areas of Responsibility

The Health Board is the largest health organisation in Wales, with a budget of £2.14 billion and a workforce of over 20,000. The Health Board is an integrated health system that strives for excellent compassionate care delivered in partnership with the public and other statutory and third sector organisations.

We are responsible for the delivery of health care services to more than 700,000 people across the six counties of North Wales (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham). This includes the provision of primary, community and mental health, as well as general hospital services.

In primary care settings the Health Board delivers NHS care through a combination of independent contractors and directly delivered services across North Wales. This network of primary care services covers 96 medical practices (“GP practices”), 83 dental and orthodontic practices, 69 optometry/optician practices and 147 community pharmacies.

In community settings, the Health Board delivers a wide range of community NHS services including community nursing, health visiting, physiotherapy, and palliative care, through a network of health centres, clinics, community team bases and 16 community hospitals, coordinated across 14 localities.

Community mental health services are delivered from bases across North Wales, supported by inpatient mental health units across the region.

The Health Board also delivers primary, community and mental health services to the prison population within His Majesty’s Prison Berwyn in Wrexham.

General hospital services are provided from three main sites (Ysbyty Gwynedd in Bangor, Glan Clwyd Hospital in Bodelwyddan and Wrexham Maelor Hospital), with some surgical services also being delivered in Abergele and Llandudno.

Where NHS care cannot be provided within North Wales, such as for certain rare conditions or highly specialist services, the Health Board works with other NHS providers in Wales and England, to ensure that patients can still access the specialist treatments they need.

We are also responsible, in partnership, for improving the health and wellbeing of local people through activities such as our successful vaccination programmes and school health services.

In February 2023, the Health Board was escalated into Special Measures. The key priority in the first 12 months has been stabilising the organisation. The Health Board’s response has been structured around the following five high level outcomes:

- A well-functioning Board
- A clear, deliverable plan for 2023/24
- Stronger leadership and engagement
- Improved access, outcomes and experience for citizens
- A learning and self-improving organisation

During 2023/24 the special measures plan was managed within discrete 90-day cycles designed to ensure pace. Good progress to stabilise the organisation has been made across each of these outcome areas. This work has been an important step in creating the necessary conditions for ensuring improvements can be incorporated into our working practices.

In June 2023, the Board approved an annual plan for the period 2023 to 2024, set in the context of our longer-term direction of travel for health and healthcare in North Wales. The Plan included actions to comply with the NHS Wales Planning Framework 2023-26 and was set within the overarching policy context of 'A Healthier Wales'. Our plan identified how the Board will address the following key areas identified in the Planning framework:

- Ongoing response to the pandemic and system demand
- Recovery and sustainability, including improvements in activity levels following the pandemic
- Collaboration and regional approaches with partners
- Quality of care including addressing the new Duty of Quality and Duty of Candour
- Prevention of ill-health, reducing health inequalities and improving health outcomes
- Climate change and decarbonisation
- Specific clinical service areas requiring improvement and links with the National Clinical Framework

This plan was not able to be formally approved by Welsh Government for reasons related to financial concerns and in relation to the Health Board being in Special Measures escalation. The accountability conditions (a set of conditions which we must comply with), issued in response to the plan submission to Welsh Government, included the need to continue working towards a clear financial position and trajectories and to further strengthen delivery of the ministerial priorities.

In addition, further considerations were raised in respect of digital development, decarbonisation and responding to the cost-of-living crisis.

Commentary on many of these subjects is provided elsewhere in this report.

As we move into 2024/25 the special measures response plan has been shaped to align more closely with our annual planning process and with the development of our 2024-2027 three-year plan. This next phase will build on the initial progress.

During 2023/24 we continued to develop our work to meet the spirit and the intent of the Well-being of Future Generations Act. The Act sets out duties for public sector bodies in Wales, including the Health Board, to contribute towards achieving seven national well-being goals, to broaden our outlook and to think longer term in doing so. During 2023/24 we worked with partners and agreed five-year Public Service Board Well-being Plans for 2003-2008, which set out our shared aims in this area.

The Health Board continues to work on strengthening its population health focus, working in partnership with a range of organisations across North Wales. During 2023/24 we worked with partners to develop an annual delivery plan in response to the updated regional population needs assessment for 2023-2028. This describes how we will work together across North Wales to deliver health and social care activities and supports our planning activity alongside colleagues on the Regional Partnership Board. We remain committed to tackling inequalities and our 'Well North Wales' programme continues to provide a focus for this work within the Health Board and through collaborative working with our partners. The Health Board cover report for all meetings of the Board and Committees considers the legal and regulatory impact of decisions; this would include, for example, compliance with the public sector equality duty. The Health Board has approved a Strategic Equality Plan for 2024-28 and progress against the plan will be overseen by the People and Culture Committee.

As well as improving health and delivering clinical and care services, the Health Board has wider responsibilities as an 'anchor' organisation in North Wales. This includes matters such as promoting equality and human rights, the environment, sustainable development, and the Welsh Language.

To achieve our goals we work closely with partner organisations such as local authorities and the voluntary sector, to discuss and address health inequalities, promote community engagement and exploit joint working opportunities. The partners we work with are many, and include:

- County Voluntary Services Councils
- Llais
- Local Authorities (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham)
- Mid Wales Joint Committee
- Neighbouring NHS bodies in England and Wales
- Public Health Wales
- Public Service Boards / Regional Partnership Board
- Regional Leadership Board
- Regional Safer Communities Partnership
- Third Sector partners
- Welsh Ambulance Services NHS Trust
- Welsh Health Specialised Services Committee

Our Citizens

North Wales has a resident population in the region of 688,200 people living across an area of around 2,500 square miles, giving the area an average population density of 112 persons per square kilometre. Flintshire is the most densely populated at 353 persons per square kilometre; Gwynedd is the least densely populated at 46 persons per square kilometre.

The population is generally older than the Welsh average, with a larger proportion of people in the 65 and over and 85 and over age groups.

Age Group	BCUHB (%)	All Wales (%)
0-15	17.2	17.5
16-64	59.1	60.9
65-84	23.8	21.5
85 and over	3.1	2.7

Source: StatsWales (WG); Mid-Year Estimates, 2022 (ONS)

The overall health status of our population compares favourably to other parts of Wales. However, there is significant variation across North Wales, and the region includes some of the most deprived areas in Wales. Rhyl West 2 and Rhyl West 1 are the two most deprived areas in Wales.

Ten most deprived areas in BCUHB		
LSOA* Name	Local Authority	WIMD** rank
Rhyl West 2	Denbighshire	1
Rhyl West 1	Denbighshire	2
Queensway 1	Wrexham	9
Rhyl West 3	Denbighshire	11
Rhyl South West 3	Denbighshire	19
Glyn (Conwy)	Conwy	20
Wynnstay	Wrexham	45
Rhyl South West 1	Denbighshire	57
Abergele Pensarn 2	Conwy	70
Tudno 2	Conwy	78

*LSOA – Lower Layer Super Output Area, these are fixed statistical geographic areas, each with around 1,500 residents, defined by the Office for National Statistics (ONS)

**WIMD – Welsh Index of Multiple Deprivation (2019 data)

The percentage of children in low-income families across North Wales ranges from 30.8% in Flintshire to 35.6% on the Isle of Anglesey. Each unitary authority has experienced a percentage increase between 2015 to 2021; the largest increases have been in Conwy (6.2%) and Denbighshire (6.1%).

We recognise that deprivation has a significant adverse impact on population health, and that the current cost of living crisis will be intensifying this. The Health Board has established a steering group to look at ways the Health Board can respond on this issue and a series of initiatives continue to be progressed as part of the foundational economy approach. We continue to provide support through our partners to offer support including services addressing food poverty, assistance regarding fuel and heating, money advice, social prescribing, and a range of other health and well-being support.

While many of us are staying healthy later in life, for many there continues to be increasing levels of long-term conditions and a consequent need for care and support.

This impacts not only on individuals experiencing increased levels of need but also on those family members or relatives who may be providing unpaid care.

There is a slightly higher prevalence of long-term health conditions across the North Wales population compared to the Welsh averages:

Long Term Condition	BCUHB (%)	All Wales (%)	BCUHB compared to Wales
Hypertension (high blood pressure)	17.0	15.7	Higher
Obesity	11.5	11.8	Lower
Diabetes mellitus (patients aged 17 and over)	7.9	8.0	Higher
Asthma	7.4	7.2	Higher
Secondary prevention of CHD	3.6	3.5	Higher
Cancer	4.0	3.4	Higher
Chronic Obstructive Pulmonary Disease (COPD)	2.5	2.2	Higher
Stroke & transient ischaemic attack (TIA)	2.2	2.2	Higher
Heart failure	1.2	1.2	Equal

In the 2021 Census, North Wales had 194,295 residents who can speak Welsh, which equates to 29.1% of the overall population compared to 17.8% across Wales. As a Health Board, in addition to our statutory duties to ensure provision of Welsh language services, we recognise the importance of promoting the Welsh language for our staff and in our role as a large employer with a significant contribution to make in sustaining the language in our communities. Further detail on our Welsh Language activity is noted on pages 73 to 75 of this document.

Our Staff

As at 31st March 2024, the Health Board employed 20,909 individuals, which equated to 18,366 full-time employees.

Below is a breakdown of the average number of employees by staff group for the entire year, as well as a gender breakdown of senior directors, managers and other staff members.

Overall recruitment in the Health Board is still challenging, however with the introduction of the Strategic Recruitment Team, there is now a clearly defined focus for the organisation to deliver high quality recruitment services in the areas of medical consultant recruitment and senior leadership recruitment for Agenda for Change (AfC) bands 8C and above. The newly formed People Service teams across Integrated Health Communities now focus on all other medical and AfC recruitment.

The Health Board successfully reduced its reliance on senior non-clinical interim staff across the year and the number in the organisation is now down to single figures.

In our Mental Health and Learning Disabilities services (MHL), a number of international recruitment campaigns to recruit psychiatrists from India has had some successes and on the most recent international recruitment drive the Health Board successfully interviewed a number of psychiatry doctors who will be joining us later in 2024.

Professional Group	Average FTE 2023/24 as at 31 st March 2024
Add Prof Scientific and Technic	747
Additional Clinical Services	3,984
Administrative and Clerical	3,663
Allied Health Professionals	1,201
Estates and Ancillary	1,361
Healthcare Scientists	288
Medical and Dental	1,605
Nursing and Midwifery Registered	5,495
Students	22
Total	18,366

Staff composition table below. Please note, Executive Directors in post are 8 because we have 1 vacancy as of 31st March 2024.

Staff Composition	Female	Male	Grand Total
Exec	4	4	8
Manager (Band 8c and above)	137	73	210
Staff	16,756	3,935	20,691
Grand Total	16,897	4,012	20,909

Staff health and wellbeing support

Health Board staff face a multitude of challenges including continuing to recover from the COVID-19 pandemic, meeting demands for acute and long-term care, including patients with high acuity and chronicity. Alongside this, our staff have moved through an organisational change process as well as big changes in senior leadership and special measures. Staff continue to be affected by cost-of-living demands and, as a majority female workforce, themes relating to the menopause, childcare and flexible working are core in our work in a bid to ensure staff are supported and resourced to provide high quality and compassionate care.

The Occupational Health and Wellbeing (OH&W) teams deliver a range of programmes and support to staff, with a focus on preventative approaches to improve staff wellness in work, with the ambition to support our workforce to thrive. They do this whilst working in collaboration with the Staff Wellbeing Support Service (SWSS), to deliver a broad programme of health and wellbeing support, initiatives, promotion, targeted engagement, risk management and wellbeing planning.

Health Needs Assessment (HNA)

In June 2023, Occupational Health and Wellbeing released its Health Needs Assessment (HNA) to all Health Board staff, encouraging all staff to complete the assessment to help the department understand the staff needs in relation to wellbeing. The HNA was kept live for 14 weeks and received 1,026 responses.

The HNA covered many aspects of health and wellbeing including questions on lifestyle, cultural, emotional developmental and financial wellbeing. The results are currently being analysed and the recommendations from the HNA will support the implementation of the health and wellbeing strategy and action plan for the next two years. The HNA will be repeated to gather further baseline data and to look at areas for further improvement.

A Step into Management (ASiM) Training

In support of the Organisational Development teams' step into management training for new and existing managers, Occupational Health and wellbeing leads supported the development and implementation of a health and wellbeing specific module and delivered this training to the 2023 cohort groups. The two-hour long training took place remotely via Teams and the module has received very positive feedback. Currently, the programme is now under review to support the cohort groups for 2024.

Living Well Working Well Handbook

During staff engagement sessions, staff wellbeing was an area of work which staff identified as needing further development. In collaboration with People Service colleagues and subject matter experts, we developed an electronic handbook named "Living Well Working Well" that provides links and information to wellbeing resources available to staff including physical, mental, spiritual and financial wellbeing and support on general working life.

Emotional Wellbeing Support

The Health Board has continued to provide staff with emotional wellbeing support through our counselling, psychology and external partner services. Counselling services have seen a huge increase in demand throughout 2023/24, often supporting staff through complex and challenging

clinical support. For the six months from April 2023 to September 2023 the counselling service received 879 referrals.

During 2023, we continued to provide all of our workforce with access to external support via the Rhyl City Strategy (RCS) social enterprise programme. This employee assistance programme received positive praise and supported the emotional wellbeing programme by providing counselling, psychological support, coaching and workshops for all Health Board staff. From April 2022 through to December 2023, RCS received 658 referrals from Health Board staff with 565 of these referrals actively being supported through therapeutic intervention.

Crisis Intervention Pathway

In early 2023, the crisis pathway was reviewed and updated to ensure that staff who are in crisis or at high risk of harm to themselves or others are seen quickly and appropriately. Joint working with the SWSS team, MHLA colleagues and external partners brought together a revised pathway, which supports staff with quick interventions and support through specialist services. Staff can access the pathway directly or via the support advisor team programme.

Menopause

The Menopause Matters Steering group has been in operation since January 2023. It monitors the introduction of many interventions to support our staff with peri-menopause and menopause. These include the introduction of menopause cafes, menopause awareness sessions (approximately 400 staff have registered to attend one of the menopause awareness sessions since they were introduced), menopause champions, and a menopause staff intranet site which provides advice and information and which has received more than 4,000 views from staff. More than 150 staff have accessed the menopause cafes since they started in July 2023 and feedback around the impact they have had on mental and physical wellbeing has been incredibly positive. Common themes include staff not feeling alone and an appreciation of the tips given and confidence experienced. This has been recognised nationally with a nomination for the Welsh CIPD Awards.

Roadshows

The Occupational Health & Wellbeing Roadshows are hugely successful providing staff with information, advice and support on all matters related to health and wellbeing. Since July 2023, the Roadshow has visited 28 hospital sites and talked to more than 700 staff members about all things regarding working life and wellbeing. The main topics of conversation across all areas are menopause support, mindfulness and communication across our teams with limited digital access.

Healthy Food Healthy Staff

The Healthy Food Healthy Staff project team provided staff with a £1 healthy nutritious meal once a week. This has been well-received by staff, with approximately 90,000 Wellbeing Meals served across the Health Board since its inception. In a recent survey, 63% of staff said they had used the wellbeing recipe cards to make a healthy meal at home. The programme has since moved into the core offering within our catering facilities, which will continue to provide discounted healthy meals to staff every week.

From 1st March 2024, plans are in place to add this approach to the daily offerings across our canteen sites every week.

Staff Wellbeing Support Service

The Staff Wellbeing Support Service (SWSS) is an umbrella term for a host of services who work collaboratively to ensure high quality and co-ordinated support is offered to staff. The SWSS Operational Group meet fortnightly to oversee quality, governance and strategic focus on staff wellbeing delivery.

Alongside individual support, 2023/24 has focused on more systemic work, aiming to make the Health Board a nurturing, compassionate environment for its employees. As such, collaborative forums where Occupational Health, Peoples Services, Health and Safety, Organisational Development and Clinical Psychology come together to share intelligence and work together to support staff teams. Schwartz Rounds (a structured forum where clinical and non-clinical staff can discuss the emotional and social aspects of working in healthcare) continue to run across the Health Board every six weeks alternating virtual and face-to-face. SWSS Clinical Psychology sits in the Speak Out Safely Multi-Disciplinary Team. It is working alongside colleagues in Organisational Development to develop a strategy to influence culture change and is involved in the Integrated Leadership Framework development. Wellbeing Roadshows have travelled across many hospital sites promoting staff wellbeing services across the Health Board.

Staff in Mental Health & Learning Disabilities continue to have access to bespoke wellbeing support from the Wellness, Work & Us Service. They offer counselling, coaching, emotional support and wellbeing development for teams. This service also focuses on aspects that impact staff wellbeing such as leadership, staff recruitment, retention and training, and seeks to identify ways to make processes easier for staff, releasing more time to support service-users.

The Health Board's coaching network is designed to facilitate coaching relationships between qualified coaches and employees seeking professional development, skill enhancement, and career growth. We have a network of 50 coaches, 36 of whom are actively coaching, who possess the necessary skills, expertise, and experience to effectively coach our employees. The coaching network provides a valuable resource for employee development, leadership growth, and organisational success by fostering a culture of learning, support, and continuous development.

Wellbeing Planning and Engagement

OH&W continue to deliver local health needs assessments to various departments to support staff health and wellbeing and to develop a wellbeing action plan, which is tailored to suit the needs of the staff. This is done in collaboration with directors of services, department heads, team leads and managers. The work consists of developing gap analysis surveys, programme planning, implementation and evaluation of targeted initiatives. This work supports the ongoing need for managers to improve the health and wellbeing of their staff, reduce sickness absence, more efficient return to work processes and preventative measures.

Wellbeing Champions

The wellbeing champion programme continues to grow across the Health Board with colleagues being supported to lead on aspects of health and wellbeing within their own teams and departments. Aspects of health promotion, focus group delivery, engagement, peer support and wellbeing monitoring are delivered through the network across the Health Board. Currently, the programme is going through a role revision and further recruitment into the champion programme will be supported in 2024.

Workshops

We have built a strong partnership with our Health Intervention Team who have delivered three wellbeing courses and four short workshops all focused on improving staff health and wellbeing. About 70 staff have booked onto these sessions to date with more sessions planned throughout 2024. We are also working with colleagues from the WULF fund who have been delivering training and workshops for our workforce on a variety of wellbeing activities. Examples of sessions include:

- Physical activity
- Eating well for less
- Taking care during work
- Stress Risk assessment training
- Stress less and stress management
- Foodwise for life
- Conflict management

Our Estate

The Health Board has one of the largest property portfolios in Wales. Services are delivered from more than 238 properties (including GP owned, third party developer and private landlord primary care premises), with a total floor area of around 420,000m² and a value of approximately £629.8m (includes £25.0m for Right of Use Assets).

During 2023/24, the Health Board's Estates Strategy was updated following engagement with a wide range of stakeholders to reflect the current position and future direction. The strategy was approved in January 2023. The Health Board now needs to consider potential actions to deliver on the strategy.

At an aggregate level, our estate falls short of both national targets and NHS Wales's average values for all estate condition and performance indicators, except space utilisation. A significant proportion of the estate (around 45%) is more than 40 years old. Backlog is the cost to bring estate assets that are below acceptable standards (either physical condition or compliance with mandatory fire safety requirements and statutory safety legislation) up to an acceptable condition. The estate has a total backlog maintenance cost of £348m, which has increased significantly since the previous version of the Estates Strategy was developed in 2019.

These figures do not include the primary care estate, where there are similar backlog maintenance requirements and modifications needed to comply fully with access requirements, and high levels of space utilisation, with significant overcrowding reported.

Hospital Activity 2023/24

The majority of patient contacts with health services take place in the community – for example in GP practices, pharmacies or patients' own homes. A large proportion of this work is performed by independent contractors (such as GP and dental practices that are run by the partners) or private companies (such as high street pharmacies), under contracts with the Health Board.

Hospital services are directly managed and run by the Health Board. During 2023/24, in our hospitals, we saw:

	2021/22	2022/23	2023/24
Outpatient appointments	695,445	721,515	822,589
Attending the Emergency Department or a Minor Injury Unit	221,071	222,786	236,964
Number of patients admitted as an emergency	87,547	93,007	99,388
Elective (pre-planned) inpatient operations	11,448	11,591	11,737
Day Case operations	88,635	94,303	93,089
Number of births	6,023	5,648	5,595

Other than for the number of hospital births and day case procedures, activity levels have increased in every category, reflecting both the emergency pressures that the Health Board has faced and the work to increase our planned treatment activity as we see to recover from the disruption caused by the COVID-19 pandemic.

Performance Against Key National Targets

Measure	Target	Latest Available Data Period	Current Performance	Ranking	All Wales
Percentage of patients who spend less than 4 hours in all major and minor emergency care (i.e ED) facilities from arrival until admission, transfer, or discharge	Improvement compared to the same month in 2022/23, towards the national target of 95%	Mar 24	62.1%	7th of 7 (at Mar 24)	67.5%
Number of patients who spend 12 hours or more in all hospital major and minor emergency care facilities from arrival until admission, transfer, or discharge	Improvement trajectory towards a national target of zero by 31 March 2024	Mar 24	3,409	7th of 7 (at Mar 24)	10,366
Median time (minutes) from arrival at an emergency department to triage by a clinician	12 month decreasing trend	Mar 24	23	4th of 6 (at Mar 24)	21
Median time (minutes) from arrival time at an emergency department to assessment by a senior clinical decision maker	12 month decreasing trend	Mar 24	142	5th of 6 (at Mar 24)	77
Number of ambulance patient handovers over 1 hour	Improvement trajectory towards achievement of zero ambulance patient handover delays >1 hour by March 2024	Mar 24	2,039	6th of 6 (at Mar 24)	5,922
Percentage of patients starting their first definitive cancer treatment within 62 days from point of suspicion (regardless of the referral route)	Improvement trajectory towards a national target of 80% by 31 March 2026	Feb 24	54.0%	3rd of 6 (at Feb 24)	53.4%
Number of patients waiting more than 8 weeks for a specified diagnostic	Improvement trajectory towards a national target of zero by 31 March 2024	Mar 24	6,504	5th of 7 (at Feb 24)	42,080

Measure	Target	Latest Available Data Period	Current Performance	Ranking	All Wales
Number of patients waiting more than 14 weeks for a specified therapy (including audiology)	Improvement trajectory towards a national target of zero by 31 March 2024	Mar 24	4,574	7th of 7 (at Feb 24)	12,759
Number of patients waiting over 52 weeks for a new outpatient appointment	Improvement trajectory towards a national target of zero	Mar 24	18,412	7th of 7 (at Feb 24)	60,004
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	Improvement trajectory towards a national target of zero	Mar 24	87,690	7th of 7 (at Mar 24)	247,630
Percentage of ophthalmology R1 appointments attended which were within their clinical target date or within 25% beyond their clinical target date	95%	Mar 24	56.2%	5th of 7 (at Mar 24)	61.4%
Number of patients waiting more than 104 weeks for referral to treatment	Improvement trajectory towards a national target of zero	Mar 24	8,720	7th of 7 (at Feb 24)	22,983
Number of patients waiting more than 36 weeks for referral to treatment	0%	Mar 24	63,938	N/A	N/A
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for people aged under 18 years	80%	Mar 24	88.5%	5th of 7 (at Feb 24)	86.3%
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for people aged under 18 years	80%	Feb 24	45.0%	5th of 7 (at Feb 24)	56.0%

Measure	Target	Latest Available Data Period	Current Performance	Ranking	All Wales
Percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan for people aged under 18 years	90%	Feb 24	91.4%	4th of 7 (at Feb 24)	86.1%
Percentage of children and young people waiting less than 26 weeks to start an ADHD or ASD neurodevelopment assessment	80%	Mar 24	23.6%	5th of 7 (at Feb 24)	23.9%
Percentage of mental health assessments undertaken within (up to and including) 28 days from the date of receipt of referral for adults aged 18 years and over	80%	Feb 24	87.2%	4th of 7 (at Feb 24)	68.9%
Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for adults aged 18 years and over	80%	Feb 24	87.5%	6th of 7 (at Feb 24)	77.4%
Percentage of patients waiting less than 26 weeks to start psychological therapy in Specialist Adult Mental Health	80%	Mar 24	87.7%	1st of 7 (at Feb 24)	63.8%
Percentage of Health Board residents in receipt of secondary mental health services who have a valid care and treatment plan for adults 18 years and over	90%	Feb 24	87.2%	4th of 7 (at Feb 24)	78.0%

Primary Care Services

Primary care provision in North Wales encompasses a comprehensive range of healthcare services accessible at the community level. It includes general practitioners (GPs), nurses, pharmacists, and other allied health professionals working in various settings close to where people live.

The focus of work this year has been the development of primary care professionals which builds a stronger, more resilient healthcare workforce capable of meeting the evolving needs of the community and adapting to changes in healthcare delivery models.

Primary Care Academy: The Academy expanded its successful initiatives, bolstering primary care sustainability. Teaming up with HEIW, it introduced the General Practice Nurses (GPN) Foundation scheme, welcoming more than 10 Trainee General Practice Nurses, with ongoing intakes planned. GP+ emerged as an innovative recruitment approach, offering developmental opportunities alongside GP roles. Three multi-disciplinary training hubs were established, hosting more than 20 students who reported positive feedback on their experience. The Academy provided diverse training courses, presented abstracts at national conferences, and collaborated with the Welsh Ambulance Service Trust, further enhancing primary care.

Dental Services: In 2023/24, NHS dental services treated on average 18,286 patients monthly, a 9.3% surge from the prior year. Community Dental Services responded to 16,355 helpline calls, delivering 39,286 face-to-face appointments and 1,979 phone consultations. Despite the increase in service delivery, waiting times have persisted, and recruitment challenges, particularly in North Wales, led to four practices relinquishing NHS contracts, intensifying pressure on the dental system.

As part of our response to these challenges, we have continued to expand the North Wales Dental Academy model. We now have an orthodontic practice and two community dental service practices operating as part of the Academy. We continue to explore options for the provision of training, education, and support to all dental care professionals, helping to make the region a more attractive area for dental clinicians to move to.

Community Pharmacy offers a wide range of clinical services beyond medicines dispensing.

Significant achievements include:

- 38,725 Emergency Medicines Service consultations helping to reduce demand on GP practice for urgent prescriptions and supporting temporary residents with lost or forgotten medication.
- 6,113 Contraception Service consultations, improving access to emergency contraception and easy initiation of contraception.
- 71,843 consultations completed under the Common Ailments Service, helping to move demand for minor illness away from general practice.

Clusters: Within our Integrated Health Communities, neighbouring Primary Care Services including GP Practices, Optometry Practices, Community Pharmacies, Nursing, Allied Health Professionals, Third Sector Organisations and Social Care work together in groups, referred to as 'clusters'. Their purpose is to develop and deliver new services to address local patient needs.

Clusters have continued enhancing home-based chronic disease management, reducing hospitalisations, Frailty Chronic Disease Nurses excel in supporting vulnerable patients and Spirometry Support Hubs empower primary care staff to deliver services closer to home. Mental health initiatives have prioritised community well-being, addressing root causes, and providing same-day urgent care for adults in crisis, fostering a positive impact.

In North Denbighshire, the Enhanced Diabetes Service has greatly improved the support available in the community for people with Type 2 Diabetes, or who are at risk of developing the condition. A Long-term Conditions Hub has been established in order to use a Point of Care Testing approach for people with diabetes to detect early signs of complications, provide optimum treatment and, through self-management and education, reduce exacerbations and promote well-being.

Optometry: The new national Welsh General Ophthalmic Service (WGOS) was launched in October 2023 with WGOS 1/2/3/5 all available across BCUHB. Essentially this means access to services for eye health close to home are increasing. Further services will be launched in conjunction with ophthalmology, following national sign off during February 2024.

There are 70 community optometrist practices across North Wales and all provide routine sight tests and Examinations for Urgent Eye Problems. In addition, 29 practices provide the Welsh Low Vision Service (WLVS) and practices provide the Independent Prescribing Optometry Service (IPOS).

Outside of WGOS, primary care optometry has continued to work with secondary care ophthalmology to provide community data capture services for glaucoma and diabetic retinopathy, in addition to a specialist contact lens pathway.

To support workforce requirements aligned with the introduction of new services in the community, a 'Teach and Treat' facility has been established in conjunction with Cardiff University. This enables optometrists working in North Wales to develop additional skills.

Future Plans:

- The Primary Care Academy will welcome the first cohort of GP Trainees to its training hubs, establish a new multi-disciplinary training hub, and continue working in partnership with HEIW Primary and Community Education and Training Unit.
- Dental services aim to further expand the North Wales Dental Academy model and continue discussions with Cardiff Dental School for collaboration.
- Community pharmacy services will continue to provide a wide range of clinical services and support public health initiatives.
- Clusters aim to further develop initiatives for managing chronic diseases, enhancing mental health support, and increasing the focus on prevention of disease.
- Optometry services plan to launch WGOS 4 which means referral refinement of certain eye conditions and monitoring of certain eye conditions and continue workforce development efforts.

Children and Young People's Services

Children and Young People's Services (CYPS) encompass the delivery of acute inpatient, outpatient services, neonatal services, Child & Adolescent Mental Health services (CAMHS)s, neurodevelopmental service, community based paediatrics services, health visiting and school nursing as well as the 'Looked After Children' service aligned to each Integrated Healthcare Community.

There is also a sub-regional Neonatal Intensive Care Unit hosted at Glan Clwyd Hospital and a regional inpatient child & adolescent unit hosted by the Central Integrated Health Community in Abergele.

Tertiary services are provided to North Wales residents by Alder Hey Hospital in Liverpool, England.

In 2023/24 key achievements by the services included:

- Reducing the number of children waiting for mental health assessment

The total number of children and young people waiting for a mental health assessment has reduced from 346 in March 2023 to 247 in March 2024. CAMHS are now achieving the Welsh Government Mental Health Measure target of undertaking 80% of assessments within 28 days of referral and aim to sustain this performance throughout 2024/25.

- Designing and co-producing a Children's Rights Charter for North Wales. A Children's Rights Charter to embed a Children's rights-based approach across the organisation has been developed and was due to be endorsed for publication by the Health Board in May 2024.
- Improving access to our CAMHS services by introducing virtual and face to face outpatient consultations, and the use of external provider partners to deliver services

Online and face-to-face outpatient consultations are now offered so that children and young people and their families and carers have choice. An external provider has supported in offering assessment and interventions alongside our Health Board services, which has supported in the improved waiting list position across the region.

- Extending the school aged immunisation service

The school-aged immunisation service continues to successfully deliver the routine childhood immunisations, which have included additional support for flu vaccination. As reflected nationally, uptake rates are slightly lower than previous years but still compare well against the national picture across Wales.

- Development of the first MST FIT (Multi Systemic Therapy - Family Integrated Transitions) unit in Wales, including a four transition bedded base, to provide support to young people with antisocial behaviours, possibly including violence, substance misuse or running away that causes severe disruption to family life and may have led to involvement with Youth Justice Services and the Police.

The residential portion of MST-FIT, Ty Nyth (ITM) opened successfully following registration with CIW in July 2023. The residential element supports the re-unification journey for children and young people.

Feedback from the community and schools has been positive and already this service is having a positive impact on keeping children and young people at home with families and within their communities.

The sustainability of the medical, mental health and psychology workforce is challenging in a time of increasing demand for services such as neurodevelopmental and the increases in population size of high-risk groups through displacement (including unaccompanied asylum-seeking children and war refugees) or external placement (from other local authorities).

Neonatal Services

During 2023/24, the Neonatal Units across the Health Board have been working towards UNICEF BFI accreditation stages 2 and 3. During February 2024, a stage 2 accreditation assessment visit took place; it is now confirmed that neonatal services in the Health Board have been accredited at Stage 2 with positive feedback received. The teams will now work to progress accreditation to Stage 3 within the next year. Improvements seen in breastfeeding rates at discharge from 38% to 49%.

There has been successful recruitment to the PERIPrem programme within each unit with quad teams in place. The Health Board's MatNeo Safety Champion supports the National Programme work for improvement. During Quarter 4 the position of Neonatal Network Clinical Services Manager was permanently appointed to, this role will oversee the regional co-ordination of care provided, ensuring that babies receive the appropriate level of high-quality care closest to home where possible.

Specialist Palliative Care

The North Wales Department of Specialist Palliative Care is a regional specialist service, comprising three multidisciplinary Specialist Palliative Care Teams (SPCTs), one each in our East, Central & West areas, and one Hospice at Home Service (East). The teams work flexibly to deliver integrated specialist care, seven days a week, across all specialties and care settings providing:

- Specialist clinical assessment and intervention for people towards the end of life who have complex palliative care needs.
- Guidance, training & education to the wider workforce, and research & development.
- Strategic development for palliative, end of life and bereavement care.

Demand on the service is high with 4,876 new referrals being received in the year; and approximately 50,350 patient visits/contacts being made.

Achievements include:

- 80% of patients referred to the Hospice at Home Team have been supported to achieve their preferred place of death in their own home.
- Completion of the regional End of Life Decision Making project resulting in a Quality Improvement Strategy.
- Strategy development for palliative, end of life and bereavement care, building on completed Health Needs Assessment and Engagement work.
- UK leading implementation and evaluation of Lay Carer Administration (CARIAD) supporting symptom control for those wishing to die at home. The CARIAD Team was Winner of Innovation in Practice Award in 2023 Health Care Research Wales Awards and Finalist Macmillan Professionals Excellence UK Awards 2023.
- Active development of bereavement services, including working towards implementation of the SWAN Model for end of life and bereavement care.
- Delivery of training and education, including the 'Six Steps to Success' training package to Care Homes across North Wales that helps residents to achieve their preferred place of care towards the end of life.
- Successful partnership working with His Majesty's Prison Berwyn to implement the Dying Well in Custody Charter.

District Nursing

District Nursing Services use an appropriately skilled and qualified nursing workforce to provide 24-hour care within the community and out of hospital settings.

During 2023/24, District Nurses undertook 659,280 home-based weekday visits.

To deliver an equitable and accessible range of services, approximately 43,943 visits were outside core hours, into the evening and overnight, and a further 114,131 visits were over a weekend.

The District Nursing Teams also support patients to attend clinic appointments in a variety of clinical settings. They also play an important role providing teaching and education to patients, relatives and carers to help them manage their condition and treatment in their own homes and in care homes, avoiding unnecessary admission or readmission to hospital.

During 2023, the role of the Advanced Nurse Practitioner has become more embedded into all Home First Services, to support the advanced clinical assessment of patients in their own homes and care homes.

To support the earlier discharge of patients out of an inpatient bed, there has also been a focus on additional Home First Services, where patient rehabilitation and confidence building takes place at an earlier stage in their own home setting.

The District Nursing service has also had the opportunity to develop the role of the Assistant Practitioner in all District Nursing teams, which has strengthened the nursing workforce and the development of a wider skill mix in the support of patients' care and interventions.

Women's Services (Maternity & Gynaecology)

The Health Board provides Maternity and Gynaecology Services for the North Wales population and also to a cohort of women from North East Powys and the Shropshire Borders.

In 2023 there were 5,844 births in North Wales with an additional 268 women choosing to give birth outside of North Wales, at the Countess of Chester Hospital or within Hywel Dda University Health Board. Whilst the overall birth rate has reduced, there has been an increase in complex maternal presentations and in clinical intervention rates, driven by national guidance to reduce overall morbidity and mortality rates.

Our Gynaecology service again saw an increase in benign, urgent and suspected cancer. (Data to be included)

Women's Services has worked in partnership with Integrated Health Communities, Pan North Wales Services and service users in developing, implementing and evaluating its 2023/24 Annual Plan. Performance is monitored quarterly and reported to the Women's Service Board and Health Board Executive.

Therapy Services

Therapy Services work across the Integrated Health Communities in a wide range of inpatient, community and outpatient settings, providing patient care across all age groups and across a wide range of conditions.

Clinicians are Allied Health Professionals (AHPs), registered with the HCPC (Health in Care Professions Council). Therapy Services encompasses:

- Art Therapies
- Dietetics
- Occupational Therapy
- Physiotherapy
- Podiatry & Orthotics
- Speech & Language Therapy
- Posture & Mobility (part of an all-Wales service, based in our East IHC and serving all of North and parts of mid-Wales)
- Clinical Musculoskeletal Assessment/Therapy Services (CMATS)

During the year (1st April 2023 to 31st March 2024) Therapy services* received more than 130,400 new referrals, and

- More than 91,000 new outpatient appointments were attended
- More than 271,000 follow-up appointments were attended
- More than 333,500 patients were treated/seen in hospitals by Therapists

*Not including referrals and activity by CMATS, the Posture & Mobility Service and multi-disciplinary teams such as Community Long Term Conditions and Stroke Services.

Some services are still facing impacts of the pandemic when routine activity ceased and there was a loss of physical accommodation which has not been reinstated.

At the end of March 2024 there were 16,936 patients waiting for Therapy Services – with 2,875 patients waiting more than 14 weeks (2,815 in Physiotherapy). Services continue to work hard to return to the 14-week waiting time.

During the year, Therapy Services also:

- Appointed three Stroke therapy consultants
- The three newly opened therapy-led stroke specialist inpatient rehabilitation centres are having a positive impact in supporting patients with stroke rehab and early supported discharge in particular

Planned Care Services

Planned care refers to the diagnosis and treatments patients receive following referral by their GP to hospital.

During 2023/24, we aimed to continue to stabilise and recover our performance in all areas of planned care. However, despite improvements in waiting times being made, overall they are still not where we would want them to be, both in our hospital settings and within the community and primary care services. We are committed to prioritising this work and addressing the long waits that remain for some treatments following the pandemic.

Waiting List Size and Waiting Times, including Risk Stratification

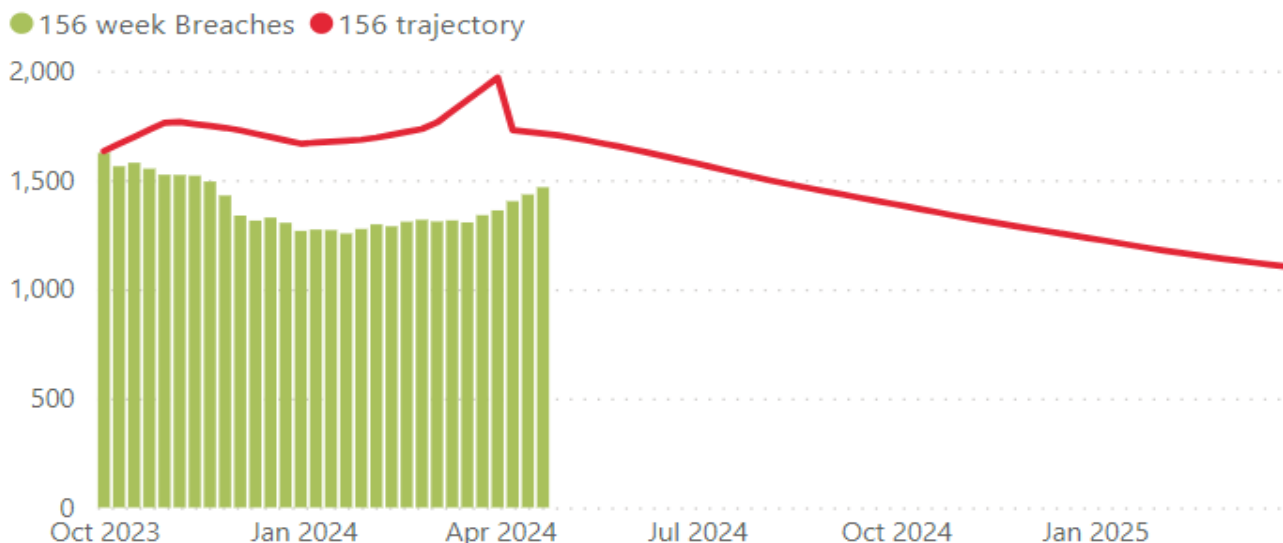
A referral to treatment (RTT) pathway covers the four stages a patient will follow after being referred to hospital treatment in the NHS in Wales. These are:

- time spent waiting for any initial hospital appointments (outpatient - stage 1)
- tests, scans or other procedures that may be needed before being treated (diagnostics - stages 2 and 3) and then
- the wait for treatment to start (inpatient or day-case - stage 4)

A Ministerial target of 97% of patients waiting no longer than 104 weeks on an open pathway (i.e any of the above stages) was missed. Our current performance is 94.2% and some of our more fragile services have persistent long waits which explains this. Some of our target breaches are also routine non-urgent patients who are awaiting treatment, but existing core capacity is predominantly taken up by urgent cases or cancer referrals which have significantly increased and then been sustained since the pandemic.

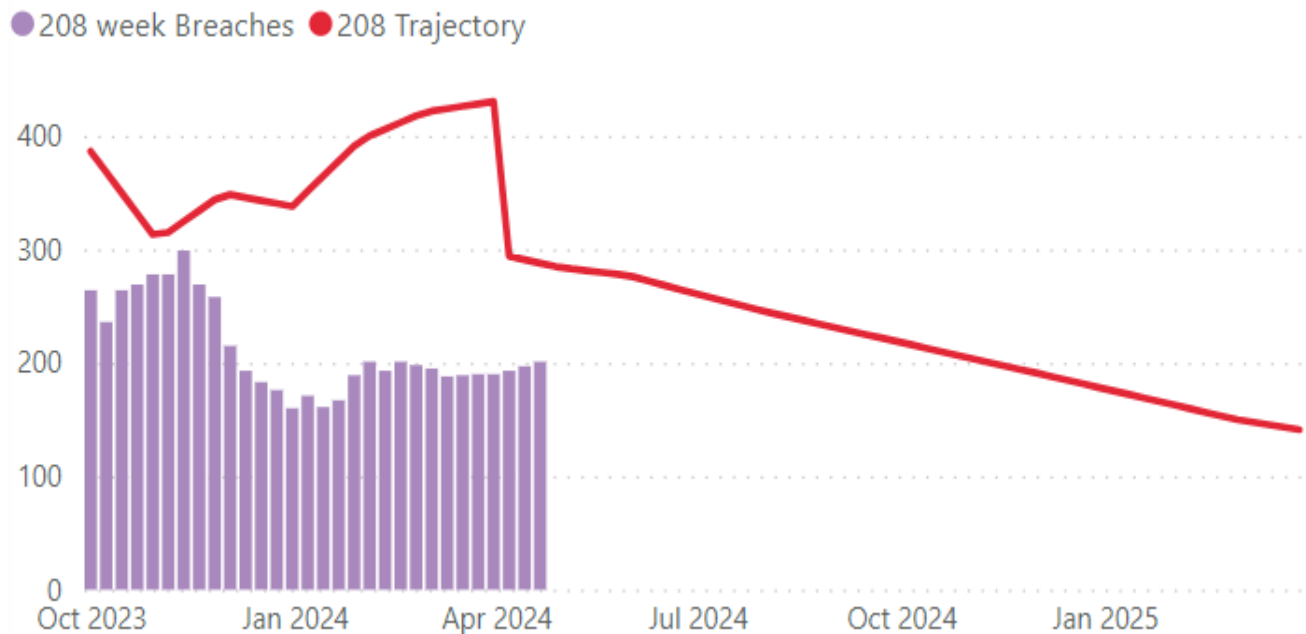
This year, we have continued to make progress in reducing our longest waits. Our 156 week waits now stand at 1,467 patients waiting for a booked appointment. There has been a slight increase in these numbers over the last three months of the year, driven by winter pressures and industrial action, which has challenged us to maintain throughput over the second half of the year.

All Stages 156 Week Actuals vs Trajectory



The 208 week + cohort has 201 patients waiting for a booked appointment, with some of these very longest waits being in our most challenged specialties, in particular orthodontics (48 patients waiting over 208 weeks) and maxillo facial surgery (with 62 waits in this cohort). The rest of the cohort is comprised of general surgery and urology.

All Stages 208 Week Actuals vs Trajectory



NB -The two Charts above cover the period up to 30th April 2024.

Our waiting lists are constantly reviewed and validated to check that each list is accurate and up to date through administration validation. This is necessary to ensure that our patients that need to be seen receive an appointment as quickly as possible, according to their clinical need.

Without administrative validation patients may wait longer than necessary due to appointments being wasted, for example by patients who do not attend because they have moved from the area, have been treated elsewhere, their symptoms have cleared or they are not clear on what the appointment is for.

This challenge is being addressed and our business case to establish a sustainable validation and booking team that is centrally managed was approved. We are recruiting to a new team that will ensure we are able to continuously perform validation to ensure our lists only have the people who need to be waiting on them.

We are also developing support processes more generally, using both our own staff as well as those in partner organisations, to contact individuals while they wait. This enables us to sign-post patients and/or families to support where appropriate, and to identify instances where it is necessary to re-prioritise or escalate the referral and amend a patient's waiting time priority. We are pioneering chatbot technology and are the first health board in Wales to pilot this innovation which we will roll out across the Health Board.

Cancer Services

We continue to strive to provide high quality cancer services with the aim of diagnosing and treating everyone with cancer as quickly as possible and in line with their own personal needs and wishes.

Most of our cancer diagnostic services are provided at each of our three acute hospital sites. These include facilities for imaging (radiology) and biopsy, under either local or general anaesthetic.

For those patients diagnosed with cancer, we perform surgery either at their local acute hospital or, for some more specialist surgery, at a single hospital site or sometimes outside of North Wales if required. We have chemotherapy units on all three of our main sites; all radiotherapy is provided at the North Wales Cancer Treatment Centre at Glan Clwyd Hospital.

In 2023/24 we received nearly 43,000 urgent suspected cancer referrals from primary care, the same number as the previous year. The majority of these patients will not have cancer, but all need to be seen and diagnosed quickly so that they can either begin treatment as early as possible or receive reassurance that no evidence of cancer has been discovered.

In 2023/24 we diagnosed and treated just over 5,300 people with cancer, with the most common cancers treated being skin, urology and breast cancers. Just over half of the cancers we treated were patients referred directly by their primary care team, with a further 7% of cancers diagnosed following a referral from a cancer screening service.

Of the patients with cancer that we treated, 61% started treatment within the Welsh Government's national waiting times target (the suspected cancer pathway target aims for 75% of patients to begin treatment within 62 days of a suspicion of cancer first being raised). During the last year, we have faced challenges in diagnosing patients as quickly as we would like given the increase in the number of patients needing to be assessed together with challenges within our clinical workforce, in particular in dermatology, urology and oncology services.

During 2023/24 we reviewed a number of our clinical pathways in order to make improvements. These have included straight to test pathways where possible, in order to reduce times to diagnosis, in particular within our urology service where we launched a very successful straight to imaging pathway. We have also expanded the use of new treatment technologies including robotic surgery at Ysbyty Gwynedd for appropriate patients with colorectal and gynaecological cancers.

Radiology Services

Radiology is a vital clinical diagnostic service delivered at our three main acute hospital sites and at several community hospital locations. Diagnostic modalities include plain film X-ray, cross sectional imaging (CT / MRI), ultrasound and specialised services such as interventional imaging, nuclear medicine and PET-CT.

In 2023/24 overall demand for the three main modalities of CT, MRI and ultrasound increased by over 15,000 requests (7%) compared to the previous year. In spite of this increase in demand, the overall number of patients waiting over 8 weeks for these scans has reduced by over 2,500 to just over 1,700 at the end of March 2024. Additional capacity brought online in 2022/23 has enabled sustained performance to meet demand and reduce the backlog. There is clear evidence to convert this temporary additional mobile scanning capacity to a more permanent solution, and work towards this will progress at pace in 2024/25.

Unscheduled Care Services

The Health Board's unscheduled care system provides services through three hospital Emergency Departments (EDs) that operate 24 hours every day, and 9 minor injury units (MIUs), two of which operate 24 hours per day, 7 days a week.

The EDs are designated Trauma Units that can manage the initial reception, resuscitation and management of complex level 1 trauma patients.

This includes each ED having the capability and facilities to manage patients suffering from time critical conditions including stroke and fractured neck of femur (broken hips). All three departments have the ability to manage initial presentation of heart attacks; they are supported in this with a centralised service that supports enhanced care located at Glan Clwyd Hospital. There is also a centralised unit at Glan Clwyd Hospital that supports vascular and cardiac emergencies and provides direct access to patients from the ED and the Welsh Ambulance Service.

Each ED has facilities to support paediatric patients, to accommodate minor injury patients and, most recently, minor ailments for the patient population of North Wales.

Unscheduled care performance has been strained over recent years and is currently going through a reset process following the COVID-19 pandemic when attendance levels initially declined.

Numbers of attendances have now reverted to and are exceeding pre-pandemic levels, and there has been a noticeable increase in the acuity (severity and complexity) of those patients who self-present at ED throughout a 24-hour period. Average occupancy levels within our EDs are running at double each department's designed capacity on a regular basis.

Across the United Kingdom, unscheduled care performance over the past year has been at its worst since the introduction of the four-hour target. Performance in North Wales has been amongst the lowest in Wales, with 62.9% of patients spending less than four hours in our EDs and MIUs in December 2023, compared to an all-Wales average of 69.5%, and a target figure of 95%.

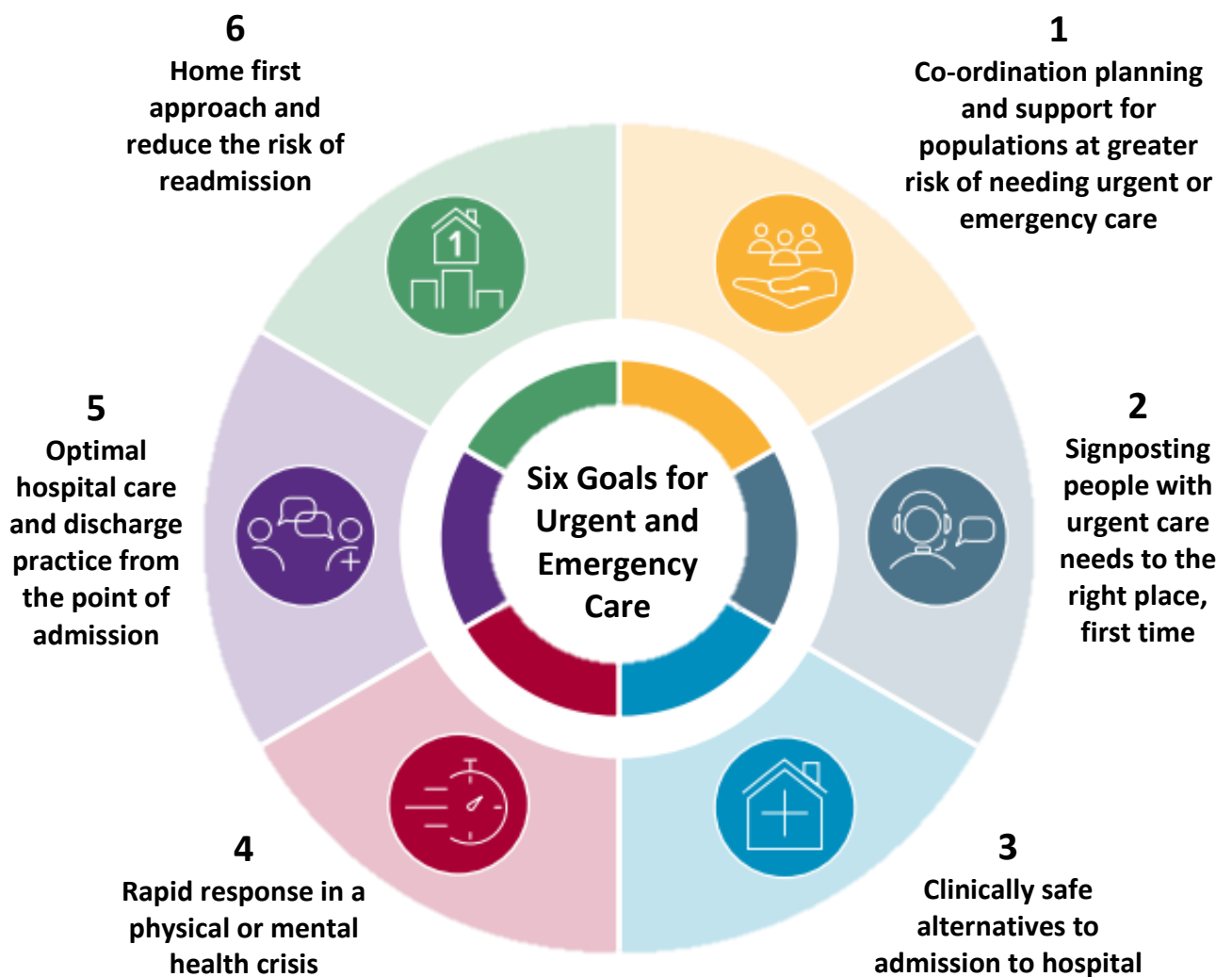
Whilst the growth in demand is the most significant cause of the pressures on our unscheduled care services, this is added to by the wider factors affecting the entire health and social care system. In particular, the increase in the time taken to get packages of care agreed to enable patients to be discharged from hospital means beds are not available to admit patients from our EDs. This impacts the flow of patients through the departments, delaying the admittance of new patients and preventing ambulances from offloading patients in a timely manner.

In response to this, each Integrated Health Community supports a Discharge 2 Recover then Assess (D2RA) pathway that aim to facilitate timely supported discharges for patients with care closer to home through multi-disciplinary in-reach from multi-disciplinary community teams including occupational therapy, physiotherapy and social care as well as third sector support. This is further supported with a revised reporting framework implemented to record Pathways of Care Delays (POCD). These are validated in partnership with social services colleagues on a monthly basis to assist with reducing unnecessary lengths of stay for patients in a hospital bed and avoiding deconditioning and harm.

The roles and function of Trusted Assessors (someone acting on behalf of, and with the permission of multiple organisations, carrying out an assessment of health and/or social care needs) across North Wales is key in supporting early assessments in undertaking proportionate assessments and identifying the needs of patients to enable timely support for specific interventions and returning to their usual place of residence including care homes. Further work is ongoing to enhance this role and function.

Improvements to unscheduled care are being developed in line with the Welsh Government's Six Goals for Urgent and Emergency Care. These provide a framework that has a clear strategic focus on supporting care closer to home, along with care planning at point of discharge. The programme is planned to run until 2026.

Welsh Government Six Goals for Urgent and Emergency Care



With the Health Board, work towards each goal is being overseen by a member of the senior leadership team, with Integrated Health Communities (IHCs) participating in each goal with nominated representatives. This programme of improvement is being developed alongside the ministerial templates and the special measures actions to ensure we are following the "Right place, Right care" approach.

Specific developments that have taken place since 2022 to address the demands in EDs and the wider unscheduled care system include:

- Same day emergency care (SDEC) facilities are now operational at all acute hospitals for treating ambulatory patients and discharging them the same day with some requiring a planned follow up appointments. The SDEC units are now supporting direct ambulance referrals to support improvements in ambulance delays.
- Urgent primary care centres (UPCC) have been created in key locations including acute hospitals and some Minor Injury Units (MIU). This is a primary care service designed to support access to primary care and reduce demand on ED departments.
- Within the East region a new project has been launched that provides a clinical support service for residential care homes to help keep residents safe in their own homes.
- Within the West region a new community frailty project has been running in Holyhead and Caernarfon to support our high-risk patients to remain in their own home.
- A new digital discharge planning solution called STREAM has been deployed within all of our Acute and Community Hospitals to support effective management of patient flow.
- Streaming – to ensure that patients are directed to the most suitable area for their presenting complaint (which might not be ED - for example to SDEC or pharmacy support), from the point of triage.
- Consultant connect – a system to support primary care by providing them with the facility to liaise directly with secondary care specialists to obtain telephone advice and support for specific patient complaints.

Stroke Services

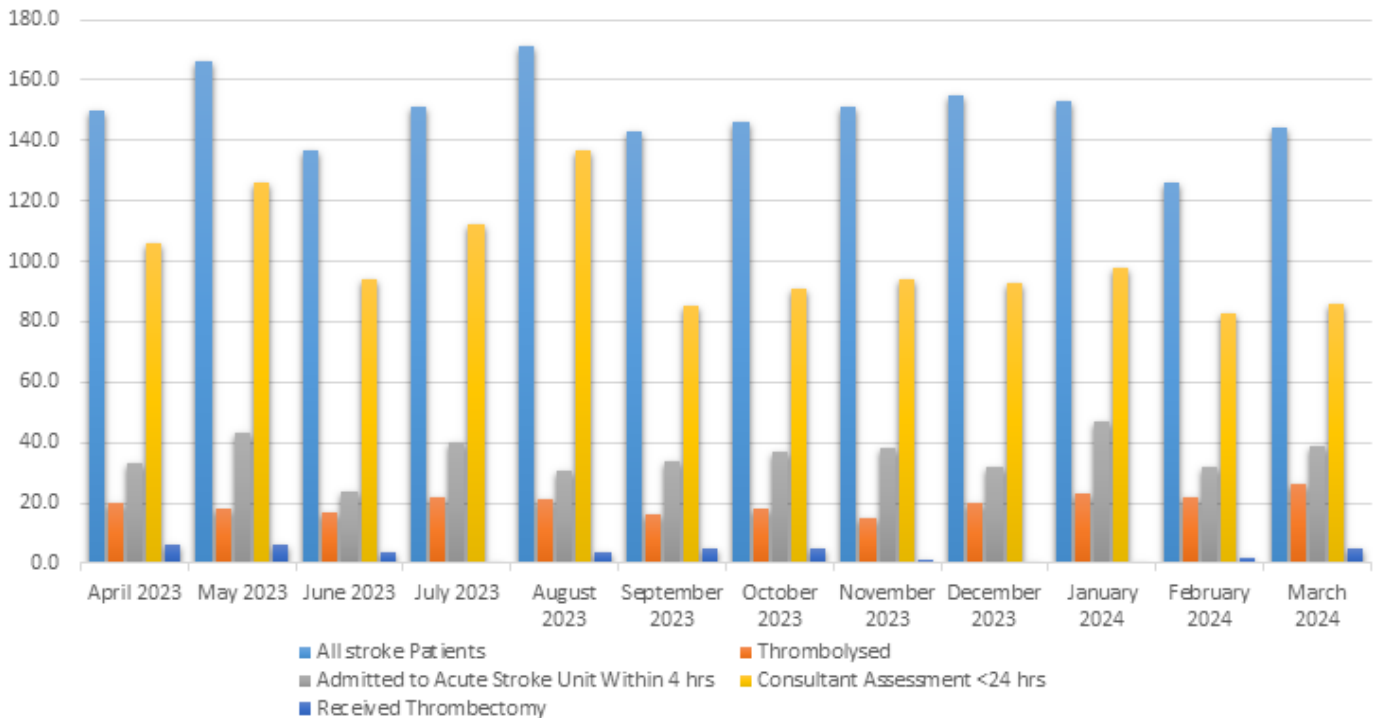
During the period 1st April 2023 to 31st March 2024, 1,793 patients were assessed and treated by our services following a stroke.

Stroke diagnosis and acute treatments are delivered in each of the three Integrated Health Communities (IHCs) across North Wales. Ysbyty Gwynedd in Bangor provides acute stroke services to the West IHC population; Glan Clwyd Hospital provides acute stroke services to the Centre IHC population and Wrexham Maelor Hospital provides acute stroke services to the East IHC population.

For stroke survivors eligible for intensive rehabilitation following their stroke, these services are provided in each of the three IHCs across North Wales within the community hospitals at Ysbyty Eryri in Caernarfon, Llandudno General Hospital and Deeside Community Hospital. These units have now been operational for over 12 months and there have been many heart-warming success stories of patients' recovery from the potential limitations of suffering a stroke.

Prevention is a crucial part of the Stroke Pathway and now has more emphasis within the National Stroke Guidelines. The Health Board has a dedicated team to lead the service which has refocused its work to three specific workstreams: Primary Prevention and Health Promotion; Education for Staff and Patients, and Secondary Prevention and Life After Stroke.

Stroke Performance Indicators 2023 - 2024



Developments instigated in 2023/24

In addition to embedding the new rehab units and the early supported discharge services, other work within stroke services has included implementation of new software (Brainomix 360) which went live on 1st November 2023 across the health board. The implementation of Brainomix 360 will enable faster diagnosis and identification of stroke patients who are eligible for thrombectomy (a procedure to remove a blood clot in suitable patients). The software uses artificial intelligence and advanced imaging analysis to provide rapid and precise support to healthcare professionals in diagnosing and treating strokes.

In early autumn 1,100 stroke survivors from BCUHB were invited to take part in a National Stroke Patient Experience Survey. 139 responses were received. The overwhelming assessment of care that patients received from staff whilst in our hospital settings was extremely positive, particularly around dignity and respect. Survey findings will be shared in a national report, alongside local health board reports. Non-patient identifiable data files will also be provided to stroke care teams in the Health Board to support regional efforts in redesigning stroke care services with the voice of the patient at their core.

Mental Health & Learning Disabilities

Improving the health and well-being of people with Mental Health and Learning Disabilities remains a key priority for the Division. During 2023/24 we have seen the realisation of a number of our plans translated into real service change. These changes include new, expanded and improved service provision to our service users and their families and carers.

Increasing timely access to support

In January 2023, there was a partial launch of the NHS 111 Wales press 2 Mental Health Helpline in the Health Board; this was followed by the full 24/7 launch in March 2023. Dedicated Mental Health Professionals provide support for people of all ages who are either in need of urgent Mental Health support or are concerned for someone else's Mental Health needs. The service covers North Wales and parts of Powys and is free to call from a landline or a mobile, even if the caller has no credit left on their phone, meaning that those who are financially vulnerable can always access care.

Since inception on 17th January up to 31st December 2023, the service has managed in excess of 11,000 calls, with an average response time of 36 seconds. We continue to monitor the call volume and the nature of the calls received to inform and shape future service provision. It has been a priority for the Division to establish the service, in line with Welsh Government (WG) requirements, and to ensure the service is not a standalone function there is positive and continuing engagement with the wider Division. This engagement allows for the consistent care between services and addresses the needs and care plans of frequent callers with an MDT approach to ongoing care.

In September 2023, Welsh Government undertook a peer review of the service and reported the service as excellent across a number of areas; including service provision, workforce and leadership. The review highlighted the exemplary practice of supporting staff well-being, training and development. WG recommend this model be shared across Wales.

More recently, a call back service has been piloted with support of our CALL Helpline and early indications demonstrate reduced referrals of callers to Local Primary Care Mental Health Support Services (LPMHSS). The further development of the 111 press 2 Service is part of our wider improvement plans for Mental Health Crisis Care in North Wales.

In the summer of 2023, we carried out engagement exercises to support the specification for a Sanctuary Model. Sanctuary Models are based on the principle of an out of hours service provision providing practical, therapeutic, holistic and person-centred support to people at risk of Mental Health Crisis. As with 111 press 2, this will not be a standalone service. It will co-ordinate the appropriate care across a range of available services to provide additional choices for service users and support the early management of mental health needs, with the focus on reducing escalation to crisis whilst supporting recovery. The model has been supported by the Health Boards Service Transformation and Delivery Group and the Divisional Senior Leadership Team and is progressing through to a procurement exercise with the expectation of service establishment by the end of 2024. This is also supported by the successful appointment of nine Mental Health Wellbeing Practitioners into the Community Mental Health Teams (CMHT's). All of which will complement our range of Unscheduled and Crisis Care initiatives across the Division with pathways being developed to ensure people get the right support at the right time, from the most appropriate service. This is in line with both our North Wales Together for Mental Health (T4MH) Strategy and the new Police initiative Right Care Right Person (RCRP). The Division has been a key partner in preparing for the initiative and national colleagues have highlighted our approach as good practice.

Together for Mental Health (T4MH) Strategy

During 2023/24 we have worked with our partners across the region by taking a key role in developing our interim T4MH Strategy. This sets out to deliver on four key priorities as follows:



It has been a co-produced strategy that has brought together a broad range of partners; including people with lived experience, carers, Health and Social Care Professionals from the public, private and the Third Sector. We are extremely grateful to everyone that helped shape the strategy and look forward to launching and working collaboratively to realise our collective ambitions.

Special Measures two major areas of divisional focus:

1. Royal College of Psychiatry (RC Psych) Stocktake Review. The purpose of the review is to ensure previous recommendations from external Mental Health reports have been implemented and sustained. This has involved a thorough desktop review of progress and evidence against recommendations, alongside interviews with relevant staff across the Division and site visits at various Divisional locations. A draft report has been received from RC Psych and, once finalised, we will be working on an action plan to address any recommendations to ensure we continue to provide high levels of quality, safety and delivery of care to the people we serve.
2. The National Collaborative Commissioning Unit (NCCU) and NHS Executive undertook a joint Quality and Safety Review across all Mental Health and Learning Disability Inpatient Units in BCHUB between 25th April and 5th May 2023. Recommendations from the review have been translated into a divisional wide improvement plan with eight key priority areas with leads identified. Weekly Divisional meetings are in place to progress actions and a NCCU and NHS Executive follow up review, including staff interviews and site visits, took place during February 2024.

The Division continues to work towards establishing, alongside BCHUB colleagues, an Organisational Learning Framework. This includes continuation of Divisional learning events and a refreshed approach to patient, carer and public engagement and involvement to support the ability to adapt to changing environments and increase the Division's effectiveness.

Strengthening our approach to Anti ligature risks following the Health and Safety Notice of Contravention (HSE NOC)

There has been progress made against the HSE NOC recommendations and evidence gathering following the sad death of a patient whilst using inpatient services.

The Division established a Divisional Ligature Risk Reduction Group (DLRRG) in December 2022. By mid-year 2023, the DLRRG received assurance from each of the Senior Leadership Teams (SLT) regarding their governance arrangements for ligature assessment and reduction. DLRRG receives reports from each local Senior Leadership Team on their local ligature arrangements for ligature assessment on a standardised Assurance Report.

The DLRRG has progressed the development of a half-day Environmental Ligature Risk Assessment Training package, which includes reference to the All-Wales Principles and Standards of Practice in the Assessment and Management of Ligature. The training is for staff who will need to identify a ligature risk, those staff within MHL D Clinical, Estates and Health and Safety.

As of the 17th January 2024, over 150 staff have attended this training. A rolling programme of training is in place, which began in November 2023, with dates scheduled monthly during 2024. A register of staff attendance is presented in the Divisional Ligature Risk Reduction Group Meeting, with reports provided to MHL D Service Quality Delivery Group (SQDG) and the Senior Leadership Team at regular intervals.

An audit process has been developed aligned to the Environmental Ligature Risk Assessment Training. This ensures a robust process of ligature assessment has been completed, including knowledge and skills, completion of the audit checklist, completing the ligature footprint and reviewing the assessments monthly. The first annual audit report was completed in November 2023 and reported in January 2024 with a second audit planned to take place, with fieldwork, at the end of 2024. In addition to the above, All Wales Standards of Practice have published a document aligned to reducing harm from ligatures in Mental Health and Learning Disability. Work is ongoing to establish links with other Welsh Health Boards and a Mental Health Trust in England to progress benchmarking and to enable the sharing of good practice.

The Division has completed an analysis of all the high, medium and low risk ligatures, including the current mitigation that is in place. This analysis has been completed by an internal tripartite group (MHL D Clinical, Estates, Health and Safety) reviewing all ward inpatient ligature assessments and the external assessments of ligature. This analysis was presented in DSLT in January 2024, with the recommendation that the tripartite develop an audit tool, agree 'buddy' areas and allocate project support including an industry expert on ligature, followed by a programme of audit to ensure all ligature risks are identified promptly and mitigated effectively.

There is scrutiny on Capital Planning and Operational Estates aligned to ligature risks given the competing financial priorities for the Health Board. There is an active risk management process informing the prioritisation of capital plans which is managed through the monthly Divisional Estates and Capital Group, scrutinised and approved via our Senior Leadership Team as well as the Health Board's Capital Estates Team.

Working towards the Strategic Programme for Mental Health

Aligned to the Strategic Programme for Mental Health we have been successful in developing both our Eating Disorders and Perinatal Services in year with more improvements to come in 2024/25. For our Specialist Adult Eating Disorders Service (SAEDS), we have recruited to a number of specialist roles enhancing the expertise and knowledge base that provides early intervention, treatment and support within the community and inpatient environments. Our SAEDS team of dedicated specialists have been proactive in engagement and strengthening pathways with other services including the Integrated Autism Service, Dietetics, Perinatal Service and Diabetes Service. This service is working towards full-service provision across North Wales by the end of 2024 in line with NICE Standards.

Our Perinatal Team have been recruiting to specialist posts in order to provide a comprehensive service to expectant mothers across North Wales in line with Royal College of Psychiatry (RC Psych) Standards. In year the service were successful in achieving 91% compliance with type 1 RC Psych Standards, 82% compliance with type 2 RC Psych Standards and 83% with type 3 RC Psych Standards.

Our local team have been instrumental in the development of a Mother and Baby Unit to be opened on the Countess of Chester Hospital Site which will support service users in North Wales and the North West of England. It is anticipated that the unit will be open towards the end of October 2024 with our local team continuing to support progressing the opening of the unit in order to provide continuation of care for mothers and babies.

Another key deliverable of the Strategic Mental Health Programme for Wales is the improvement to Local Primary Mental Health Support Service (LPMHSS). In year, we have progressed service redesign plans through our Community Pathway Transformation Group by adopting a collaborative approach to ensure best and consistent practice across our many regional teams. We have seen significant improvements in our performance against the delivery of care in line with Mental Health Measure Parts 1a (Referral and Assessment) and Part 1b (Intervention) as well as reductions in waiting times for our service users. Supporting the improved delivery is a team of experts embracing a phased approach to service change and actively shaping that change. Recruitment has taken place to fill posts and a standard operating procedure has been developed and approved with services working towards full implementation. The group has promoted the introduction and training of Attend Anywhere across the LPMHSS Teams, which will support agile delivery of assessments, reduce travel time and support patients to attend appointments with ease. Improvement works to support the delivery of compliance in line with Parts 1 of the measure are being extended to include improvements to Part 2 of the measure that will address both clinical and operational aspects.

Next steps will be for LMPHSS to actively link in with and learn from the positive implementation of the 111 press 2 Service.

Further Improvement Initiatives

The Divisional Improvement Plan (DIP) is a triangulated plan containing the recommendations from external reviews carried out before 2023 with defined actions to achieve and sustain the required level of improvement. This has been progressing with key leads nominated across the Division to drive the consolidated activity and reporting. A dashboard has been developed to support targeted progress, provide a monthly visual at-a-glance report and allow for the monitoring of the Division's performance to highlight any remedial action required in areas of poor performance. We have also devised and implemented a project methodology for our improvement priorities to ensure a consistent approach is adopted for the teams.

MHLD have supported the development of a national Suicide and Self-Harm Prevention Training Hub. The platform is for staff looking for training and development opportunities, to develop their awareness, understanding and skills in relation to the management and prevention of suicide and self-harm (<https://sshp.wales/en/>). A universal Suicide Awareness E-learning Module has also been launched on ESR and Learning Wales. The Real Time Suspected Suicide Surveillance (RTSS) had its first full year of being operational, and has been invaluable in informing the prevention work in North Wales through the Multi-Agency Forum.

MHLD is currently hosting the Regional Lead for Suicide and Self-harm Prevention until March 2024, providing opportunities to build partnerships within Betsi Cadwaladr University Health Board, other Health Boards and partner across Wales. The North Wales Suicide and Self Harm Forum held a successful engagement event in November 2023, hosting over 90 partners, which included learning, networking and mapping activity across North Wales. A Men's Discovery Event is planned for March 2024 after the success of a similar event in South Wales. In year has seen the establishment of five themed sub-groups to the forum, a Rapid Response Pilot in Conwy, and two multi-agency projects focussing on locations of concern. A regional profile plan is being developed based on the activities of the forum, expected to be completed by April 2024.

Our established Early Intervention in Psychosis (EIP) Team support young people between the age of 16 and 35 who present with a first episode of a psychotic illness. A new service model has been developed for the EIP service, which includes an implementation and recruitment plan. The East Area Team have now become fully operational whilst supporting a higher than predicted number of young people. Audits have commenced to further improve the service, with findings also leading to planned expansion.

Plans are in development for additional beds to increase admissions into the Hergest Unit in Ysbyty Gwynedd for older persons with functional mental disorders. At present Gwynedd and Anglesey patients are admitted to Ablett and Heddfan Units and, in some cases, to out of area placements. The development of functional older adult provision in the Hergest Unit will bring their care closer to home and will enable an equitable provision of care across North Wales for our growing older population.

We are working as part of the Regional Partnership Board (RPB) in developing a regional Memory Assessment Service (MAS) Pathway that will be an easy to access, person centred and equitable service for people with dementia and their carers living in North Wales. In addition, a MAS Improvement Manager and MAS Tracker Posts have been appointed to reduce the Memory Clinic waiting times and we continue to invest in the regional contract for development of third sector pre-assessment and post diagnostic support services to improve Dementia care provision.

Both the older person bed provision and MAS improvement works are part of our longer-term programme of care for older persons with a mental health need in North Wales. We have reflected on national benchmarking for older persons mental health across the UK and, along with our public health and population data, we have identified the need to develop strategic plans for the future needs of our population. Key to this will be the provision of appropriate post hospital discharge care that allows us to ensure timely and appropriate transfer of care to enable improved flow through our inpatient settings.

As part of our improved and expanded service provision, a project to introduce Trauma Informed Approaches (TIA) to the inpatient and community aspects of the North Wales Forensic Service and Specialist Rehabilitation Services had funding agreed. Development of this service will be through four defined levels of the Wales Trauma-Informed Practice Framework (2022) –

1. Trauma-aware
2. Trauma-skilled
3. Trauma-enhanced
4. Specialist interventions

To date we have recruited a number of specialist staff that have been developing the first Psycho Education Group materials and are providing training to staff in order to ensure we attain Level 2 Trauma skilled workforce by the end of 2024/25.

Our Adult Learning Disabilities Services have successfully developed an improvement programme that covers our Inpatient, Community and Enhanced Community Residential Service (ECRS) aligned to the Learning Disabilities National Improvement Group. Partnership working has been strengthened, supported by the North Wales Together Team, to prevent hospital admission. This is aligned with our step up, step down provision by securing Accessing Housing with Care funding to develop existing Health Board resources with a new self-contained property already identified in East area.

We have created and appointed a Specialist Practitioner for an initial period of two years, to develop the “Lab in the Bag” initiative, which seeks to engage adults with a Learning Disability eligible for Annual Health Checks (AHC) within their own homes. Learning Disability Practitioners are working jointly with GPs to facilitate a virtual AHC to ensure easy access. This programme is in place, with recent increased uptake, with specific focus on hard-to-reach individuals in rural areas. Our Primary Learning Disability Health Liaison Services have prioritised their support to GPs across North Wales to increase AHC uptake on pre-pandemic levels.

Our Substance Misuse Services have been improving Buvidal prescribing, in order to support and treat people with opiate dependency to ensure a more streamlined and accessible provision. Six out of seven local SMS clinics are operational with Buvidal dispensing, which previously was dispensed from Pharmacy after being prescribed in the SMS Clinic by a Registered Nurse. The aim is that a patient on a Buvidal® injection would not be required to regularly attend pharmacies, which encourages abstinence from opiates.

As well as our internal services, we continue to invest in a number of commissioned services including our iCAN Early Intervention Hubs, Therapeutic Intervention Services and Advocacy and Carers Support Services. During 2023 and early 2024, we have consolidated our contracts and services making greater connections with our core internal services to ensure a whole system approach to people’s care, support and treatment. We have moved towards more outcome-based monitoring to demonstrate the difference that services can make to our citizens wellbeing and Mental Health.

Our Divisional Enablers

Our Staff

Our staff are a crucial asset that remain at the heart of all our services. It is vital that we support them with training and resources for their continued professional development and their wellbeing, recognising that we work in a fast paced, emotive and challenging environment. Divisional Mandatory Training compliance is consistently above the Health Board’s target and the Division has increased the number of coaches to provide coaching and peer-support to staff across MHL. PADR compliance in MHL has surpassed the Health Board’s target for the past six months.

Although staff recruitment and retention remains a challenge for the Division, with a vacancy rate of 15%, the staff turnover rate has reduced by 1.5% over the last 12 months and we have also managed to reduce nursing vacancies by 44.5 Whole Time Equivalent (WTE) in the same period. Agency spend has been reduced significantly and in order to attract further staff we have strengthened our presence on the Betsi Cadwaladr University Health Board Train, Work, Live Website. Since October 2023, this has led to receiving 398 recruitment enquiries, 174 of which are for Bank work. We continue to engage with local universities and attend recruitment events. The innovative talent pool process that we have created has led to 33 further staff appointments since inception.

Wellness Work and Us (WW&U) is a dedicated resource for MHL staff and in a 10-month period from January 2023, 215 staff have accessed either Counselling, Coaching or emotional support, equating to just under 10% of the divisional workforce. The WW&U service has demonstrated that by offering flexible, timely, informed and person-centred support to MHL staff, there has been a reduction in stress-related absences and staff have been able to stay or return to work feeling listened to and valued. When staff feel relaxed and supported, the quality of interactions with patients is enhanced, leading to safer and more effective care across the MHL Division.

Digital Enablement

Following the successful completion of a digital scoping exercise across MHLD Services last year, we have considered the risks we carry. The level of change required and the implications of making those changes have moved rapidly into a resolution phase. This coincided with Welsh Government's decision not to pursue the proposed WCCIS Care Director V5 System and instead support the procurement of a digital solution specific to Mental Health.

Due to the risk identified through our scoping, WG have agreed that the Health Board MHLD Services are a priority to progress timely digital enablement. We have in year supported the system specification through active engagement with staff who have outlined the requirements across our complex range of service provision.

We are supporting the development of the national business case for a system as well as the local business case for implementation resource. Work from MHLD business case development is also feeding into the Regional Partnership Board to support the learning of solutions to support the replacement of other areas of Health and Social Care that require systems previously under the WCCIS Programme.

The business cases will be completed before the end of this financial year and we will move into the procurement phase in 2024 through to 2025.

Estates

The Division's estate footprint is both large and diverse covering community and inpatient provision on our General Hospital Sites. This year we have completed a mapping exercise of the estate footprint which, along with outputs from the Betsi Cadwaladr University Health Board Estates Strategy, is acting as the basis for our developing divisional Estates Strategy. Suitable accommodation for patients and staff is vital in delivering high quality services to our citizens and we have used this year to strengthen our governance and representation at the Divisional Estates and Capital group (DECG) to ensure levels of accountability and that our Capital Estate needs can be prioritised based on risk. As a result, we have refined our processes and developed increasingly positive relationships with our Capital and Estates colleagues. This year we have:

- Progressed to full business case for the central inpatient development on the Glan Clwyd Hospital Site
- Contributed to and relocated services within the Plas Gororau development in Wrexham
- Strengthened our approach to Anti ligature risk assessment, mitigation and works
- Secured external Capital funding through the Area Planning Board for the Roslin Development in Llandudno, which seeks to accommodate Specialist Substance Misuse Services
- Continuing integrated work with Integrated Health Communities (IHC's) on the potential for shared capital estates projects, most notably under IRFC Monies

Putting Things Right - Quality Reporting Requirements

The Duty of Quality came into force on 1st April 2023, as part of the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The duty sets out the next steps in our journey of quality improvements to achieve more open, transparent and learning services. It defines quality as 'Continuously, reliably and sustainably meeting the needs of the population that we serve'.

The aims of the duty are:

- Improved quality of health services
- Better outcomes for the population in Wales

The four key components of the duty of quality are:

1. Health and Care Quality Standards
2. Quality-driven decision making
3. Quality Management Systems
4. Quality Reporting

Each Local Health Board, NHS Trust and Wales-only Special Health Authority is required to publish an annual report on the steps it has taken to comply with the duty to exercise its functions with a view to securing improvement in the quality of health services. The report must include an assessment of the extent of any improvement in outcomes achieved by virtue of those steps. It is also suggested that NHS bodies align the annual quality report to their Annual Report and Accounts process.

In addition to the annual reporting requirement, it is proposed that NHS bodies develop a so-called 'always on' reporting mechanism. 'Always on' means that organisations collate, monitor and make information about the quality of their services readily available to their population. 'Always on' reporting requires organisations to have a whole system approach to the routine use of information across their quality management system. 'Always on' encourages recognition and sharing of good practice and early escalation and intervention when signals suggest that action is necessary.

As such, the Health Board will prepare an Annual Quality Report to coincide with the Annual Report and Accounts. The report will include other quality statutory reporting requirements including Putting Things Right and Duty of Candour. Furthermore, the report will outline our quality journey; from looking back over the last year for 2023/24, to looking forward to 2024/25 including the progress made with Special Measures and the development of a Quality Dashboard and a Quality Management System. All key to us becoming a quality driven, learning, self-improving organisation.

Financial performance

Achievement of Financial Duties

The National Health Service Finance (Wales) Act 2014 places two financial duties on Local Health Boards:

- Revenue resource performance: A duty to ensure that expenditure does not exceed the total funding allotted to it over a period of 3 financial years.
- Integrated planning: A duty to prepare a plan, in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the Revenue resource performance while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

Revenue Resource Performance

In respect of the first duty, the Health Board has not managed its expenditure within the aggregate funding provided over the period 2022/23 to 2023/24, so has not achieved the first duty. The Health Board confirmed to Welsh Government via an Accountable Officer letter that it was unable to fulfil its statutory duty to produce a three-year IMTP, being unable to deliver financial balance over a three-year period. In addition, whilst addressing the Ministerial Priorities set out in the NHS Wales Planning Framework, the Health Board was unable to achieve all the required performance targets. The Health Board instead submitted an Annual Plan for 2023/24, focused on stabilisation and recovery. The aggregate position is shown in the table below.

	2021/22 £000	2022/23 £000	2023/24 £000	Total £000
Net operating costs for the year	1,873,353	1,991,335	2,158,812	6,023,500
Less general ophthalmic services expenditure and other non-cash limited expenditure	637	1,790	1,777	4,204
Total operating expenses	1,873,990	1,993,125	2,160,589	6,027,704
Revenue Resource Allocation	1,874,279	1,993,514	2,136,242	6,004,035
Under /(over) spend against Allocation	289	389	(24,347)	(23,669)

Most of the funding for the Health Board's activities is provided for by Welsh Government. In 2023/24 Betsi Cadwaladr University Health Board exceeded its annual revenue resource allocation from Welsh Government and has reported a deficit of £24.3 million.

This outturn was dependent on a number of non-recurring sources of funding and Welsh Government strategic support of £82m. The Health Board's significant underlying deficit remains a challenge going forward. The initial planned deficit for 2024/25 is £19.7 million.

The Health Board received additional cash-only strategic support of £27.0 million from Welsh Government during the year.

In line with the HM Treasury's Government Financial Reporting Manual, the going concern basis of accounting has been adopted by the Health Board in the preparation of the financial statements, where it is anticipated that the services provided will continue into the future.

Integrated Planning

The NHS Wales Planning Framework for the period 2023-2026 issued to Health Boards placed a requirement upon them to prepare and submit Integrated Medium-Term Plans (IMTPs) to Welsh Government.

The Health Board submitted an Annual Plan for the period 2023/24, approved by the Board on 31st July 2023.

Therefore, the Health Board failed to meet its statutory duty to prepare a 3-year integrated plan.

Other Financial Performance Measures

Capital assets

The Health Board has a significant capital asset base (over £800 million shown in the Statement of Financial Position as at 31st March 2024) and receives capital funding from Welsh Government accordingly. In 2023/24, the Health Board delivered its agreed capital programme and has reported a small underspend relative to Capital Resource Allocation, of £0.194 million.

Cash management

Health Boards are required to manage substantial cash inflows and outflows, and to do so effectively within related funding sources and whilst meeting payment obligations to staff, suppliers and authorities (such as HMRC). A summary of Betsi Cadwaladr University Health Board's cashflows for the year is shown in the Statement of Cash Flows in the annual accounts (see page 115).

Health Boards are required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice whichever is later; performance in 2023/24 financial year fell marginally below the requirement with 94.5% achievement.

Well-being of Future Generations (Wales) Act

The Well-being of Future Generations (Wales) Act details the way in which the Health Board, along with other public bodies in Wales, must work to improve the well-being of Wales. The Act makes us think more about the long term and how we must think differently to improve the well-being of both current and future generations.

To make sure we are all working to the same purpose, the Act puts in place seven well-being goals and makes it clear that we must work to maximise our contribution to all of the goals, not just one or two:



A Prosperous Wales



A Resilient Wales



A Healthier Wales



A More Equal Wales



A Globally Responsible Wales



A Wales of Cohesive Communities



A Wales of Vibrant Culture and Thriving Welsh Language

The Health Board, and other listed public bodies, is required to set and publish well-being objectives and to adopt the sustainable development principle. Sustainable development should be embedded within existing corporate processes and not treated as separate to the setting of objectives that guide our actions and decisions.

Our wellbeing objectives are:

- to improve physical, emotional and mental health and well-being for all
- to target our resources to those with the greatest needs and reduce inequalities
- to support children to have the best start in life
- to work in partnership to support people - individuals, families, carers, communities - to achieve their own well-being
- to improve the safety and quality of all services
- to respect people and their dignity
- to listen to people and learn from their experiences

In achieving these objectives we will:

- use resources wisely, transforming services through innovation and research
- support, train and develop our staff to excel

The well-being objectives provide the foundation for improving how we work as an integrated Health Board to improve health and well-being and address inequalities.

Our Three Year Annual Plan and Delivery Plan 2024 – 2027 sets out clear and SMART actions for delivery against priorities with short, medium and longer term goals identified. We have also developed a set of clear metrics that helps us to understand how much we have done and how well we have done it. We are increasing focus and pace to refine high quality, evidence-based pathways to underpin and deliver against the Health Board’s long term strategy Living Healthier, Staying Well and the Clinical Services Strategy.

In 2022, the Health Board published a five-year Decarbonisation Action Plan (DAP) with support from the Carbon Trust. The Plan addresses carbon emissions across all greenhouse gas and emission scopes including those from buildings, land use, transport, waste, water, procurement of goods and services and wider clinical healthcare delivery. It also provides a focus on the emissions associated with construction and refurbishment. The Health Board DAP is a response to the Welsh Government’s ambition for the public sector to be net zero in carbon emissions by 2030. NHS Wales’ contribution to the net zero carbon target is to reduce carbon by 16% by 2025 and 34% by 2030. A Decarbonisation Programme Board oversees implementation of the Action Plan.

Information on our work to support and promote the Welsh Language is included in pages 73 to 75 of this report.

Adopting the Five Ways of Working

There are five ways of working set out in the Act that support the Sustainable Development principle:



Collaboration



Long Term



Prevention



Involvement



Integration

Throughout the development of our Annual Plan for 2023/24 we sought to use the five ways of working to inform our decisions and help us prioritise the actions we will take to work towards our own well-being objectives and in turn, contribute to the seven national well-being goals.

Further work with partners has been taken forward through the formal partnership boards – the North Wales Regional Partnership Board and the three Public Services Boards (Gwynedd & Anglesey, Conwy & Denbighshire, and Flintshire & Wrexham).

Regional Partnership Board (Part 9 Board)

Background

The Social Services and Well-being (Wales) Act requires the Health Board to co-operate with Partners in the formation of a Regional Partnership Board (RPB) to prepare and publish a five-year Area Plan, setting out the range and level of services to be provided in response to the population needs assessment, including resources to be deployed. Health Boards are required to set out actions proposed in relation to the duty and to have regard to the importance of preventative actions.

The North Wales RPB facilitates the partnership arrangements between Betsi Cadwaladr University Health Board, the North Wales six local authorities and other partners in taking forward the effective delivery of integrated services in North Wales.

During 2023/24 the RPB has been chaired by the Portfolio Holder for Adult Social Care and Elected Member of Gwynedd County Council – Cllr Dilwyn Morgan. The Board's programme of work is supported by a Regional Collaboration Team hosted by Denbighshire County Council.

Regional Area Plan

The North Wales RPB published its Regional Area Plan in April 2023. This sets out how partners will work together to deliver health and social care services and respond to the findings of the North Wales Population Needs Assessment and Market Stability Report. The Board also published an update to the Market Stability Report.

The Plan focuses on how the Regional Partnership Board delivers priorities for integrated working between health and social care on a regional basis for the following population groups:

- Children and young people with complex needs
- Older people including people with dementia
- People with learning disabilities and neurodevelopmental conditions
- Unpaid carers
- People with emotional and mental health wellbeing needs

Progress against the Plan is shared each year in the Regional Partnership Board Annual Report.

Regional Integration Fund

The Health and Social Care Regional Integration Fund (RIF) is a five-year fund (April 2022 to March 2027) to support integration and partnership working for the priority population groups described above.

The RPB has led on the development and implementation of the RIF. The 2023/24 RIF programme comprises 35 schemes across six national Models of Care.

The total investment in schemes and services (excluding infrastructure and programme management costs) for the year is £57,169,751. This is made up of £29,705,054 Welsh Government funding and £27,464,697 of partner core funding. £5,413,163 is invested in schemes which directly support unpaid carers. £5,671,244 is invested in social value schemes.

Investment in the six national models of care is shown in the table below –

Model of Care	Number of Regional Programmes	%	Total Investment	Welsh Government Funding	Partner Match Monetary	Partner Match Resource	Year End Spend WG funding
			£	£	£	£	£
Community Based Care - Prevention and Coordination	13	16%	£9,309,043	£7,291,869	£1,748,528	£268,647	£7,291,869
Community Based Care - Complex Care Closer to Home	6	42%	£23,975,899	£6,845,439*	£15,100,093	£2,030,367	£6,845,439
Home from hospital	3	8%	£4,635,868	£3,725,125*	£472,637	£438,106	£3,725,125
Supporting families to stay together safely and therapeutic support for care experienced children	6	28%	£15,740,956	£9,920,441	£4,049,993	£1,770,521	£9,920,441
Accommodation Based Solutions	3	2%	£1,100,977	£742,317	£313,952	£44,708	£742,317
Promoting good emotional health and well-being	4	4%	£2,497,927	£1,270,782	£844,332	£382,813	£1,270,782
Total	35	100%	£57,260,670	£29,795,973	£22,529,535	£4,935,162	£29,795,973

All schemes report against a set of All Wales performance indicators.

North Wales Together: Seamless services for people with learning disabilities

North Wales Together is a project funded through RIF to support people and organisations to make sure that people with learning disabilities are able to live a great life. The team are working with many different people and organisations to find out what is working well, and how we can support changes where they are needed.

Progress during 2023/24 includes:

- development of a Regional Supported Employment Strategy and, in the Central area, piloting a model that supports people with learning disabilities to access paid employment. This model will be rolled out across the region in 2024-2025.
- one-to-one hub support and accessible training designed to raise awareness of technology for those with a learning disability and the workforce who support them.
- working with colleagues in health and social care on an integrated Positive Behaviour Support Implementation Plan.
- funding a project management post within the Health Board's Mental Health and Learning Disability Division to take forward the redesign of existing residential nursing services to enable care closer to home for people with complex needs. Accommodation developed East and West of the region with placements coming on stream 2024-2025.
- commissioning activities for Adults, Children with learning disabilities and their families.
- development of a direct payment toolkit and promotion of direct payments.
- commissioning a third sector based Information Advice and Assistance service for young people and their families experiencing transition to adult services.
- commissioning and joint funding a peer-led 'health checks and screening project'.

Children's Regional Partnership Board

A Children's subgroup of the Regional Partnership Board (CRPB) operates with the aim of meeting the needs of children and young people with complex needs across the region. The governance structure has been revised and now includes a Children's Regional Transformation Board, to give transparency to the programmes that are being delivered, to avoid any duplication and to work to the principles in the NYTH / NEST framework (a planning tool for developing mental health well-being and support services for babies, children, young people, parents, carers and their wider families across Wales).

All three areas, East, Central and West, are focusing on providing support for those who are neuro-diverse and are either on the waiting list for a diagnosis or have a diagnosis.

The East area will focus on those children and young people who are transitioning between primary and secondary school.

The Central area will focus on 0-7 years.

In the West area, Gwynedd and Anglesey are working on different cohorts:

- Anglesey will focus on early intervention and prevention and is rolling out Teulu Mon to deliver a Multi-Disciplinary Team (MDT) approach based around the five secondary schools and primary schools in each catchment area.
- Gwynedd is focusing on complex cases, and has established an MDT with a preventative ethos to support children and young people with the aim of preventing them from entering care, where possible.

The different approaches will assist in identifying challenges and opportunities and the sharing of good practice across the region.

Co-production and story-telling workshops have enabled rich discussions where:

- it was established that guiding values and principles should underpin and inform all aspects of the work going forward
- the Board's mission was co-defined
- dialogue learning methods were introduced to provide an engaging and practical way of putting stories into action
- the priority areas for a two-year work programme have been reviewed and confirmed.

Regional Innovation Coordination Hub

The Hub aims to coordinate health and social care research, innovation, and improvement activity in North Wales to support the work of the Regional Partnership Board.

Highlights for 2023/24 include:

- gathering evidence and bringing people together to find solutions to complex problems, including:
 - a RITA User Network (<https://www.northwalescollaborative.wales/rita-users-in-north-wales-unite/>) that uses reminiscence technology for people living with dementia;
 - ways to use co-production and storytelling techniques to improve services and partnership working; and
 - improving support for children and young people with neurodevelopmental conditions.
- improving access to evidence by providing insight into statistics and research for dozens of topics ranging from neurodiversity and dementia to AI and virtual wards.
- getting work underway for the Digital, Data and Technology Board under the themes of:
 - getting the basics right
 - innovation
 - digital inclusion
 - integrated health and care records.

This included mapping digital projects across the region.

- providing research support including case study hints and tips sessions and a consent and ethics framework for the Regional Integration Fund; designing a dashboard to measure regional progress against the Autism Code of Practice; and analysing hundreds of thoughtful responses to a Dementia Listening Campaign across six North Wales towns.

For more information:

- follow the hub @_NW_RICH on Twitter/ X (https://x.com/NW_RICH?mx=2),
- sign up to their newsletter at <https://www.northwalescollaborative.wales/research-innovation-and-improvement-coordination-hub/#contactus> or
- visit the RIC hub webpages at <https://www.northwalescollaborative.wales/research-innovation-and-improvement-coordination-hub/statistics/census/>.

Strategic Capital Plan & Development Fund

The NWRPB has developed a 10-year Strategic Capital Plan (SCP), published in July 2023, to develop integrated service delivery facilities and integrated accommodation-based solutions. The Plan brings together health, social care, housing, third sector, education and regeneration partners.

As part of the development of the SCP, the Regional Team has developed a tool to assist partners with the prioritisation of schemes. In total, 35 schemes across health and social care have been prioritised with a total value estimated at £440m and £303m anticipated to be required from Welsh Government funding.

In addition, a further £3m of funding was awarded during the year to support schemes at varying stages, from continuation of business case development to acquisition, refurbishments and construction of new facilities.

The schemes that have been awarded funding include:

- the development of an Integrated Hub in Conwy West (progression to the next business case stage),
- care closer to home development across the region
- extra care refurbishment in Denbighshire
- dementia centres across the region
- supported living for people with learning disabilities in Conwy and Flintshire and
- children's care homes across the region.

These schemes will assist people to live independently for longer, free up hospital beds and provide improved service provision across the North Wales region.

Public Services Boards

In April 2016, the Well-being of Future Generations (Wales) Act established a statutory Public Services Board (PSB) in each local authority area in Wales. The PSBs are a collection of public bodies working together to improve the well-being of their county. Membership consists of senior representatives from partner organisations including the Health Board's Integrated Health Community (IHC) Directors participating in support of their role as senior community leaders. The PSBs work collaboratively as partner organisations to ensure that their strategic plans are aligned with, and support achievement of, local well-being objectives and vice versa; but also to ensure that the contribution of the PSB adds value over and above statutory organisations' own plans.

During 2023/24, the three North Wales PSBs used the evidence and insight from the Well-being Assessments (produced in 2022-2023) to develop and publish their Well-being Plans in 2023/24. The Well-being Plans are a statutory requirement of the Well-being of Future Generations Act. The Plans seek to address the key areas which pose the greatest need or challenge for communities and describe where PSBs can make the greatest contribution, adding value to existing partnerships and core services.

The three PSBs have worked closely with the Co-production Network for Wales (to ensure seldom heard voices are given the opportunity to contribute) and the North Wales Insight and Research Partnership to build and test new ways to engage with communities, stakeholder and partners.

IATH – the Welsh Centre for language planning has been commissioned to research the challenges and success of bilingual workforce planning among organisations that make up the three North Wales Public Service Boards.

Gwynedd and Anglesey

Gwynedd and Anglesey PSB's Well-being Plan for 2023-2028 was published in May 2023. It has three overarching well-being objectives:

- mitigating the effect of poverty on the well-being of local communities
- prioritising the well-being and achievement of children and young people
- supporting communities to move towards zero net carbon

The 'Healthy Weight: Healthy Wales' principles have been adopted as a golden thread.

Welsh Language is a permanent priority for the PSB and is promoted in all aspects of the PSB's work.

Progress made in 2023/24 includes:

- formally launching the 2023-2028 Well-being Plan at the National Eisteddfod in Boduan, Gwynedd.
- securing focus from PSB board members to press ahead with delivery plans for the Well-being Plan. Guidance and support has been provided from Natural Resources Wales and the Co-production Network for Wales.
- promoting and implementing the North Wales Active Travel Charter, including collaboration on energy use and infrastructure in public sector locations.
- Trialling the 'Newborough project' - a collaborative approach to tackling significant but common issues at community level. Lessons learnt will be applied in other settings.
- Establishing regulation Information Bulletins to update PSB members on progress and share relevant information between quarterly meetings.

Conwy and Denbighshire

Conwy and Denbighshire PSB's Well-being Plan for 2023-2028 was published in March 2023.

Since approving the Plan areas of progress includes:

- progressing the Healthy Travel Charter by conducting a baseline assessment of current activity against Charter commitments. This has identified gaps and opportunities for development in line with Plans for existing PSB partner organisations.
- working with Glyndwr University to undertake an engagement project within two communities in Conwy and Denbighshire – Pensarn and Burton Park in Rhyl. The project uses creative methods such as artwork and photography to support communities in telling stories of what it looks and feels like living in their community.
- developing a community engagement plan and adopting a new engagement mission statement for the PSB.
- completing a service mapping exercise to evaluate next steps in delivery of the Well-being Plan.
- introducing informal networking meetings for PSB members.
- exploring ways in which the PSB can become more closely involved with the Inverse Care Law programme.
- exploring ways in which the Board can achieve its ambition of having a greater leadership role.

Flintshire and Wrexham

Flintshire and Wrexham PSBs worked closely and effectively during the COVID-19 pandemic, and so came together as a single Public Services Board in January 2023 to capitalise on the opportunities to build greater improvements in well-being with the communities across the two counties. The joint PSB is delighted that its first Chair is from the Third Sector.

The new PSB published its Well-being Plan in May 2023, and has spent the remainder of the year creating a delivery structure that will enable PSB partners to work together on those actions that have the potential to make a real impact.

In 2023/24, the PSB made progress jointly in the following areas:

- the co-creation of new engagement methods especially with young children through Community Narratives at Sealand and Ty Pawb, developing story telling techniques through the TEDx events which focused on mental health and climate change, and working with schools through the Future Leaders programme.
- a joined-up approach to prevention and early intervention for children.
- a whole system approach to the healthy weight priority of 'Eating Well and Being Active' in schools across Flintshire and Wrexham with the aspiration of increasing the number of children who live within three miles of their school and who walk, scoot or cycle there.
- optimising green health opportunities through social prescribing.
- implementing the '100 stories programme' led by the Health Board. Professionals, parents, carers, guardians and young people gather stories about the neuro-diverse transition from children's to adult services.
- PSB partners working to become foster friendly organisations in line with Welsh Government's framework for eliminating profit from children's social care.
- PSB partners working together to build the North Wales Children's University (led by Wrexham University) so that all children across Flintshire and Wrexham have the opportunity to learn outside the classroom environment.

Throughout the year the Health Board gave regular updates to its Partnerships, People and Population Health Committee. Fuller details can be found on the Public Service Boards webpages:

- Gwynedd and Anglesey: <https://www.llesiantgwyneddamon.org/en/>
- Conwy and Denbighshire: <https://conwyanddenbighshirelsb.org.uk/>
- Flintshire: <https://www.flintshire.gov.uk/en/Resident/Council-and-Democracy/Flintshire-Public-Services-Board.aspx>

Please note that at the time this report was being prepared a new website for the combined Flintshire and Wrexham PSB was being developed. The previous website for Wrexham PSB has closed down; at the time of writing the site for the former Flintshire PSB remained online.

Sustainability Report

The Health Board is the largest Health Board in Wales, covering almost a third of the country's landmass. Our services are delivered from a variety of settings ranging from acute district general hospitals to community clinics and home visits by clinicians. In delivering these services we have an environmental impact which must be carefully managed to avoid significant financial and environmental consequences.

Our property portfolio includes three main acute general hospitals, 19 community hospitals, and in excess of 70 community clinics and other small (owned or leased) satellite buildings and rooms, giving a total portfolio in excess of 140 sites.

While the demand for healthcare continues to grow, the Health Board is committed to meeting the challenges of achieving carbon reduction, waste reduction and securing products and resources from sustainable sources where possible to ensure that our environmental impact is reduced as far as is reasonably practicable.

As part of our corporate commitment towards reducing these effects, we maintain a formal Environmental Management System (EMS) designed to achieve the following:

- Sustainable development
- Compliance with relevant legal and government requirements
- Prevention of pollution
- Protection of the environment
- Mitigation against the impact of climate change
- A culture of continuous improvement

Effective environmental management is achieved through:

- Promotion of the environmental policy to all relevant stakeholders
- Identification of all significant environmental aspects and associated legal requirements, including those resulting from service change and new legislation
- Establishing and monitoring objectives and targets aimed at reducing environmental and financial impacts, in line with those issued by the Welsh Government
- Provision of appropriate training to all relevant personnel
- Regular internal and external audits
- Regular review of the effectiveness of the EMS by the Environmental Steering Group
- Working with local, regional and national partners to achieve a consistent public sector approach to environmental management and ensure best practice procedures are identified and implemented

Our performance is measured using a number of tools and through our involvement with a number of partnership bodies:

- BS EN ISO 14001 2015 Environmental Management System
- Carbon Reduction Commitment Annual Reporting
- Annual Energy and Facilities Performance Monitoring System
- Welsh Health Estates Environmental Forum
- NHS Wales Shared Services Partnership Facilities Services
- In-house, real-time utility consumption monitoring systems
- BREEAM (Building Research Establishment Environmental Assessment Method) assessment of major capital schemes

These arrangements ensure that effective environmental management is conducted to current best practice standards and that continuous improvement is embedded in the culture of the organisation.

The data used in producing these reports is verified by internal and external audit providers including BM TRADA (a UKAS accredited external auditing and certification body) and Audit Wales.

The Health Board has attained the Platinum Standard of the Healthy Working Wales Corporate Health Standard, and our use of sustainable technology, ethical and sustainable procurement and work on environmentally responsible transport was part of the submission.

Partnership Working

The Health Board is represented on the Public Service Boards (PSBs) in North Wales, all of which are engaged in work on environmental, sustainability issues and Decarbonisation.

ISO14001:2015 Environmental Management System

The ISO14001:2015 standard for environmental management systems has now been embedded throughout the Health Board, with ISO certification achieved in April 2018. The new standard has served to make the Health Board and all its staff more aware of their responsibilities in respect of activities that have a significant impact on the environment, including legal and regulatory accountabilities, and enables the associated risks to be managed more effectively.

The three Environment Officers hold Chartered Quality Institute and the International Register of Certificated Auditors certification, which enables them to act as Lead Auditors and specialist advisors for the Health Board.

Members of the Environmental Management Steering Group have engaged in implementing the 2015 version of the standard by highlighting:

- The key changes service providers need to make
- Top management commitment and involvement in the EMS
- Compliance with the Environmental Policy Statement
- Needs and expectations of interested parties
- External and internal issues, compliance obligations and significant aspects
- What each section of the standard means to their service/department
- Performance, evaluation and monitoring

ISO14001:2015 provides a framework to protect the environment and respond to changing environmental conditions, in balance with socio-economic needs. ISO14001:2015 helps the Health Board achieve the intended outcomes of its EMS, which provide value for the environment, the Health Board itself and interested parties. In line with the Health Board's Environmental Policy, the intended outcomes of the EMS include:

- Enhancement of environmental performance
- Fulfilment of compliance obligations
- Achievement of environmental objectives

Assessments have demonstrated that the cornerstones of the system – identification of corporate and site-specific processes that have an environmental impact (the Environmental Aspects and Impacts) and a programme of environmental objectives and targets set by the Environmental Steering Group to mitigate these impacts – are in place. The Internal Audit Programme is on target and is being carried out effectively; the non-conformance process is effective and works efficiently. Environmental and Waste training is now mandatory for every member of Health Board staff.

The Health Board contracts with BM TRADA for the provision of ongoing ISO14001:2015 Environmental Management certification and continual surveillance audits.

18 Health Board hospitals and clinics were audited against the standard between May 2023 and March 2024. The Health Board is being re-certified against the standard between January and April 2024.

A number of minor non-conformities were raised during the surveillance which have been closed off by the auditor within the allocated timeframe. In addition to this, one major non-conformity was raised in October 2023, this was closed off within the three-month allocation. Another two major non-conformities were raised in March 2024.

Environmental & Waste Training

ISO 14001:2015 Standard places more emphasis on training and competency of any persons that can have an impact on the Environmental Management System.

The bespoke e-training package for waste and environmental management created by the Health Board's Environment Officers has been implemented across the Health Board onto the e-learning platform and is a mandatory part of staff training.

The training improves staff awareness and knowledge of environmental issues and their responsibilities, supports our work to improve waste management and ensures that we meet the requirements of the ISO 14001 Environmental Management System Standard and Waste Regulations. The training package has been adapted so that it can be utilised on an all-Wales basis. Compliance across the Health Board since September 2022 is 91%.

Corporate Environmental Objectives Programme

The Environmental Objectives Programme has been approved for the three years 2022-2025. Environmental objectives help us to demonstrate continual improvement and meet the requirements of our Environmental Management System and the Decarbonisation Action Plan.

The objectives are:

- Review and publish a plan in line with the biodiversity duty under section 6 in the Environment (Wales) act 2016
- Conserve and enhance biodiversity habitats by planting trees and nature friendly plants
- Develop changes to implement the new Environmental Legislation with regard to waste segregation
- Carbon Literacy Training by developing a suitable Carbon Literacy Programme
- Heating Survey
- Fully replace all existing lighting with LED Lighting by 2025
- Loft space insulation programme at Ysbyty Gwynedd and Wrexham Maelor Hospitals
- Retirement and replacement of Glan Clwyd Hospital combined heat and power (CHP) plant
- Develop procurement environmental objectives

Waste Management

West, East and Central DGHs and community sites have now reverted back to using clear bag instead of orange in all non-clinical areas for the disposal of masks and gloves. Generation of orange bag waste has fallen considerably since the COVID-19 pandemic but there is still work to be done.

The Welsh Government waste/recycling code of practice will come into force on 6th April 2024 for business, public and third sector organisations in Wales.

The new legislation will begin with segregation of food waste from all the Health Board's sites, including all hospitals, in April 2024.

The implementation of segregating and recycling at source in all clinics, health centres, administration buildings, GP practices and community dental practices has to be in place by the 6th April 2024. Environment Officers have worked with the current waste contractor to ensure a smooth transition.

Currently the only healthcare concession is that there will be a longer period for hospitals to be compliant with segregation of recycling materials (1st April 2026) but food waste segregation must be implemented by 1st April 2024.

The main concerns for all Health boards are:

- No capacity at ward level for extra bins
- No resources or funding for the additional collections or bins/skips
- A considerable additional cost to BCUHB to initially set up
- Lack of capacity in the waste compounds for additional skips
- Increased risk of fire and infection
- Increased carbon footprint

The Health Board's Environment Officers have worked with community sites to ensure implementation of food waste and recycling by April 2024; trialling segregation of waste at three community sites commenced in September 2023.

This has proved to work well in the community and Facilities staff have been positive and accepted the challenge, other staff have also welcomed the recycling.

At each site, discussions took place regarding the changes, the relevant amount of food waste caddies have been provided, and recycling stations using existing bins set up with posters to explain how waste needs to be segregated. It is intended that all desk-side bins are to be removed to aid the segregation and time allowed for the Domestic staff to empty the food waste bins and recycling bins. External recycling bins provided by the contractor for recycled waste are either in place or will be in place by the required time-period.

The Health Board's principal recycling and general waste contractor has worked with us to reduce the volume of waste sent to landfill.

The Health Board's 'de-clutter' campaigns continue to be a great success, encouraging wards and departments to clear clutter and unused items, improving tidiness and easing the cleaning of their areas and supporting our efforts to maintain a safe, clean environment.

Wrexham Maelor Hospital undertook a reusable sharps bin trial for three months within theatres, maternity unit and two wards. The reusable containers can be used up to 500 times which is a huge contrast to our single use containers which are incinerated. It is estimated that if Wrexham Maelor did a full site roll-out, it would eliminate 22 tonnes of single use plastic per year.

Green Groups

All three areas of the Health Board have a Green Group supported by Clinical staff. The Green Groups have managed to secure twelve months funding for three Sustainability Officers to support the Green Groups Projects.

Energy & Carbon Management

The Health Board continues to seek and implement measures to improve its energy efficiency and reduce carbon dioxide emissions associated with its activities. The current Corporate Carbon Reduction Performance Target is a 3% year on year reduction in CO₂ emissions as required by the Welsh Government's Climate Change Strategy Delivery Plan for Emissions Reduction.

Carbon reduction schemes are mainly dependent upon resource allocation from the annual Discretionary Capital Programme and Major Capital Development Schemes. In 2023/24 there has been reduced investment due to the capital development scheme financial allocation. However, as part of the response to the COVID-19 pandemic changes had to be made to the configuration of buildings which provided opportunity to also address some backlog maintenance issues and incorporate renewal of the infrastructure, for example with the installation of low energy LED lighting.

As in previous years, we have worked with the Welsh Government Energy Service and their partners the Carbon Trust, who have provided guidance to the Health Board on opportunities for further improvements to energy efficiency within our premises. This has included engaging the Carbon Trust to develop the Health Board's Carbon Reduction Strategy. This is a massive undertaking on both parties and builds upon on the publication of the NHS Wales De-carbonisation footprint that was published last year. It will be the key lead document for years to come in achieving site de-carbonisation compliance.

In addition to the general management arrangements for monitoring and, where possible, reducing energy consumption, the Health Board participates in a number of national programmes that link in to the UK energy strategy.

We have progressed opportunities at a number of our sites for small and medium scale solar photovoltaic arrays which may bring benefits to the organisation including a further reduction in the production of carbon dioxide. These schemes are now commissioned and operational at some of our community hospitals. Connectivity contract arrangements are in place so that unused electricity generated onsite is uploaded to the national electricity grid.

Transport

The Health Board's travel and associated carbon emissions continue to be monitored and reported to Welsh Government. This includes business travel by staff in their own cars and Health Board fleet vehicles, and transportation of eligible patients to and from hospital.

Overall business miles for the Health Board has increased year-on-year since 2021/22. It should be noted that the mileage in 2023/24 is still below the 2019/20 total of 14,730,669 miles. The data reflects how, following the COVID-19 pandemic, business travel has adapted to new ways of working which includes the use of technology and agile working practices.

Further initiatives will be explored to continue to reduce and promote more efficient and greener travel plans, including monitoring of grey fleet, lease and pool car usage, and the promotion of alternatives to travel including the use of video-conferencing and related technology.

	2021/22		2022/23		2023/24	
	Tonnes CO ₂	Miles	Tonnes CO ₂	Miles	Tonnes CO ₂	Miles
Private-Use Lease Cars	297	1,284,487	336	1,455,514	345	1,492,697
Grey Fleet	1,069	4,627,088	1,319	5,707,762	1,464	6,334,169
Health Board owned Cars & Vans	967	3,985,452	1,009	4,245,274	1,105	4,709,408
Total	2,333	9,897,027	2,665	11,408,550	2,914	12,536,274

Sustainable Procurement

NWSSP Procurement Services has introduced in-house sustainable procurement practices and improved data availability to assist in areas such as measuring the organisation’s carbon footprint. This has subsequently helped NWSSP to work with Health Boards and Trusts across Wales to better report their own carbon footprints in a format that meets the requirements of Welsh Government’s Public Sector Reporting Guide. NWSSP Procurement Services reports details of its Decarbonisation Action Plan annually to Welsh Government and is committed to reaching Net Zero by 2030.

Procurement approaches are aimed at sourcing products and services locally and supporting small and medium enterprises where this is practicable. Around 50% of the all-Wales food contracts are with Welsh producers and suppliers – all milk supplied to NHS Wales comes from Welsh farms, all beef is Welsh-reared, Welsh lamb is sourced during those times of the year when it is available and competitively priced. As well as supporting local communities and economies, this reduces the environmental impact of transport and distribution. This commitment to supporting the Foundational Economy is evidenced in all of NWSSP’s procurement activity and forms part of the evaluation criteria for all tenders that NWSSP Procurement Services operates on behalf of Health Boards/Trusts across Wales.

Sustainable Construction

Strategy

During 2023 the Health Board has continued to develop the granular detail in support of the Estates Strategy. The strategy was developed to align with other current Health Board strategies including Living Healthier, Staying Well, Clinical Services Strategy, Digital Strategy, People Strategy and Plan, and the Decarbonisation Action Plan.

Particular focus in relation to incorporating decarbonisation to projects where possible, reviewing space usage and agile working. An exercise was carried out in the East area to consider some of these aspects.

The Strategy is structured to reflect national guidance and to answer the three key questions: where are we now, where do we want to be and how do we get there?

The Strategy promotes a future estate that is fit for purpose and provides a safe and effective environment that meets the clinical and business needs of the Health Board; enhances the care of patients; supports carers, families and visitors; and provides an appropriate working environment for staff. It confirms the Health Board's commitment to:

- ensure inclusive design through the participation of local communities
- be compliant with statutory regulations and best practice guidance
- seek to meet the Building Research Establishment Environmental Assessment Method (BREEAM) standard of "very good" as a minimum with an aspiration to achieve "excellent" where practical
- reduce the Health Board's carbon footprint aligning to the Decarbonisation plan
- support sustainable transport solutions and a Green Travel Plan
- optimise local procurement and labour to support the local economy

Projects

For 2023/24 the Health Board was allocated £34.5 million to deliver a range of capital projects.

During the year, WG approved the business case for the Regional Orthopaedics Hub at Llandudno at £29m. The approach to the decarbonisation of the proposed theatre and radiology project has included the following measures:

- A fabric first approach to building design which looked to optimise built form and fabric performance. The fabric thermal properties have been selected to greatly exceed minimum WG building regulation standards.
- High efficiency standards for air tightness and thermal bridging targeted.
- High performance glazing utilised in the new build areas with low G & U-Values to limit heat gain in summer months and retain heat during the winter months.
- High system operational efficiencies for all new plant installations.
- Low lighting power densities achieved through the use of high efficiency LED lighting modules.
- ERP compliant heat recovery utilised for all new ventilation systems used on the project.
- Replacement of the 1983 extract and supply units providing ventilation to the ward with a new HTM compliant, full heat recovery module.
- An all-electric heating and cooling strategy to alleviate the need for new fossil fuel supplies to the development.
- Low energy, high efficiency fan and pumps specified throughout.
- Use of low carbon, high efficiency, air source pump cooling, heating and domestic water provision for the new build theatre and refurbished/extended radiology department.
- Provision of renewable technologies – A large PV array has been proposed for mounting upon the surrounding roof area, this helping to offset the energy demands of the new development.
- Provision of EV charging points within the additional car parking areas.
- A new building energy management system will be provided to monitor and control the new plant installations. This system will monitor energy use and provides the ability to interrogate operational energy performance over time and assess the effect of future decarbonisation integrations.

Design has now been competed for the Adult & Older Person Mental Health Unit, and is ongoing for the Nuclear Medicines and Electrical Infrastructure developments at Glan Clwyd Hospital. The projects are being designed to respond to the Welsh Health decarbonisation strategy. Both facilities are being planned as an all-electric building, with energy efficiency at the core of all design decisions to reduce the energy demands. Both schemes are targeting BREEAM Excellent and are exceeding the Part L energy modelling when compared to the notional building. This has been achieved through the use of PV panels and energy efficiency in the design and specification of the mechanical and electrical equipment.

Other capital schemes undertaken during the year that provide notable environmental benefits include:

- Plas Gororau alterations and refurbishment, Phase 1
- Ysbyty Gwynedd Immunology laboratory refurbishment (Design and tender)
- Bryn Beryl – Infrastructure (design)
- Heddfan Ventilation (design)
- Upgrade on electrical infrastructure at Dolgellau Hospital
- Installation of Ambulance Shoreline vehicle charging at the three acute hospitals

During 2023 the Health Board benefited from receiving Estates Funding Advisory Board (EFAB) funding that focused on Fire Safety, Decarbonisation and Building Fabric Upgrade. The Health Board utilised the funding to carry out a number of projects, as listed below:

- **Fire Safety**

Following a review of Fire Safety Audits, a programme of works was developed that looked at upgrading fire compartmentation, fire doors and fire alarm systems within a number of facilities across the Health Board.

- **Decarbonisation**

This project focused on upgrading the Building Management Systems (BMS) within a number of facilities across the Health Board. The Building Management System is the system that controls the heating and ventilation systems throughout the engineering infrastructure, which resulted in making our systems more energy efficient.

- **Building Fabric**

This project resulted in upgrading building fabric which included roofs upgrade to improve our building environment.

Re-fit Programme

Welsh Government have set out the ambition for the public sector in Wales to be carbon neutral by 2030. This is underpinned by legislative requirements set out in the Environment (Wales) Act, Wellbeing of Future Generations (Wales) Act, and wider UK and EU legislative drivers. This carbon reduction requirement, alongside the need for revenue energy cost reduction, underpins the need to progress energy efficiency and renewable energy projects at scale, and at pace.

The Health Board is developing a Carbon Reduction Programme, with an initially scoped value of approximately £7m investment, with a preferred delivery route via the Re-fit framework utilising Energy Performance Contracts and financing available via the Wales Funding Programme which are both Welsh Government supported schemes.

The basis of the programme is to develop a Re-fit scheme and build upon previous energy audits and work we have identified to establish the scale and suitability of an opportunity. A Re-fit Service Provider will be expected to identify the exact measures and savings, and identify innovative low carbon solutions. An initial £7m investment with a payback period of 8 years should generate a saving which will reduce the Health Board's annual energy expenditure.

Specific project opportunities already identified through an iterative working process between the Health Board, Welsh Government Energy Services and local partnerships include:

- Lighting and lighting controls
- Boilers and retrofit improvements
- Electric heating strategies
- Air Handling Units (AHU) improvement – EC motors, Variable Speed Drives (VSD)
- Heating network control, zoning and strategic metering
- Chiller sequencing
- Thermostatic radiator valve replacement
- Roof insulation

The project has progressed through to tender evaluation stage and the appointment of a preferred supplier will be completed by 24th April 2024.

Biodiversity and Natural Environment

The Health Board sites cover a large area of land. Many of our sites are home to a variety of wildlife, including plants, animals, birds and insects, some of which are protected species.

We have implemented a Biodiversity Forward Plan to comply with Section 6 Part 1 of the Environmental (Wales) Act 2016, to maintain and enhance biodiversity as part of the duty to promote resilience of ecosystems.

The Green Group at Wrexham Maelor Hospital has developed a biodiversity courtyard on site. Native plants will hopefully encourage birds, bees and other wildlife. A water bath made from re-purposed materials is located within the courtyard and insect houses have been made and provided by local school children. The Green Group meets to maintain the courtyard and is currently planning a bulb planting evening. As well as the benefits to biodiversity, staff can also use the garden for lunch or reflection in a lovely setting.

During the year Wrexham Green Group was successful in its bid for trees from a conservation group, resulting in 100 young, native trees and shrubs being planted at Wrexham Maelor Hospital.

The courtyard in the centre of Glan Clwyd Hospital continues to be supported by Rhyl Soroptimists. The courtyard garden has produced a fantastic well-being space for patients, visitors and staff to enjoy all year round, as well as an area that encourages wildlife and pollinators.

The Cancer Services garden has been redeveloped to provide a tranquil well-being area for staff and patients to help provide health benefits.

A bat survey was carried out at Abergele Hospital which monitored the Lesser horseshoe bats on site. Over 700 were identified in three locations across the site, which is an increase of more than 500 lesser horseshoe bats since the last survey.

Colwyn Bay and Llandudno Hospital dementia patients have benefitted from weekly nature talks and tabletop gardening sessions which have been informative, enjoyable and helped patients and families to focus on creating the right environment to reduce stress and anxiety and promote over all wellbeing.

In the West area work has taken place to develop biodiversity projects including a dementia garden at Tywyn Hospital and a bee garden at Tywyn Health Centre.

A sensory garden for Hafod Hedd Dementia Patients has been designed and completed by volunteers at Bryn Beryl Hospital, with support from the Beicwyr Llŷn group of bikers from the Llŷn area, the Hospital's League of Friends, Portmeirion Village & Tyddyn Sachau Garden Centre and Keep Wales Tidy.

Summary of performance - utility resource use and waste

Utility Measurement

Data collection is from a variety of sources, which include annual utility supplier statements, waste collection invoices, in-house real time utility monitoring systems and annual financial statements.

The Health Board's energy supplier is facilitating a rolling programme to install smart gas meters and electricity meters where these are not yet in place at Health Board premises. These provide usage information directly to the data collector, which should enable more accurate and timely billings, although the Health Board also takes local readings to provide assurance that the automated readings are accurate.

Our larger gas meters are equipped with correctors that take account of local temperature variations to produce more accurate consumption readings, our electricity meters measure for differing tariffs; at its simplest this can reflect different rates for day and night, for our larger sites multiple tariffs may apply.

The Health Board has also worked with Welsh Water to gain access to their "Water Core" national network of commercial water meter telemetry. This enables us to monitor our water consumption remotely for Ysbyty Gwynedd, Glan Clwyd Hospital, Llandudno General Hospital, Abergele Hospital and Bryn y Neuadd Hospital in Llanfairfechan. This enables us to spot any excess consumption quickly, helping identify potential leaks that may need to be investigated. We will be looking to add further Health Board sites to this network.

Utility usage is also checked when bills are being paid. These checks again help us to identify any unexpected increases in usage which could indicate either inaccuracies with the billing process or other problems that require investigation and attention, such as leaks from our water or fuel oil systems.

The Estates Business Support has reviewed market leading complete energy management software packages that will collate supplier meter reading and self-read data and provide analysis of consumptions and usage trends. Product innovation investigation is on-going to provide automation for the checking, validation and paying via an external data feed into the NHS payment system to pay the utility invoices.

The 2023/24 data comparison provided in the Summary of Performance table is compiled from data received to 2023/24 year end. It should be noted this year due to the fact that the all Wales Utility contract for both Gas and Electricity changed mid year (1st October 2023) there are a considerable amount of estimated invoices that have been received. While we are pursuing actual reads invoices and data this is proving to take some time with the new suppliers, therefore should late invoices or adjustments be received from the utility companies this can adjust the final value in the data.

Energy and Carbon emissions

Greenhouse Gas Emissions		2021/22	<i>Change from previous year</i>	2022/23	<i>Change from 2019/20</i>	2023/24	<i>Change from previous year</i>
Non-Financial Indicators (tonnes of CO ₂)	Total Gross Emissions	36,538	-1.01%	32,875	-10.03%	33,064	0.58%
	Total Net Emissions	36,538	-1.01%	32,875	-10.03%	33,064	0.58%
	Gross Emissions Scope 1* (Direct) Gas & Oil	26,084	3.01%	22,962	-11.97%	23,520	2.43%
	Gross Emissions Scope 2 & 3** (Indirect)	10,455	-9.81%	9,913	-5.18%	9,544	-3.72%
Related Energy Consumption (tonnes of CO ₂)	Electricity : Non-Renewable	0		0			
	Electricity : Renewable "Green" Supply Contract	10,455	-9.81%	9,913	-5.18%	9,544	-3.72%
	Gas	23,751	8.84%	20,297	-14.94%	20,606	1.52%
	LPG	10.54	-12.96%	12.78	21.25%	12.35	-3.36%
	Other – Oil***	2,333	-33.30%	2,665	14.93%	2,914	9.34%
Financial Indicators (£)	Expenditure on Energy	13,188,306	24.72%	25,322,875	92.01%	19,319,247	-23.71%
	CRC Licence Expenditure (2010 Onwards)	0		0		0	
	Expenditure on Accredited Offsets (e.g. GCOF)	0		0		0	
	Expenditure on Business Travel****	7,065,526	-26.76%	11,408,550	61.47%	12,536,274	9.88%

Notes

***Scope 1 - Direct Greenhouse Gas Emissions** - These occur from sources owned or controlled by the organisation and include emissions as a result of combustion in heating boilers owned or controlled by the Health Board, emissions from our vehicles and fugitive emissions from refrigeration gas leakage.

****Scope 2 - Indirect Energy Emissions** - Emissions that result from the generation of electricity and steam which is supplied by another party for use in our buildings.

****Scope 3 - Other Indirect Greenhouse Gas Emissions** - Emissions which occur as a consequence of our activity, but are not directly owned or controlled by the Health Board, including those linked to consumption of waste and water, sustainable procurement, biodiversity action planning and emissions relating to official business travel directly paid for by the organisation.

*****Other (oil)** - Information provided indicates total volume (litres) of vehicle fuel purchased for Health Board cars and vans via fuel cards and converted to tCO₂.

********This figure includes total fuel costs via business cards and staff reimbursement, as well as other costs associated with vehicle use including insurance and maintenance of Health Board vehicles, taxi and courier services and non-emergency patient transport provided by the Welsh Ambulance Service.

Greenhouse Gas Emissions are measured by means of collecting corporate consumption data and converting this data into carbon dioxide equivalents (CO₂e). This is done using official conversion factors, published by the Department for Business, Energy & Industrial Strategy, for different fuel types and, in the case of electricity, according to the country of origin to reflect national variations in how electricity is generated and transmission efficiency. These figures have been used to calculate corporate carbon dioxide emissions and changes in the Health Board's carbon dioxide emissions reported above can be partially attributed to changes in these conversion factors.

Over recent years there have been major developments on the Glan Clwyd Hospital site and new-build activity at both Wrexham Maelor Hospital and Ysbyty Gwynedd, as well as the development of new community facilities.

We take the opportunities that these provide to introduce new technologies to increase energy efficiency and reduce power and water consumption. However, these improvements are usually offset, to a greater or lesser extent, by the need to provide a modern clinical environment, which may need to be larger and include plant and equipment to support zone heating and air conditioning to maintain critical temperatures and air quality. New developments may also incorporate new clinical technologies and specialist services to support the diagnostic and treatment processes that create additional demands on electrical supplies.

We have achieved a 0.58% reduction in gross CO₂ equivalent emissions arising from our energy use over the past year. Our expenditure on energy decreased by 23.71%, which reflects the peak rising unstable and volatile global energy prices of the previous year and also adjustments to the conversion factors used to calculate our carbon dioxide emissions. There has been a change in the balance of our use of energy sources, with reduced electricity use and increased use of gas.

The Health Board is part of an all Wales NHS energy group that purchases gas and electricity in advance, at more favourable rates than the "day ahead" price that most users pay. This provides some protection from price variations caused by fluctuations in demand and supply, such as those arising from weather impacts, OPEC production agreements or supply disruptions.

Commodity prices account for the majority of the overall energy bill, with the balance accounted for by transmission/transport charges, metering costs and climate change levies. The NHS Wales energy group monitors these factors to predict the optimal time for advance purchasing.

With effect from October 2023 the contract for gas and electricity has changed and is managed through a CCS (Crown Commercial Service) framework via NHS Procurement and the existing utility supplier will be changing to hopefully provide a better market completion to supply utilities.

Unlike in domestic markets, the commercial / business sector does not have the benefit of a fuel price cap. In common with other major users of utilities, the Health Board was hit by global fuel / utility prices rises since early 2022 - at one point the commodity element for gas (ppt – pence per therm) which in previous years was around 40-45ppt rose to 800ppt. The NHS energy procurement group was able to mitigate some of the price increase due to advance purchasing. Overall utility expenditure has significantly decreased since the high global pricing of the previous year, however generally commodity prices are higher than a few years ago.

Expenditure on travel has decreased compared to pre-pandemic, reflecting the changed circumstances caused by the COVID-19 pandemic and the movement to increased remote / home working for many office based staff, with many meetings taking place online rather than face-to-face.

Waste

Waste		2021/22	Change from previous year	2022/23	Change from 2019/20	2023/24	Change from previous year
Non-Financial Indicators (tonnes)	Total Waste	3,329	-39.41%	2,937	-11.78%	3363.8	14.53%
	Landfill	53.9	-0.55%	6.8	-87.38%	0	0
	Reused / Recycled	1,885	-44.48%	1,567	-16.87%	1957	24.9%
	Composted	0		0		0	0
	Incinerated with energy recovery	1,389	330.14%	1,363	-1.87%	1407	3.2%
	Incinerated without energy recovery	0		0		0	0
Financial Indicators (£)	Total Disposal Cost	570,198	-53.82%	630,782	10.62%	720,812	14.3%
	Landfill	15,620	70.34%	2,086	-86.65%	0	0
	Reused / Recycled	258,483	-50.25%	248,288	-3.94%	264,458	6.51%
	Composted	0		0		0	0
	Incinerated with energy recovery	296,095	110.98%	380,409	28.47%	456,354	20%
	Incinerated without energy recovery	0		0		0	

Notes

Total waste tonnages & costs includes incineration waste, recyclable and landfill waste.

The Health Board also disposes of some material via other means that are not specified as a separate category within the sustainability reporting requirements. This includes 'orange bag' waste which is heat treated to disinfect it before disposal. In 2022/23 this accounted for 2,172 tonnes of waste, with a treatment and disposal cost of £846,144 (2021/22: 2,337 tonnes at a cost of £749,661). Therefore, the data above does not cover the totality of the Health Board's waste disposal.

The Health Board's total waste (as reported above, and inclusive of orange bag waste) has reduced by 9.8% (557 tonnes) in 2023/24 compared with 2022/23.

Factors behind this include the decreased use of personal protective equipment that was required during the response to the COVID-19 pandemic. This has contributed to both reduced orange bag waste and less associated packaging being sent for recycling. Also, in April 2022, the UK government introduced the plastic packaging tax which has seen manufacturers and suppliers review the amount of packaging material they use.

Additionally, following the pandemic a larger proportion of staff work remotely, we are making greater use of virtual consultations and the increased roll out of digital systems continues to reduce our use of paper within administrative functions.

There was energy recovery from all waste sent for incineration.

Water

Finite Resource Consumption		2021/22	Change from previous year	2022/23	Change from 2019/20	2023/24	Change from previous year
Non-Financial Indicators (m ³)	Water Consumption (All) supplied abstracted	489,033 0	-4.3%	412,340 0	-15.7%	480,683 0	16.6%
	Water Consumption (Non-Office Estate) supplied abstracted	0 0		0 0		0 0	
Financial Indicators (£)	Water Supply Costs (All)	1,368,572	3.4%	1,235,617	-9.7%	1,531,866	24.0%
	Water Supply Costs (Non-Office Estate)	0		0		0	

Water consumption in 2023/24 showed an increase as a sub-surface leak at Ysbyty Gwynedd impacted the consumption.

Welsh Language

Delivering services to patients and service users in their preferred language is a key factor in providing high quality care and is particularly important for our more vulnerable patients.

The Health Board operates within a legislative framework for Welsh Language in the form of compliance with Welsh Language Standards under the Welsh Language (Wales) Measure, 2011 and is accountable to the Welsh Language Commissioner for compliance and external scrutiny. The Health Board also operates in line with the Welsh Government's Strategic Framework for Welsh Language Services in the Health and Care Sector, 'More than just words'.

The Health Board's Welsh Language Strategic Forum provides overall direction and drive for the Health Board's Welsh language provision. All issues relating to accountability, risk management, concerns' reporting and celebrating success is reported at meetings of the Forum that are held quarterly.

The focus for the past year has been on:

- Providing strategic direction and guidance to ensure statutory compliance with the Welsh Language Standards under the Welsh Language (Wales) Measure 2011
- Identifying current areas of compliance and providing additional operational support to actively offer services for patients in the language of choice
- Delivering appropriate models of Welsh language training to improve the Welsh language skills of our current workforce

In establishing this foundation, the Health Board has adopted a patient-centred approach to ensure that the public receive timely, language-appropriate care that meet their needs. The Health Board has also ensured increased awareness of this "Active Offer" approach amongst the workforce by rolling out a mandatory Welsh language awareness online module.

The infrastructure of the Welsh Language Team is aligned to four specific work streams as outlined below, that supports the delivery of its requirements and objectives. Work has been progressing within all areas to further strengthen the Health Board's ability to deliver services in Welsh.

Legislation and Governance

Over the last year the Health Board has been focusing on supporting staff to deliver specific Standards through the development of Standard Operating Procedures. Efforts have been focused on bilingual telephone services and written correspondence. A self-regulation approach is undertaken through an internal 'mystery shopper' exercise, whereby telephone greetings and signage are monitored across various sites and services. The findings are reported quarterly to the Welsh Language Strategic Forum where areas of concern are highlighted and addressed. This mechanism also affords the opportunity to identify areas of high compliance, which are shared as good practice across the organisation.

The Health Board's 'Procedure on Using Welsh Internally' has also been adopted to establish a clear directive of internal expectations with regard to Welsh language provision. This has provided an additional visible commitment to embed Welsh language requirements within the organisation. A Support Officer has been appointed to ensure staff have adequate support and guidance to achieve these goals.

Progress has also been made in ensuring that the Welsh language is taken into consideration during the planning of services and the development of policies and procedures. These have been embedded into the Health Board's Integrated Assessment Screening Tool to ensure that developments have positive effects on the opportunities for persons to use the Welsh language, and for treating the Welsh language no less favourably than the English language.

Any complaints or comments received through the various feedback mechanisms operated or used by the Health Board are utilised as opportunities to make constructive changes to working practices and to increase awareness on the positive impact of providing care to patients in their preferred language.

Promotion and Implementation of the 'Active Offer'

To ensure successful delivery of the Welsh Language Standards and 'More than just words', work has been underway this year to raise awareness of the importance of providing Welsh language services, to highlight best practice across the organisation, and to strengthen partnership working across North Wales.

The Health Board's sixth annual Welsh Language Week took place between 16th and 20th October 2023, with the primary purpose of raising awareness of the importance of bilingual healthcare provision. It also provided an opportunity to celebrate the excellent work that continues to be done by our staff to ensure that a wide range of services are delivered through the medium of Welsh.

Activities and events such as promotional stalls at acute and community hospitals were held to offer support, resources and guidance to staff on topics relating to bilingual service provision. Special Welsh learner events, such as 'Cinio Clebran' were held to celebrate and engage learners, offering a warm and friendly environment to practice their skills. As part of the week-long celebrations, events were held within the Children's Unit at all three acute sites where 'Dewin' (a Welsh-speaking children's character) was warmly welcomed by the young patients on the wards.

A Schools' Roadshow was held over the year, where members of staff attended various secondary schools to promote the advantages of Welsh language skills within the health sector. A 'Working Bilingually in the Health Sector' guidebook was produced for young people to expand this message and was launched at an event in Ysgol y Creuddyn, Penrhyn Bay, in March 2024.

As a result of this work to motivate young people to make the most of their bilingual skills for future employment opportunities within the health sector, the Welsh Language Team was awarded at a national level as the 'Best Promoter of Welsh in the workplace' at this year's Careers Wales Valued Partner Awards.

Further partnership working within this area resulted in a joint full-day event held at Wrexham University where clinical staff discussed their personal experiences of delivering services in Welsh, and training sessions were also provided for students. Feedback has been extremely positive, and a similar event will be held with the North Wales Medical School over the next reporting year.

Developing the Workforce

The Health Board's Welsh language training team has had another successful year of creating and delivering a variety of Welsh language courses to meet the needs of the organisation. These courses and their delivery has been positively received, and feedback highlights the appreciation of staff for the opportunities that are being offered to support their development in the workplace. There has been a significant increase in demand from staff and an additional Welsh language tutor has been appointed as a result.

The Welsh Language Training Team continues to work strategically, by aligning training with legislative requirements, and identifying any learning gaps within the organisation. Amongst the courses provided were taster sessions specifically developed for different areas within the health sector e.g. reception and front of house courses, answering and dealing with telephone queries, and charring meetings bilingually. Evaluation and feedback have been positive, with many members of staff continuing their journey by attending weekly lessons and progressing to courses at a higher level.

A twelve-month contract was also renewed with the National Centre for Learning Welsh under the Welsh Government-funded '*Work Welsh Scheme*'. This ensured the continuation of opportunities for collaborative working, as well as employing a Training Support Officer.

A highpoint for developing and supporting the workforce to improve their Welsh language skills was the Welsh Language Learner of the Year event. The ceremony took place in March 2024, and was an opportunity to celebrate and congratulate our staff who have made an impression by learning Welsh to a high standard and using their new skills to provide a better service to Welsh first language patients and service users. More than 40 members of staff were nominated and the winners this year were Melanie Hayes who works at the Stroke Unit in Wrexham Maelor (Entry/Foundation Category) and Leanne Parry, a Physiotherapist in Colwyn Bay Hospital and Glan Clwyd Hospital (Intermediate / Higher Category). The Tutor's choice award was awarded to Ian Day, the Chaplain at Glan Clwyd Hospital, and all three were celebrated for their continued commitment to learn Welsh to be able to speak in Welsh with patients.

Translation Services

The Translation Team continues to provide support for all Health Board services in the form of written translations and interpretation services. There has been an increase in demand over the past year, with significant demand for simultaneous translation. This reflects the Health Board's commitment to provide a seamless and timely bilingual service to the public in line with the Welsh Language Standards. The team continues to ensure that quality control standards are upheld in all aspects of translation, and ensures time-sensitive information is prioritised.

The team continued to provide a robust translation service to the Welsh Ambulance Service NHS Trust through a service level agreement. In view of the success of this model, the Health Board has adopted the same agreement with Aneurin Bevan University Health Board.

The Health Board produces a separate annual report focusing specifically on Welsh Language Services, which addresses the reporting requirements set out within the Welsh Language Standards. This report is published on the Health Board's website within six months of the end of the financial year and will be available at <https://bcuhb.nhs.wales/about-us/governance-and-assurance/welsh-language/>.

The 2023/24 report will be published in September 2024.

PART TWO – Accountability Report

Corporate Governance Report

Introduction

The **Corporate Governance Report** provides an overview of the governance arrangements and structures that were in place across the Health Board during 2023/24. It includes:

- **The Directors' Report:** This provides details of the board who have authority or responsibility for directing and controlling the major activities of the Health Board during the year. Some of the information which would normally be shown here is provided in other parts of the Annual Report and Accounts and this is highlighted where applicable.
- **The Statement of Accounting Officer's Responsibilities and Statement of Directors' Responsibilities:** This requires the Accountable Officer, Chair and Executive Director of Finance to confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts is fair, balanced, and understandable.
- **The Governance Statement:** This is the core of the Corporate Governance Report. It explains the governance arrangements and structures within the Health Board and brings together how the organisation manages governance, risk, and control. It has been prepared as a separate document which is published as an annex to this Annual Report and Accounts.

Directors' Report

The Board

In February 2023, Welsh Government announced that Betsi Cadwaladr University Health Board was being placed in the highest level of escalation: Special Measures. This has led to a significant change in leadership and approach which is summarised below.

The Minister for Health and Social Services made direct appointments to the Board in 2023, these appointments were fixed term appointments for a period of 12 months.

Following the public appointments process in 2023/24, the following members were initially appointed to the Board: Dyfed Edwards, Rhian Watcyn-Jones, Clare Budden, Karen Balmer. Lesley Singleton was appointed as an Independent Member on 2nd May 2023. Fuller details are provided below.

At the start of the year the Health Board's Interim Chair was Dyfed Edwards. The Interim Chief Executive was Gill Harris, until 2nd May 2023.

Subsequently, on 3rd May 2023 Carol Shillabeer was appointed to the post of Interim Chief Executive and Gill Harris returned to her role as Executive Director of Integrated Clinical Services until 31st August 2023.

After a formal Welsh Government appointment process Dyfed Edwards was appointed as the substantive Chair of the Health Board from 1st March 2024 and Carol Shillabeer was appointed as the substantive Chief Executive on 1st February 2024.

A Vice-Chair, Gareth Williams was also appointed on the 3rd November 2023. Prior to this he was an Interim Independent Member of the Health Board. In addition to this appointment the substantive appointment of 9 Independent Members during the year has given the Health Board a much firmer foundation to build on. These are highlighted below:

- Councillor Dyfed Jones was appointed as a substantive Independent Member on 22nd May 2023.
- Rhian Watcyn Jones was appointed as a substantive Independent Member on 1st March 2024. Prior to this she was an Interim Independent Member.
- Professor Michael Larvin was appointed as a substantive Independent Member on 10th March 2023.
- Dr Caroline Turner was appointed as a substantive Independent Member on 3rd November 2023.
- Urtha Felda was appointed as a substantive Independent Member on 3rd November 2023.
- Karen Balmer was appointed as a substantive Independent Member on 1st March 2024. Prior to this she was an Interim Independent Member.
- Clare Budden was appointed as a substantive Independent Member on 1st March 2024. Prior to this she was an Interim Independent Member (from 2nd May 2023 to 29th February 2024) and an Associate Member of the Board (from 1st April to 1st May 2023).
- Christopher Field was appointed as a substantive Independent Member on 1st March 2024.
- William Nichols was appointed as a substantive Independent Member on 1st March 2024.
- Lesley Singleton was appointed as a substantive Independent Member on 2nd May 2023 and stepped down from this role on 30th May 2023.

Sue Green, Executive Director of Workforce and Organisational Development, advised that she would be leaving the Health Board in May 2023 to take up a new role with NHS Wales Employers. There was a vacancy in relation to this role after this period. In the absence of a postholder, the Chief Executive retained accountability for this function.

Sue Hill, Executive Director of Finance is on leave of absence as at 31st March 2024 which was effective from 5th December 2022.

Steve Webster, Interim Executive Director of Finance advised he would be leaving the Health Board on the 22nd June 2023. Russell Caldicott was appointed as Interim Executive Director of Finance on the 1st July 2023.

Teresa Owen, Executive Director of Public Health stepped down from her role on 18th January 2024. Dr Jane Moore was appointed as Acting Executive Director of Public Health from 1st January 2024.

Adele Gittoes was appointed as the Interim Executive Director of Operations on the 1st August 2023 but advised she would be leaving the Health Board on 21st March 2024.

The full membership of the Board is detailed within the Annual Governance Statement (Appendix 1) and in the Remuneration Report 2023/24. The Annual Governance Statement also sets out details of the Board's supporting committee structure (Section 2 of the Annual Governance Statement) and the membership of committees (also in Appendix 1 of the Annual Governance Statement).

The Betsi Cadwaladr Health Board as at 31st March 2024



Dyfed Edwards
Chair
(Voting)



Carol Shillabeer
Chief Executive
(Voting)



Gareth Williams
Vice Chair
(Voting)



Karen Balmer
Independent Member
(Voting)



Clare Budden
Independent Member
(Voting)



Cllr Dyfed Jones
Independent Member
(Voting)



Rhian Watcyn Jones
Independent Member
(Voting)



Prof Mike Larvin
Independent Member
(Voting)



Urtha Felda
Independent Member
(Voting)



Dr Caroline Turner
Independent Member
(Voting)



William Nichols
Independent Member
(Voting)



Christopher Field
Independent Member
(Voting)



Jane Wild
Associate Member
(Non-Voting)



Fon Roberts
Associate Member
(Non-Voting)



Mike Parry
Associate Member
(Non-Voting)



Dr Nick Lyons
Deputy Chief Executive
/ Executive Medical
Director
(Voting)



Angela Wood
Executive Director of
Nursing & Midwifery
(Voting)



Russell Caldicott
Interim Executive
Director of Finance
(Voting)



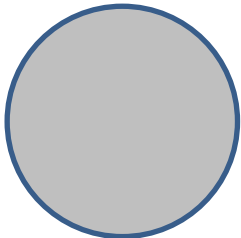
Dr Chris Stockport
Executive Director
Transformation,
Strategic Planning &
Commissioning
(Voting)



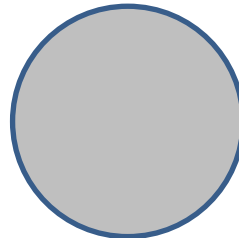
Dr Jane Moore
Acting Executive
Director of Public
Health
(Voting)



Gareth Evans
Executive Director of
Therapies & Health
Sciences
(Voting)



Vacant
Executive Director of
Workforce &
Organisational
Development
(Voting)



Vacant
Executive Director of
Operations
(Voting)



Phil Meakin
Acting Board
Secretary
(Non-Voting)



Helen Stevens-Jones
Director of
Partnerships,
Engagement &
Communications
(Non-Voting)



Dylan Roberts
Chief Digital &
Information Officer
(Non-Voting)



Teresa Owen
Interim Lead for Mental
Health & Welsh
Language
(Non-Voting)

Register of Directors' Interests

All Board members are required to declare any interest they have that could affect their impartiality with regard to their work within the Health Board.

The declarations made by Directors and Board Members for 2023/24 are published in Note 30 of the Annual Accounts, and are available on the Health Board's website at

<https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members/>

Compliance with Cost Allocation Requirements

The Freedom of Information Act is part of the Government's commitment to greater openness in the public sector. The underlying principle is that all non-personal information held by a public body should be easily available, unless there is a cost or an exemption applies. A statement confirming that the Health Board has complied with the cost allocation and charging requirements set out in HM Treasury guidance is below.

We are committed to comply with this Act and any associated Welsh Government guidance and endeavour to make information available to the public via our Publication Scheme:

<https://bcuhb.nhs.wales/use-of-site/publication-scheme/>

Compliance with Personal Data Related Incidents and Environmental, Social and Community Issues

Information related to compliance with personal data and the reporting of related incidents is contained within the Data Security Breaches section of the Annex to this document (the Annual Governance Statement). Information related to compliance with Environmental, Social and Community issues are contained within Section 7 of the Annual Governance Statement and include consideration of equality, diversity and human rights as well as the Health Board carbon reduction delivery plans.

Statement of the Chief Executive’s Responsibilities as Accountable Officer of Betsi Cadwaladr University Health Board

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer for the Betsi Cadwaladr University Health Board.

The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

The Accountable Officer is required to confirm that, as far as he or she is aware, there is no relevant audit information of which the entity’s auditors are unaware, and the Accountable Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity’s auditors are aware of that information.

The Accountable Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accountable Officer is responsible for authorising the issue of the financial statements on the date they were certified by the Auditor General for Wales.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

.....
Carol Shillabeer, Chief Executive

Date 10th July 2024

Statement of Directors' Responsibilities in respect of the Accounts

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of Betsi Cadwaladr University Health Board and of the income and expenditure of Betsi Cadwaladr University Health Board for that period.

In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- make judgements and estimates which are responsible and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with the requirements outlined in the above-mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

.....
Dyfed Edwards
Chair
Date: 10th July 2024

.....
Carol Shillabeer
Chief Executive:
Date: 10th July 2024

.....
Russell Caldicott
Interim Director of Finance:
Date: 10th July 2024

Annual Governance Statement

Our Annual Governance Statement describes our governance arrangements, committee structure and the system of internal control. It also includes information about:

- The role and composition of the Board
- Our arrangements to manage risk and the key risk areas identified by the Health Board
- Quality and Governance processes
- The opinion of the Head of Internal Audit
- Independent external reviews of Health Board services and issues identified
- Our planning arrangements
- How the Health Board is responding to being placed into Special Measures

The full Annual Governance Statement is provided as an annex to the Annual Report and Accounts below.

Remuneration Report

Policies for the remuneration of staff and senior managers

Senior Managers are defined as those who have authority or responsibility for directing and controlling the major activities of the Health Board as a whole, this definition includes those employees and Independent Members who are regular attendees at Board meetings. The names and titles of Board members are disclosed in the salary table below.

From October 2004, the NHS Agenda for Change (AFC) process was introduced to achieve consistency in contracts and terms and conditions across NHS Wales. An all-Wales contract is issued to all staff and managers (excluding directors) upon appointment.

A consolidated payment of 1.5% was applied for all staff on AFC terms and conditions in relation to Financial Year 2022/23, this was actioned in May 2023.

Pay letter AFC (W) 04/2023 uplifted pay scales by 5% with effect from 1st April 2023 for all staff on AFC terms and conditions, actioned in July 2023. Pay Band 1 (closed) was uplifted to the top of Band 2. All staff on pay Band 2 were uplifted to the top of the pay band.

A further additional NHS Recovery Payment was actioned in June 2023, with an average value of 3%. The NHS Recovery Payment was a one off non-consolidated prorated payment for both substantive staff and bank workers issued on the following basis:

- Band 1 to 4 £900
- Band 5 to 8a £1,005
- Band 8b to 8c £1,050
- Band 8d £1,100
- Band 9 £1,190

NHS Wales follows the Living Wage Foundation recommendations for the Real Living Wage. With effect from 1st April 2023 a top up rate is applied to make the minimum hourly rate £10.90 per hour. This has lifted the wages for staff on pay Band 1, Band 2 and the bottom of pay Band 3. It will be reviewed again, when the 2024/25 annual pay uplift is published.

Medical and Dental staff are governed by Medical and Dental Terms and Conditions, which apply across NHS Wales. A consolidated payment of 1.5%, in relation to Financial Year 2022/23, was actioned in May 2023. A further 5% uplift to basic pay was implemented with effect from 1st April 2023, actioned in October 2023.

Executive Directors are remunerated by use of the Very Senior Manager Pay Scale, introduced by the Welsh Government. Pay awards are determined nationally and applied locally based upon instructions from Welsh Government. A consolidated payment of 1.5%, in relation to Financial Year 2022-23, was actioned in May 2023. For 2023/24, there has been a 5% consolidated uplift to all pay points for individuals holding Executive and Senior posts and paid March 2024, backdated to 1st April 2023. The Health Board does not operate a performance related pay system for Very Senior Managers. All contracts for substantive roles are permanent and notice periods for Very Senior Managers are three months.

Independent Members are appointed for a term of up to four years (and can be re-appointed for a maximum of eight years). Independent Members receive nationally determined remuneration during their period of appointment.

The Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee is designed to provide assurance and advice to the Board on remuneration and terms of service for the Executive Team and other Senior staff, not on Agenda for Change pay. It also provides assurance on remuneration and terms of service arrangements for all other staff and performs specific delegated functions. The Committee was chaired by Dyfed Edwards, Chair of the Health Board.

The Committee was routinely scheduled to meet every two months during the reporting period and otherwise as the Chair deemed necessary. During the reporting period, it met on nine occasions.

At the Health Board meeting on 28th September 2023, the Board approved a change to the Committee structure and the Remuneration and Terms of Services Committee's function was amended and renamed the 'Remuneration Committee'. Reference to the Upholding Professional Standards in Wales (UPSW) was removed from function of the Remuneration Committee as this would now be reported directly to the Board. Delegated power to consider reports on the position with regard to Speaking Up Safely and Whistleblowing, would be incorporated within the portfolio of the People and Culture Committee. The revised Terms of Reference and Cycle of Business were approved at the Board meeting on 28th September 2023.

The key substantive agenda items considered during the 2023/24 reporting period were as follows:

Remuneration and Terms of Services Committee: April 2023 to October 2023

- National Terms and Conditions, Policy and Pay update
- Case Management and Tribunals (Executives and Very Senior Managers)
- Senior Interim Manager Update
- Medical and Dental Conduct, Capability and Health
- Upholding Professional Standards in Wales (UPSW)
- Appointment of Chief Executive Officer
- Executive Director appointments and changes including Portfolio changes
- Pension Recycling
- Uplift of pay for employees and workers on ad hoc pay rates

Remuneration Committee: November 2023 to March 2024

- Review of Terms of Reference and Cycle of Business of the Committee
- BCU Operating Model
- Independent Review – Management Response
- Case Management and Tribunals (Executives and Very Senior Managers)
- Senior Interim Manager Update
- Appointment of Chief Executive Officer
- Executive Director Appointments and Changes including Portfolio changes
- Uplift of pay for employees and workers on ad hoc pay rates

The Committee members during the year were:

Role on Committee	Name	Job Title	Dates
Chair	Dyfed Edwards	Interim Chair / Substantive Chair of the Health Board	1 st April 2023 to 31 st March 2024
Member	Gareth Williams	Interim Independent Member / Substantive Vice Chair of the Health Board	1 st April 2023 to 31 st March 2024
Member	Karen Balmer	Interim Independent Member / Substantive Independent Member of the Health Board	1 st April 2023 to 31 st March 2024
Member	Rhian Watcyn Jones	Interim Independent Member / Substantive Independent Member of the Health Board	1 st April 2023 to 31 st March 2024
Member	Professor Mike Larvin	Independent Member of the Health Board	10 th April 2023 to 31 st March 2024
Member	Clare Budden	Interim Independent Member / Substantive Independent Member of the Health Board	2 nd May 2023 to 31 st March 2024
Member	Cllr Dyfed Jones	Interim Independent Member / Substantive Independent Member of the Health Board	22 nd May 2023 to 31 st March 2024
Member	Urtha Felda	Independent Member of the Health Board	3 rd November 2023 to 31 st March 2024
Member	Caroline Turner	Independent Member of the Health Board	3 rd November 2023 to 31 st March 2024
Member	Christopher Field	Independent Member of the Health Board	1 st March 2024 to 31 st March 2024
Member	William Nichols	Independent Member of the Health Board	1 st March 2024 to 31 st March 2024
Member	Lesley Singleton	Interim Independent Board Member	2 nd May 2023 to 30 th May 2023 (<i>no Remuneration and Terms of Service meeting held during this time</i>)

In Attendance:

Role on Committee	Name	Job Title	Dates
In attendance	Carol Shillabeer	Interim Chief Executive / Substantive Chief Executive	3 rd May 2023 to 31 st March 2024
In attendance	Jason Brannan	Deputy Director of People	9 th January 2023 to 31 st March 2024
In attendance	Phil Meakin	Acting Board Secretary / Associate Director of Governance	28 th April 2023 to 31 st March 2024

Remuneration Relationships

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce. This information can be found in the Annual Accounts, Note 9.6.

For NHS eligible staff, a 1.5% consolidated pay award backdated to 1st April 2022 was paid in May 2023. An additional non-consolidated Recovery Payment was awarded during the financial year, followed by a consolidated 5% relating to 2023/24.

The highest paid director in 2023/24 was the Interim Executive Director of Finance (2022/23 Executive Director Nursing & Midwifery). In 2023/24, 14 (2022/23, 2) employees received remuneration in excess of the highest-paid director.

Exit Packages and severance payments

Details of all severance payments agreed during the year can be found in Note 9.5 to the Annual Accounts and in appendix 1 at the end of the remuneration and staff report (on page 102).

Senior Manager salary and pension disclosures and single total figure of remuneration

The total figures in the table below (the Single Total Figure of Remuneration) for each Senior Manager includes a figure for the in-year pension benefit, calculated using information supplied by the NHS Pensions Agency. The figure does not represent the actual amount paid to an individual during the year and reflects an accounting assessment of the increase in long term benefits adjusted for inflation. These figures can be influenced by many factors including changes to a person's salary, additional contributions made by individuals and underlying valuation factors on the scheme as a whole.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and faculty of Actuaries.

Real Increase in CETV: This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Single Total Figure of Remuneration Table

				2023/24					2022/23				
Notes	Name	Role	Effective Dates	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year)
				Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000	Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	£'000
1	C Shillabeer	Interim Chief Executive	03/05/23 - 31/01/24	165 - 170	-	-	165 - 170	225 - 230					
1	C Shillabeer	Chief Executive	01/02/24 - 31/03/24	40 - 45	-	-	40 - 45	250 - 255					
2	D Edwards	Interim Chair	01/04/23 - 29/02/24	60 - 65	1,300	-	65 - 70	65 - 70	5 - 10	-	-	5 - 10	65 - 70
2	D Edwards	Chair	01/03/24 - 31/03/24	5 - 10	800	-	5 - 10	65 - 70					
3	P Meakin	Acting Board Secretary	05/05/23 - 31/03/24	95 - 100	-	-	95 - 100	100 - 105					
4	M Marcu	Interim Board Secretary	01/04/23 - 27/04/23	-	-	-	-	-	-	-	-	-	-
5	G Harris	Interim Chief Executive	01/04/23 - 31/08/23	155 - 160	-	-	155 - 160	215 - 220	115 - 120	-	-	115 - 120	175 - 180
5	G Harris	Executive Director of Integrated Clinical Delivery		-	-	-	-	-	75 - 80	-	-	75 - 80	205 - 210
6	S Hill	Executive Director of Finance	01/04/23 - 31/03/24	160 - 165	-	35	195 - 200	-	150 - 155	-	37	185 - 190	-
7	S Webster	Interim Executive Director of Finance	01/04/23 - 22/06/23	60 - 65	-	-	60 - 65	270 - 275	75 - 80	-	-	75 - 80	305 - 310
8	R Caldicott	Interim Executive Director of Finance	01/07/23 - 31/03/24	120 - 125	-	-	120 - 125	160 - 165					

Notes	Name	Role	Effective Dates	2023/24					2022/23				
				Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year) £'000	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year) £'000
				Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000		Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	
9	T Owen	Executive Director of Public Health	01/04/23 - 18/01/24	130 - 135	-	-	130 - 135	145 - 150	145 - 150	-	22	165 - 170	-
10	Dr J Moore	Acting Executive Director of Public Health	01/03/24 - 31/03/24	10 - 15	-	-	10 - 15	125 - 130					
11	N Lyons	Executive Medical Director	01/04/23 - 31/03/24	225 - 230	300	-	225 - 230	-	205 - 210	-	-	205 - 210	210 - 215
11	N Lyons	Acting Deputy Chief Executive	01/04/23 - 31/03/24	-	-	-	-	-	-	-	-	-	-
12	Dr J C Stockport	Executive Director of Transformation, Strategic Planning, and Commissioning	01/04/23 - 31/03/24	160 - 165	3,000	-	160 - 165	-	155 - 160	5900	-	160 - 165	-
13	S G Evans	Acting Executive Director of Therapies and Health Sciences	01/04/23 - 31/03/24	120 - 125	1,600	-	120 - 125	-	115 - 120	3100	32	150 - 155	-

Notes	Name	Role	Effective Dates	2023/24					2022/23				
				Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year) £'000	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year) £'000
				Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000		Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	
14	S Green	Executive Director of Workforce and Organisational Development	01/04/23 - 30/04/23	15 - 20	-	-	15 - 20	155 - 160	150 - 155	-	15	165 - 170	-
15	A Gittoes	Interim Executive Director of Operations	01/08/23 - 31/03/24	100 - 105	-	-	100 - 105	150 - 155					
16	A Wood	Executive Director of Nursing & Midwifery	01/04/23 - 31/03/24	145 - 150	-	-	145 - 150	-	90 - 95	-	-	90 - 95	135 - 140
21	R Watcyn Jones	Independent Member	01/04/23 - 31/03/24	15 - 20	1,200	-	15 - 20	-	0 - 5	-	-	0 - 5	15 - 20
21	K Balmer CPFA	Independent Member	01/04/23 - 31/03/24	15 - 20	700	-	15 - 20	-	0 - 5	-	-	0 - 5	15 - 20
17	G Williams	Independent Member	01/04/23 - 31/03/24	15 - 20	100	-	15 - 20	-	0 - 5	-	-	0 - 5	15 - 20
17	G Williams	Vice Chair	03/11/23 - 31/03/24	15 - 20	100	-	15 - 20	40 - 45					
18	Prof M Larvin	Independent Member	10/04/23 - 31/03/24	-	-	-	-	-					
21	Cllr D Jones	Independent Member	22/05/23 - 31/03/24	10 - 15	900	-	10 - 15	15 - 20					

Notes	Name	Role	Effective Dates	2023/24					2022/23				
				Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year) £'000	Salary £'000	Benefit in Kind	Pension Benefit	Total	Full Year Equivalent Salary (If Part Year) £'000
				Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000		Bands of £5,000	Nearest £100	Nearest £1,000	Bands of £5,000	
	L Singleton	Independent Member	02/05/23 - 30/05/23	0 - 5	-	-	0 - 5	15 - 20					
19	C Budden	Independent Member	02/05/23 - 31/03/24	10 - 15	-	-	10 - 15	15 - 20					
21	U Felda	Independent Member	03/11/23 - 31/03/24	5 - 10	400	-	5 - 10	15 - 20					
21	Dr C Turner	Independent Member	03/11/23 - 31/03/24	5 - 10	300	-	5 - 10	15 - 20					
20	W Nichols	Independent Member	01/03/24 - 31/03/24	-	-	-	-	-	-	-	-	-	-
	C Field	Independent Member	01/03/24 - 31/03/24	0 - 5	-	-	0 - 5	15 - 20	-	-	-	-	-
19	C Budden	Associate Board Member	01/04/23 - 01/05/23	-	-	-	-	-	-	-	-	-	-
19	J Wild	Associate Board Member	01/04/23 - 31/03/24	-	-	-	-	-	-	-	-	-	-
19	F Roberts	Associate Board Member	01/04/23 - 31/03/24	-	-	-	-	-	-	-	-	-	-
19	M Parry	Associate Board Member	24/10/23 - 31/03/24	-	-	-	-	-					

Notes

*All remuneration paid to individuals is reflected in the table above including any payments in lieu where applicable and the 1.5% 2022/23 payment awarded in May 2023.

1. C Shillabeer, Interim Chief Executive, effective from 3rd May 2023 to 31st January 2024 seconded from Powys LHB at a total cost of £219,239.50. Figures relating to the employee’s detailed salary, disclosed in the table, have been provided by Powys LHB. The employee attained the role substantively effective from 1st February 2024, remunerated as Job Evaluation for Senior Posts (JESP) point 20 at the top of the scale, £236,806. The employee also received an allowance of £2,206.32 for the substantive period (Full Year Effect £13,237.92). Reports provided through the Pension Agency do not analyse the pension increase benefit between Betsi Cadwaladr Health Board and Powys Teaching Health Board, therefore, the value has been excluded.
2. D Edwards, Chair, was appointed substantively effective from 1st March 2024. The employee was in receipt of taxable travel to the value of £2,100.
3. P Meakin, Acting Board Secretary, effective from 5th May 2023. Prior to 5th May 2023, P Meakin was employed by the Health Board in a substantive post. The reports provided through the Pensions Agency do not analyse the element of pension benefits that relate solely to the role of Acting Board Secretary, therefore, the value has been excluded.
4. M Marcu, Interim Board Secretary, was in post until 27th April 2023. The Board Secretary post was filled via an Agency, with a total invoiced cost of £21,153 (£243,625 2022-23). The employee is assessed to be within the scope of IR35 tax determination.
5. G Harris, Interim Chief Executive, was on leave of absence from 3rd April 2023 before leaving the organisation with effect from 31st August 2023. The employee received a settlement package to the value of £52,180.13 in lieu of notice and has opted out of the NHS Pension arrangements.
6. S Hill, Executive Director of Finance, is on leave of absence at 31st March 2024, effective from 5th December 2022.
7. S Webster, Interim Executive Director of Finance, from the period 1st April 2023 to 22nd June 2023. During the interim period the employee was not opted into the NHS Pension arrangements.
8. R Caldicott, Interim Executive Director of Finance, effective from 1st July 2023. Reports provided through the Pension Agency do not analyse the pension increase benefit between the Health Board and the employee’s previous employer, therefore, the value has been excluded.
9. T Owen, Executive Director Public Health, was in post until 18th January 2024. Salary costs include an additional Responsibility Allowance of £1,093.58 to cover Executive Lead for Mental Health Learning Disabilities and lieu of annual leave to the value of £6,889.58.
10. Dr J Moore, Acting Executive Director Public Health, effective from 1st March 2024. Prior to 1st March 2024, J Moore was employed by the Health Board in a substantive post. Reports provided through the Pension Agency do not analyse the element of pension benefits that relate solely to the role as Acting Executive Director Public Health, therefore, the value has been excluded.
11. Dr N Lyons substantive post is Executive Medical Director. Included in the salary is responsibility allowance of £9,999.96 for the interim post of Acting Deputy Chief Executive. The employee was in receipt of salary sacrifice benefit to the value of £300 and has opted out of the NHS Pension arrangements.

12. Dr J C Stockport, Executive Director of Transformation, Strategic Planning, and Commissioning. The employee was in receipt of salary sacrifice benefit to the value of £3,000 and has opted out of the NHS Pension arrangements.
13. S G Evans, Acting Executive Director of Therapies and Health Sciences. The employee was in receipt of salary sacrifice benefit to the value of £1,600.
14. S Green, Executive Director of Workforce and Organisational Development, left the organisation with effect from 30th April 2023. In the absence of a substantive employee, the responsibilities and duties of the role were fulfilled by the Chief Executive.
15. A Gittoes, Interim Executive Director of Operations, seconded from NHS Wales Executive (hosted by Public Health Wales Trust) effective from 1st August 2023 at a total cost of £128,688.24. Figures relating to the employees detailed salary, disclosed in the table, have been provided by Public Health Wales. The employee's secondment with the Health Board ceased 31st March 2024.
16. A Wood, Executive Director of Nursing & Midwifery. In addition to the salary, the employee received relocation expenses to the value of £8,000 which is not subject to Income Tax.
17. G Williams, Independent Member, commenced additional role as Vice Chair effective from 3rd November 2023 and therefore remunerated for both roles. The employee was in receipt of taxable travel to the value of £200.
18. Professor M Larvin, Independent Member, effective from 10th April 2023. Professor Larvin is Pro Vice Chancellor for Medicine and Health and Dean of Medicine, Bangor University and is the University representative on the Board and is not paid by the Health Board.
19. Associate Board Members C Budden, J Wild, F Roberts and M Parry are representatives on the Board and are not paid by the Health Board in respect of these roles. C Budden is remunerated in respect of their role as Independent Member with effect from 2nd May 2023.
20. Independent Member W Nicholls is a Trade Union Representative and is not paid by the Health Board in respect of this role.
21. Independent Members in receipt of taxable travel includes R Watcyn Jones (£1,200), K Balmer (£700), Cllr D Jones (£900), U Felda (£400) and C Turner (£300).

Pension Benefit Table

Notes	Name	Role	Effective Dates	Real Increase in Accrued Pension	Real Increase in Lump Sum	Total accrued pension at 31 March 2024	Lump Sum Related to Accrued Pension at 31 March 2024	Cash Equivalent Transfer Value as at 31 March 2023	Cash Equivalent Transfer Value as at 31 March 2024	Real Increase in Cash Equivalent Transfer Value
				Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000			
				£'000	£'000	£'000	£'000	£'000	£'000	£'000
2	C Shillabeer	Chief Executive	01/02/24 - 31/03/24	-	-	-	-	-	-	-
2	P Meakin	Acting Board Secretary	05/05/23 - 31/03/24	-	-	-	-	-	-	-
1	G Harris	Interim Chief Executive	01/04/23 - 31/08/23	0.0	0.0	0.0	0.0	0	0	0
	S Hill	Executive Director of Finance	01/04/23 - 31/03/24	2.5 - 5.0	0.0	30 - 35	0.0	368	499	72
	S Webster	Interim Executive Director of Finance	01/04/23 - 22/06/23	0.0	0.0	0.0	0.0	0	0	0

Notes	Name	Role	Effective Dates	Real Increase in Accrued Pension	Real Increase in Lump Sum	Total accrued pension at 31 March 2024	Lump Sum Related to Accrued Pension at 31 March 2024	Cash Equivalent Transfer Value as at 31 March 2023	Cash Equivalent Transfer Value as at 31 March 2024	Real Increase in Cash Equivalent Transfer Value	
				Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000				
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2	R Caldicott	Interim Executive Director of Finance	01/07/23 - 31/03/24	-	-	-	-	-	-	-	
	T Owen	Executive Director of Public Health	01/04/23 - 18/01/24	0.0	27.5 - 30.0	55 - 60	165 - 170	1,144	1,396	92	
2	J Moore	Acting Executive Director of Public Health	01/01/24 - 31/03/24	-	-	-	-	-	-	-	
	A Wood	Executive Director of Nursing & Midwifery	01/04/23 - 31/03/24	0.0	35.0 - 37.5	30 - 35	80 - 85	543	759	140	
1	N Lyons	Executive Medical Director	01/04/23 - 31/03/24	0.0	0.0	0	0	0	0	0	
1	C Stockport	Executive Director of Transformation, Strategic Planning, and Commissioning.	01/04/23 - 31/03/24	0.0	0.0	0	0	0	0	0	
	S Evans	Acting Executive Director of Therapies and Health Sciences	01/04/23 - 31/03/24	0.0	20.0 - 22.5	45 - 50	125 - 130	911	1,083	66	
	S Green	Executive Director of Workforce and Organisational Development	01/04/23 - 30/04/23	0.0	0.0	25 - 30	5 - 10	497	621	4	

Notes	Name	Role	Effective Dates	Real Increase in Accrued Pension	Real Increase in Lump Sum	Total accrued pension at 31 March 2024	Lump Sum Related to Accrued Pension at 31 March 2024	Cash Equivalent Transfer Value as at 31 March 2023	Cash Equivalent Transfer Value as at 31 March 2024	Real Increase in Cash Equivalent Transfer Value
				Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000	£'000	£'000	£'000
	A Gittoes	Interim Executive Director of Operations	01/08/23 - 31/03/24	0.0	0.0	0	0	0	0	0

Notes

1. These employees chose not to be covered by the NHS Pension arrangements in the prior year, as well as the current reporting year.
2. Reports provided through the Pension Agency do not analyse the element of pension benefits that relate solely to the specific roles and periods, therefore, pension values for C Shillabeer, P Meakin, R Caldicott and J Moore have been excluded.
3. C Shillabeer, A Wood, R Caldicott, T Owen, S Evans, S Green and P Meakin are affected by the Public Service Pensions Remedy and their membership between 1st April 2015 and 31st March 2022 was moved back into the 1995/2008 Scheme on 1st October 2023. Where applicable, negative values have been disclosed as zero.

Staff Report

The average number of full time equivalent (FTE) permanent staff employed by the Health Board during 2023/24 is reported below.

Professional Group	Average FTE 2023/24
Professional, Scientific and Technical	750
Additional Clinical Services	4,013
Administrative and Clerical	3,684
Allied Health Professionals	1,206
Estates and Ancillary	1,368
Healthcare Scientists	288
Medical and Dental ***	1,161
Nursing and Midwifery Registered	5,512
Students	23
Total	18,005

* FTE at each month during 2023/24 totalled up to support average calculation in next column

** Average FTE = Average Monthly FTE 1st April 2023 to 31st March 2024

*** FTE excludes Payroll Training Grade Doctors

The actual number of staff in post as at 31st March 2024 was 20,909 and the gender composition is provided in the table below.

Staff Composition	Female	Male	Total
Execs	4	4	8
Manager (Band 8C and above)	137	73	210
Staff	16,756	3,935	20,691
Total	16,897	4,012	20,909

*For the purpose of this report manager is defined as a member of staff at Band 8c and above (or equivalent level for medical staff) based in a corporate function or operational Division with significant managerial and decision-making responsibilities affecting the whole organisation. Managers exclude the posts Nurse Consultant, Consultant Midwife and Clinical Scientist Consultant

The sickness absence data for 2023/24 is provided below:

	2022/23	2023/24
FTE Days lost (long term)* ¹	241,743	261,234
FTE Days lost (short term)* ¹	150,885	126,611
Total days lost	392,628	387,846
Average working days lost* ²	14	14
Total staff employed in period (headcount)* ²	19,694	20,676
Total staff employed in period with no absence (headcount)* ³	4,985	6,116
Percentage staff with no sick leave	24.7%	29.5%

*1 – These figures are calculated on a Full Time Equivalent basis. Sickness absence is measured using calendar days on the Electronic Staff Record system, which includes all days from the start to end of a period of absence, including weekends or days when a member of staff would not have been rostered to work. Therefore the number of working days lost is lower than the days lost figure.

*2 - Average over 12 months as per All Wales data standard

*3 - Headcount is count of Primary Assignments

*Please note this includes starters within the reporting period as recommended by All Wales data standards.

The overall percentage sickness absence in 2023/24 was 5.83% (2022/23, 6.28%). Factors such as delays in receiving treatment, the age profile of staff and an increase in serious illnesses have all contributed to the overall sickness levels.

Off payroll engagements and consultancy

Off-payroll working is the term used by HM Revenue and Customs (HMRC) to describe the situation where an individual worker provided their own personal service to an organisation.

The Health Board is required to disclose Off-payroll and Consultancy expenditure. The tables below outline the details of the Off Payroll Engagements that the Health Board has in place. It should be noted that HMRC introduced new rules in relation to compliance with tax regulations that took effect from 6th April 2017. These changes have widened the responsibilities of the Health Board in managing the Off Payroll engagements and most engagements will be subject to tax and National Insurance at source.

The Health Board has undertaken IR35 assessments for all relevant off-payroll engagements.

Number of existing engagements, for more than £245 per day and of over six months duration, as at 31 March 2024	335
<i>Of which...</i>	
Number that have existed for less than one year at time of reporting	145
Number that have existed for between one and two years at time of reporting	108
Number that have existed for between two and three years at time of reporting	9
Number that have existed for between three and four years at time of reporting	13
Number that have existed for four or more years at time of reporting	60

Number of new off-payroll engagements for more than £245 per day between 1 April 2023 and 31 March 2024	146
<i>Of which...</i>	
Number assessed as covered by IR35	146
Number assessed as not covered by IR35	0
Number engaged directly (via PSC contracted to the department) and are on the departmental payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Number of off-payroll engagements of board members and / or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024	1
(Number of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year, including both off-payroll and on-payroll engagements)	30*
*The Board Members and Senior Officials who are deemed to be Senior Managers are those individuals whose salary details are disclosed on pages 5 to 12 of this report.	

During the year the Health Board incurred expenditure of £0.805m on external consultancy services.

Equality and Human Rights

Control measures are in place to ensure that the organisation complies with its obligations under equality, diversity, and human rights legislation.

The Equality Team has continued to work with the Integrated Health Communities to embed equality requirements to promote inclusive decision-making and compliance with equality legislation. Our staff equality networks, a testament to our staff's growing interest and participation in our equality initiatives, have continued to expand. We also launched the new Neurodivergent Staff Network, with nearly 200 staff members joining even before the launch.

During the year the team launched its Active Bystander Programme to address discriminatory behaviours, and this has been delivered to 146 people. Neurodivergence awareness training has also been developed and delivered to nearly 200 people. This year we launched our Menopause Café's which have provided support to over 200 staff. EqIA training has been delivered to 164 people. Overall compliance for mandated Treat Me Fairly training is 91.22% across BCUHB.

During the year, the team has provided expert equality advice and guidance to key strategic and transformational programmes, including the Planned Care Programme, the Digital Strategy, the Together for Mental Health Strategy and the Nuclear Medicine reconfiguration business case.

We continue to build our library of resources to support staff in developing their understanding of equality, inclusion and Human Rights and their role in delivering the Public Sector Equality Duty and the Socio-economic Duty. This year, we published our Gender Inclusive Language Toolkit and the "It's Just Good Care" guidance document for gender-inclusive care provision.

We have published monthly Equality Briefings to share good practices and equality news. This is shared by 60 Equality Champions throughout the organisation. The equality team has continued supporting the Respectability staff network in producing and distributing its 'Focus ON' newsletter, raising awareness of long-term health conditions affecting staff and service users alike.

We have significantly expanded our equality engagement programme, demonstrating our commitment to involving more stakeholders in our equality initiatives. We have welcomed new organizations to our Equality Stakeholder Group including Rainbowbiz, Shelter Cymru, Addiction Recovery Agency (ARA) - Recovery 4 All, Papyrus, Samaritans, and Refugee Kindness. This expansion of our network allows us to plan and deliver work in partnership with our new and established partners, furthering our collective efforts in promoting equality, diversity, and human rights.

Finally, we spent a good part of the year engaging and consulting on the objectives and the content of the new Strategic Equality Plan 2024-2028. We are deeply grateful for the nearly 100 returned surveys from the public, the active participation in meetings of stakeholder groups, and the collaborative work with our Equality Stakeholder Group and teams across the organisation and partner organisations. Your input has been invaluable in developing an ambitious but achievable plan to reduce health inequality and advance equality in North Wales.

Signed:

Carol Shillabeer

Chief Executive and Accountable Officer

Date: 10th July 2024

Appendix 1 - Exit Packages and Severance Payments

	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2022/23	2022/23
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures	Cost of other departures	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special element included in exit packages	Total number of exit packages	Total cost of exit packages
	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£	Whole numbers only	£
less than £10,000	0	0	1	8,775	1	8,775	0	0	7	31,375
£10,000 to £25,000	0	0	0	0	0	0	0	0	2	36,107
£25,000 to £50,000	0	0	0	0	0	0	0	0	1	41,785
£50,000 to £100,000	0	0	1	59,295	1	59,295	0	0	0	0
£100,000 to £150,000	0	0	0	0	0	0	0	0	1	139,298
£150,000 to £200,000	0	0	0	0	0	0	0	0	0	0
more than £200,000	0	0	0	0	0	0	0	0	1	210,077
Total	0	0	2	68,070	2	68,070	0	0	12	458,642

The Health Board is required to compile and publish an Accountability Report, the content of which is prescribed by the Welsh Government.

Regularity of expenditure

HM Treasury defines regularity as the requirement for all items of expenditure to be dealt with in accordance with the legislation authorising them, any applicable delegated authorities and rules of Government Accounting.

The Health Board is empowered to incur expenditure by the National Health Service (Wales) Act 2006 and receives revenue and capital resource allocations from the Welsh Government.

The Health Board's budget setting process aims to ensure that resources are allocated across the organisation for legitimate purposes. The Health Board has delegated arrangements with budget holders who must operate in accordance with their Accountability Agreements and the Standing Financial Instructions (SFIs) of the Health Board.

Arrangements are in place to monitor compliance with the SFIs and these are reported to each Audit Committee through the Conformance Report. In addition to a comprehensive Internal Audit programme the Health Board has a Local Counter Fraud Team.

The Health Board complies with recognised reporting standards to the extent that they are applicable to the Public Sector and the accounts are produced in accordance with the Manual for Accounts produced by the Welsh Government. Monthly financial monitoring returns are submitted to the Welsh Government with explanations for variances.

Audit Wales has issued a qualified regularity opinion on the 2023-24 annual financial statements as the Health Board incurred irregular expenditure and breached its standing financial instructions in making payments to an interim Executive Director of the Board. Further details are provided in the Certificate and Report of the Auditor General for Wales to the Senedd and the Report of the Auditor General to the Senedd.

The Health Board incurred a deficit of £24.347m against its Revenue Resource Limit during the year and did not meet its statutory target to achieve breakeven over the three year period 1st April 2021 – 31st March 2024, reporting a cumulative deficit of £23.669m.

Fees and charges

Fees and charges are not routinely charged to NHS patients unless the Health Board is permitted under the legislation to make a charge. Examples would include dental work and access to health records. It is confirmed that, to the best of our knowledge, the Health Board complies with Welsh Government directives in respect of charge rates.

Remote contingent liabilities

The Health Board is required to account for all remote contingencies in accordance with International Accounting Standard 37 (IAS37). These are fully disclosed in Note 21 in the Statement of Accounts.

Other remote contingencies not accounted for within IAS37 would include letters of comfort and third party guarantees given by management. To the best of our knowledge, the Health Board does not have any such liabilities that require disclosure.

The Certificate and Report of the Auditor General for Wales to the Senedd

Opinion on financial statements

I certify that I have audited the financial statements of Betsi Cadwaladr University Health Board (the Health Board) for the year ended 31 March 2024 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the state of affairs of Betsi Cadwaladr University Health Board as at 31 March 2024 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

In my opinion, except for the matters described in the Basis for Qualified Regularity Opinion section of my report in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinion on regularity

I have qualified my opinion on the regularity of the Health Board's financial statements for two reasons.

Firstly, because the Health Board has breached its resource limit by spending £23.669 million over the amount that it was authorised to spend in the three-year period 2021-2022 to 2023-2024. This spend constitutes irregular expenditure.

Secondly, the Health Board made payments without appropriate authority when it failed to comply with paragraph 14.1.4 of the Standing Financial Instructions issued by Welsh Government when appointing an Interim Executive Director of Finance at a pay point that was higher than that set out by the Welsh Government.

Accordingly, the Health Board made irregular payments of £39,259.62 plus oncosts to the Interim Executive Director of Finance, at a rate of pay which is equivalent to a full-time annual salary of £292,236 (excluding oncosts). The maximum approved pay point was £170,919. I have qualified my opinion accordingly.

Basis for opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Health Board is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers' directions; and;
- the information given in the Performance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Health Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Accountability Report are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed;
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made or parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of Directors and the Chief Executive for the financial statements

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities, the Directors and the Chief Executive are responsible for:

- maintaining adequate accounting records
- the preparation of financial statements and annual report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the annual report and financial statements as a whole are fair, balanced and understandable;
- ensuring the regularity of financial transactions
- internal controls as the Directors and Chief Executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and

- assessing the Health Board’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and Chief Executive] anticipate that the services provided by the Health Board will not continue to be provided in the future.

Auditor’s responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service (Wales) Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Health Board policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and management override;
- Obtaining an understanding of [the Health Board’s framework of authority as well as other legal and regulatory frameworks that the Health Board operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Health Board; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Health Board's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

Please see my following Report.

Adrian Crompton
Auditor General for Wales
12 July 2024

1 Capital Quarter
Tyndall Street
Cardiff CF10 4BZ

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on Betsi Cadwaladr University Local Health Board's (the Health Board's) financial statements. I am reporting on these financial statements for the year ended 31 March 2024 to draw attention to key matters for my audit, as follows:

- qualification of my regularity opinion due to a breach of standing financial instructions on the payment of salary to an Interim Executive Director;
- qualification of my regularity opinion due to failure of the Health Board to achieve the first financial duty; and
- the failure of the Health Board to achieve the second financial duty.

I have not qualified my 'true and fair' opinion in respect of any of these matters.

Qualified regularity opinion as the Health Board incurred irregular expenditure and breached its standing financial instructions in making payments to an interim executive member of the Board

Paragraph 14.1.4 of Standing Financial Instructions issued by Welsh Ministers under paragraph 19.1 of the NHS Wales Act requires that Welsh Government approval is obtained when an executive director post is paid above the agreed scale.

The Health Board's Remuneration Committee retrospectively approved payments to an Interim Executive Director that exceeded the maximum pay point of £170,919 for the role as set out by Welsh Government. In 2023-24 the Interim Executive Director was paid £114,000 plus oncosts. The Interim Executive Director was remunerated at a rate of pay which was equivalent to a full-time annual salary of £292,236 (excluding oncosts) during their tenure. Welsh Government approval was not obtained, contrary to the requirements of the Health Board's standing financial instructions.

Therefore, I consider payment of £39,259.32 plus oncosts to be irregular being the difference between the actual amount paid and the amount that would have been earned at the maximum payable for the relevant pay point.

This is second consecutive year that I have given a qualified regularity audit opinion on the Health Board's accounts in respect of irregular payments to an interim executive member of the Board

This is the second consecutive year where I have qualified my regularity audit opinion on the Health Board's financial statements in respect of payments made to an interim Executive Director. My report on the Health Board's 2022-23 financial statements highlighted irregular payments of £105,648 plus oncosts to the interim Executive Director of Nursing and Midwifery.

The irregular payments that led to these audit qualifications arose due to governance deficiencies operating prior to the Health Board being placed into special measures on 27 February 2023. The new executive team at the Health Board subsequently identified the governance issues with the interim Executive Director of Finance appointment and sought retrospective approval from Welsh Government to regularise the payments made. The request was declined by Welsh Government.

The Health Board is aware of the deficiencies in internal controls that gave rise to the irregular payments and is strengthening its controls and governance arrangements accordingly.

Financial duties

Local Health Boards (LHBs) are required to meet two statutory financial duties – known as the first and second financial duties.

For 2023-24, the Health Board failed to meet both the first and the second] financial duty.

Failure of the first financial duty

The **first financial duty** gives additional flexibility to Health Boards by allowing them to balance their income with their expenditure over a three-year rolling period. The three-year period being measured under this duty this year is period 2021-2022 to 2023-2024.

As shown in Note 2.1 to the Financial Statements, the Health Board did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £6,004.035 million by £23.669million.

Where a Health Board does not balance its books over a rolling three-year period, any expenditure over the resource allocation (i.e. spending limit) for those three years exceeds the Health Board's authority to spend and is therefore 'irregular'. In such circumstances, I am required to qualify my 'regularity opinion' irrespective of the value of the excess spend.

Failure of the second financial duty

The **second financial duty** requires Health Boards to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. A Health Board will be deemed to have met this duty for 2023-24 if it submitted a 2023-24 to 2025-26 plan approved by its Board to the Welsh Ministers, who were required to review and consider approval of the plan.

As shown in Note 2.3 to the Financial Statements, the Health Board did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2023-24 to 2025-26.

Adrian Crompton
Auditor General for Wales

Date 12 July 2024

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Part Three: Annual Accounts will be inserted here

1. SCOPE OF RESPONSIBILITY

The Board is accountable for governance, risk management and internal control. As Chief Executive of the Health Board I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding quality standards, public funds and departmental assets for which I am personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

The Annual Report outlines the different ways the organisation has had to work, both internally and with partners in providing our services for the people of North Wales. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated and assurance has been sought and provided. Where necessary additional information is provided here in the Annual Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review corresponding sections in the Annual Report alongside this Governance Statement.

On 27th February 2023, the Minister for Health and Social Services, Welsh Government announced that Betsi Cadwaladr University Health Board (BCUHB) would be escalated to Special Measures. The organisation had previously been at the Targeted Intervention level of escalation and therefore has now been escalated to the highest level under the Escalation and Intervention arrangements. The Minister for Health and Social Services indicated in the statement announcing Special Measures escalation particular concern regarding leadership, culture and performance. There were eight areas of concern, including Governance and Board Effectiveness.

In the immediate period following the escalation, Welsh Government also deployed a number of Independent Advisors as part of an Intervention and Support Team to undertake a series of ten independent reviews so that the root-cause of issues could be more thoroughly understood. The independent reviews have been undertaken over the last nine months and have been systematically considered through the Board and its committees and have been published along with a response plan. Further detail is included within the Annual Governance Statement and full details of the reviews and the Health Board responses are available on our website. (<https://bcuhb.nhs.wales/about-us/special-measures/health-board-progress/independent-reviews-and-our-response/>)

The Health Board experienced significant leadership instability as a result of reported 'dysfunction' (Audit Wales Board Effectiveness Report - February 2023) and the subsequent substantial changes to Board membership in February 2023, which resulted in the Chair, Vice Chair and all Independent Members resigning from the Board.

This level of significant change has been unprecedented since the creation of the current Health Boards in 2009. The direct appointment, by the Minister for Health and Social Services, of an interim Chair and three Independent Members started the process of building a new Board.

The Review of Office of the Board Secretary considered concerns raised regarding; the quality of Board papers and subsequent ability to make informed decisions, future planning for Board and Committee agendas, engagement with and support to Independent Members, lack of clarity between Committees as well as the scope and responsibilities of the Office of the Board Secretary.

A number of focus areas were identified, including:

- Clarity of structure and roles
- Training and awareness of good governance practice
- Compliance with Welsh Government Standing Orders
- Planning the cycle of business

Since receiving the report, a detailed action plan has been developed and published and is on track to deliver against all recommendations with some areas dependent on other reviews or plans. (<https://bcuhb.nhs.wales/about-us/special-measures/health-board-progress/independent-reviews-and-our-response/>)

The Chief Executive is also responsible for ensuring that the Health Board is administered prudently, economically and with propriety, and that resources are applied effectively and efficiently. In fulfilling my responsibilities to the Chief Executive of NHS Wales, I am directly accountable to the Chair of the Health Board for the operation of the Health Board and for the implementation of the Board's decisions.

2. OUR GOVERNANCE AND ASSURANCE FRAMEWORK

Betsi Cadwaladr University Health Board has a clear purpose from which its strategic aims and objectives have been developed. Our vision is:

- We will improve the health of the population, with particular focus upon the most vulnerable in our society.
- We will do this by developing an integrated health service which provides excellent care delivered in partnership with the public and other statutory and third sector organisations.
- We will develop our workforce so that it has the right skills and operates in a research rich learning culture.

The Board is accountable for setting the organisation's strategic direction, ensuring that effective governance and risk management arrangements are in place and holding Executive Directors to account for the effective delivery of its Annual Delivery Plan.

The Health Board's governance and assurance arrangements have been aligned to the requirements set out in the Welsh Government's Governance e-manual and the Citizen Centred Governance Principles. Care has been taken to ensure that governance arrangements also reflect the requirements set out in HM Treasury's 'Corporate Governance in Central Government Departments: Code of Good Practice 2017'.

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day-to-day operating practice. Together with the adoption of a scheme of matters reserved for the Board, a detailed scheme of delegation to officers and Standing Financial Instructions and set out the requirement of the responsibilities and conduct of the Health Board and defined 'its ways of working'. The current Standing Orders were adopted by the Board on 28 September 2023 with minor amendments agreed at the Board on 28 March 2024 to reflect the creation of a Joint Commissioning Committee, and are available on the Health Board's website. (<https://bcuhb.nhs.wales/about-us/governance-and-assurance/standing-orders-and-financial-instructions/standing-orders-reservation-and-delegation-of-powers-betsi-cadwaladr-university-health-board-2024/>)

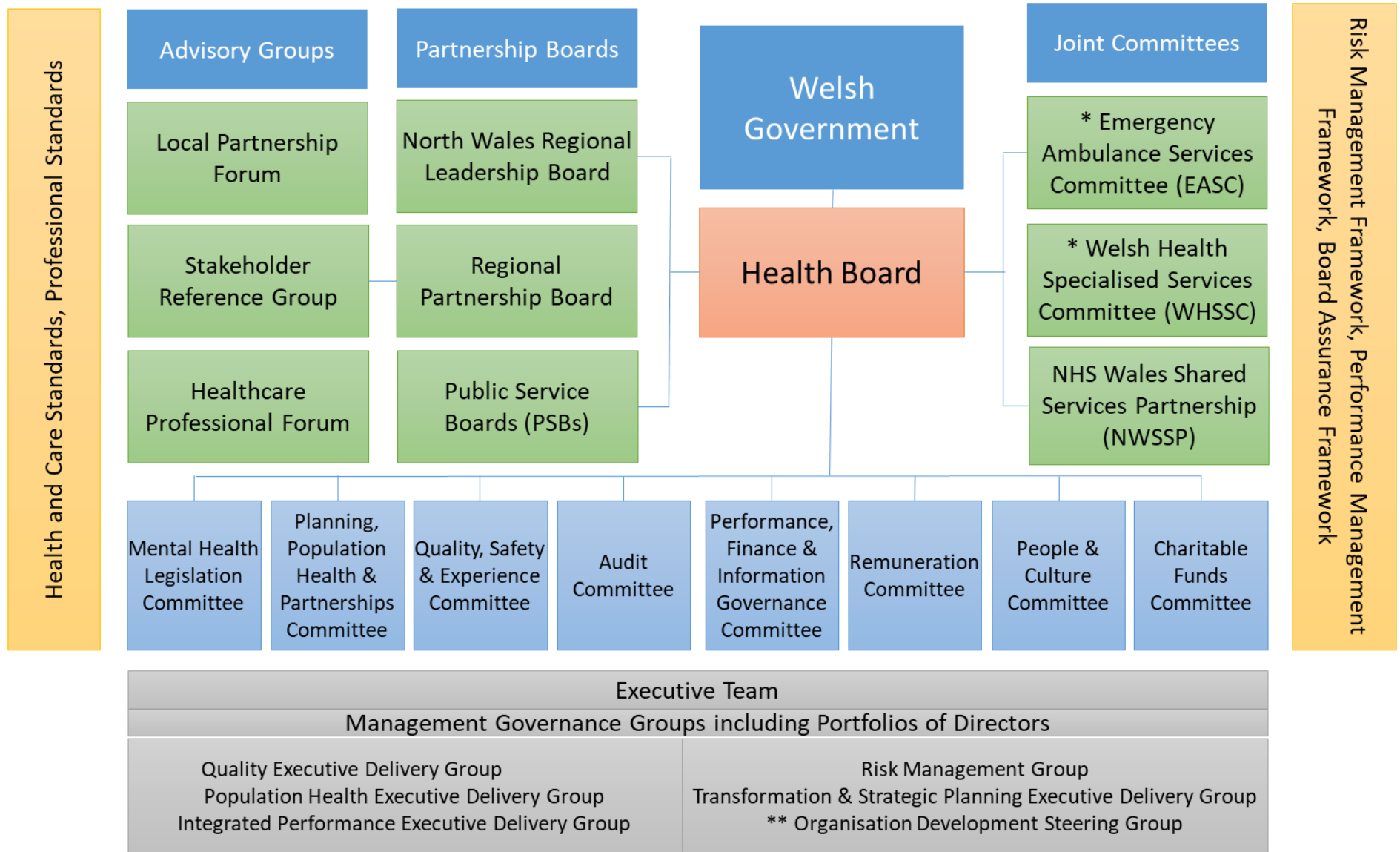
It should be noted that when the Health Board was placed under Special Measures the Welsh Ministers initiated 'subordinate legislation' called the 'Betsi Cadwaladr University Health Board Intervention (Amendment) Order 2023'. These were also formally adopted by the Board in May

2023 and are also available on the Health Board's website. (<https://bcuhb.nhs.wales/about-us/governance-and-assurance/standing-orders-and-financial-instructions/intervention-order-and-regulations/>) The provisions in this order allowed the Health Board to operate with a reduced number of Board Members which was the case at the start of 2023/24.

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf. This enables the day-to-day business of the Health Board to be carried out effectively, and in a manner that secures the achievement of the organisation's aims and objectives. The Committee structure is outlined in this report and the Terms of Reference are available on the Health Board's website. (<https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/>)

An overview of the Governance Framework is in Figure 1 below (opposite or overleaf).

Betsi Cadwaladr University Health Board Governance Framework



* NB These two Committees were combined in March 2024 to become the Joint Commissioning Committee

** NB A People & Culture Executive Delivery Group was in place at the start of 2023/24 and has been provisionally stood down until the appointment of an Executive Director of Workforce & OD

The Board

The Board has been constituted to comply with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision-making body, Executive Directors and Independent Members being full and equal members and sharing corporate responsibility for all the decisions of the Board. Details of those who sit on the Board are published on the Health Board website. (<https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members/>) Further information is also provided within the Directors' Report.

The Board sits at the top of the organisation's governance and assurance systems. Its principal role is to exercise effective leadership, provide strategic direction and control. The Board is accountable for governance and internal control in the organisation, and I, as the Chief Executive and Accountable Officer, am responsible for maintaining appropriate governance structures and procedures.

In summary, the Board:

- Sets the strategic direction of the organisation within the overall policies and priorities of the Welsh Government and the NHS in Wales
- Establishes and maintains high standards of Corporate Governance
- Sets the risk appetite for the organisation and provides oversight of strategic risks
- Ensures the delivery of the aims and objectives of the organisation through effective challenge and scrutiny of performance across all areas of responsibility
- Monitors progress against the delivery of strategic and annual objectives
- Ensures effective financial stewardship by effective administration and economic use of resources
- Will seek assurance on the effective delivery of the above points

During 2023/24, all Board meetings in public were broadcast live, with a recording of the meeting uploaded to our website after each meeting. During 2023/24, the Board held:

- Nine meetings in public (all were quorate)
- Nine In-Committee (Private Meetings)
- Four Chair's Action Meetings (There were four occasions during the year whereby the Chair, held meetings with the board to support in the undertaking of Chair's Actions as outlined in the Health Board Standing Orders)
- One Annual General Meeting
- Four Board Briefings
- Ten Board Development Sessions

Attendance is formally recorded within the minutes, detailing where apologies have been received and where deputies have been nominated. The dates, agendas and minutes of all public meetings can be found on the Health Board's website. The Board has a Cycle of Business, which was adapted during the year to respond to emerging events and circumstances. There is also a clear citizen, patient and staff experience centred focus by the Board at the meetings, demonstrated by the presentation of patient and staff stories through the Patient Experience Report.

Over the year, the Board considered a number of key issues and took action where appropriate and these are summarised in Appendix 4.

Developing a Well-Functioning Board

As already noted, in February 2023, Welsh Government announced that Betsi Cadwaladr University Health Board was being placed in the highest level of escalation: Special Measures. This has led to a significant change in leadership and approach. In 2023/24 the Health Board appointed a permanent Chief Executive and appointment of the Chair. A Vice-Chair was also appointed on the 3rd November 2023. In addition to this, the substantive appointment of nine Independent Members during the year has given the Health Board a much firmer foundation to build on.

The Directors' Report of the Annual Report and Accounts contains all the details of changes to Board membership during 2023/24.

In February 2024 Audit Wales, in its report called 'Board Effectiveness Follow up Betsi Cadwaladr University Health Board' formally reported significant progress in stabilising the Board and the wider organisation while outlining further measures which needed to be taken. The Health Board agreed fully with the report's key findings that much progress has been made, however there remains much more to do. The full Board as well as the Audit Committee have received and been involved in developing the response to the report to improve ownership and assurance on the required improvements. Our focus now is on our forward plan to look to the future and have a real positive impact on our organisation, our staff and the people of North Wales.

It should be noted in this part of the statement that due to the successful recruitment of Independent Members only being completed relatively late in the year, the Health Board Committee structure was fully established during Quarter 4 of 2023/24. New Committees have completed their set-up meetings during January 2024, and development sessions have been held during February and March 2024 in order to assist fully operational Committees for 2024/25. More detail on those Committees is provided in this statement and in the Appendices.

Standards of Behaviour

The Welsh Government's Citizen-Centred Governance Principles apply to all the public bodies in Wales. These principles integrate all aspects of governance and embody the values and standards of behaviour expected at all levels of public services in Wales.

The Board is strongly committed to being value-driven, rooted in the 'Nolan' principles and high standards of public and behaviour including openness, customer service standards, diversity and engaged leadership. The Board has in place a Standards of Behaviour Policy, which sets out the Board's expectations and provides guidance so that individuals are supported in delivering that requirement.

The Standards of Behaviour Policy re-states and builds on the provisions of Section 7, Values and Standards of Behaviour, of the Health Board's Standing Orders. It re-emphasises the commitment of the Health Board to ensure that it operates to the highest standards and sets out the roles, and responsibilities of those employed by the Health Board, and the arrangements for ensuring that declarations of interests, gifts, hospitality, and sponsorship can be made.

The policy also articulates the standard of behaviours of those working in the public sector in order that the Health Board can be seen to have exemplary practice in this regard.

Details of the Board's Standards of Behaviour Policy incorporating Declarations of Interest, Gifts, Hospitality and Sponsorship, is available on the Health Board's website.

[\(https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members/board-members-declarations-of-interest-2023-2024pdf/\)](https://bcuhb.nhs.wales/about-us/health-board-meetings-and-members/health-board-members/board-members-declarations-of-interest-2023-2024pdf/)

Committees of the Board

Section 3 of Betsi Cadwaladr University Health Board's Standing Orders provides that 'The Board may and, where directed by the Welsh Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions'.

In line with these requirements the Board has established a standing Committee structure, which it has determined best meets the needs of the Health Board, while taking account of regulatory and Welsh Government requirements. Each Committee is chaired by an Independent Member of the Board. All Committees regularly review their Terms of Reference and Cycles of Business to support the Board's business. Committees also work together on behalf of the Board to ensure that work is planned cohesively and focusses on matters of greatest risk that would prevent the Health Board from meeting its vision, aims and objectives.

The year 2023/24 commenced with a limited number of Committees in operation due to the limited number of Independent Board Members available to constitute them. Those Committees were:

- Quality, Safety and Experience Committee
- Performance, Finance and Information Governance Committee
- Audit Committee
- Remuneration Committee

Successful appointment to all remaining Independent Board Member positions means that by the end of March 2024 all Committees were able to mobilised. Full details of Committee names and dates are included in Appendix 2.

The Special Measures Independent Reviews (including the Office of the Board Secretary review) and Special Measures focus informed a review of a Committee structure for Betsi Cadwaladr University Health Board which was agreed at the Board on 28th September 2023. Terms of Reference for each Committee were approved at Board on 25th January 2024. The following Committee structure is in place:

- Audit Committee
- Charitable Funds Committee
- Mental Health Legislation Committee
- Performance, Finance and Information Governance Committee
- People and Culture Committee
- Quality, Safety and Experience Committee
- Planning, Population Health and Partnerships Committee
- Remuneration Committee

The detailed Terms of Reference, agendas and papers for each of the current Committees can be found on the Health Board's website. [\(https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/\)](https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/)

The Chair of each Committee provides a report on the business of each Committee meeting at meetings of the Board, highlighting any matters of concern or escalation which the Board needs

to consider. This contributes to the Board’s assessment of risk, level of assurance and scrutiny against the delivery of objectives. Annual reports are prepared for individual committees after year-end. Minutes and action logs for Board and Committees are maintained and used to inform the summary of Board and Committee business.

The Health Board is committed to openness and transparency and conducts as much of its Board and Committee business as possible in sessions that members of the public are normally welcome to attend and observe. This is either via a livestream (Board meetings), or by inviting members of the public to contact the Director of Corporate Governance to request arrangements be made for an opportunity to observe Committee meetings which are not livestreamed.

Summary of Business Considered by Committees of the Board

During 2023/24, Board Committees considered and scrutinised a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the Committees included a range of internal audit reports, external audit reports and reports from other review and regulatory bodies, such as Healthcare Inspectorate Wales and the Health and Safety Executive.

As was the case in previous years, the Committees’ consideration and analysis of such information has played a key role in my assessment of the effectiveness of internal controls, risk management arrangements and assurance mechanisms. The Committees also considered and advised on areas of local and national strategic developments and new policy areas.

A summary of the remit for each Committee is highlighted in the table below:

Committee	Summary of Committee Remit
Audit Committee	To provide advice and assurance, in accordance with the standards of good governance determined for the NHS in Wales, to the Board and myself as Accountable Officer on whether effective arrangements are in place, thus supporting us in decision taking and in the discharge of our accountabilities.
Quality, Safety and Experience Committee	To provide advice and assurance to the Board in discharging its functions and meeting its responsibilities with regard to the quality of services including clinical effectiveness, patient safety and patient and carer experience whether these services are delivered directly or through a partnership arrangement as well as health and safety issues.
Performance, Finance and Information Governance Committee	To advise and assure the Board in discharging its responsibilities with regard to its current and forecast financial position, performance and delivery, as well as matters relating to information governance. This includes the Board’s Capital Programme and Workforce activity costs.
Remuneration Committee	To advise the Board on remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Government. Also to provide assurance to the Board in relation to the Health Board’s arrangements for the remuneration and terms of service, including contractual arrangements, for <i>all staff</i> , in accordance with the requirements and standards determined for the NHS in Wales.
Charitable Funds Committee	To make and monitor arrangements for the control and management of the Health Board's Charitable Funds. The working name for the Betsi Cadwaladr University Health Board charity is Awyr Las.

Planning, Population Health and Partnerships Committee	To provide advice and assurance to the Board with regard to the development and oversight of the Health Board’s long term planning, Integrated Medium Term Plan and Annual Operating Plan, ensuring that enabling strategies are aligned to these plans. To ensure effective partnerships arrangements are in place to improve Population Health (i.e. primary care, public health and the social determinant of health) and reduce health inequalities. To provide oversight, delivery and monitoring (by exception) of Population Health improvement and health inequalities strategies, policies and performance informed through Population Needs’ Assessment.
People and Culture Committee	To provide assurance to the Board on compliance with legislation, guidance and best practice relating to the People and Organisational Development (OD) agenda, learning from work undertaken nationally and internationally, ensuring the Health Board is continually improving. To also provide assurance on the implementation of the Health Board’s People and OD Strategy, and the all-Wales Health & Social Care Workforce Strategy, ensuring these are consistent with the Board’s overall strategic direction and with any requirements and standards set for NHS bodies in Wales.
Mental Health Legislation Committee	To consider and monitor the use of the Mental Health Act 1983 (MHA) and the Mental Capacity Act 2005 (which includes the Deprivation of Liberty Safeguards (DoLS) (MCA).

Board Development

During the year, the Board took part in a number of development and briefing sessions which covered the following topics:

- Special Measures Updates
- Vascular Services Updates
- Annual Plan 2023-24 Updates / BCUHB 3 Year Plan – Strategic Planning
- Executive Team Feedback
- Corporate Risk Appetite
- BCUHB Resilience Planning 2023 -24 – Winter Plan
- Emergency Medical Retrieval and Transfer Service
- Compassionate Leadership
- Financial Overview
- Digital Services
- Mental Health Services
- Quality Management
- Electronic Health Record
- Engagement and Communications

Advisory Groups

Betsi Cadwaladr University Health Boards Standing Orders require the Board to have three Advisory Groups in place. These allow the Board to seek advice from and consult with staff and key stakeholders. They are the:

- Local Partnership Forum
- Stakeholder Reference Group
- Healthcare Professionals’ Forum

Information in relation to the role and terms of reference of each Advisory Group can be found in the Health Board's Standing Orders on the Health Board website.

[\(https://bcuwb.nhs.wales/about-us/governance-and-assurance/standing-orders-and-financial-instructions/standing-orders-reservation-and-delegation-of-powers-betsi-cadwaladr-university-health-board-2024/\)](https://bcuwb.nhs.wales/about-us/governance-and-assurance/standing-orders-and-financial-instructions/standing-orders-reservation-and-delegation-of-powers-betsi-cadwaladr-university-health-board-2024/)

The Local Partnership Forum engages with staff organisations on key issues facing the Health Board. It provides the formal mechanism through which the Health Board works together with Trade Unions and professional bodies to improve health services for the population it serves. It is the stakeholder forum which informs debate and seeks to agree local priorities on workforce and health service issues. The Local Partnership Forum met four times during 2023/24

The Stakeholder Reference Group is formed from a range of partner organisations from across the Health Board's area and provides advice and feedback to the Board on its strategic direction, service improvement proposals and the impact of the Board's operations on the communities it serves. The Stakeholder Reference Group met five times (including one development session) during 2023/24. It also appointed a new Chair, Mike Parry and a new Vice-Chair, Peter Lewis.

The Healthcare Professionals Forum comprises of representatives from a range of clinical and healthcare professions within the Health Board and across primary care practitioners with the remit to provide advice to the Board on all professional and clinical issues it considers appropriate. It is one of the key forums used to share early service change plans, providing an opportunity to shape the way the Health Board delivers its services. The Forum met five times (including one development session) during 2023/24.

Joint Committees and Partnership Working Reporting to Board

I represent the Board on meetings of the Joint Committees and provide regular reports on the work of the Joint Committees to the Board at each meeting. The reports enable in-depth discussion of issues raised within the Joint Committees as and when necessary.

Welsh Health Specialised Service Committee and Emergency Ambulance Services Committee and their Establishment into an All Wales Joint Commissioning Committee

The Emergency Ambulance Services Committee was established in 2014 to be a Joint Committee of the seven Health Boards, with the three NHS trusts as associate members. Hosted by Cwm Taf Morgannwg University Health Board, It had responsibility for the planning and commissioning of emergency ambulance services on an all-Wales basis.

The Welsh Health Specialised Service Committee was established in 2010 by the seven Health Boards to ensure the population has fair and equal access to the full range of specialised services. The Committee was also hosted by Cwm Taf Morgannwg University Health Board.

From 1st April 2024, the Emergency Ambulance Services Committee and Welsh Health Specialised Service Committee have been merged with the agreement of all Health Boards to create a new Joint Commissioning Committee. The Joint Commissioning Committee was established in response to the findings of an independent review commissioned by Welsh Government into the national commissioning arrangements undertaken by the Emergency Ambulance Services Committee, the Welsh Health Specialised Services Committee and the National Collaborative Commissioning Unit.

NHS Wales Shared Services Partnership Committee

The NHS Wales Shared Services Partnership Committee was established in 2012 and is hosted by Velindre NHS Trust. It is responsible for the shared services functions for the NHS, such as procurement, recruitment, and legal services. Betsi Cadwaladr University Health Board is represented by the Executive Director of Finance at this committee with regular reports received by the Board following each meeting.

North Wales Regional Leadership Board

The North Wales Regional Leadership Board develops and drives forward agreed shared priorities, shares information, maintains an overview of regional working and 'horizon scans' for emerging issues and / or opportunities for collaboration. It provides regional governance for collaborative advocacy for the interest of the region, acting as 'The Voice of North Wales'. Membership includes:

- The six North Wales Local Authorities, Leaders and Chief Executives
- BCUHB – Chair and Chief Executive
- Natural Resources Wales – Chair and Operations Manager
- North Wales Fire and Rescue – Chair and Chief Fire Officer
- North Wales Police – Chief Constable
- North Wales Police and Crime Commissioner
- Wales Ambulance Services Trust – Chair and Chief Executive
- Wales Local Government Association – Chief Executive

Regional Partnership Board

There is one Regional Partnership Board in North Wales co-terminus with the Health Board. The North Wales Regional Partnership Board's focus over the last year has been:

- Publishing the Regional Area Plan on how partners will work together to deliver health and social care services.
- Leading on the development of the Regional Integration Fund, which comprises 35 schemes across six models of care with a total investment into schemes and services of more than £57 million during the period 2022-2027.
- The North Wales Together project, working with many different people and organisations, to help people with learning disabilities.
- A Children's Regional Partnership Board, established in January 2024 to provide transparency on what programmes are delivering for this priority population group, and avoid any duplication.
- The Regional Innovation Co-ordination Hub which coordinates health and social care research, improvement and innovation to support the work of the RPB.
- Developing a 10-year strategic Capital Plan bringing together health, social care, housing, the third sector, education and regeneration partners to develop integrated service delivery facilities and integrated accommodation-based solution.

Public Service Boards in North Wales

Public Service Boards were established in each local authority area in Wales as part of the Wellbeing of Future Generations (Wales) Act 2015. Powers within the Act have enabled the six north Wales Local Authorities to merge to form three collaborative Public Service Boards:

- Conwy and Denbighshire Public Services Board
- Flintshire and Wrexham Public Services Board
- Gwynedd and Ynys Mon Public Services Board

Each Public Service Board works together to improve the well-being of their county or counties. As a group they are tasked with improving the economic, social, environmental and cultural well-being of their areas and setting objectives designed to maximise its contribution to the national wellbeing goals. Each has a Well-being Plan based on a local wellbeing analysis.

3. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control operating across the Betsi Cadwaladr University Health Board is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the Health Board, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively, and economically. I can confirm the system of internal control has been in place at the Health Board for the year ended 31st March 2024 and up to the date of approval of the annual report and accounts.

The Board is accountable for maintaining a sound system of internal control which supports the achievement of the organisation's objectives. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. It has been supported in this role by the work of the Audit Committee.

During 2023/24 the Executive Team have prioritised the management of recommendations from Internal and External Audit reports, some of which were dating back to 2018 and corrected the omission of some External Audit recommendations which was discovered at the start of 2023/24 (this was noted in the Structured Assessment from Audit Wales in 2023). At the beginning of the financial year the Executive Team reported to Audit Committee that there were 178 recommendations that were open. As of January 2024 the Audit Committee had formally closed 49 of these recommendations and will receive further updates on all recommendations in its 2024/25 meetings.

The Health Board has taken action to strengthen the follow-up of recommendations that will continue into the new financial year (2024/25).

4. CAPACITY TO HANDLE RISK

The Board collectively has responsibility and accountability for the setting of the organisation's objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives.

As Accountable Officer I have overall responsibility for risk management and report to the Board on the effectiveness of risk management across the Health Board. My advice to the Board has been informed by executive officers and feedback received from the Board's Committees.

The Risk Management Group and Executive Team meetings present an opportunity for senior managers and executive directors to consider, evaluate and address risk, and actively report to the Board and its committees on the organisation's risk profile.

The Health Board's lead for risk is now the Director of Corporate Governance and during this period was the responsibility of Acting Board Secretary, who was responsible for establishing the risk framework and systems and processes that are needed for the management of risks within the organisation. Risks are assigned to Executive Directors to lead the organisational response reporting into Committees for Assurance.

The Risk Management Framework

The Board approved a Betsi Cadwaladr Risk Management Framework in September 2023 and associated documents (Procedures and Risk Management Training Plan) were approved shortly after this.

Robust risk management is a key tool for the Board to ensure that appropriate controls are in place to improve the quality and safety of our services.

The Framework seeks to ensure that risk management is integral to the Health Board's culture and an important element of the Health Board's planning, budget setting and performance process.



The Board's Risk Management Framework sets out the Health Board's processes and mechanisms for the identification, assessment, and escalation of risks. It has been developed to create a robust risk management culture across the Health Board by setting out the approach and mechanisms by which the Health Board will:

- Ensure that the principles, processes, and procedures for best practice risk management are consistent across the Health Board and are fit-for-purpose
- Ensure that risks are identified and managed through a robust organisational Assurance Framework and accompanying Corporate and Service/Function Operational Risk Registers
- Embed risk management and established local risk reporting procedures to ensure an effective integrated management process across the Health Board's activities
- Ensure that strategic and operational decisions are informed by an understanding of the organisation's risks and their likely impact
- Ensure that risks to delivery of the Health Board's strategic objectives are eliminated, transferred, or proactively managed
- Manage the clinical and non-clinical risks facing the Health Board in a co-ordinated and effective way; and
- Keep the Board and its Committees suitably informed of significant risks facing the Health Board and associated plans to treat the risk.

The Risk Management Framework sets out a multi-layered reporting process, which comprises the Board Assurance Framework and Corporate Risk Register, Service Risk Registers and Project Risk Registers. It has been developed to help build and sustain an organisational culture that encourages appropriate risk taking, effective performance management and organisational learning in order to continuously improve the quality of the services provided and commissioned.

Management of Risk During 2023/24 – Strategic Risks

Strategic risks are those risks that represent a threat to achieving the Health Board's strategic priorities or its continued existence. Strategic risks are recorded in the Board's Corporate Risk Register (CRR), which provides an organisational-wide summary of significant risks facing the Board. The criteria for a risk to be included in the Corporate Risk register is:

- The risk must represent an issue that has the potential to hinder achievement of one or more of the Health Board's strategic objectives
- The risk cannot be addressed at directorate level and/or
- Further control measures are needed to reduce or eliminate the risk

A fundamental review of the Corporate Risk Register was undertaken in 2023/24 following approval of the Risk Management Framework in September 2023, in order to ensure that the Register reflected consistently the risks to delivering the Health Board's strategic objectives. Key themes arising from the review included:

- Financial sustainability and use of resources
- Sustainability of vulnerable services
- Sustainability of estates and equipment
- The ongoing need to monitor quality, defined as safety, effectiveness and experience and the potential for harm to patients
- The risk represented by ongoing challenges in staff recruitment, retention, culture and wellbeing
- The focus that continues to be needed on population health; and
- The ever-present risk of a cyber-attack and digital risk

Embedding Effective Risk Management

Embedding effective risk management remains a key priority for Betsi Cadwaladr University Health Board as it is integral to enabling the delivery of our objectives, both strategic and operational, and most importantly to the delivery of safe, high-quality services.

In March 2023, Internal Audit undertook a review of Risk Management and Board Assurance arrangements during 2022/23, which focused on how the Risk Management Framework was being implemented and updated. A limited assurance rating was given to the Board.

In an effort to address all recommendations raised in the Internal Audit report, work has been undertaken to strengthen our risk management arrangements as well as develop a three year plan for the corporate risk management team. All actions within this plan have been completed as planned and will be continue to be embedded in the coming year. Actions have included the revision of all key risk management documents, published and active from October 2023 to February 2024; setting the risk appetite of the Board, August 2023; developing a comprehensive training plan published February 2024; and an in-depth review of all high risks with Executives, October 2023. The key next step within this plan are the roll out of all training and revising and aligning the Board Assurance Framework to the new 2024-2027 strategic objectives.

The 2024-2027 strategic objectives, approved by the Board in March 2024, will guide the revision of the current Board Assurance Framework in the coming months to ensure full oversight of risks that may impede these objectives.

A revised Risk Management Framework and Procedures document support staff in risk escalation while empowering local risk ownership. To ensure staff awareness of risk management responsibilities, the entire training package has been revised and made more comprehensive and was approved during 2023/24. This includes:

- Risk induction for Independent Members
- Basic awareness of risk identification (mandatory for all staff)
- Comprehensive operational risk management training for key staff with day-to-day risk management responsibilities; and
- Strategic Risk Management Training for the Board and all key strategic risk leads

All training is to be rolled out on the Electronic Staff Record and where appropriate face to face, bar the induction for new Independent Members of the Board.

Increased effort will be made in the coming year to ensure compliance across all training. In 2023/24, 92 staff were provided with risk management training across various staff groups, a deliberate reduction from the 126 staff trained in 2022/23 due to the re-focus on the revised training package and anticipated retraining efforts. The appointment of a new substantive Head of Risk Management during 2023/24 to purposefully strengthen the risk management arrangements, engage strategically and ensure the delivery of a robust framework has enabled face to face engagement with Services and functions of the Health Board to ensure that risks are more effectively identified, managed and reported.

Consultation with internal and external stakeholders and partners is an important element of the risk management process, internal audit are currently undertaking a second review of Risk Management arrangements, due in June 2024.

Risk Appetite

The Board's Risk Appetite Statement sets out the Board's strategic approach to risk-taking by defining its risk appetite thresholds. It is reviewed annually, so that any changes to the organisation's strategies, objectives, or its capacity to manage risk are properly reflected.

In updating and approving its Risk Appetite Statement, the Board considered the Health Board's capacity and capability to manage risk. The Board set their risk appetite in a developmental session on the 24th August 2023 and is subject to annual review. The appetite session referenced the Good Governance Institute Appetite Risk Matrix (2020) for risk types in order to score appetite.

All Board Members who were in post in August 2023 were involved in the establishment of the Board's appetite in respect of quality in the context of current and future system pressures and the financial outlook was recognised.

The Health Board Risk Profile

As can be seen from the Heat Map at Figure 2, at the end of March 2024 a number of key risks to the delivery of the Health Board's strategic objectives had been identified. Full details of the controls in place and actions taken to address these risks can be found in the Corporate Risk Register which has been reported to the Board at each meeting.

Figure 2: 2023/24 Corporate Risk Register Heat Map

CRR Risk Heat Map								
Impact	Catastrophic	5			<ul style="list-style-type: none"> Clinical Areas of Concern (QSE) 	<ul style="list-style-type: none"> ICT Failure and Cyber (PFIGC) Failure to Embed Learning (QSE) Timely Diagnostics (QSE) Planned Care (PFIGC) 	<i>Extreme</i>	
	Major	4			<ul style="list-style-type: none"> Safeguarding (QSE) 	<ul style="list-style-type: none"> People, Culture and Wellbeing (PC) Leadership/Special Measures (PC) Harm from the Medical Devices/Equipment (QSE) Health and Safety (PC) 	<ul style="list-style-type: none"> Financial Sustainability (PFIGC) Suitability and Safety of Sites (PFIGC) Availability and Integrity of Patient Information (PFIGC) Population Health (PC) Patient Safety-Falls (QSE) Primary and Community Care services (QSE) Urgent and Emergency Care (PFIGC) 	
	Moderate	3						
	Minor	2						
	Negligible	1						
			1	2	3	4	5	
			Rare	Unlikely	Possible	Likely	Almost Certain	
			Possibility					2

Figure 3: Key Risks and Summary of Improvements During 2023/24

Key Risks (N.B. no risks scored as 25)

Ref	Risk Title	Description	Summary of Improvements Required Made During 2023/24	Committee
CRR24-02	Patient Safety- Falls	There is a risk to patient safety, in particular harm, as a result of slips, trips and falls within Secondary Care acute sites. This may be caused by patients acuity/clinical condition/frailty alongside contributory factors such as reduced staffing, segregated areas and premises which do not allow for ease of oversight, compliance with manual handling training, compliance of falls risk assessment and subsequent implementation of mitigating actions. This could result in poorer patient health outcomes, extended hospital stay, regulatory non-compliance and litigation and associated financial impact.	<ul style="list-style-type: none"> • Launch of updated Falls Prevention and Management Policy • Audit Ward Managers' induction for agency/temporary staff falls training • Optimised Manual Handling training capacity through recruitment and external facilities. Evaluate peer review pilot outcome • Enhanced Welsh Nursing Care Record (an all-Wales basis) 	Quality Safety and Experience
CRR24-04	Failure to Embed Learning	There is a risk that the Health Board could fail to meet requirements for timely review and learning from mortality cases, claims, inspections, incidents and complaints. This could be caused by insufficient resources, lack of unified processes, outdated IT systems, duplication of effort, and overreliance on single personnel. The impacts may include missed opportunities for improvement, lack of family/carer engagement, potential patient harm events going undetected, non-compliance with national frameworks or legislation, and reputational damage.	<ul style="list-style-type: none"> • Continued review of Quality Governance Framework by June 24 with NHS Wales Executive support • Launched Quality Dashboard • Established digital learning library • Reviewed quality assurance approach with NHS Wales Executive. Develop Quality Management System 	Quality Safety and Experience

CRR24-05	Financial Sustainability	<p>Failure to achieve the Annual Plan for 2023/24 (£134.2m deficit), due to non-delivery of planned level of financial improvement. The financial plan for 2023-24 has identified a forecast deficit of £134.2m. This includes a target for financial improvement of £38.7m, which is based on the following: Disinvestment identified £13.5m/Savings Target £25.2m (Stretch Target £30m). Failure to deliver the target for financial improvement could adversely impact on the achievement of the financial plan and increase the deficit.</p>	<ul style="list-style-type: none"> • Financial Review process established to assess £42m Investments Plan (Phase 2) • Applied Control Totals to reduce expenditure by Deficit reduction progress: £2.7m surplus needed in March for £33m outturn • Forecast updated to exceed savings target (£44.2m vs £25.2m) with £21.3m recurring • Year to date deficit above plan significantly reduced – now requires a £2.7m surplus to be posted in the final month of March to achieve the £33m outturn position 	Performance Finance and Information Governance
CRR24-07	Availability and Integrity of Patient Information	<p>There is a risk that patient harm will be caused due to the lack of a ‘longitudinal’ Electronic Healthcare Record system that digitalises clinical workflow, alerts, hand overs and scheduling which could lead to deaths and harm.</p>	<ul style="list-style-type: none"> • Assessment undertaken of what is required for the development of an Outline Business Case for an Electronic Health Record (EHR) • Seeking approval for Mental Health records (minimum 2-year project) and funding for the Strategic outline case for Electronic Health Record • Established the cost and resource requirements to back scan all live records • Standardised the way in which using existing systems (paper and electronic) as part of the DDaT optimisation workstreams • Undertaking a review of all current systems to ensure these can be integrated into an Electronic Health Record 	Planning Population Health and Partnerships

CRR24-08	Population Health	There is a risk that the Health Board fails to adequately support the improvement of population health and reduce health inequalities. This may be caused by a lack of sustainable services, financial and resource constraints within the Health Board, dependency on grant funding to support prevention activity and demand for delivering the urgent and immediate healthcare needs of the population. This may lead to continuation and increases in largely preventable non-communicable diseases. Failure to address the risk could potentially lead to avoidable morbidity and mortality within the population of North Wales	<ul style="list-style-type: none"> • Infant Feeding Strategy refresh underway • Tobacco Control Legislation and Welsh Government Plan. • All Wales Weight Management Pathway. Health Care Public Health Programme. Together for Mental Health Strategy • Well North Wales targeted programmes. Health Board Annual Plan and milestones • Partnership working to reduce infectious disease risk. Immunisation Strategy 2023-2026 	Planning Population Health and Partnerships
CRR24-09	Community Care and Primary Provision	There is a risk of the Health Board not fully meeting its legal obligation to provide accessible and high-quality primary and community care services. This may be due to challenges stem from various factors including staffing shortages, recruitment and retention issues, inadequate resources, limited prevention services, and funding constraints exacerbated by population growth and transient demographics. Moreover, deficiencies in strategic planning, data management, and information sharing further compound these challenges. The ramifications are wide-ranging, impacting the sustainability of primary care professions, patient access, timely diagnosis, and appropriate healthcare utilisation. This results in a demoralised primary care workforce, increased strain on emergency services, prolonged hospital stays,	<ul style="list-style-type: none"> • Primary Care Board established. Primary Care strategic plan. Escalation and sustainability implementation • Health Board Managed Practices – recommendations for improved governance report. Focused on implementation of recommendations 	Quality Safety and Experience

		preventable admissions, lapses in care, regulatory non-compliance, and declining population health indicators. Consequently, there is a cascading effect on patient flow, service performance, care quality, collaborative partnerships, cost-effectiveness, and the viability of primary care and community care models. The ultimate consequence is a rise in mortality rates, treatment delays, and extended hospitalisations, exacerbating patients' health conditions.		
CRR24-10	Urgent and Emergency Care	There is a risk of mortality in relation to critically ill patients being seen in a timely manner through unscheduled care routes. This may be caused by delayed dispatching of ambulances, ambulance queues at emergency departments, Out of Hours access and EDs and UTCs being at capacity. This could impact on pressures for other services, reputation and litigation implications.	<ul style="list-style-type: none"> • Urgent care system transformation (6 Goals) including 1000 beds and ministerial priorities • Complex Care arrangements review initiated • Industrial action management plans sustainability review • Urgent escalation plan development for community care capacity and flow • Integrated Health Communities trial of Continuous flow model before August 2024 • Confirming national requirement for winter resilience plan or focus on North Wales resilience plan for 2024-2025 	Performance Finance and Information Governance

CRR24-11	Planned Care	<p>There is a risk of further deterioration in patients' health, harm, mortality or need for more complex treatment in relation to planned care services with a, resulting in failure to meet national access targets. This could be caused by long waits and delays for planned care, insufficient capacity, staffing shortages, increasing demand, and backlogs exacerbated by COVID. The impact would be worsening patient outcomes and experiences, increased complaints, financial penalties for target breaches, and reputational damage.</p>	<ul style="list-style-type: none"> • Recruitment to the Llandudno/ Abergele business case (orthopaedic site) • Approval of the application of sustainability funds and authority to deploy in line with Plan • Senior Responsible Officer for Planned Care Board • Recruiting to programmes of work in order to support successful delivery • Board Development session on planned care 	Performance Finance and Information Governance
CRR24-13	Timely Diagnostics	<p>There is a risk of delay in diagnostics, service failure, poor performance or disruption to radiology and pathology services across. This could be caused by shortages of specialist staff, aging or inadequate IT systems and infrastructure, and insufficient governance structures. The impacts may include delays in diagnosis, treatment and discharge, increased outsourcing costs, patient harm events, preventable deaths, regulatory non-compliance, and significant reputational damage. There is also additional risk related to clinicians failing to act on results of diagnostic tests.</p>	<ul style="list-style-type: none"> • Replacement of Radiology Informatics System (RISP) – implementation with anticipated go live date of the 14/04/2024 • Replacement of LINC (national pathology IT system) - Contract signed with current supplier plans to implement by September 2025 being progressed nationally • Procedure MD23 (Mitigation of the risk of failure to act on diagnostic results) to be updated • Radiology workforce revised model to be developed by June 2025 • Diagnostic Strategy to be developed by diagnostic group 	Quality Safety and Experience

CRR24-15	Health and Safety	There is a risk of avoidable harm to patients and staff. This is may be caused by a failure of the Health Board to provide safe systems of delivery and work in accordance with the Health and Safety at Work Act 1974 and associated legislation due to the lack of Health and Safety Leadership. The impact is patient and staff harm, financial implications, and reputational impact to the Health Board.	<ul style="list-style-type: none"> • Replacement of Radiology Informatics System (RISP) – implementation • Review medical devices capital replacement to ensure all services have a medical devises replacement programme in place • Medical Devices strategy • Recruitment to medical devices team • Medical physics have been tasked with testing all ultrasound equipment to ensure its safety and will consider compliance • Ligature risk improvements developed and introduced 	People and Culture
CRR24-12	Areas of Clinical Concern (encompasses ophthalmology and dermatology)	Score of 15-There is a risk of service failure leading to patient harm across a number of fragile clinical specialties. This could be caused by staffing shortages, clinical leadership gaps, lack of productivity, demand backlog, increasing patterns of demand and estates and equipment deficits. The impact may be delayed diagnosis and treatment of significant conditions. This impacts patient safety, healthcare access and public health outcomes.	<ul style="list-style-type: none"> • Engagement with National Procurement Processes (eye record system) and National Programmes (Robotics) • Ongoing recruitment for substantive medical leadership roles • Recruitment efforts including substantive, locum and agency staff. SLAs to be signed off through governance structures • Clinical pathway events. Non-clinical and clinical validation exercises 	Quality Safety and Experience

Elements of the Assurance Framework

The key elements of the Board Assurance Framework include:

- Board agreed organisational objectives and identification of the principal risks that may threaten the achievement of these objectives
- Identifying the controls intended to manage these principal risks
- Setting out the arrangements for obtaining assurance on the effectiveness of key controls across all areas of principal risk
- Identifying assurances and areas where there are gaps in controls and/or assurances
- Putting in place plans to take corrective action where gaps have been identified in relation to principal risks
- Maintaining dynamic risk management arrangements including a well-founded risk register

Key Board Assurance Framework Risks

The Board Assurance Framework informs and assures the Board with controls and action plans for identified high-extreme risks that relate to any possibilities of not delivering on the strategic priorities of the Health Board. The approach taken during 2023/24 while awaiting a revised set of strategic objectives set by the Board was to develop and introduce a Board Assurance Framework aligned to strategic priorities and overseen and reported through the Committees and to the Board.

The new strategic objectives were approved by the Board in March 2024 and further work will take place to align the Board Assurance Framework to these objectives and the Three Year Plan.

5. CONTROL FRAMEWORK

The Corporate Governance Code

The Corporate Governance Code currently relevant to NHS bodies is 'The corporate governance in central government departments: code of good practice' (published 21st April 2017).

The Health Board, like other NHS Wales organisations, is not required to comply with all elements of the Code, however, the main principles of the Code stand as they are relevant to all public sector bodies.

The Corporate Governance code is reflected within key policies and procedures. Further, within our system of internal control, there are a range of mechanisms in place that are designed to monitor our compliance with the Code. These include self-assessment, internal and external Audit, and independent reviews.

The Board complies with the relevant principles of the Code and is conducting its business openly and in line with the Code. There were no departures from the Code as it applies to NHS bodies in Wales.

The Audit Committee received a report on our compliance to the Corporate Governance Code in May 2024.

Breaches to Standing Orders and Standing Financial Instructions

Breaches are reported at every meeting of the Audit Committee and the types of breaches being reported include:

- Adherence to the rules regarding publication of Board and Committee papers
- Adherence to contract and procurement rules

During 2023/24 the Health Board incurred irregular expenditure and breached its standing financial instructions in making payments to an interim executive member of the Board. This would be in relation to the issue raised in regards to Paragraph 14.1.4 of Standing Financial Instructions issued by Welsh Ministers under paragraph 19.1 of the NHS Wales Act requires that Welsh Government approval is obtained when an executive director post is paid above the agreed scale.

The Health Board is aware of the deficiencies in internal controls that gave rise to the irregular payments and is strengthening its controls and governance arrangements accordingly.

Quality Governance and Duty of Candour

In Wales, the Health and Social Care (Quality and Engagement) (Wales) Act 2020 provides a consistent definition of quality across Welsh Ministers and NHS Wales bodies, which is *'continuously, reliably, and sustainably meeting the needs of the population that we serve'*.

Key to achieving this is ensuring that Welsh Ministers and NHS bodies provide health services that are safe, timely, effective, efficient, equitable and person-centred. To drive this, as part of the new statutory Duty of Quality, Welsh Ministers have withdrawn the Health and Care Standards (April 2015) and introduced the new Health and Care Quality Standards which consist of the six quality domains above, and six enablers (leadership, workforce, culture, information, learning improvement and research and whole systems approach).

The Health Board has a quality governance framework which facilitates quality assurance and the monitoring of risks and performance related to the quality of services. The Board Assurance Framework and Corporate Risk Register also provide a mechanism for monitoring significant risks related to quality.

Quality governance is led by the Executive Director of Nursing and Midwifery supported by a Deputy Director of Quality and Quality Team. However, all Clinical Executive Directors have a responsibility for quality and each executive holds a particular portfolio of quality functions supported by their deputy and assistant directors.

The Quality, Safety and Experience Committee of the Board has the lead role in seeking assurance on quality. During the year, as part of the Special Measures Programme, the committee membership, terms of reference and cycle of business were reviewed and updated. The Committee is supported in this responsibility by the Executive Quality Delivery Group which provides executive level oversight and coordination of quality.

During the year, the Health Board began implementation of the statutory Duty of Quality and Duty of Candour. In particular, work began to develop and implement the Quality Management System for the organisation which will set-out a more holistic, integrated approach to quality management. This work will be carried forward into the coming year.

For the first time, as part of new statutory duties, the Health Board will be producing a Duty of Quality Annual Report and a Duty of Candour Annual Report, alongside the existing requirement for a Putting Things Right Annual Report.

Healthcare Inspectorate Wales and Care Inspectorate Wales

Healthcare Inspectorate Wales is the independent inspectorate and regulator of all health care services in Wales. Healthcare Inspectorate Wales reviews and inspects NHS services in Wales, and regulates healthcare providers against a range of standards, policies and regulations to ensure they comply with regulations and meet the healthcare standards, highlighting areas of improvement. Healthcare Inspectorate Wales also monitor the use of the Mental Health Act and review mental health services to ensure that vulnerable people receive good quality of care within this service. Healthcare Inspectorate Wales are also requested by HM Inspectorate of Prisons to provide a clinical review of a prisoner's healthcare if they die in custody.

There are systems and controls in place to ensure Healthcare Inspectorate Wales inspections and requests for assurance are properly managed. During 2023/24, the Health Board continued to embed its new database to track and monitor requests for assurance and inspections, including evidence against action plans and this has seen a significant improvement in assurance.

Healthcare Inspectorate Wales activity is reported to the Quality, Safety and Experience Committee. The Health Board also continued to embed and mature its new Regulatory Assurance Group which provides greater oversight of regulatory issues and improves the learning from inspections across the organisation.

The Health Board has continued its positive working relationship with Healthcare Inspectorate Wales through monthly engagement meetings with a designated relationship lead and through regular ongoing dialogue. I continue to prioritise strategic discussions and engagement with senior Healthcare Inspectorate Wales inspectors.

In order to strengthen the Health Board's internal inspection processes, a Quality Peer Review process and schedule has been introduced. The review follows a similar approach to Healthcare Inspectorate Wales' methodology and incorporates the new Health and Care Quality standards. This enables us to understand what is working well within services and work with services to develop any improvement plans.

During the year, Healthcare Inspectorate Wales undertook ten inspections of services managed by the Health Board. The table below provides link to each report and agreed action plan.

Location	Date	Recommendations	Related Actions
Hergest Unit, Ysbyty Gwynedd www.hiw.org.uk/system/files/2023-09/20230922HergestUnitYGEN.pdf	15, 16, 17 May 2023	31	57
IRMER Nuclear Medicine, Glan Clwyd Hospital www.hiw.org.uk/system/files/2023-08/17052023%2CGlanClwyd%2CEN.pdf	16, 17 May 2023	9	13
Ty Llewelyn Unit, Bryn y Neuadd www.hiw.org.uk/system/files/2023-10/03072023%20-%20YsbytyBrynYNeuadd%2C%20EN.pdf	03, 04, 05 July 2023	17	17
Ablett Unit, Glan Clwyd Hospital www.hiw.org.uk/system/files/2023-10/17072023-%20AblettUnit%2C%20EN.pdf	17, 18, 19 July 2023	20	20
Morfa Ward, Llandudno General Hospital www.hiw.org.uk/system/files/2023-11/20231106LlandudnoHospitalEN.pdf	25, 26 July 2023	19	35
Emergency Department, Ysbyty Gwynedd www.hiw.org.uk/system/files/2023-11/20230807-YsbytyGwyneddED%2C%20EN_1.pdf	07, 09 August 2023	18	32
Morris Ward, Wrexham Maelor Hospital www.hiw.org.uk/system/files/2023-12/13092023%20-%20WrexhamMaelorHospital%2C%20EN.pdf	12, 13 September 2023	12	16
Pen-y-Maes Health Centre, Wrexham www.hiw.org.uk/system/files/2023-11/20230808%20-%20PenYMaes%2C%20EN.pdf	08 August 2023	16	26
Meddygfa Hafan Iechyd, Caernarfon www.hiw.org.uk/system/files/2024-02/14112023-%20HafanIechyd%2C%20EN.pdf	14 November 2023	15	20
Nant y Glyn Community Mental Health Team www.hiw.org.uk/system/files/2024-04/20240425NantyGlynTeamEN.pdf	23, 24 January 2024	23	51

Health Inspectorate Wales published their Review into the Health Board's Vascular Services in June 2023 (the detailed findings of this report will be considered alongside the Independent Review on Vascular Services). Health Inspectorate Wales confirmed, following the review, that the service should be de-escalated from its Service Requiring Significant Improvement status, as the Inspectorate was satisfied necessary improvements had been achieved.

Health Inspectorate Wales confirmed that the Emergency Department at Glan Clwyd Hospital would remain a Service Requiring Significant Improvement. A Quality Peer Review, was undertaken during the year to provide a baseline position of improvement and the service continues to make improvements in key areas. Health Inspectorate Wales have inspected the service again on 30th April 2024 and we await further communication of its findings.

Care Inspectorate Wales register, inspect and take action to improve the quality of social care services. They regulate adult services such as care homes for adults, domiciliary support services, adult placement services and residential family centre services.

As the Health Board is one legal entity, it is a registered provider for multiple services which includes Enhanced Community Residential Services (Mental Health and Learning Disabilities) and Tuag Adref (across all three Integrated Health Communities). The Health Board updated its registration in February 2023. In accordance with the Social Care (Wales) Act 2016, the Health Board has appointed a Responsible Individual (the Deputy Director of Quality) who has legal obligations to undertake assurance activity. In addition, there is a legal requirement to undertake an Annual Return for the services, which was duly submitted.

Care Inspectorate Wales undertook an inspection of the Enhanced Community Residential Service in June 2023. No improvement actions were identified.

Internal Quality of Care Reviews are in place in accordance with the requirements of the Social Care (Wales) Act 2016, the purpose of which is to drive improvement and to achieve excellence in the provision of quality care and support services, helping us to ensure that we are improving quality of care outcomes for the people using our services.

Health and Safety Executive

Health and Safety Executive Prosecution, Hergest Unit

In May 2022, following the 'notification of contravention' letter related to breaches of the Health and Safety at Work Act, the Health and Safety Executive prosecuted the Health Board for a breach of Section 3.1 of the Health and Safety at Work Act 1974.

The Case was heard at Llandudno Magistrates Court on 18th December 2023. The Health Board entered a guilty plea and was found to have committed a criminal offence under the Health and Safety at Work Act 1974. The District Judge sentenced the Health Board to pay a fine of £200,000, as well as prosecution costs of £13,174 and a surcharge of £190.

The Judge identified in mitigation the early guilty plea, the public body status of the Health Board and its financial pressures, the openness in which we engaged with Health and Safety Executive, and the significant improvement work undertaken since the incident, alongside a clear commitment for continued improvement. Nevertheless, the Judge also indicated the fine should be sufficient to serve as both punishment for the offence and an indication to the Health Board of the need to ensure compliance with health and safety legislation.

Prior to the prosecution, the Mental Health and Learning Disability team proactively implemented an extensive action plan. This plan was comprehensive and built upon further improvements to prevent any recurrence of the tragic incident which led to the prosecution.

Health and Safety Executive, Notification of Contravention, Patient Falls

The Health and Safety Executive has actively investigated three patient falls in which patients have subsequently passed away. They are one case in Wrexham Maelor Hospital and two cases

in Ysbyty Gwynedd. This follows a Notification of Contravention letter and the issue of an Improvement Notice to the Health Board on 16th June 2021.

The failings identified related to:

- Incomplete patient falls risk assessments
- Lack of monitoring
- Failure to complete patient post falls review
- Insufficient patient falls training for persons assessing and managing patient falls
- Failure to review the falls management plan

A letter from the Health and Safety Executive was received on 5th May 2022. Following these more recent patient falls reported under RIDDOR, the Health Board was required to provide 'a statement of explanation for these falls' for consideration of further enforcement action. Further action followed on 15th March 2023; an additional letter was received confirming the Health and Safety Executive 's intention to take further enforcement on this matter. On 26th July 2023, a further Notice of Contravention letter in respect of the same issues identified in 2021 requiring actions from the Health Board, which replicated the earlier improvement letter and also asked for information on the criteria used to conduct a falls investigation, including root cause analysis.

The Health and Safety Executive 's required actions in the contravention notice were promptly and fully implemented with an action plan to address all the issues raised. This swift response demonstrates our unwavering commitment to compliance and safety. New measures include:

- A post falls protocol
- A dashboard for the falls risk assessment
- Falls training reviewed together with agency staff
- Falls reviews at Ward Rounds and Safety Briefs/Huddles
- A Multi-Disciplinary Team process to review Falls. This team, comprising representatives from various disciplines, plays a crucial role in our falls review process, bringing diverse perspectives and expertise to the table and ensuring a comprehensive and holistic approach to patient safety
- A learning panel following every fall, including a root cause analysis

The local quality teams identify daily all patient falls in the previous 24 hours (72 hours following a weekend) to ensure that those patients with moderate harm have had or will have a Make it Safe Rapid Review within 72 hours. During 2023/24 an Internal Audit review reported limited assurance on Falls Management with a number of recommendations that are being progressed. This is a key risk for the Health Board as reported in the Corporate Risk Register, progress in this area is monitored by the Quality, Safety and Experience Committee.

All patients who have fallen require a focused review that identifies contributory factors, a multifactorial falls risk assessment, and an after-action review of post-fall management.

A clinical executive-led Rapid Learning Panel is convened for the most serious harms to ensure any immediate learning is shared across the Health Board. This panel plays a crucial role in our falls management process, facilitating the identification of root causes and the implementation of preventive measures, thereby contributing to our ongoing efforts to improve patient safety.

Health and Safety Executive Notice of Contravention Hand-Arm Vibration (East)

Following health surveillance for staff at risk from vibration, our occupational health physician diagnosed RIDDOR reportable hand-arm vibration syndrome. Subsequently, the Health and Safety Executive issued a Notice of Contravention on June 15th, 2023, regarding a risk

assessment requirement for those using vibrating tools in the Estates team. The Risk Assessments to identify those at risk were completed in September 2023, and the Health and Safety Executive indicated that they were satisfied and that there would be no further action, although the Health Board was charged an intervention fee.

- The Estates team engaged an external Noise and Vibration specialist consultant to establish the vibration levels of equipment in use
- The Estates Team have implemented a programme to replace petrol strimmers with a low vibration battery model to reduce the risk of hand-arm vibration
- Risk assessments have been completed, and exposures are recorded daily to ensure that there is no exposure over the daily Exposure Limit Value (ELV)
- The team are supported by the Occupational Health team under the Health Surveillance programme

Counter Fraud, Anti-Bribery and Corruption Arrangements

The Health Board has arrangements in place to ensure compliance with counter fraud and corruption requirements, as set out in the Welsh Government Directions to NHS Bodies in Wales on Counter Fraud Measures issued on 1st December 2005..

The Bribery Act identifies four main offences of bribing, being bribed, bribing a foreign public official, and failing to prevent bribery by a commercial organisation. Bribery was included in the Welsh Government directive requirements from 2010.

Allegations of bribery and corruption are not investigated by the Local Counter Fraud Services team, and are forwarded to Counter Fraud Service Wales for investigation.

At an operational level, the Executive Director of Finance has delegated responsibility for the operational management of the Local Counter Fraud Services. The day-to-day management of the Local Counter Fraud Service is undertaken by the Head of Local Counter Fraud Services. The Director of Corporate Governance (formerly Board Secretary) has a role as the Counter Fraud Champion.

The Health Board has had a counter fraud workplan in place during 2023/24 and the Local Counter Fraud Specialist updates the Executive Director of Finance, via the Finance Director: Operational Finance, on a regular basis to monitor the delivery of the plan and discuss cases as required.

Fraud risk assessments are undertaken annually to assess and identify the Health Board's exposure to fraud risks.

The outcome of the assessment against the corporate risk policy is used to maintain a fraud risk register which strengthens the Health Board's ability to evaluate, mitigate and monitor risks arising from fraud and arrangements are in place to escalate appropriately.

The following arrangements are in place:

- Proactive and reactive measures are taken by the Local Counter Fraud Specialist to deter and identify fraud, as well as encouraging staff to report fraud; conflicts of interests are declared at all Board, Committee and sub-committee meetings.
- A mandatory training programme for Fraud Awareness through e-Learning, which has been well subscribed; and for which from October 2023 compliance has been mandated to be renewed every 3 years.

- The Health Board's processes are aligned to maintain compliance with the current conflicts of interests' policy guidance; which have been reviewed during 2023-24 and a new system has been established by the Health Board to strengthen oversight.
- Operational arrangements are in place to enable timely notification of concerns pertaining to fraud to the Local Counter Fraud Specialist or the Executive Director of Finance, via the Finance Director: Operational Finance. Such concerns are also reported to the Audit Committee for oversight and assurance.
- Internal Audit and the Local Counter Fraud Specialist have liaised in order to discuss high risk areas, as required. In the event that management identify risks relating to fraud these are incorporated onto the risk register, with associated mitigations.
- The Head of the Local Counter Fraud Service meets privately with the Chair of Audit Committee to allow any relevant matters to be discussed confidentially, prior to the Audit Committee taking place.

The Audit Committee receives quarterly progress reports and an annual report on the delivery of the Local Counter Fraud Specialist work plan and outcome of investigative reports where appropriate. In addition, the Audit Committee reviews anti-fraud, bribery and corruption Health Board policies and procedures.

The Health Board completes an annual self-assessment of its counter fraud arrangements, in accordance with the UK Cabinet Office Counter Fraud Functional Standard Return (CFFSR), against a number of NHS Requirements of the Government Functional Standard GovS013: Counter Fraud, which are submitted to the counter fraud regulator, the NHS Counter Fraud Authority.

6. PLANNING ARRANGEMENTS

The Health Board is required to develop an Integrated Medium Term Plan, financially balanced, under the requirements of the NHS Finance (Wales) Act 2014. The duty requires each Health Board to produce a three-year IMTP that:

- Improves the health of the population
- Improves the provision of health care
- Is financially balanced over a three-year period
- Is approvable by Welsh Ministers

The development of a three-year Integrated Medium Term Plan aligns with national and Health Board strategies and is a key element within the Special Measures escalation framework.

Where an NHS organisation is unable to deliver a plan that meets the requirements for an approval Integrated Medium Term Plan, an Annual Plan must be developed and agreed to ensure that there is a clear set of delivery objectives supported by finance, workforce and operational plans including planned care and unscheduled care.

The Health Board was not in a position to submit a balanced and approvable Integrated Medium Term Plan for 2023-2026, as it was not possible to fulfil all the requirements of the NHS Planning Framework and terms of the NHS Finance (Wales) Act 2014. An Accountable Officer letter confirming the Health Board's position and intention to submit an Annual Plan for 2023-2024 was submitted to Welsh Government on the 27th February 2023.

A further Accountable Officer letter was set to Welsh Government on the 16th March 2023 confirming that it would not be possible to submit the Annual Plan by the 31st March 2023 for the following reasons:

- The Plan was set against the Health Board's financial deficit of £134M, as detailed in the budget approved by the Board on 30th March 2023. Consequently, further time was required to address the challenging financial position, recognising the need to balance financial delivery with both quality and performance.
- Additional work was needed to complete the Health Board's response to the Ministerial priorities particularly in relation to planned care and some aspects of unscheduled care, to ensure the Plan was deliverable and realistic within the wider context of organisational pressures.
- Following the confirmation that the level of escalation for the Board had been increased to Special Measures, it was necessary to ensure that the Annual Plan reflected the new requirements of escalation and the Health Board's response to these.
- With the appointment of a new Chair and Independent Members to the Board, there had been insufficient time for the Board to set out their ambition for the organisation, nor to undertake the necessary detailed scrutiny of the draft plan.

An extension for submission of the Plan to the end of June 2023 was granted by Welsh Government in view of the need to respond to the requirements of Special Measures, and allow the newly appointed Board to steer the direction of the Plan.

The Annual Plan, Delivery Plan and Ministerial priority templates were approved by the Health Board on the 23rd June 2023 and submitted to Welsh Government on the 30th June 2023.

The 2023-24 Annual Plan detailed the key actions relating to the Health Board's strategic priorities, together with confirmation of the approach to the enablers required to support delivery. The priorities addressed the main areas for improvement within the Health Board, including those identified by Special Measures escalation framework. The Plan also described the actions to improve the whole pathway, from population health and prevention through primary care and community services and acute hospital care.

The Plan also recognised the Health Board's role as a significant employer and contributor to social, environmental and economic well-being as well as addressing health and well-being. In 2024/25 the Health Board will collaboratively refresh Health Board well-being objectives in line with the requirements of the Well-being of Future Generations (Wales) Act 2015 and Social Partnership and Public Procurement (Wales) Act 2023 through its Annual Delivery Plan. The Plan also described the Health Board's ambition in respect of the foundation economy, sustainability, and promotion of the Welsh language and culture, as well as equality, diversity and inclusion.

During 2023-24 Welsh Government commissioned an independent review to understand how integrated planning was undertaken in the Health Board. The purpose of the review was to identify improvement areas, with a specific focus on strategic planning capacity and capability and to consider planning as an activity across the Health Board. The review and management response to the recommendations made was approved by the Health Board's Performance, Finance and Information Governance committee on the 30th April 2024. The management response and associated action plan seek to deliver significant improvements to the integrated planning function – processes and products over the course of 2024-25 and signal the Health Board's ambition and commitment to deliver an approvable Integrated Medium Term Plan for 2025-2028.

In March 2024 the Board approved an Annual Plan (for 2024/25) to be submitted to Welsh Government. Whilst this is an Annual Plan, it has been framed within a three year context.

Special Measures

On 27th February 2023, the Minister for Health and Social Services, Welsh Government announced that Betsi Cadwaladr University Health Board would be escalated to Special Measures. The organisation has previously been at the Targeted Intervention level of escalation and therefore has now been escalated to the highest level under the Escalation and Intervention arrangements. The Minister for Health and Social Services indicated in the statement announcing Special Measures escalation particular concern regarding leadership, culture and performance.

In total there were eight areas of concern:

- Governance and Board effectiveness
- Workforce and Organisational Development
- Financial governance and management
- Compassionate leadership and culture
- Clinical Governance, patient experience and safety
- Operational delivery
- Planning and service transformation
- Mental Health

The Health Board experienced significant leadership instability (Audit Wales Board Effectiveness Report - February 2023) and the subsequent substantial changes to Board membership in February 2023. This level of significant change was unprecedented in Health Boards since the creation of the current Health Boards in 2009. The direct appointment, by the Minister for Health and Social Services, of an interim Chair and three Independent Members started the process of building a new Board.

In the immediate period following the escalation, Welsh Government also deployed a number of Independent Advisors as part of an Intervention and Support Team to undertake a series of independent reviews so that the root-cause of issues could be more thoroughly understood. These reviews assisted the new Board in gaining rapid insights into key areas within the Health Board. The reviews have been undertaken over the last 9 months and are now being systematically considered through the Board and its Committees with each then being published along with a response plan (see summary of key themes below). For those independent reviews now received and with response plans in place, progress is underway in delivering the actions to meet each individual recommendation made. Full details of the reviews and the Health Board responses are available on the website. (<https://bcuhb.nhs.wales/about-us/special-measures/health-board-progress/independent-reviews-and-our-response/>)

We have also taken a thematic based approach in terms of bringing together the findings of the reviews in order to address the real root causes of the issues. This is being overseen via the appropriate Executive Led Delivery Group or equivalent governance. It will ensure that learning and change occurs across the wider organisation and not just within the area that was reviewed, whilst simultaneously ensuring all individual findings are still addressed within the separate reviews. The Impact of Special Measures work and Key Themes from Independent Reviews are reported below in Figure 4.

A Special Measures Response Plan was prepared and approved by the Board in May 2023. The Response Plan focused on five outcomes and took a rapid stabilisation approach of three 90-day cycles running from 1st June 2023 to the end of February 2024, giving pace and focus to addressing the challenges faced. The five outcomes were:

- Being a well-functioning Board
- Having a clear, deliverable plan
- Having strong leadership and engagement
- Improving access, outcomes and experience
- Being a learning, self-improving organisation

The five outcomes were designed to respond to the list of key issues of concern, and also to start building a more effective organisation able to lay the foundations for long-lasting change. Regular reports have been presented for consideration at the Board and published to enable an open and transparent approach to demonstrating progress. Progress has been made in relation to Governance as I set out in my introduction.

What Have We Done in 2023/24 to Respond to Special Measures?

- Substantive, experienced Chief Executive appointed, with experience in NHS Wales.
- Recruitment of Chair, Vice Chair and permanent Independent Members following a public appointments process.
- New Risk Management Framework approved in September 2023, with implementation underway and oversight of the arrangements considered at the Audit Committee.
- The independent reviews received to date have been considered in Board Committee Development Sessions, prior to Management Responses being developed. These have been highlighted in the regular Special Measures reports to full Board.
- Good progress made in establishing the operating of Board Committees and governance arrangements including the appointment of a Director of Corporate Governance.

A Board Development Programme has been developed and is being implemented, including focus on areas such as:

- Compassionate Leadership
- Mental Health
- Planning
- Performance management
- Risk management
- Digital
- Quality
- Winter Resilience Planning

For the financial year 2024/25 the Special Measures plan is being incorporated within the Health Board 2024-27 Plan. Given that there will be considerable overlap between the requirements for improvement outlined within Special Measures and the priorities included in the 2024-27 plan, this allows a more streamlined and efficient planning and oversight approach within the Health Board going forwards.

The Health Board's approach to Special Measures gave significant focus and pace and will be built upon to enable longer term planning. Ensuring that the specific focus areas are fully embedded into the 3 Year Plan and reflecting the more stable position which the Board is now in, the main focus will be on 'business as usual' planning processes, incorporating all learning to provide integrated monitoring, assurance and reporting against plans.

Independent Reviews: Key themes



Data, intelligence and insights: Ensuring that there is a BCUHB-wide approach with prioritised interventions into improving our data, intelligence and insight tools and capabilities. This is a key enabler for sustainable improvement as well as supporting identification of future potential challenged services.



Culture: Defining, engaging and committing to the long-term work necessary to improve the culture of the organisation. Integrated into our broader organisational development plan across Culture, Leadership and Engagement.



Risk management: Reviewing and refining our approach and appetite to risk, including how risks are identified, managed, mitigated, reported and monitored.



Patient, family and carer involvement: A single coordinated approach to maximise involvement and engagement with our patients, their families and carers, using their experiences to guide our ongoing service improvement.



Operating model: Ensuring our operating model is designed to best deliver our strategic priorities, with clarity for everyone across all levels of the organisation on the roles and responsibilities, systems and processes within divisions and Pan BCU services.



Organisation governance and compliance: Ensuring organisation wide visibility and understanding of governance best practice and ensuring adherence to it.



Integrated planning: A well understood integrated approach to planning as a discipline, as well as contributions to our annual planning process.

7. DISCLOSURE STATEMENTS

Equality, Diversity and Human Rights

A substantial review of the Health Boards equality objectives and Strategic Equality Plan has been undertaken this year, with our Strategic Equality Objectives for 2024-28. These were published on the 28th March 2024.

The equality and human rights policy framework is in place, supported by a programme of training to raise awareness and build capacity in regards to the Public Sector Equality Duty and to support staff in delivering their responsibilities. The committee structure has been reviewed and accountability and communication strengthened.

Our commitment to equality is reflected in a number of other ways:

- The Board has an annual equality development session to ensure all Board members are aware of their duty to have **'due regard'** to the Public Sector Equality Duty.
- The Board has set out its commitment to promote equality and human rights across the Health Board.
- The Annual Plan demonstrates how the Health Board meets the duties associated with equality and human rights, as well as the arrangements for equality impact assessments.
- Opportunities have been identified to build delivery of the Strategic Equality Plan into planning and service delivery mechanisms and the system for improvement.
- The Workforce Strategy and policy development is informed by workforce equality information and equality impact assessments.
- Equality and Human Rights Training is mandatory for all staff.
- A programme of equality impact assessment training is facilitated alongside coaching support and guidance. Scrutiny of equality impact assessments was strengthened this year.
- Risks associated with compliance have been identified and included in the Corporate Risk Register.
- The Equality and Human Rights Strategic Forum monitors compliance against the Strategic Equality Plan.
- Progress is presented to the external Equality Stakeholder Reference Group. This group includes representation from members of the public with an interest in equality issues, including Llais.
- The Equality and Human Rights Annual Report is submitted to the Board via the People and Culture Committee governance route; published and accessible to the public.

Further information is provided in the Remuneration Report.

The NHS Pension Scheme and Payroll Arrangements

As an employer with staff entitled to membership of the NHS Pension Scheme, the Health Board has control measures in place to ensure we comply with all employer obligations of the Scheme regulations. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

These systems and processes are subject to regular audit and review by Audit Wales as part of the annual audit of the financial statements, and internal audit of the payroll systems.

As a significant employer, the Health Board also has controls that ensure it deals with deduction of employee taxes and payment of employer taxes correctly. In addition, we have controls in place to ensure we manage significant other taxes correctly (e.g., VAT). HMRC have assessed the Health Board with a business risk rating of low based on their assessment and our track record. This was reported to the Audit Committee.

Carbon Reduction Delivery Plans

The Health Board has developed a Decarbonisation Action Plan for short and medium term actions, which will deliver a major boost in our objective of achieving Net Zero Carbon Emissions by 2030. The Action Plan was approved by the Health Board in September 2022 and includes delivering a series of energy efficiency improvements and renewable electricity generation across the estate through the Local Partnerships / Greater London Authority framework (Re:Fit) – a procurement initiative for public bodies wishing to implement energy efficiency measures and local energy generation projects on their assets. The Health Board receives support throughout the process from Local Government Partnership and the Welsh Government Energy Service. The Health Board received a ‘limited assurance’ review from the Internal Audit team during 2023/24 in respect of the implementation of our Carbon Reduction Plans: recommendations from that review are reflected in ongoing action plans. The Health Board accepts that there is significant work to do in this area and will be recruiting a Director of Environment in 2024/25 to lead this work.

As part of the Decarbonisation Action Plan, a risk register has been developed to identify risks associated with delivering the programme.

In January 2024 the Health Board published its Invitation to Tender on the Re:fit framework and commenced dialogue with a number of delivery partners who would be able to support the Health Board with developing a number of Energy Conservation Measures to align with the Decarbonisation Action Plan. Following completion of both Technical and Commercial Submission a preferred delivery partner was selected. The outcome of the Invitation to Tender will be published once Welsh Government have been notified.

The Re:Fit Framework provides for an agreement between the Health Board and the partner organisation whereby the level of savings (fiscal and carbon) are guaranteed by the partner organisation.

The Re:Fit project will be delivered in multiple phases. As new technologies which come to market and mature over time, we hope to capitalise on these innovations to ensure we meet our decarbonisation targets as well as to improve patient and staff experiences.

As is referenced in the Emergency Preparedness section there is a link between the focus outlined above and the consideration of the impact of extreme and unusual weather on Business Continuity planning.

Data Security

The Chief Digital and Information Officer is the Senior Information Risk Owner of the organisation, providing information risk management expertise at Board level. The Senior Information Risk Owner oversees the consistent implementation of the information risk assessment process by Information Asset Owners, as described in the Information Risk Management framework and policy.

Lead responsibility for information governance within the Health Board rests with the Chief Digital and Information Officer, with the Assistant Director of Compliance and Business Management undertaking the designated role of the Health Board's Data Protection Officer in line with the Data Protection Act 2018.

The Executive Medical Director is the Health Board's appointed Caldicott Guardian. Formal assurance to the Board on data quality is provided through an annual report to the Planning, Population Health and Partnerships Committee. Throughout the course of the 2023/24 period assurance with the Digital Strategy fed into the Executive Team and the Board during the absence of this Committee. Once the revised arrangements were put in place for the Board Committees, assurance reporting recommenced. Assurance on compliance with legislation continued reporting through to the Performance, Finance and Information Governance Committee throughout the year.

During the reporting period, the Committees received assurance on compliance with key performance indicators in relation to the quality and effectiveness of information and information systems against which the Health Board's performance will be regularly assessed.

Data Quality Assurance

The Health Board is seeking to continually improve its data quality arrangements to enhance the quality and accuracy of key information.

In June 2023 we moved to a single instance of Welsh Patient Administration System (WPAS) our main system for hospital activity, this provided an opportunity to develop standardised practices and improve data quality across our patient administration system at a pan-BCU level. As part of this work, we have developed a series of standard operating procedures and monitoring mechanisms to drive improvements to data quality.

A data quality group has been established within the Data, Intelligence and Insight service to identify areas of poor data quality and develop a prioritised workplan to address the most critical areas. This includes the identification of training needs and targeted support to operational teams to make improvements to data capture on WPAS.

A Data Quality and Governance forum has been established and will be used to monitor Health Board data quality and understand the flows and uses of data across the organisation. This will help us make best use of the data available and also provide transparency in relation to the limitations and gaps in our data.

Clinical coding is a key source of data to inform our understanding of quality of service and clinical outcomes for patients. Annual audits are undertaken and in 2023/24 the Health Board received positive feedback in relation to the quality and depth of coding. However, the timeliness of clinical coding has become increasingly challenged through the year and will continue to be in 2024/25 due to staff recruitment and retention issues. This has meant that the Health Board has not been able to meet national targets in relation to completeness of clinical coding. The service is developing a recovery plan for 2024/25.

Ministerial Directions and Welsh Health Circulars

The Welsh Government has issued a number of Non-Statutory Instruments during 2023/24. Details of these and a record of any Ministerial Direction given is available on the following link: <https://www.gov.wales/publications>.

Welsh Health Circulars (WHCs) are published by the Welsh Government to provide a streamlined, transparent and traceable method of communication between NHS Wales and NHS organisations. These Circulars relate to different areas such as policy, performance and delivery, planning, legislation, workforce, finance, quality and safety, governance, information technology, science, research, public health and letters to health professionals. Details of WHCs is available on the following link: <https://www.gov.wales/health-circulars>

Following receipt, these are assigned to a lead director who is responsible for the implementation of required actions. The board has designated oversight of this process to board level committees, with end-of-year reports to be provided to the Audit Committee.

Data Security Breaches

The Health Board self-reported four data security breaches that triggered referral to the Information Commissioner's Office and Welsh Government. These were in relation to:

Confidentiality Breach-External	4
Total	4

All self-reported incidents have been closed by the Information Commissioner's Office with no further action required by them due to the immediate actions and improvements put in place by the Health Board.

All of these recommendations have or will be implemented by the Health Board and are monitored by the Information Governance team.

The Health Board did not incur any financial penalties during the year. During 2023/24 the Health Board has received six personal injury claims for harm and distress caused by a data breach and has settled two claims totalling £7,676.55 during the year.

Emergency Preparedness

Emergency Preparedness, Resilience and Response is a core function for the Health Board and is a statutory requirement of the Civil Contingencies Act (CCA) 2004. Responding to emergencies is also a key function within the NHS Act (2006) as amended by the Health and Social Care Act (2012) that places Health as a Category 1 Responder.

The role of the Health Board in Emergency Preparedness, Resilience and Response relates to potentially disruptive threats outlined in the National Security Risk Assessment, and the need to invoke command, control, coordination and communication arrangements required, during the response to emergencies. The disruption could arise from a wide range of events from extreme weather conditions to an outbreak of an infectious disease, major transport accident or a terrorist incident.

During 2023/24 the Executive Director of Operations, as the Accountable Emergency Officer, supported by the interim Emergency Preparedness, Resilience and Response Lead and Associate Director for Urgent and Emergency care, provided oversight of the Emergency Preparedness, Resilience and Response arrangements. The Executive Director of Operations left the Health Board on the 21st March 2024 and I have put in place interim arrangements until a

new Chief Operating Officer is appointed. The Acting Executive Director of Population Health was the Accountable Emergency Officer from 22nd March 2024.

The Emergency Preparedness, Resilience and Response work plan for 2024/25 is being developed to support ongoing training requirements, Business continuity planning arrangements alongside resilience and industrial action preparedness. Owing to the demand the work plan has been rationalised to protect and maintain core activities.

Key documents have been produced to support staff in meeting requirements of this plan, including:

- Hospital Full Protocols
- Training Materials
- Winter Resilience Plans

The Emergency Preparedness, Resilience and Response Team supports Public Health and Infection Prevention and Control colleagues with the management of the activation process for confirmed High Consequence Infectious Disease (HCID) cases. Admissions of initial, single cases will go to Glan Clwyd Hospital as the receiving hospital for HCID cases and if required cases will either be transferred to the Royal Liverpool Hospital or the Royal Hallamshire Hospital, Sheffield. This process has been further expanded to support planning for Measles/COVID and other potential infectious diseases.

Since July 2022 the Emergency Preparedness, Resilience and Response Team has supported the Nursing & Medical Directorate to monitor and assist with the preparation of contingency plans and business continuity plans for a significant loss of key staff during industrial action. The team had provided secretariat and Emergency Preparedness, Resilience and Response support to the Operational teams, Silver and Gold meetings. The work in preparing the planning arrangements in mitigation remains ongoing although the process has been stood down.

There has been ongoing work to provide Emergency Preparedness, Resilience and Response support to the Integrated Health Communities. In September 2022, the Emergency Preparedness, Resilience and Response team was restructured with the existing Head of Emergency Preparedness Resilience and Recovery being based within the East IHC. This interim initiative supported the reconvening of the Major Incident Planning Meetings, a review and update of the Major Incident Plan and the action cards. The Director of Operations became pivotal in championing the review, update and completion of Business Continuity Plans. As part of Business Continuity planning the Health Board has considered the impact of extreme and unusual weather.

In order for this approach to be continued and to replicate the approach within all three IHCs the Emergency Preparedness, Resilience and Response Team will need to be appropriately resourced with senior emergency planning and business continuity professionals recruited following the resignations of the Head of Emergency Preparedness, Resilience and Response and the Business Continuity Manager. The current Emergency Preparedness, Resilience and Response structure is under review having appointed in April a new Head of Emergency Preparedness, Resilience and Response with their commencement date being June 2024 the intention is then allow the new starter to develop their service going forwards.

Departmental and service area Business Continuity Plans were invoked and reviewed in preparedness for Winter and Industrial Action continuously over 2023/24 through exercises or events. Business Continuity Plans are reviewed by the Audit Committee annually.

Health Command training continues to be delivered to the on-call Gold and Silver Commanders across the Health Board to ensure that Health Board staff have the tools and skills aligned to their assigned roles during their periods of on call or resilience response.

The Civil Contingencies Assurance Group continues to review and assess the effectiveness of the Emergency Preparedness, Resilience and Response arrangements developed by the team, for the Health Board. The Civil Contingencies Assurance Group meets on a bi-annual basis. Representation includes the executive directors, directors and Very Senior Managers. The tactical subgroups, the Civil Contingencies Group and the Business Continuity Working Group also meet quarterly to discuss planning, training and exercising in addition to reviewing and updating plans.

During the period of 2023/24, the Emergency Preparedness, Resilience and Response Team, along with operations, communications and the medical directorate have participated in multiple exercises:

- Exercise CYD March 2024 – Infectious disease
- Exercise Perfect Storm – Adverse weather event over 3 days

The Health Board representatives attended the Strategic Coordination Group meetings and discussions, during these exercises, with partner agencies at the North Wales Police strategic headquarters in Colwyn Bay.

8. REVIEW OF EFFECTIVENESS

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

8.1 Internal Audit


Internal Audit provide me as Accountable Officer and the Board through the Audit Committee with a flow of assurance on the system of internal control. I have commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The Head of Internal Audit has concluded:

The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period to provide the Head of Internal Audit Annual Opinion in line with the requirements of the Public Sector Internal Audit Standards. In forming the opinion, the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The Head of Internal Audit has concluded for 2023/24:

Limited assurance		<p>More significant matters require management attention.</p> <p>Moderate impact on residual risk exposure until resolved.</p>
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Overall, The Head of Internal Audit can provide the following assurances to the Board that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively in the substantial and reasonable areas in the table below.

Where they have given Limited or Unsatisfactory Assurance, management are aware of the specific issues identified and have agreed action plans to improve control in these areas.

In addition, they also undertook advisory and non-opinion reviews to support an overall opinion.

A summary of the audits undertaken in the year and the results are summarised in table 1 below.

In summary:

- The Internal Audit team have experienced delays and no-response to some requests for evidence this year, coupled with an increase in escalation to the Chair of Audit Committee where management response to our draft reports has not been received in line with the agreed timescales.
- The Internal Audit findings throughout the year have identified issues of operational compliance with expected controls at the first line which remain a significant concern for us – The Health Board also has a significant gap in its first line management policies and procedures which require urgent review and update to ensure it is not exposing its service users/visitors and staff to risk.
- The Health Board faces significant financial challenge and its over-reliance on non-recurring transactional savings is not sustainable in the long-term; the lack of progress in transformational change and recurring cost reduction across the Health Board exposes it to significant risk of not achieving its forecast deficit financial position next year.
- There has been progress in revisiting recommendation tracking in the Health Board which the Internal Auditor recognises that there remains more to be done.

Table 1 – Summary of Audits 2023/24

Substantial Assurance	<p>Cyber security Digital Health Record (Cito) – Patient Records Transition Programme</p>
Reasonable Assurance	<p>Financial Control: Receipting of goods and year-end accruals Accounts Receivable Digital Operating Model Adult and Older Persons Mental Health Unit (IAAP) Follow up - Welsh Language Commissioner - Documents on the Website Records Management – Fragmented Care records Effective governance - Women’s Directorate Corporate Legislative Compliance: National Health Service (Appointment of Consultants) (Wales) (Amendment) Regulations 2005 (Draft)</p>

Limited Assurance	Clinical Audit: Tier 1 National Audits Falls management Lessons learnt GP Out of Hours (Deferred from 22/23) Decarbonisation Corporate Legislative Compliance: Water Safety Hargest Unit Notice of Contravention (NoC) Action Plan Follow up - Delivery of HB Savings Health and Safety Deprivation of Liberty Safeguards (DoLS) Discharge arrangements Budgetary Control (Draft) Effective Governance – Central IHC (Draft) Risk Management (Draft) Standards of Business Conduct – Declarations of Interest, Gifts and Hospitality (Draft) Orthopaedic Surgical Hub Llandudno Hospital (Draft)
Unsatisfactory	Operating Model
Advisory/Non-Opinion	Special Measures - Contract and Procurement management review Procurement and Contract management arrangements of the Project Athlete Review Review of process regarding the appointment of an Interim Executive Director Follow up of Internal Audit Recommendations

The overall opinion has also considered both the number and significance of any audits that have been deferred during the course of the year and also other information obtained during the year that we deem to be relevant to our work.

As reported in the table above the following audit reports were issued with a conclusion of limited assurance. In the following review areas, the Board can take only **limited assurance** that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved.

Review Title	Objective
Clinical Audit: Tier 1 National Audits	To review the Health Board's participation in Tier 1 audits, including the submission of data and resulting actions.
Falls management	To ensure compliance with Policy NU06 - <i>The Prevention and Management of Adult In-Patient falls</i> as well as reporting and management arrangements in place.
Lessons learnt	To review whether there are robust processes and controls in place to support the management of learning within Health Board Integrated Healthcare Communities (IHCs) and pan-North Wales services, and to review operational compliance with Make it Safe (Plus) principles.

Review Title	Objective
GP Out of Hours (Deferred from 22/23)	To ensure there are robust processes and controls in place within the Health Board to support the management and implementation of the GPOOH/UPCC Peer Review improvement actions.
Decarbonisation	To determine the adequacy of management arrangements to ensure compliance with the requirements of the Welsh Government's decarbonisation strategic delivery plan and ensure that the UHB has appropriate controls and management arrangements in place to achieve the same.
Corporate Legislative Compliance: Water Safety	To ensure there are robust processes and controls in place within the Health Board to ensure compliance with the <i>Policy for the Management of Safe Water Systems (ES02)</i> and <i>Welsh Health Technical Memorandum 04-01 - Safe water in healthcare premises</i> .
Hergest Unit Notice of Contravention (NoC) Action Plan	To ensure the Health Board can demonstrate it has the evidence to support completion of the action plan developed to address the three Material Breaches identified by the Health and Safety Executive.
Follow up - Delivery of HB Savings	To establish progress made by management to implement agreed actions arising from the previous internal audit [report BCU-2223-15 refers], which concluded unsatisfactory assurance over the arrangements in place in the identification and delivery of savings as outlined in the IMTP and associated Financial Plan for 2022/23.
Health and Safety	To review compliance with <i>HS01 Occupational Health and Safety Policy</i> , assessing the adequacy of management arrangements for Health & Safety to provide assurance to the Health Board.
Deprivation of Liberty Safeguards (DoLS)	To review the process in place for the management of Deprivation of Liberty Safeguards (DoLS) activity in the Health Board, including procedures, staff training, monitoring and escalation of cases.
Discharge arrangements	To ensure there are robust processes and controls in place within the Health Board to support the implementation of Discharge to Recover then Assess (D2RA) requirements, and management of adverse / unsafe discharges.
Budgetary Control (Draft)	To review whether the Health Board has effective controls in place to manage its financial budgets, including delegation and information available to budget holders.
Effective Governance – Central IHC (Draft)	To review the effectiveness of the governance arrangements within the IHC.

Review Title	Objective
Risk Management (Draft)	To review the implementation and application of the Health Board's Risk Management process. We also assessed implementation of the management actions agreed as part of the limited assurance review in 2022/23.
Standards of Business Conduct – Declarations of Interest, Gifts and Hospitality (Draft)	To ensure there are robust processes and controls in place within the Health Board to support the management of Standards of Business Conduct, specifically staff Declarations of Interest, Gifts and Hospitality.
Orthopaedic Surgical Hub Llandudno Hospital (Draft)	To evaluate the progression and delivery of the Orthopaedic Surgical Hub at Llandudno Hospital against the key business case objectives and to assess the adequacy of the systems and controls in place to support the successful delivery of the project.

There is one audited area in which the Board has no assurance.

Operating Model	To review the costs associated with the Operating Model and whether the revised structure has delivered the benefits intended.
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All limited and no assurance reports are subject to follow up reviews, and these will form part of the 2024/25 Internal Audit plan, if they have not already been followed up. Management responses that detail the actions to address gaps in control were included in all final Internal Audit reports presented to Audit Committee. The delivery of these actions is tracked via the Health Board's audit tracker which is overseen by the Audit Committee. The minutes and all final Internal Audit reports can be found within the Audit Committee section of the website: (<https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/board-committees/audit-committee/>)

Where audit assignments planned this year did not proceed to full audits following preliminary planning work, these were either removed from the plan, removed from the plan and replaced with another audit, or deferred until a future audit year.

The following audits were deferred:

Review Title	Reason for deferment
Wrexham Maelor Continuity Phase One	The Executive Director of Finance requested this review be delayed to confirm approval of the business case. There was no Senior Responsible Officer / Programme Board in place at the time.
Workforce Strategy: Operational implementation (Deferred from 22/23)	Welsh Government commissioned a review following Special Measures focusing on the People & OD Strategy with a report being issued. Undertaking a review would add no value to the Health Board as

Review Title	Reason for deferment
	management are aware of the gaps/issues, with actions from Special Measures to be factored into a refreshed strategy.
Follow up - Recruitment of substantive and interim executive and senior posts	Following publication of the Welsh Government Rapid Review of Interim appointments to Executive posts at Betsi Cadwaladr University Health Board it included an action plan with implementation dates ranging from February to April 2024 inclusive. To eliminate duplication, we will combine the follow-up of both our and Welsh Government reports into one as they are very much interdependent.
Grievance management	The review was agreed with management and scheduled to commence however we were unable to complete the review in time – We advised both the Director of Corporate Governance and the Audit Committee of this. The review will be undertaken as a priority in quarter 1 2024/25.
Charitable Funds	The Executive Director of Finance requested that this review be delayed until April 2024 to enable them to close the year end position and formerly adopt the revised policies and procedures developed. We supported this delay in order that we undertake a review of internal controls in operation against revised policies and procedures.
Follow up – Contracted Patient Services: Quality and Safety arrangements	The review of agreed actions identified two key actions were not scheduled for completion until March 2024 and therefore would not have been completed in time for a follow-up review.

8.2 Audit Wales Structured Assessment

The Audit Wales Structured Assessment is a process that looks at whether we have made proper arrangements to secure economy, efficiency, and effectiveness in our use of resources. The report was received at the Audit Committee on 7th May 2024.

[\(https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/board-committees/audit-committee/agenda-bundle-ac-public-07-05-2024-v2-0/\)](https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/board-committees/audit-committee/agenda-bundle-ac-public-07-05-2024-v2-0/)

The Structured Assessment 2023 focused on our corporate arrangements for ensuring that resources are used efficiently, effectively, and economically. The overall assessment concluded that *‘following significant challenges in 2023, the Health Board is more stable and in the process of strengthening key corporate assurance arrangements, however it needs a clear strategy to enable it to develop financially sustainable service models that provide good quality services to meet current and future healthcare demand. The Health Board also needs to ensure there is a sufficient assurance on the impact of actions taken to deliver its plans, to mitigate risk, improve service performance and address audit recommendations’*.

The key focus of the work has been on the Health Board’s corporate arrangements for ensuring that resources are used efficiently, effectively and economically. Key messages in this regard from the Audit Wales Structured Assessment include:

Board Transparency and Effectiveness – Audit Wales found that found that the Health Board is increasingly demonstrating public transparency of board business, however there are opportunities to improve and standardise these arrangements for board committee meetings. Whilst the Health Board has formal and up-to-date standing orders and standing financial instructions to support its Board and committee business, there remains a backlog of policies that are overdue for review.

Corporate Systems of Assurance – Audit Wales found that the Health Board has revised its risk and performance frameworks and is developing a new quality management system. However, more work is needed to properly embed these new arrangements, to further develop the Board Assurance Framework, strengthen the management of complaints and incidents and strengthen processes for tracking audit recommendations.

The Health Board has made progress revising its BAF and risk management arrangements, however it needs clear strategic objectives to align strategic risks to, and a stronger focus on the impact of actions it takes to mitigate risks. The Board's arrangements for hearing directly from patients is improving, and it is planning to increase opportunities to hear directly from staff through service visits and hearing staff stories at People and Culture Committee meetings.

Corporate Approach to Planning – Audit Wales found that the Health Board has a good understanding of its significant strategic risks and challenges, however it is struggling to meet service demand and its services are not currently financially sustainable. The Health Board needs a clearer and longer-term planning approach that appropriately considers service reconfiguration to sustainably meet current and future healthcare demand. There is also a need to focus reporting, monitoring and assurance of plan delivery of the success of achieving intended outcomes and impacts.

Corporate Approach to Managing Financial Resources – Audit Wales found that despite meeting the statutory duty to spend within allocation for the period 2020-23, the Health Board is facing a significant underlying financial deficit. There is a clear need for a robust financial strategy linked to sustainable and good quality clinical service model.

The Health Board's approach for financial planning is driving a transactional approach to financial management and while delivering some in-year savings this is not significantly addressing the Health Board's underlying deficit. There is a clear need for a financial strategy to underpin medium- to long-term planning that fully considers growth in healthcare demand and supports financially sustainable clinical service models, whilst also reducing the underlying deficit.

Audit Wales Reports Issued in 2023/24

The following Audit Wales reports (other than Structured Assessment) were published in 2023/24. All reports can be accessed on the Audit Wales website links below. Other Audit Wales reports produced in 2023/24 and not yet formally published are for Unscheduled Care - Flow out of Hospital Review and Audit of the Accounts report 2022/23.

Betsi Cadwaladr University Health Board – Board Effectiveness Follow-up
(<https://www.audit.wales/cyhoeddiad/board-effectiveness-follow-betsi-cadwaladr-university-health-board>)

Betsi Cadwaladr University Health Board – Follow Up Review of Follow Up Outpatient Services
(<https://www.audit.wales/publication/betsi-cadwaladr-university-health-board-follow-review-follow-outpatient-services>)

In the Audit of Accounts Report, Audit Wales reached a Qualified regularity opinion as the Health Board incurred irregular expenditure and breached its standing financial instructions in making payments to an interim executive member of the Board. The following weaknesses in governance arrangements have been highlighted:

- instances where letters of appointment were not issued to senior officers prior to them commencing the roles;
- contracts of employment were not signed prior to an appointee starting their role with the Health Board;
- incorrect pay rates in documentation presented for approval by the Remuneration Committee; and
- insufficient records of decisions taken and actions agreed by the Remuneration Committee in its formal minutes.

The Health Board is aware of the deficiencies in internal controls that gave rise to the irregular payments and is strengthening its controls and governance arrangements accordingly.

9. CONCLUSION

It is important to note in my conclusion that the Health Board entered 2023/24 having just being escalated into Special Measures status on 23rd February 2023 and as a result commenced the 2023/24 year with a directly appointed interim Chair and three Independent Members. At the end of the year the Chair, Vice Chair and all Independent Members of the Board had been appointed. I commenced my role on the 3rd May 2023 (initially on an Interim basis, and subsequently as a result of a recruitment process as a substantive appointment) and addressing the concerns that necessitated Special Measures has been a focus for me and all the members of the Health Board.

As Accountable Officer for Betsi Cadwaladr University Health Board, based on the assurance process outlined above, I have reviewed the relevant evidence and assurances in respect of internal control. I can report that Board Members are alert to their accountabilities in respect of internal control and that further improvement needs to be made to fully embed our governance and assurance framework and systems of control.

There were eight areas of concern when the Health Board was placed under Special Measures, including Governance and Board Effectiveness. A Special Measures Response Plan was prepared and approved by the Board in May 2023. The Response Plan focused on five outcomes and took a rapid stabilisation approach of three 90-day cycles running from 1st June 2023 to the end of February 2024, giving pace and focus to addressing the challenges faced. The five outcomes were:

- Being a well-functioning Board
- Having a clear, deliverable plan
- Having strong leadership and engagement
- Improving access, outcomes and experience
- Being a learning, self-improving organisation

The five outcomes were designed not only to respond to the list of key issues of concern, and also to start building a more effective organisation able to lay the foundations for long-lasting change. Regular reports have been presented for consideration at the Board and published to enable an open and transparent approach to demonstrating progress.

In respect of governance progress has been made and is set out in the reports from Audit Wales. The appointment of Board members and the development and implementation of all Board Committees has been of critical importance. The Internal Auditor points out that the Risk Management Framework and supporting documents, set out the risk management system within the Health Board, outline clear roles and responsibilities and provide guidance to staff on the requirements for risk management.

Whilst I can report these improvement during 2023/24 it is my opinion that the system of internal controls reports that are outlined in this Annual Governance Statement accurately reflect the significant challenges the Health Board had during 2023/24 and will need to continue to focus on during 2024/25. I outline this below.

The Health Board was unfortunately unable to produce a financially balanced Integrated Medium Term Plan for 2023/24, which was a breach of statutory duty. The Health Board also continues to face significant challenges with workforce, estate, and financial pressures, challenged services, and significant performance issues that have an impact on our population and workforce.

The Health Board's Structured Assessment undertaken by Audit Wales summarises that following significant challenges in 2022 and 2023, the Health Board is more stable and in the process of strengthening key corporate assurance arrangements. Moving forward the Health Board needs a clear strategy to enable it to develop financially sustainable service models that provide good quality services to meet current and future healthcare demand. The Health Board also needs to ensure there is a sufficient assurance on the impact of actions taken to deliver its plans, to mitigate risk, improve service performance and address audit recommendations.

In the Structured Assessment 2023 report, Audit Wales point to the improvements made in governance and outline the need to further strengthen board transparency and effectiveness, corporate systems of assurance, approach to planning and managing financial resources. The findings of the Structured Assessment are also informed by the *Audit Wales Board Effectiveness Follow Up Review 2023*. The Health Board agrees fully with the Board Effectiveness report's key findings that the Board is more stable, with stronger leadership and engagement evident and as such that there has been significant improvement during 2023/24, however there is much more to do to improve the Health Board's governance. These reports indicate that significant improvements need to be made before an assessment of reasonable assurance on the effectiveness of internal controls can be made.

In relation to managing financial resources, Audit Wales found that despite meeting the statutory duty to spend within allocation for the period 2020-23, the Health Board is facing a significant underlying financial deficit. There is a clear need for a robust financial strategy linked to sustainable and good quality clinical service model.

There is a clear need for a financial strategy to underpin medium to long-term planning that fully considers growth in healthcare demand and supports financially sustainable clinical service models, whilst also removing the underlying deficit. It also needs to be recognised that while the Health Board has managed to reduce its deficit to less than the budgeted amount and close to the Welsh Government's control total, this has been achieved through strict, centralised controls.

As financial performance and discipline develops, this will result in a greater level of autonomy, with clear accountability.

As I outline in Section 8 above the overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk-based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuing to improve. The Internal Head of Internal Audit opinion is one of limited assurance based on their work throughout 2023/24. From the opinions issued during the year on these reviews, two were allocated Substantial Assurance, eight were allocated Reasonable Assurance, sixteen were allocated Limited Assurance with one allocated an Unsatisfactory assurance opinion. Four advisory or non-opinion reports were also issued.

The Board developed and approved the Betsi Cadwaladr University Health Board Annual Delivery Plan for 2024/25 which sets out key objectives and deliverables for the next 12 months and for a further two years ahead (2024-2027). This plan will help build on the improvements that were made during 2023/24 under the Special Measures Response Plan and align them under clear strategic objectives.

The Health Board has made progress during the year to address some of the issues identified in terms of the governance of the board and committees. Whilst we have made some progress, the Health Board is aware of the deficiencies in internal controls that gave rise to the irregular payments as detailed in the Audit Wales Audit of Accounts Report for the Health Board. The Health Board is strengthening the controls and governance arrangements to ensure these issues identified are addressed and that the Health Board operates in accordance with the appropriate governance arrangements.

Based on the above, I have therefore, concluded, that the Health Boards internal control is immature and there is a need to continue to make further improvements to meet the demands and challenges in 2024/25 and beyond. I will continue to drive improvements and ensure we focus on these matters and that our Governance and Assurance framework responds to these needs during 2024/25 and beyond to ensure that by being an effective organisation we can further improve the health and well-being of the population of North Wales.

Signed:

Carol Shillabeer
Chief Executive and Accountable Officer

Date: 10th July 2024

Appendix 1 - Board and Committee Membership 2023/24

During 2023 a number of direct appointments were made to the Board. Following the public appointments process, a number of these appointments were made substantive.

The Minister for Health and Social Services made direct appointments to the Board in 2023, these appointments were fixed term appointments for a period of 12 months. Following the public appointments process in 2023/24, the following members were appointed to the Board: Dyfed Edwards, Rhian Watcyn-Jones, Clare Budden and Karen Balmer. Details are below;

Name	Position	Board Committee membership
Dyfed Edwards	Chair	<ul style="list-style-type: none"> Board Chair (interim to 29.02.24, substantive from 01.03.24) Chair Remuneration Committee Member Performance, Finance & Information Governance Committee
Carol Shillabeer	Chief Executive	<ul style="list-style-type: none"> Board Member (interim Chief Executive from 03.05.23 to 31.01.24, substantive Chief Executive from 01.02.24) In attendance Remuneration Committee (<i>from 03.05.23</i>) Member Local Partnership Forum Lead Director People and Culture Committee
Karen Balmer	Independent Member	<ul style="list-style-type: none"> Board Member (interim from 02.05.23 to 29.02.24, substantive from 01.03.24) Chair Audit Committee Member Remuneration Committee Member Charitable Funds Committee Member People & Culture Committee (<i>from 01.01.24</i>)
Clare Budden	Independent Member	<ul style="list-style-type: none"> Board Member (interim to 29.02.24, substantive from 01.03.24) Associate Board Member (to 01.05.23) Chair Stakeholder Reference Group (to 01.05.23) Chair Planning, Population Health & Partnership Committee (<i>from 01.01.24</i>) Member Remuneration Committee Member People & Culture Committee Member Performance, Finance & Information Governance
Russell Caldicott	Fixed Term Executive Director of Finance	<ul style="list-style-type: none"> Board Member (<i>from 03.07.23</i>) In attendance Audit Committee Lead Director Charitable Funds Committee Lead Director Performance, Finance and Information Governance Committee Member Local Partnership Forum
Gareth Evans	Acting Executive Director Therapies & Health Sciences	<ul style="list-style-type: none"> Board Member Lead Director Healthcare Professionals Forum In attendance Quality, Safety and Experience Committee
Urtha Felda	Independent Member	<ul style="list-style-type: none"> Board Member (<i>from 03.11.23</i>) Member Remuneration Committee Member Audit Committee (<i>from 15.03.24</i>)

Name	Position	Board Committee membership
Christopher Field	Independent Member	<ul style="list-style-type: none"> • Board Member (from 01.03.24) • Member Remuneration Committee • Member Performance, Finance and Information Governance Committee • Member Quality, Safety and Experience Committee • Member of Charitable Funds Committee
Adele Gittoes	Executive Director of Operations	<ul style="list-style-type: none"> • Board Member (from 01.08.23 to 21.03.24) • In attendance People and Culture Committee • In attendance Performance, Finance and Information Governance Committee
Sue Green	Executive Director of Workforce & Organisational Development	<ul style="list-style-type: none"> • Board Member (to 30.04.23) • Lead Director Remuneration and Terms of Service Committee • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee • Lead Director / Member, Local Partnership Forum • In attendance, Quality, Safety and Experience Committee
Gill Harris	Executive Director Integrated Clinical Delivery	<ul style="list-style-type: none"> • Board Member (acting Chief Executive from 16.11.23 to 27.03.23) • Member Local Partnership Forum • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee • In attendance Audit Committee
Sue Hill	**Executive Director of Finance	<ul style="list-style-type: none"> • Board Member • In attendance Audit Committee • Lead Director Charitable Funds Committee • Lead Director Performance, Finance and Information Governance Committee • Member Local Partnership Forum
Cllr Dyfed Jones LA	Independent Member	<ul style="list-style-type: none"> • Board Member (from 22.05.23) • Chair People & Culture Committee • Member Remuneration Committee • Member Audit Committee
Professor Mike Larvin	Independent Member	<ul style="list-style-type: none"> • Board Member (from 10.04.23) • Member QSE (from 19.05.23) • Member Remuneration Committee
Dr Nick Lyons	Executive Medical Director / Deputy Chief Executive Officer	<ul style="list-style-type: none"> • Board Member (acting Chief Executive to 02.05.23) • In attendance Quality, Safety and Experience Committee • Member Charitable Funds Committee • In attendance Remuneration & Terms of Service Committee • In attendance Strategy, Partnerships and Population Health Committee
Molly Marcu	* Fixed Term Board Secretary	<ul style="list-style-type: none"> • Interim Board Secretary (to 27.04.23) • In attendance Audit Committee • In attendance Remuneration and Terms of Service Committee

Name	Position	Board Committee membership
Phil Meakin	*Acting Board Secretary	<ul style="list-style-type: none"> • Acting Board Secretary (from 18.04.23) • In attendance Audit Committee • In attendance Remuneration and Terms of Service Committee
Jane Moore	Acting Executive Director of Public Health	<ul style="list-style-type: none"> • Board Member (from 19.01.24) • In attendance Quality, Safety and Experience Committee • In attendance Partnerships, People and Population Health Committee
William Nichols	Independent Member	<ul style="list-style-type: none"> • Board Member (from 01.03.24) • Member Remuneration Committee • Member Local Partnership Forum • Member People & Culture Committee • Member Planning, Population Health & Partnerships Committee
Teresa Owen	Executive Director of Public Health	<ul style="list-style-type: none"> • Board Member (to 18.01.24) • Lead Director Mental Health and Capacity Compliance Committee • In attendance Quality, Safety and Experience Committee • In attendance Partnerships, People and Population Health Committee
Mike Parry	*Associate Member	<ul style="list-style-type: none"> • Associate Board Member (from 24.10.23) • Chair of Stakeholder Reference Group
Fôn Roberts	*Associate Member	<ul style="list-style-type: none"> • Associate Board Member (from 29.07.22) •
Lesley Singleton	Interim Independent Member	<ul style="list-style-type: none"> • Board Member (from 05.02.23 to 30.05.23) • Member Remuneration Committee
Dr Chris Stockport	Executive Director of Transformation, and Planning	<ul style="list-style-type: none"> • Board Member • In attendance, Quality, Safety and Experience Committee • Lead Director Partnerships, People and Population Health Committee • In attendance Performance, Finance and Information Governance Committee
Dr Caroline Turner	Independent Member	<ul style="list-style-type: none"> • Board Member (from 03.11.23) • Member Remuneration Committee • Member Planning, Population Health & Partnership Committee (from 01.01.24)
Rhian Watcyn Jones	Independent Member	<ul style="list-style-type: none"> • Board Member (interim to 29.02.24, substantive from 01.03.24) • Chair Quality, Safety and Experience Committee • Member Remuneration Committee • Member Performance, Finance and Information Governance Committee (from 21.03.24)
Steve Webster	Fixed Term Executive Director of Finance	<ul style="list-style-type: none"> • Board Member (to 22.06.23) • In attendance Audit Committee • Lead Director Charitable Funds Committee • Lead Director Performance, Finance and Information Governance Committee • Member Local Partnership Forum

Name	Position	Board Committee membership
Gareth Williams	Vice Chair	<ul style="list-style-type: none"> • Board Member (interim Independent Member to 02.11.23, substantive from 03.11.23) • Vice Chair (from 03.11.23) • Chair Performance, Finance & Information Governance Committee (from 12.05.23) • Member Remuneration Committee • Member Audit Committee (from 15.05.23) • Member Planning, Population Health & Partnership Committee (from 01.01.24)
Jane Wild	*Associate Member	<ul style="list-style-type: none"> • Associate Board Member • In attendance Quality, Safety & Experience Committee
Angela Wood	Executive Director Nursing and Midwifery	<ul style="list-style-type: none"> • Board Member • Lead Director Quality, Safety and Experience Committee • Member Local Partnership Forum • In attendance Performance, Finance and Information Governance Committee • In attendance Partnerships, People and Population Health Committee

NB Positions marked as * are not formal members of the Board for voting purposes

Positions marked as ** relate to S Hill (on leave of absence as at 31.03.24, effective from 05.12.22)

Audit Committee

The Audit Committee membership during the year comprised:

For the period covering from 1st April 2023 to 24th July 2023

Chair	Karen Balmer	Independent Member
Member	Gareth Williams	Independent Member

In Attendance

Lead Director	Phil Meakin	Acting Board Secretary
Lead Directors	Steve Webster	Fixed Term Executive Director of Finance

For the period covering from 24th July 2023 to 12th January 2024

Chair	Karen Balmer	Independent Member
Member	Gareth Williams	Independent Member
Member	Dyfed Jones	Independent Member

In Attendance

Lead Directors	Phil Meakin	Acting Board Secretary
Lead Directors	Russell Caldicott	Fixed Term Executive Director of Finance

For the period covering 12th January 2024 to 31st March 2024

Chair	Karen Balmer	Independent Member
Member	Urtha Felda	Independent Member
Member	Dyfed Jones	Independent Member

In Attendance

Lead Directors	Phil Meakin	Acting Board Secretary
Lead Directors	Russell Caldicott	Fixed Term Executive Director of Finance

Appendix 2 - Meetings of the Health Board and Committees held in public 2023/24

Meeting	April 2023	May 2023	June 2023	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	March 2024
Health Board		25/05/23	22/06/23	31/07/23	24/08/23	27/09/23 28/09/23		30/11/23		25/01/24		28/03/24
Quality, Safety & Experience Committee		19/05/23	20/06/23	25/07/23	22/08/23		27/10/23		19/12/23		24/02/24	
Performance, Finance and Information Governance Committee		12/05/23	30/06/23			01/09/23		2/11/23			22/02/24	
Remuneration and Terms of Service Committee	28/04/23		13/06/23	17/07/23	24/08/23	28/09/23		14/11/23		23/01/24		22/03/24
Mental Health and Capacity Compliance Committee									14/12/23	11/01/24		
Audit Committee		15/05/23			24/08/23	15/09/23		16/11/23		12/01/24		15/03/24
Charitable Funds Committee				4/07/23			3/10/23			11/01/24 23/01/24		

Planning, Population Health & Partnerships Committee											10/01/24		
People & Culture Committee											12/01/24		

NB Remuneration Committee: The name of the Committee changed from Remuneration and Terms of Service Committee to Remuneration Committee from 13/06/23. The Committee meets in private due to the confidentiality of the issues.

Mental Health Legislation Committee: The name of the Committee changed from Mental Health and Capacity Compliance Committee to Mental Health Legislation Committee from 25/01/24. The Committee meets on a quarterly basis. The Committee met in private on 14/12/23 due to confidentiality reasons.

Charitable Funds Committee: The Committee meets on a quarterly basis.

People and Culture Committee: The Committee held an inaugural meeting on 12/01/24 and met formally after the year end on 11/04/24.

Planning, Population Health and Partnerships Committee: The Committee held an inaugural meeting on 10/01/24 and met formally after the year end on 23/04/24.

Appendix 3 - BCUHB Health Board Member Attendance at Board Meetings held in public 2023/24

Y = Present N = Not Present

Name	Position	25/05/23	22/06/23	31/07/23	24/08/23	27/09/23	28/09/23	30/11/23	25/01/24	28/03/24
Dyfed Edwards	Chair	Y	Y	Y	Y	Y	Y	Y	Y	Y
Carol Shillabeer	Chief Executive Officer	Y	Y	Y	Y	Y	Y	Y	Y	Y
Karen Balmer	Independent Member		Y	Y	Y	Y	Y	N	Y	Y
*Jason Brannan	Deputy Director of Workforce and Organisation		Y	Y	Y	Y	Y	N	N	Y
Clare Budden	Associate Member /Independent Member	Y	Y	Y	Y	Y	Y	Y	Y	Y
Russell Caldicott	Fixed Term Executive Director of Finance			Y	Y	Y	Y	Y	Y	Y
Gareth Evans	Acting Executive Director of Therapies & Health Services	Y	Y	Y	N	Y	Y	Y	Y	Y
Urtha Felda	Independent Member							Y	Y	Y
Christopher Field	Independent Member									Y
Adele Gittoes	Fixed Term Executive Director of Operations				Y	N	N	Y	Y	N
Dyfed Jones	Independent Member				Y	Y	Y	Y	Y	Y
Professor Mike Larvin	Independent Member	Y	Y	Y	N	Y	Y	Y	Y	Y

Name	Position	25/05/23	22/06/23	31/07/23	24/08/23	27/09/23	28/09/23	30/11/23	25/01/24	28/03/24
Dr Nick Lyons	Executive Medical Director/ Deputy CEO	Y	Y	Y	Y	Y	Y	Y	Y	Y
*Phil Meakin	Acting Board Secretary	Y	Y	Y	Y	Y	Y	Y	Y	Y
Dr Jane Moore	Acting Executive Director of Public Health								Y	Y
William Nichols	Independent Member									Y
Teresa Owen	Executive Director of Public Health	Y	Y	Y	Y	N	N	Y		
Mike Parry	Associate Member							Y	Y	Y
*Dylan Roberts	Chief Digital and Information Officer				Y	Y	Y	Y	Y	Y
Fôn Roberts	Associate Member	Y	Y	N	N	N	Y	N	Y	Y
Lesley Singleton	Independent Member	Y								
*Helen Stevens-Jones	Director of Partnerships, Engagement and Communications			Y	Y	Y	Y	Y	Y	Y
Dr Chris Stockport	Executive Director of Transformation and Planning	Y	Y	Y	N	Y	Y	Y	N	Y
Dr Caroline Turner	Independent Member							Y	Y	Y
Rhian Watcyn Jones	Independent Member	Y	Y	Y	Y	Y	Y	Y	Y	Y

Name	Position	25/05/23	22/06/23	31/07/23	24/08/23	27/09/23	28/09/23	30/11/23	25/01/24	28/03/24
Steve Webster	Fixed Term Executive Director of Finance	Y								
Gareth Williams	Independent Member / Vice Chair	Y	Y	Y	N	Y	Y	Y	Y	Y
Jane Wild	Associate Member	Y	Y	N	Y	N	Y	Y	Y	Y
Angela Wood	Executive Director of Nursing and Midwifery	Y	Y	Y	Y	Y	Y	N	Y	Y

NB Roles noted with an * are not Board members, they attend all meetings of the Board

Appendix 4 – Summary of Business Considered by the Board During 2023/24

Over the year, the Board considered a number of key issues and took action where appropriate. These are summarised below:

Standing Items:

Minutes from previous meetings

Patient Story

Report of the Chair

Report of the Vice Chair

Report of the Interim Chief Executive / Chief Executive

Corporate Governance report

Performance Reports:

- Special Measures
- Finance Reports
- Integrated Performance
- Integrated Quality
- Annual Delivery Plan for 2023 – 2024
- Integrated Medium Term Plan 2024/27

Quality & Patient Safety

Update of Register of Approved Clinicians and of Section 12(2) Doctors

Assurance Reports from Board Committees, Advisory Groups, Partnerships and Joint Committees

Corporate Risk Register

Board approved the following items:

Community Complex Conditions Service Business Case

Anglesey and Gwynedd Well-Being Plan for 2023 – 2028

Committee Terms of Reference and Cycles of Business

Welsh Health Specialised Services Committee Governance and Accountability Framework

Annual Review of the Declarations of Interest Register and Register of Gifts and Hospitality

Smoke Free Policy

Annual Audited Accounts for 2022/23

Audit Wales Audit Report on the Financial Statement 2022/23

Annual Report 2022/23

Annual Governance Statement 2022/23

Development of an Elective Orthopaedic Surgical Hub at Llandudno Hospital – Business Case

Risk Management Framework

Culture, Leadership and Engagement

Welsh Language Annual Monitoring Report 2022/23

Partnerships Report

Review of the Health Board Scheme of Reserved Delegation

Review of the Health Board Standing Financial Instruction

Response to Emergency Medical Retrieval and Transfer Service Review

Board noted the following items:

Staff Survey and Actions

Nurse Staffing Levels

Joint Report of the Welsh Health Specialised Services Committee, Emergency Ambulance Services Committee, and Shared Services Partnership

Executive Director of Public Health Annual Report 2022/23 – *‘Collective action for a healthier North Wales – taking a whole system approach’*

BCUHB Winter Resilience Planning 2023/24

Equality Annual Report 2022/23

Citizen Experience Report

Audit Wales Report on Board Effectiveness and Responses

Strategic Equality Plan 2024 - 2028

Royal Alexandra Business Case

Establishment of the NHS Wales Joint Commissioning Committee as a Joint Committee of Local Health Boards in NHS Wales

Board considered the following items:

Vascular Quality Panel Report (now sits under Integrated Performance Report)

Anglesey and Gwynedd Well-Being Plan

BETSI CADWALADR UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

Statutory background

Betsi Cadwaladr University Local Health Board was established on 1st October 2009 under Statutory Instrument 2009 No.1558 (W.153) The National Health Service Trusts (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order - 2009. This involved the merger of North Wales NHS Trust, North West Wales NHS Trust, Anglesey Local Health Board, Conwy Local Health Board, Denbighshire Local Health Board, Flintshire Local Health Board, Gwynedd Local Health Board and Wrexham Local Health Board into the new organisation.

The Health Board provides a full range of primary, community, mental health and acute hospital services to the population of North Wales from three main hospitals (Ysbyty Gwynedd in Bangor, Ysbyty Glan Clwyd in Bodelwyddan and Wrexham Maelor Hospital) along with a network of community hospitals, health centres, clinics, mental health units and community team bases. The Health Board also coordinates the work of GP practices and NHS services provided by dentists, opticians and pharmacists in North Wales.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2023-24. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the primary statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the Local Health Board which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1st April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Expenditure on Primary Healthcare Services	3.1	363,541	342,928
Expenditure on healthcare from other providers	3.2	497,627	447,773
Expenditure on Hospital and Community Health Services	3.3	1,460,089	1,356,042
		<u>2,321,257</u>	<u>2,146,743</u>
Less: Miscellaneous Income	4	(162,834)	(155,369)
LHB net operating costs before interest and other gains and losses		2,158,423	1,991,374
Investment Revenue	5	0	0
Other (Gains) / Losses	6	(5)	(16)
Finance costs	7	394	(23)
Net operating costs for the financial year		<u>2,158,812</u>	<u>1,991,335</u>

Details of the Health Board's performance against its revenue and capital allocations over the last three financial periods are provided in Note 2 on page 27.

The notes on pages 8 to 76 form part of these accounts.

Other Comprehensive Net Expenditure

	2023-24	2022-23
	£000	£000
Net (gain) / loss on revaluation of property, plant and equipment	(21,570)	(72,188)
Net (gain)/loss on revaluation of right of use assets	73	0
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers to / (from) other bodies within the Resource Accounting Boundary	0	0
Reclassification adjustment on disposal of available for sale financial assets	0	0
Other comprehensive net expenditure for the year	(21,497)	(72,188)
Total comprehensive net expenditure for the year	<u>2,137,315</u>	<u>1,919,147</u>

The notes on pages 8 to 76 form part of these accounts.

Statement of Financial Position as at 31 March 2024

	31 March	31 March
	2024	2023
Notes	£000	£000
Non-current assets		
Property, plant and equipment	11 689,777	672,558
Right of Use Assets	11.3 34,183	35,314
Intangible assets	12 1,159	1,536
Trade and other receivables	15 84,596	78,888
Other financial assets	16 0	0
Total non-current assets	809,715	788,296
Current assets		
Inventories	14 20,936	20,308
Trade and other receivables	15 107,702	77,387
Other financial assets	16 0	0
Cash and cash equivalents	17 5,027	2,913
	133,665	100,608
Non-current assets classified as "Held for Sale"	11 348	0
Total current assets	134,013	100,608
Total assets	943,728	888,904
Current liabilities		
Trade and other payables	18 (209,642)	(237,833)
Other financial liabilities	19 0	0
Provisions	20 (47,054)	(34,309)
Total current liabilities	(256,696)	(272,142)
Net current assets/ (liabilities)	(122,683)	(171,534)
Non-current liabilities		
Trade and other payables	18 (27,458)	(28,030)
Other financial liabilities	19 0	0
Provisions	20 (85,899)	(76,673)
Total non-current liabilities	(113,357)	(104,703)
Total assets employed	573,675	512,059
Financed by :		
Taxpayers' equity		
General Fund	353,626	304,389
Revaluation reserve	220,049	207,670
Total taxpayers' equity	573,675	512,059

The financial statements on pages 2 to 7 were approved by the Board on 10th July 2024 and signed on its behalf by:

Chief Executive and Accountable Officer: Carol Shillabeer

Date: 10th July 2024

The notes on pages 8 to 76 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2023-24			
Balance as at 31 March 2023	304,389	207,670	512,059
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	(177)	0	(177)
Impact of IFRS 16 on PPP/PFI Liability	0	0	0
Balance at 1 April 2023	304,212	207,670	511,882
Net operating cost for the year	(2,158,812)		(2,158,812)
Net gain/(loss) on revaluation of property, plant and equipment	0	21,570	21,570
Net gain/(loss) on revaluation of right of use assets	0	(73)	(73)
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other Reserve Movement	0	0	0
Transfers between reserves	9,118	(9,118)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2023-24	(2,149,694)	12,379	(2,137,315)
Net Welsh Government funding	2,155,923		2,155,923
Notional Welsh Government Funding	43,185		43,185
Balance at 31 March 2024	353,626	220,049	573,675

The Notional Welsh Government funding line includes the 6.3% staff employer pension costs and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split:

Notional 6.3% staff employer pension £43,170,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £15,000

Transfers between reserves relates to the reversal of prior period upward revaluations for non-current assets that were impaired during 2023-24.

The notes on pages 8 to 76 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity for 2022-23			
Balance at 31 March 2022	298,002	143,332	441,334
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	1,092	0	1,092
Balance at 1 April 2022	<u>299,094</u>	<u>143,332</u>	<u>442,426</u>
Net operating cost for the year	(1,991,335)	-	(1,991,335)
Net gain/(loss) on revaluation of property, plant and equipment	0	72,188	72,188
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	7,850	(7,850)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	100	0	100
Total recognised income and expense for 2022-23	<u>(1,983,385)</u>	<u>64,338</u>	<u>(1,919,047)</u>
Net Welsh Government funding	1,950,306	-	1,950,306
Notional Welsh Government Funding	38,374	-	38,374
Balance at 31 March 2023	<u><u>304,389</u></u>	<u><u>207,670</u></u>	<u><u>512,059</u></u>

The Notional Welsh Government funding line includes the 6.3% staff employer pension costs and Pensions Annual Allowance Charge Compensation Scheme (PAACCS) costs paid centrally by Welsh Government.

Notional Welsh Government funding split:

Notional 6.3% staff employer pension £38,357,000

Pensions Annual Allowance Charge Compensation Scheme (PAACCS) £17,150.

Transfers between reserves represents the balance held in the revaluation reserve for non-current assets as a result of the quinquennial revaluation this financial year.

The notes on pages 8 to 76 form part of these accounts.

Statement of Cash Flows for year ended 31 March 2024

	2023-24	2022-23
	£000	£000
Cash Flows from operating activities		
Net operating cost for the financial year	(2,158,812)	(1,991,335)
Movements in Working Capital	27 (66,181)	(7,018)
Other cash flow adjustments	28 127,598	104,097
Provisions utilised	20 (22,055)	(26,517)
Net cash outflow from operating activities	(2,119,450)	(1,920,773)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(29,364)	(28,749)
Proceeds from disposal of property, plant and equipment	5	16
Purchase of intangible assets	(119)	(933)
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
Net cash inflow/(outflow) from investing activities	(29,478)	(29,666)
Net cash inflow/(outflow) before financing	(2,148,928)	(1,950,439)
Cash Flows from financing activities		
Welsh Government funding (including capital)	2,155,923	1,950,306
Capital receipts surrendered	0	0
Capital grants received	0	460
Capital element of payments in respect of finance leases and on-SoFP PFI Schemes	(61)	(59)
Capital element of payments in respect of on-SoFP PFI	0	0
Capital element of payments in respect of Right of Use Assets	(4,820)	(4,033)
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	2,151,042	1,946,674
Net increase/(decrease) in cash and cash equivalents	2,114	(3,765)
Cash and cash equivalents (and bank overdrafts) at 1 April 2023	2,913	6,678
Cash and cash equivalents (and bank overdrafts) at 31 March 2024	5,027	2,913

The notes on pages 8 to 76 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHBs) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2023-24 Manual for Accounts. The accounting policies contained in that manual follow the 2023-24 Financial Reporting Manual (FReM) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2. Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3. Income and funding

The main source of funding for the LHBs are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the LHB. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FREM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred. Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees and the Health Board does not routinely permit carry-over of annual leave between leave years for staff on Agenda for Change or Executive and Senior Management contracts.

Staff on Medical and Dental Contracts, where the leave year is not linked to the financial year, may carry forward up to five days annual leave subject to an approval process. In exceptional circumstances where a staff member has been expressly prevented from taking their annual leave entitlement because of service needs or due to long term sickness or maternity then carry-over of leave may be authorised.

In these circumstances the cost of leave earned but not taken by employees at the end of the financial period has been recognised as a liability in the 2023-24 financial statements.

1.4.2. Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1st April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019-20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

However, NHS Wales' organisations are required to account for their staff employer contributions of 20.68% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see the Other Note within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

1.5. Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.6.2. Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1st April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2022-23 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However, IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

1.6.3. Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated, for All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7. Intangible assets

1.7.1. Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- the intention to complete the intangible asset and use it.
- the ability to use the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

1.7.2 Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8. Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

1.9. Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale,

within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 1st April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the standard have been employed. These are as follows: The entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application the LHB has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the LHB in applying IFRS 16.

These include:

- the measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16
- the measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16

The LHB will not apply IFRS 16 to any new leases of intangible assets, applying the treatment described in section 1.7 instead.

The LHB is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the LHB has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The LHB is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The LHB employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the LHB applies a revised rate to the remaining lease liability.

Where existing leases are modified the LHB must determine whether the arrangement constitutes a separate lease and apply the standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by the LHB.

1.11.2 Betsi Cadwaladr University LHB as lessor

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the LHB's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the LHB's net investment outstanding in respect of the leases.

Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Where the LHB is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition the LHB has reassessed the classification of all of its continuing subleasing arrangements to include peppercorn leases.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14. Provisions

Provisions are recognised when the LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the discount rate supplied by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the LHB has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the LHB has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1. Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2022-23 and 2023-24. The WRPS is hosted by Velindre University NHS Trust.

1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1st April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

1.16. Financial assets

Financial assets are recognised on the SoFP when the LHB becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1. Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.16.2. Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4. Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

1.16.5. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the LHB assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.17. Financial liabilities

Financial liabilities are recognised on the SOFP when the LHB becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

1.17.1. Financial liabilities are initially recognised at fair value

Financial liabilities are classified as either financial liabilities at fair value through the SoCNE or other financial liabilities.

1.17.2. Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18. Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21. Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the LHB not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The LHB accounts for all losses and special payments gross (including assistance from the WRP).

The LHB accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.22. Pooled budgets

The LHB has entered into pooled budget arrangements with local authorities across North Wales. Under these arrangements funds are pooled in accordance with Section 33 of the NHS (Wales) Act 2006 for specific activities as detailed in Note 32 - Pooled budgets.

The LHB accounts for its share of the assets, liabilities, income and expenditure from these activities in accordance with each pooled budget's arrangements.

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1st April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

The LHB provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Remote Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision Contingent Liability for all other estimated expenditure.
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary’s Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.25%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

1.25 Discount Rates

The LHB applies discount rates provided by H M Treasury's Public Expenditure System (PES) to provisions for post employment benefits reported in Note 20 Provisions on pages 57 and 58. The relevant discount rate for 2023-24 is 2.45% (2022-23 -1.7%)

The impact of unwinding of discounts is reported in Note 7 Finance Costs on page 32.

1.26 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The LHB therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.26.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.26.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the LHB's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.26.3. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.26.4 Impact of IFRS 16 on on-balance sheet PFI/PPP Schemes as from 1st April 2023.

On-balance sheet PPP arrangements should be based on IFRS 16 accounting principles from 2023-24.

When measuring the liability for on-balance sheet PPP contracts containing capital payments linked to a price index IFRS 16 requires that a lessee shall remeasure the lease liability where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The lessee shall remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

Initial remeasurement - the future PPP liability will need to be remeasured at 1st April 2023 to include the actual indexation-linked changes to payments for the capital/infrastructure element which have taken effect in the cash flows since the PPP agreement commenced. This should use a cumulative catch-up approach, where the cumulative effect is recognised as an adjustment to the opening balance of retained earnings.

Subsequent measurement - The PPP liability will continue to require remeasurements whenever cash payments change in response to indexation movements as set out in the individual PPP contract. The double entry for the subsequent liability remeasurement should be Debit Finance Cost, Credit PPP liability.

The liability does not include estimated future indexation linked increases.

1.26.5. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHB's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.26.6. Assets contributed by the LHB to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHB's SoFP.

1.26.7. Other assets contributed by the LHB to the operator

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

1.27. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where transfer of function is between LHBs the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.29. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1st January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1st January 2023, Standard is not yet adopted by the FReM which is expected to be from April 2025: early adoption is not permitted.

1.30. Accounting standards issued that have been adopted early

During 2023-24 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1st April 2013, the LHB has established that as it is the corporate trustee of the linked charity "Betsi Cadwaladr University Health Board and Other Related Charities", it is considered for accounting standards compliance to have control of the Charity as a subsidiary. It is therefore required to consolidate the results of the Charity within the statutory accounts of the LHB.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Charity or its independence in its management of charitable funds.

However, the LHB has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts.

Details of the transactions with the Charity are included in Note 30 Related Party Transactions.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1st April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1st April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years;
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2021-22 £000	2022-23 £000	2023-24 £000	Total £000
Net operating costs for the year	1,873,353	1,991,335	2,158,812	6,023,500
Less general ophthalmic services expenditure and other non-cash limited expenditure	637	1,790	1,777	4,204
Less unfunded revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Less any non funded revenue consequences of IFRS 16	0	0	0	0
Total operating expenses	1,873,990	1,993,125	2,160,589	6,027,704
Revenue Resource Allocation	1,874,279	1,993,514	2,136,242	6,004,035
Under /(over) spend against Allocation	289	389	(24,347)	(23,669)

Betsi Cadwaladr University LHB has not met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2021-22 to 2023-24.

The Health Board received £27.000m cash-only support from Welsh Government during 2023-24 with the accumulated cash-only support as at 31st March 2024 being £176.694m. This support has been provided by Welsh Government to assist the Health Board with making payments to staff and suppliers; there is no requirement for this funding to be repaid.

2.2 Capital Resource Performance

	2021-22	2022-23	2023-24	Total
	£000	£000	£000	£000
Gross capital expenditure	47,598	29,683	34,855	112,136
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment, right of use and intangible assets	(513)	0	0	(513)
Less capital grants received	(779)	0	0	(779)
Less donations received	(442)	(460)	(566)	(1,468)
Less IFRS16 Peppercorn income	0	0	0	0
Less initial recognition of RoU Asset Dilapidations	0	0	0	0
Charge against Capital Resource Allocation	45,864	29,223	34,289	109,376
Capital Resource Allocation	45,886	29,252	34,483	109,621
(Over) / Underspend against Capital Resource Allocation	22	29	194	245

Betsi Cadwaladr University LHB has met its financial duty to break-even against its Capital Resource Limit over the 3 years 2021-22 to 2023-24.

2.3 Duty to prepare a 3 year integrated plan

The Health Board is required to develop an Integrated Medium Term Plan (IMTP), which is financially balanced, under the requirements of the NHS Finance (Wales) Act 2014. The development of a three year IMTP aligned with national and Health Board strategies was also a key element within the Targeted Improvement framework.

The Health Board confirmed to Welsh Government via an Accountable Officer letter it was unable to fulfil its statutory duty to produce a three year IMTP, being unable to deliver financial balance over a three-year period. In addition, whilst addressing the Ministerial Priorities set out in the NHS Wales Planning Framework, the Health Board was unable to achieve all the required performance targets. The Health Board instead submitted an Annual Plan for 2023-24, focused on stabilisation and recovery.

Therefore, in line with section 175(2) of the National Health Service (Wales) Act 2006 (as amended by NHS Finance (Wales) Act 2014) and the NHS Wales Planning Framework, the organisation failed to meet its statutory duty to prepare a 3 year integrated plan.

The Minister for Health and Social Services extant approval

Status
Date

Not Approved
Not Applicable

Betsi Cadwaladr University LHB has not therefore met its statutory duty to have an approved financial plan.

2.4 Creditor payment

The LHB is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The LHB has achieved the following results:

	2023-24	2022-23
Total number of non-NHS bills paid	415,369	389,329
Total number of non-NHS bills paid within target	392,504	370,046
Percentage of non-NHS bills paid within target	94.5%	95.0%

The LHB has not met the target.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £000	Non-cash limited £000	2023-24 Total £000	2022-23 Total £000
General Medical Services	155,174		155,174	146,147
Pharmaceutical Services	36,186	(9,540)	26,646	25,264
General Dental Services	35,759		35,759	38,398
General Ophthalmic Services	2,425	7,763	10,188	8,190
Other Primary Health Care expenditure	5,551		5,551	4,110
Prescribed drugs and appliances	130,223		130,223	120,819
Total	365,318	(1,777)	363,541	342,928

Note 3.1 Expenditure on Primary Healthcare Services includes £35,202,000 (2022-23 £31,025,000) expenditure in respect of pay costs as follows: General Medical Services £30,450,000 (2022-23 £27,099,000), Pharmaceutical Services £197,000 (2022-23 £190,000) General Dental Services £925,000 (2022-23 £1,016,000) Other Primary Health Care expenditure £3,630,000 (2022-23 £2,720,000).

3.2 Expenditure on healthcare from other providers

	2023-24 £000	2022-23 £000
Goods and services from other NHS Wales Health Boards	7,077	6,632
Goods and services from other NHS Wales Trusts	10,451	8,826
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	87,837	70,091
Goods and services from WHSSC / EASC	242,659	226,704
Local Authorities	0	3,253
Voluntary organisations	11,151	10,704
NHS Funded Nursing Care	7,990	7,780
Continuing Care	120,100	99,614
Private providers	10,362	14,169
Specific projects funded by the Welsh Government	0	0
Other	0	0
Total	497,627	447,773

Local authorities expenditure of £3,253,000 during 2022-23 related to expenditure incurred on healthcare in response to the Covid-19 pandemic, including the Test, Trace, Protect (TTP) Regional Cell and support in Mass Vaccination Centres. No local authority expenditure was incurred for these activities during 2023-24.

3.3 Expenditure on Hospital and Community Health Services

	2023-24	2022-23
	£000	£000
Directors' costs	2,386	2,231
Operational Staff costs	1,067,678	978,581
Single lead employer Staff Trainee Cost	33,338	30,934
Collaborative Bank Staff Cost	0	0
Supplies and services - clinical	171,807	150,049
Supplies and services - general	56,811	56,008
Consultancy Services	805	2,403
Establishment	13,839	10,531
Transport	4,392	4,584
Premises	62,041	64,487
External Contractors	0	0
Depreciation	38,684	37,805
Depreciation Right of Use assets (RoU)	5,038	4,311
Amortisation	485	362
Fixed asset impairments and reversals (Property, plant & equipment)	(4,396)	251
Fixed asset impairments and reversals (RoU Assets)	579	0
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	636	462
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	(1,788)	5,641
Research and Development	646	659
Expense related to short-term leases	201	212
Expense related to low-value asset leases (excluding short-term leases)	774	318
Other operating expenses	6,133	6,213
Total	1,460,089	1,356,042

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2023-24	2022-23
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		
Secondary care	45,580	23,813
Primary care	40	49
Redress Secondary Care	356	110
Redress Primary Care	0	0
Personal injury	1,753	(720)
All other losses and special payments	(4,056)	4,441
Defence legal fees and other administrative costs	1,292	1,726
Gross increase/(decrease) in provision for future payments	44,965	29,419
Contribution to Welsh Risk Pool	10	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	405	(117)
Less: income received/due from Welsh Risk Pool	(47,168)	(23,661)
Total	(1,788)	5,641

	2023-24	2022-23
	£	£
Permanent injury included within personal injury £:	243,632	(963,197)

Fixed asset impairments and reversals (Property, plant & equipment) in Note 3.3 includes a credit of £8,482,000 (2022 -23 £15,191,000) in respect of the reversal of impairments charged to expenditure in previous periods. The value of impairment reversals is also reported in the Cost or valuation section of Note 11.1 Property, plant and equipment on page 40 of these accounts.

4. Miscellaneous Income

	2023-24	2022-23
	£000	£000
Local Health Boards	6,186	5,983
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	51,207	47,455
NHS Wales trusts	6,947	6,914
Welsh Special Health Authorities	22,741	20,569
Foundation Trusts	1,020	1,213
Other NHS England bodies	17,964	18,407
Other NHS Bodies	521	421
Local authorities	13,205	13,949
Welsh Government	2,402	2,503
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	17	16
Dental fee income	3,963	4,312
Private patient income	646	644
Overseas patients (non-reciprocal)	155	122
Injury Costs Recovery (ICR) Scheme	1,225	950
Other income from activities	15,948	15,900
Patient transport services	0	0
Education, training and research	7,022	6,077
Charitable and other contributions to expenditure	1,905	1,041
Receipt of NWSPP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	0	460
Receipt of Government granted assets	0	0
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	256	318
NHS Wales Shared Services Partnership (NWSPP)	0	0
Deferred income released to revenue	41	36
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	311	339
Other income:		
Provision of laundry, pathology, payroll services	159	140
Accommodation and catering charges	4,015	3,179
Mortuary fees	396	403
Staff payments for use of cars	826	888
Business Unit	0	0
Scheme Pays Reimbursement Notional	60	(1,109)
Other	3,696	4,239
Total	162,834	155,369
Other income Includes;		
Staff recharges not included in other lines	1,228	1,281
VAT recovery on salary sacrifice schemes	0	368
Movement in Expected Credit Losses (ECLs) on invoiced income	(352)	112
Other	2,820	2,478
	0	0
	0	0
	0	0
Total	3,696	4,239

Injury Cost Recovery (ICR) Scheme income	2023-24	2022-23
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.07	23.76

Injury Cost Recovery (ICR) Scheme

Whilst Injury Cost Recovery (ICR) Scheme income is generally subject to a provision for impairment of 23.07% to reflect expected rates of collection, the Health Board has further increased the provision impairment rate on specific aged cases in order to reflect the additional risk of potential non-recovery.

Charitable and other contributions to expenditure of £1,905,000 during 2023-24 includes £1,339,000 for revenue expenditure and £566,000 for the purchase of items of capital expenditure.

5. Investment Revenue

	2023-24	2022-23
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2023-24	2022-23
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	5	16
Gain/(loss) on disposal other than by sale of right of use assets	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	5	16

7. Finance costs

	2023-24	2022-23
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	309	0
Interest on obligations under PFI contracts;		
main finance cost	29	31
contingent finance cost	0	0
Impact of IFRS 16 on PPP/PFI contracts	0	0
Interest on late payment of commercial debt	7	1
Other interest expense	0	0
Total interest expense	345	32
Provisions unwinding of discount	49	(55)
Other finance costs	0	0
Total	394	(23)

Total interest on obligations under Right of Use Leases during the year was £393,000 of which £309,000 is included in Note 7 Finance Costs above, with the balance of £84,000 included in Note 3.1 Expenditure on Primary Healthcare Services.

8. Future charges to Statement of Comprehensive Net Expenditure (SoCNE)

LHB as lessee

As at 31st March 2024 the Health Board had 2,324 leases agreements in place; 846 arrangements in respect of equipment and 1,478 in respect of vehicles, with 125 equipment and 283 vehicle leases having expired in year.

The periods in which the remaining agreements will expire are shown below:

	2023-24	2023-24	2023-24	2022-23
	Low Value & Short Term	Other	Total	Total
	£000	£000	£000	£000
Payments recognised as an expense				
Minimum lease payments	6,219	0	6,219	6,651
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	6,219	0	6,219	6,651
Total future minimum lease payments				
Payable	£000	£000	£000	£000
Not later than one year	5,797	0	5,797	4,893
Between one and five years	5,677	0	5,677	2,991
After 5 years	0	0	0	361
Total	11,474	0	11,474	8,245

LHB as lessor

	2023-24	2022-23
	£000	£000
Rental revenue		
Rent	253	345
Contingent rents	0	0
Total revenue rental	253	345
Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	244	345
Between one and five years	327	315
After 5 years	674	731
Total	1,245	1,391

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	805,319	2,993	47,388	26,543	0	25,858	908,101	835,940
Social security costs	83,434	0	0	3,185	0	2,108	88,727	82,054
Employer contributions to NHS Pension Scheme	138,127	0	0	3,610	0	0	141,737	125,938
Other pension costs	621	0	0	0	0	0	621	636
Other employment benefits	75	0	0	0	0	0	75	(1,092)
Termination benefits	0	0	0	0	0	0	0	0
Total	1,027,576	2,993	47,388	33,338	0	27,966	1,139,261	1,043,476

Charged to capital							658	706
Charged to revenue							1,138,603	1,042,770
							1,139,261	1,043,476

Net movement in accrued employee benefits (untaken staff leave) (8,956) (14,631)

The "Other" staff column includes temporary and contract staff such as short-term direct engagement contracts, IR35 applicable staff, Out of Hours GPs, GMS Locum Doctors and Agency Commissioning Cost. Social Security costs relating to these groups of staff for the 2023-24 financial year are included within the Permanent Staff column of the above note.

Other employment benefits relate to the costs associated with the 2019-20 Scheme Pays arrangements. Potential future liabilities of the scheme increased during 2023-24 and this increase has been matched funded by Welsh Government.

The decrease in accrued employee benefits as at 31st March 2024 relates to a reduction in untaken annual leave entitlements. Information on the arrangements in place for staff to carry forward untaken annual leave is provided in Accounting Policy Note 1.4.1 Short-term employee benefits on page 9.

9.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Collaborative Bank Staff	Other	Total	2022-23
	Number	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	3,684	10	42	0	0	0	3,736	3,503
Medical and dental	1,161	18	19	456	0	106	1,760	1,626
Nursing, midwifery registered	5,512	0	405	0	0	0	5,917	5,291
Professional, Scientific, and technical staff	750	7	1	0	0	0	758	694
Additional Clinical Services	4,013	0	5	0	0	0	4,018	3,615
Allied Health Professions	1,206	0	54	0	0	0	1,260	1,156
Healthcare Scientists	288	0	1	0	0	0	289	261
Estates and Ancillary	1,368	0	1	0	0	0	1,369	1,328
Students	23	0	0	0	0	0	23	20
Total	18,005	35	528	456	0	106	19,130	17,494

The average number of employees reported in Note 9.2 is the whole-time equivalent average number of employees who were under contract of service in each month of 2023-24.

9.3. Retirements due to ill-health

	2023-24	2022-23
Number	25	13
Estimated additional pension costs £	2,370,558	1,237,004

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. These additional pension costs have been calculated on an average basis and will be borne by the NHS Pension Scheme.

9.4 Employee benefits

Employee benefits refer to non-pay benefits which are not attributable to individual employees, for example group membership of a club. The Health Board does not operate any employee benefit schemes.

9.5 Reporting of other compensation schemes - exit packages

	2023-24	2023-24	2023-24	2023-24	2022-23
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	1	1	0	7
£10,000 to £25,000	0	0	0	0	2
£25,000 to £50,000	0	0	0	0	1
£50,000 to £100,000	0	1	1	0	0
£100,000 to £150,000	0	0	0	0	1
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	1
Total	0	2	2	0	12

	2023-24	2023-24	2023-24	2023-24	2022-23
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£	£	£	£	£
less than £10,000	0	8,775	8,775	0	31,375
£10,000 to £25,000	0	0	0	0	36,107
£25,000 to £50,000	0	0	0	0	41,785
£50,000 to £100,000	0	59,295	59,295	0	0
£100,000 to £150,000	0	0	0	0	139,298
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	210,077
Total	0	68,070	68,070	0	458,642

Exit costs paid in year of departure	Total paid in year	Total paid in year
	2023-24	2022-23
	£	£
Exit costs paid in year	68,070	1,939,248
Total	68,070	1,939,248

This disclosure reports the number and value of exit packages agreed during the year. The actual date of departure may be in a subsequent period and the expense in relation to departure costs may have been accrued in a previous period. Total exit costs paid during 2023-24, the year of departure, were £68,070 (2022-23 £1,939,248).

The Health Board pays all redundancy and other departure costs in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Additional costs relating to early retirements, including early retirements on grounds of redundancy for employees entitled to pension benefits, are met by the Health Board and not by the NHS Pension Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

9.6 Fair Pay disclosures

9.6.1 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/employee in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

	2023-24 £000 Chief	2023-24 £000 Employee	2023-24 £000 Ratio	2022-23 £000 Chief	2022-23 £000 Employee	2022-23 £000 Ratio
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	253	26	9.83	223	24	9.28
Median pay	253	35	7.19	223	33	6.76
75th percentile pay ratio	253	45	5.56	223	43	5.16
Salary component of total pay and benefits						
25th percentile pay ratio	253	23		223	21	
Median pay	253	29		223	26	
75th percentile pay ratio	253	43		223	41	
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits	Director	Employee	Ratio	Director	Employee	Ratio
25th percentile pay ratio	273	26	10.61	433	24	18.05
Median pay	273	35	7.76	433	33	13.15
75th percentile pay ratio	273	45	6.00	433	43	10.04
Salary component of total pay and benefits						
25th percentile pay ratio	273	23		433	21	
Median pay	273	29		433	26	
75th percentile pay ratio	273	43		433	41	

In 2023-24, 14 (2022-23, 2) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £22,720 to £402,600 (2022-23, £20,758 to £433,000). The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees. The Chief Executive salary for the remuneration relationship is based on actual salary, consistent with the Remuneration Report.

Financial Year Summary

The Remuneration Relationship of the Chief Executive remained largely unchanged during 2023-24 with only minor increases across the various pay ratios. Remuneration Relationship ratios for the highest paid Director decreased significantly during the year as total reported pay for 2023-24 is £273,000 compared to £433,000 in 2022-23.

The median pay of the workforce increased by £2,000 (rounded) during the year, compared to £1,000 (rounded) the year before.

Staff covered by the Agenda for Change agreement received an average 5% inflationary pay increase during 2023-24 (2022-23 4%). Medical Staff received an inflationary pay award of 5% (2022-23 4.5%).

9.6.2 Percentage Changes

	2022-23 to 2023-24	2021-22 to 2022-23
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	14	0
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances	(37)	95
Performance pay and bonuses	0	0
Average % Change from previous financial year in respect of employees takes as a whole		
Salary and allowances	6	3
Performance pay and bonuses	0	0

The highest paid director during 2023-24, excluding the Chief Executive, was the former Interim Executive Director of Finance in post until June 2023.

The Health Board did not pay any performance pay or bonuses in 2023-24

9.7 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,270 for the 2023-24 tax year (2022-23 £6,240 and £50,270).

Restrictions on the annual contribution limits were removed on 1st April 2017.

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2023-24	2023-24	2022-23	2022-23
	Number	£000	Number	£000
NHS				
Total bills paid	5,035	403,119	4,316	383,631
Total bills paid within target	4,455	382,457	3,753	372,457
Percentage of bills paid within target	88.5%	94.9%	87.0%	97.1%
Non-NHS				
Total bills paid	415,369	934,927	389,329	900,380
Total bills paid within target	392,504	906,772	370,046	871,537
Percentage of bills paid within target	94.5%	97.0%	95.0%	96.8%
Total				
Total bills paid	420,404	1,338,046	393,645	1,284,011
Total bills paid within target	396,959	1,289,229	373,799	1,243,994
Percentage of bills paid within target	94.4%	96.4%	95.0%	96.9%

During 2023-24 the Health Board paid 94.5% of non-NHS invoices by number within 30 days (2022-23 95.0%) and therefore did not achieve the Welsh Government performance measure. This mainly related to payment performance during August 2023.

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2023-24	2022-23
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	7,417	569
Compensation paid to cover debt recovery costs under this legislation	3,521	240
Total	10,938	809

11.1 Property, plant and equipment

2023-24

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	50,424	531,675	20,742	22,829	120,658	960	29,876	6,756	783,920
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2023	50,424	531,675	20,742	22,829	120,658	960	29,876	6,756	783,920
Indexation	(1,015)	23,295	1,183	0	0	0	0	0	23,463
Additions									
- purchased	0	0	0	21,400	4,143	53	4,047	76	29,719
- donated	0	122	0	0	408	0	36	0	566
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	19,558	0	(24,569)	4,972	0	39	0	0
Revaluations	0	(1,261)	0	0	0	0	0	0	(1,261)
Reversal of impairments	0	8,427	55	0	0	0	0	0	8,482
Impairments	(544)	(3,542)	0	0	0	0	0	0	(4,086)
Reclassified as held for sale	(348)	(538)	0	0	0	0	0	0	(886)
Disposals	0	0	0	0	(2,205)	(163)	(234)	0	(2,602)
At 31 March 2024	48,517	577,736	21,980	19,660	127,976	850	33,764	6,832	837,315
Depreciation at 31 March bf	0	20,278	768	0	67,376	556	18,338	4,046	111,362
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2023	0	20,278	768	0	67,376	556	18,338	4,046	111,362
Indexation	0	1,210	46	0	0	0	0	0	1,256
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(624)	0	0	0	0	0	0	(624)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	(538)	0	0	0	0	0	0	(538)
Disposals	0	0	0	0	(2,205)	(163)	(234)	0	(2,602)
Provided during the year	0	21,442	817	0	11,568	92	4,105	660	38,684
At 31 March 2024	0	41,768	1,631	0	76,739	485	22,209	4,706	147,538
Net book value at 1 April 2023	50,424	511,397	19,974	22,829	53,282	404	11,538	2,710	672,558
Net book value at 31 March 2024	48,517	535,968	20,349	19,660	51,237	365	11,555	2,126	689,777
Net book value at 31 March 2024 comprises :									
Purchased	48,517	527,760	20,349	19,660	47,538	323	11,557	1,951	677,655
Donated	0	7,487	0	0	2,777	42	37	175	10,518
Government Granted	0	721	0	0	883	0	0	0	1,604
At 31 March 2024	48,517	535,968	20,349	19,660	51,198	365	11,594	2,126	689,777
Asset financing :									
Owned	48,517	534,870	20,349	19,660	51,198	365	11,594	2,126	688,679
On-SoFP MIMS Funded PPP contracts	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	1,098	0	0	0	0	0	0	1,098
At 31 March 2024	48,517	535,968	20,349	19,660	51,198	365	11,594	2,126	689,777

The net book value of land, buildings and dwellings at 31 March 2024 comprises :

	£000
Freehold	600,930
Long Leasehold	3,904
Short Leasehold	0
	604,834

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

11.1 Property, plant and equipment

2022-23	Assets under								Total £000
	Land £000	Buildings, excluding dwellings £000	Dwellings £000	construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	
Cost at 31 March bf	46,776	538,867	21,243	31,391	123,050	1,056	31,689	6,977	801,049
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	(470)	(3,276)	0	0	0	0	0	0	(3,746)
Cost or valuation at 1 April 2022	46,306	535,591	21,243	31,391	123,050	1,056	31,689	6,977	797,303
Indexation	(1,025)	16,870	892	0	0	0	0	0	16,737
Additions									
- purchased	0	0	0	12,669	8,499	0	2,035	59	23,262
- donated	0	107	0	0	353	0	0	0	460
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	100	0	0	0	100
Reclassifications	0	13,942	133	(21,231)	7,156	0	0	0	0
Revaluations	5,439	(35,447)	(959)	0	0	0	0	0	(30,967)
Reversal of impairments	663	14,486	42	0	0	0	0	0	15,191
Impairments	(959)	(13,874)	(609)	0	0	0	0	0	(15,442)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(18,500)	(96)	(3,848)	(280)	(22,724)
At 31 March 2023	50,424	531,675	20,742	22,829	120,658	960	29,876	6,756	783,920
Depreciation at 31 March bf	0	84,403	3,079	0	74,577	561	17,065	3,648	183,333
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	(634)	0	0	0	0	0	0	(634)
Depreciation at 1 April 2022	0	83,769	3,079	0	74,577	561	17,065	3,648	182,699
Indexation	0	76	0	0	0	0	0	0	76
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	(4)	4	(4)	4	0
Revaluations	0	(83,419)	(3,075)	0	0	0	0	0	(86,494)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(18,499)	(96)	(3,849)	(280)	(22,724)
Provided during the year	0	19,852	764	0	11,302	87	5,126	674	37,805
At 31 March 2023	0	20,278	768	0	67,376	556	18,338	4,046	111,362
Net book value at 1 April 2022	46,306	451,822	18,164	31,391	48,473	495	14,624	3,329	614,604
Net book value at 31 March 2023	50,424	511,397	19,974	22,829	53,282	404	11,538	2,710	672,558
Net book value at 31 March 2023 comprises :									
Purchased	50,424	503,441	19,974	22,829	48,799	353	11,534	2,477	659,831
Donated	0	7,233	0	0	3,368	51	4	233	10,889
Government Granted	0	723	0	0	1,115	0	0	0	1,838
At 31 March 2023	50,424	511,397	19,974	22,829	53,282	404	11,538	2,710	672,558
Asset financing :									
Owned	50,424	510,282	19,974	22,829	53,282	404	11,538	2,710	671,443
On-SoFP PFI contracts	0	1,115	0	0	0	0	0	0	1,115
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	50,424	511,397	19,974	22,829	53,282	404	11,538	2,710	672,558

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	577,946
Long Leasehold	3,849
Short Leasehold	0
	<u>581,795</u>

Valuers 'material uncertainty', in valuation. The disclosure relates to the materiality in the valuation report not that of the underlying account.

0

11. Property, plant and equipment (continued)**Disclosures:****(i) Donated Assets**

Donated tangible asset additions during 2023-24 included schemes funded by:

- Betsi Cadwaladr University Health Board and Other Related Charities - £322,000
- Other hospital based voluntary bodies - £244,000

(ii) Valuations

The Health Board's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation was prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The Health Board is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

(iii) Asset Lives

Property, plant and equipment is depreciated using the following asset lives:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment between 5-15 years.

(iv) Compensation

There has been no compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

(v) Write Downs

Professional valuations were requested for five building assets as detailed in Note 13 Impairments on page 50.

(vi) Open Market Value

The Health Board does not hold any property where the value is materially different from its open market value.

(vii) Assets Held for Sale or sold in the period

The balance of £348,000 on Note 11.2 Non-current assets held for sale at 31st March 2024 relates to Cilan Mental Health Resource Centre and Pwllheli Health Centre, both of which will be disposed during 2024-25.

(viii) IFRS 13 Fair value measurement

There are no assets requiring Fair Value measurement under IFRS 13.

11. Property, plant and equipment

11.2 Non-current assets held for sale	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2023	0	0	0	0	0	0
Plus assets classified as held for sale in the year	348	0	0	0	0	348
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2024	<u>348</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>348</u>
Balance brought forward 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2023	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The non-current assets held for sale balance of £348,000 as at 31st March 2024 relates to the Cilan Mental Health Resource Centre and Pwllheli Health Centre, both of which will be disposed during 2024-25.

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings within the note. Whilst most are individually insignificant, eleven buildings with the following net book values as at 31st March 2024 are considered significant in their own right:

Buckley Primary Care Resource Centre (PCRC) £1.798m, Caia Park PCRC £1.766m, Connahs Quay Health Centre £0.952m, Llys Dyffig £2.840m, Tan Y Castell £1.504m, Rysseldene Surgery £1.267m, Ruabon Medical Centre £0.833m, Rhoslan Surgery £1.285m, Connahs Quay Health Centre £1.017m, Renal Services £1.422m, Cambrian & Berwyn House £1.253m.

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2023-24									
Cost or valuation at 31 March	470	0	29,578	0	7,175	1,775	1,261	0	40,259
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	76	0	(7)	0	0	0	69
Cost or valuation at 1 April	470	0	29,654	0	7,168	1,775	1,261	0	40,328
Additions	587	0	940	0	2,020	694	251	0	4,492
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	(73)	0	228	0	0	0	0	0	155
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(3)	0	(576)	0	0	0	0	0	(579)
De-recognition	0	0	(150)	0	(63)	(310)	0	0	(523)
At 31 March	981	0	30,096	0	9,125	2,159	1,512	0	43,873
Depreciation at 31 March	12	0	3,185	0	895	504	349	0	4,945
Transfer of Finance Leases from PPE Note	0	0	0	0	0	0	0	0	0
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	12	0	3,185	0	895	504	349	0	4,945
Recognition	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	228	0	0	0	0	0	228
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	(150)	0	(63)	(310)	0	0	(523)
Provided during the year	22	0	2,796	0	1,106	762	354	0	5,040
At 31 March	34	0	6,059	0	1,938	956	703	0	9,690
Net book value at 1 April	458	0	26,469	0	6,273	1,271	912	0	35,383
Net book value at 31 March	947	0	24,037	0	7,187	1,203	809	0	34,183
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	947	0	2,243	0	0	0	0	0	3,190
Other Public Sector Market Value Leases	0	0	3,574	0	0	0	0	0	3,574
Private Sector Peppercorn Leases	0	0	24	0	0	0	0	0	24
Private Sector Market Value Leases	0	0	18,196	0	7,187	1,203	809	0	27,395
Total	947	0	24,037	0	7,187	1,203	809	0	34,183

11.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, 11 are significant in their own right: Buckley Primary Care Resource CtreTrust (PCRC) £1.96m, Caia Park PCRC £1.92m, Connahs Quay Health Ctre £1.1m, Llŷs Dyffig £2.86m, Tany Y Castell £1.52m, Rysseidene Surgery £1.70m, Ruabon Medica Ctre £0.96m, Rhoslan Surgery £1.39m, Morris Practice Connahs Quay £1.18m, Renal Services £1.69m, Cambrian & Berwyn House £1.61m held under buildings nbv at 31 March 2023.)

	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
2022-23									
Cost or valuation at 31 March	0	0	0	0	0	0	0	0	0
Lease prepayments in relation to RoU Assets	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	470	0	3,276	0	0	0	0	0	3,746
Operating Leases Transitioning	0	0	25,809	0	3,604	789	1,261	0	31,463
Cost or valuation at 1 April	470	0	29,085	0	3,604	789	1,261	0	35,209
Additions	0	0	493	0	3,571	986	0	0	5,050
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
At 31 March	470	0	29,578	0	7,175	1,775	1,261	0	40,259
Depreciation at 31 March	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	0	634	0	0	0	0	0	634
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	0	634	0	0	0	0	0	634
Recognition	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
De-recognition	0	0	0	0	0	0	0	0	0
Provided during the year	12	0	2,551	0	895	504	349	0	4,311
At 31 March	12	0	3,185	0	895	504	349	0	4,945
Net book value at 1 April	470	0	28,451	0	3,604	789	1,261	0	34,575
Net book value at 31 March	458	0	26,393	0	6,280	1,271	912	0	35,314
RoU Asset Total Value Split by Lessor									
Lessor	Land £000	Land & buildings £000	Buildings £000	Dwellings £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
NHS Wales Peppercorn Leases	0	0	0	0	0	0	0	0	0
NHS Wales Market Value Leases	0	0	0	0	0	0	0	0	0
Other Public Sector Peppercorn Leases	458	0	1,555	0	0	0	0	0	2,013
Other Public Sector Market Value Leases	0	0	3,712	0	0	0	0	0	3,712
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	0	21,126	0	6,280	1,271	912	0	29,589
Total	458	0	26,393	0	6,280	1,271	912	0	35,314

11.3 Right of Use Assets continued

Quantitative disclosures

Maturity analysis	2023-24		2023-24	2023-24		2022-23
	Land	Buildings	Other	Total		Total
Contractual undiscounted cash flows relating to lease liabilities	£000		£000	£000		£000
Less than 1 year	0	2,608	2,303	4,911		4,423
2-5 years	0	8,767	5,202	13,969		13,195
> 5 years	0	13,773	2,117	15,890		17,145
Less finance charges allocated to future periods	0	-3,018	-446	-3,464		-3,375
Total	0	22,130	9,176	31,306		31,388
Lease Liabilities (net of irrecoverable VAT)				2023-24	2022-23	
Current				4,565	4,138	
Non-Current				26,741	27,250	
Total				31,306	31,388	
Amounts Recognised in Statement of Comprehensive Net Expenditure				2023-24	2022-23	
Depreciation				5,038	4,311	
Impairment				579	0	
Variable lease payments not included in lease liabilities - Interest expense				393	0	
Sub-leasing income				0	0	
Expense related to short-term leases				201	212	
Expense related to low-value asset leases (excluding short-term leases)				789	318	
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)						
Interest expense				(393)	(310)	
Repayments of principal on leases				(4,820)	(4,033)	
Total				(5,213)	(4,343)	

12. Intangible non-current assets

2023-24

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2023	5,639	0	0	0	0	0	5,639
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	108	0	0	0	0	0	108
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2024	5,747	0	0	0	0	0	5,747
Amortisation at 1 April 2023	4,103	0	0	0	0	0	4,103
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	485	0	0	0	0	0	485
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2024	4,588	0	0	0	0	0	4,588
Net book value at 1 April 2023	1,536	0	0	0	0	0	1,536
Net book value at 31 March 2024	1,159	0	0	0	0	0	1,159
NBV at 31 March 2024							
Purchased	1,144	0	0	0	0	0	1,144
Donated	15	0	0	0	0	0	15
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2024	1,159	0	0	0	0	0	1,159

12. Intangible non-current assets 2022-23

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	4,729	0	0	0	0	0	4,729
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	910	0	0	0	0	0	910
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2023	5,639	0	0	0	0	0	5,639
Amortisation at 31 March bf	3,741	0	0	0	0	0	3,741
NHS Wales Transfers	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0
Amortisation at 1 April 2022	3,741	0	0	0	0	0	3,741
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	362	0	0	0	0	0	362
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2023	4,103	0	0	0	0	0	4,103
Net book value at 1 April 2022	988	0	0	0	0	0	988
Net book value at 31 March 2023	1,536	0	0	0	0	0	1,536
NBV at 31 March 2023							
Purchased	1,509	0	0	0	0	0	1,509
Donated	27	0	0	0	0	0	27
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	1,536	0	0	0	0	0	1,536

Additional Disclosures re Intangible Assets

Disclosures:

(i) Donated Assets

The Health Board did not receive any donated intangible assets during the year.

(ii) Recognition

Intangible assets acquired separately are initially recognised at fair value. The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred to date when the criteria for recognising internally generated assets has been met (see accounting policy 1.7 for criteria).

(iii) Asset Lives

The Useful Economic Lives (UEL) of intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL with the UEL of any internally generated software being based on the professional judgement of Health Board professionals and Finance staff.

(iv) Additions during the period

Intangible additions of £107,000 during the year relates to the purchase of software for £63,000 and licences for £44,000.

(v) Disposals during the period

There were no disposals of intangible assets during the year.

13 . Impairments

	2023-24 Property, plant & equipment £000	2023-24 Right of Use Assets £000	2023-24 Intangible assets £000	2022-23 Property, plant & equipment £000	2022-23 Right of Use Assets £000	2022-23 Intangible assets £000
Impairments arising from :						
Loss or damage from normal operations	0	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0	0
Changes in market price	4,665	0	0	15,442	0	0
Others (specify)	0	0	0	0	0	0
Reversal of Impairments	(8,482)	0	0	(15,191)	0	0
Total of all impairments	(3,817)	0	0	251	0	0

Analysis of impairments charged to reserves in year :

Charged to the Statement of Comprehensive Net Expenditure	(3,817)	0	0	251	0	0
Impairments as a result of revaluation/indexation Charged to Revaluation Reserve	0	0	0	0	0	0
Impairments as a result of a loss of economic value or service potential Charged to Revaluation Reserve	0	0	0	0	0	0
Total	(3,817)	0	0	251	0	0

Impairments charged to the Statement of Comprehensive Net Expenditure during 2023-24 were conducted by the District Valuer in accordance with the requirements of IFRS.

Analysis of impairments during 2023-24

£000

Impairment on revaluation Archimedes Centre, Wrexham (Right of Use Asset)	579
Impairment on revaluation of Bryn Beryl Hospital, Pwllheli	623
Impairment on revaluation of Plas Gororau, Wrexham	514
Impairment on revaluation of Ward 6, Glan Clwyd Hospital	1,063
Impairment on revaluation of Enlli Ward, Ysbyty Gwynedd	1,342
Impairment charged to SoCNE due to 3% decrease in indexation on land	544
Reversal of impairments previously charged to SoCNE due to 5.966% increase in indexation on buildings and dwellings	(8,482)
	(3,817)

14.1 Inventories

	31 March	31 March
	2024	2023
	£000	£000
Drugs	10,323	9,515
Consumables	10,211	10,379
Energy	368	394
Work in progress	0	0
Other	34	20
Total	20,936	20,308
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2024	2023
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

Note 14.2 relates to NHS organisations that purchase inventories for resale as part of their normal activities and does not apply to the Health Board.

15. Trade and other Receivables

Current	31 March 2024 £000	31 March 2023 £000
Welsh Government	1,725	2,260
WHSSC / EASC	1,936	832
Welsh Health Boards	1,222	1,696
Welsh NHS Trusts	4,910	4,034
Welsh Special Health Authorities	554	1,136
Non - Welsh Trusts	0	0
Other NHS	3,053	2,508
2019-20 Scheme Pays - Welsh Government Reimbursement	9	8
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	69,121	43,523
NHS Wales Primary Sector FLS Reimbursement	40	2
NHS Wales Redress	310	258
Other	0	0
Local Authorities	8,875	5,700
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	9,626	9,312
Provision for irrecoverable debts	(2,406)	(1,717)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	7,446	6,417
Other accrued income	1,281	1,418
Sub total	107,702	77,387
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	1,199	1,139
Welsh Risk Pool Claim reimbursement;		
NHS Wales Secondary Health Sector	81,756	75,947
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital receivables - Tangible	0	0
Capital receivables - Intangible	0	0
Other receivables	0	0
Provision for irrecoverable debts	(562)	(753)
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	110	272
Other accrued income	2,093	2,283
Sub total	84,596	78,888
Total	192,298	156,275

15. Trade and other Receivables (continued)

Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000
By up to three months	1,039	2,101
By three to six months	1,306	491
By more than six months	1,506	1,401
	3,851	3,993

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 1 April	(2,470)	(2,440)
Transfer to other NHS Wales body	0	0
Amount written off during the year	50	26
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	(549)	(56)
Bad debts recovered during year	0	0
Balance at 31 March	(2,969)	(2,470)

In determining whether a debt should be impaired, consideration is given to the age of the debt, historic collectability rates and the results of actions already taken including referral to the Health Board's credit agencies.

Receivables VAT

Trade receivables	2,162	2,512
Other	0	0
Total	2,162	2,512

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0
RoU Sub-leasing income Recognised in Statement of Comprehensive Net Expenditure			2023-24	2022-23
RoU Sub-leasing income			0	0

17. Cash and cash equivalents

	2023-24	2022-23
	£000	£000
Balance at 1 April	2,913	6,678
Net change in cash and cash equivalent balances	2,114	(3,765)
Balance at 31 March	5,027	2,913
Made up of:		
Cash held at GBS	4,931	2,825
Commercial banks	0	0
Cash in hand	96	88
Cash and cash equivalents as in Statement of Financial Position	5,027	2,913
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	5,027	2,913

The cash and cash equivalents balance as at 31st March 2024 comprised funding for revenue expenditure of £2,574,000 (2022-23 £1,513,000) and funding for capital projects of £2,453,000 (2022-23 £1,400,000)

In response to the IAS 7 - Statement of Cash Flows requirement for additional disclosure, the changes in liabilities arising for financing activities during 2023-24 were:

Lease Liabilities (ROUA)	£4.820m
PFI liabilities:	£0.061m

The movement relates to cash, no comparative information is required by IAS 7 in 2023-24.

18. Trade and other payables

Current	31 March	31 March
	2024	2023
	£000	£000
Welsh Government	147	14
WHSSC / EASC	6,362	1,013
Welsh Health Boards	626	489
Welsh NHS Trusts	6,444	4,199
Welsh Special Health Authorities	291	125
Other NHS	23,270	19,867
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	3,693	8,776
NI contributions payable to HMRC	7,006	10,362
Non-NHS payables - Revenue	35,485	28,592
Local Authorities	26,569	25,259
Capital payables- Tangible	5,240	4,319
Capital payables- Intangible	0	11
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	4,565	4,138
Obligations under finance leases, HP contracts	63	61
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	98,229	139,629
Deferred Income:		
Deferred Income brought forward	2,441	1,857
Deferred Income Additions	(335)	620
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(41)	(36)
Other creditors	2,592	1,139
PFI assets –deferred credits	0	0
Payments on account	(13,005)	(12,601)
Sub Total	209,642	237,833
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
RoU Lease Liability	26,741	27,250
Obligations under finance leases, HP contracts	717	780
Imputed finance lease element of on SoFP PFI contracts	0	0
Impact of IFRS 16 on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	27,458	28,030
Total	237,100	265,863

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

Payables balances within Note 18 include liabilities where the Health Board had received goods or services following the issue of a purchase order, but had not been invoiced at the balance sheet date.

Following an amendment to the Welsh Government Manual for Accounts in 2023-24 the cost of these goods and services, which were previously recorded as accruals, are now included within Non-NHS Payables. The value of open purchase orders included in the accruals line in 2022-23 was £13.296m. Prior year figures have not been restated.

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2024	2023
	£000	£000
Between one and two years	4,310	129
Between two and five years	9,062	12,621
In five years or more	14,086	15,280
Sub-total	27,458	28,030

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	0	0	0	0

20. Provisions

	At 1 April 2023	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence-									
Secondary care	19,748	(11,120)	(1,079)	41,149	17,873	(16,217)	(13,682)	0	36,672
Primary care	55	0	0	0	55	(18)	(15)	0	77
Redress Secondary care	170	0	(36)	0	419	(221)	(63)	0	269
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	385	0	0	31	1,534	(226)	(24)	0	1,700
All other losses and special payments	4,510	0	658	0	457	(852)	(4,513)	0	260
Defence legal fees and other administration	2,205	0	0	613	1,166	(940)	(1,225)		1,819
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	145			16	0	0	0	0	161
2019-20 Scheme Pays - Reimbursement	8			0	15	(15)	0	0	8
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,083		0	0	3,504	(1,694)	(2,805)		6,088
Total	34,309	(11,120)	(457)	41,809	25,023	(20,183)	(22,327)	0	47,054
Non Current									
Clinical negligence-									
Secondary care	71,833	0	(1,422)	(41,149)	52,509	(1,131)	0	0	80,640
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,333	0	0	(31)	243	(326)	0	45	2,264
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,291	0	0	(613)	1,388	(252)	(37)		1,777
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	77			(16)	118	(163)	0	4	20
2019-20 Scheme Pays - Reimbursement	1,139			0	59	0	0	0	1,198
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	76,673	0	(1,422)	(41,809)	54,317	(1,872)	(37)	49	85,899
TOTAL									
Clinical negligence-									
Secondary care	91,581	(11,120)	(2,501)	0	70,382	(17,348)	(13,682)	0	117,312
Primary care	55	0	0	0	55	(18)	(15)	0	77
Redress Secondary care	170	0	(36)	0	419	(221)	(63)	0	269
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	2,718	0	0	0	1,777	(552)	(24)	45	3,964
All other losses and special payments	4,510	0	658	0	457	(852)	(4,513)	0	260
Defence legal fees and other administration	3,496	0	0	0	2,554	(1,192)	(1,262)		3,596
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	222			0	118	(163)	0	4	181
2019-20 Scheme Pays - Reimbursement	1,147			0	74	(15)	0	0	1,206
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,083		0	0	3,504	(1,694)	(2,805)		6,088
Total	110,982	(11,120)	(1,879)	0	79,340	(22,055)	(22,364)	49	132,953

Expected timing of cash flows:

	In year to 31 March 2025	Between 1 April 2025 and 31 March 2029	Thereafter	Total
				£000
Clinical negligence-				
Secondary care	36,672	80,639	0	117,311
Primary care	77	0	0	77
Redress Secondary care	269	0	0	269
Redress Primary care	0	0	0	0
Personal injury	1,700	981	1,284	3,965
All other losses and special payments	260	0	0	260
Defence legal fees and other administration	1,819	1,777	0	3,596
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	161	20	0	181
2019-20 Scheme Pays - Reimbursement	8	1,198	0	1,206
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	6,088	0	0	6,088
Total	47,054	84,615	1,284	132,953

Provisions included with the "Other" categories above relate to: £'000

Continuing Healthcare claims subject to further review	4,773
Onerous contract provision	569
Employment legal claims	251
Final Pay Control provisions for retired staff	247
Staff regrading appeals and pay arrears	118
Relocation expenses	85
GP managed practices premises costs	45
Total	6,088

The provision for Continuing Healthcare claims is based on estimates from the claims which have been processed up to the balance sheet date. This is subject to a significant degree of sensitivity and is dependent on the percentage of claims which are deemed eligible along with the average settlement rate.

The expected timing of cashflows is based on best available information for each individual provision as at 31st March 2024 and may be subject to changes in future periods.

20. Provisions (continued)

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	40,643	(13,450)	(6,799)	1,755	24,032	(18,551)	(7,882)	0	19,748
Primary care	22	0	0	0	75	(16)	(26)	0	55
Redress Secondary care	267	0	(70)	0	267	(137)	(157)	0	170
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	458	0	(20)	1,244	265	(519)	(1,043)	0	385
All other losses and special payments	504	0	733	0	5,177	(1,168)	(736)	0	4,510
Defence legal fees and other administration	2,087	0	0	83	2,207	(1,027)	(1,145)		2,205
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	155			(10)	0	0	0	0	145
2019-20 Scheme Pays - Reimbursement	17			8	0	(17)	0	0	8
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,878		0	0	3,679	(2,250)	(2,224)		7,083
Total	52,031	(13,450)	(6,156)	3,080	35,702	(23,685)	(13,213)	0	34,309
Non Current									
Clinical negligence:-									
Secondary care	55,061	0	(230)	(1,755)	23,907	(2,356)	(2,794)	0	71,833
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,628	0	0	(1,244)	93	(58)	(35)	(51)	2,333
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	979	0	0	(83)	892	(269)	(228)		1,291
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	91			10	128	(149)	0	(3)	77
2019-20 Scheme Pays - Reimbursement	2,239			(8)	0	0	(1,092)	0	1,139
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	61,998	0	(230)	(3,080)	25,020	(2,832)	(4,149)	(54)	76,673
TOTAL									
Clinical negligence:-									
Secondary care	95,704	(13,450)	(7,029)	0	47,939	(20,907)	(10,676)	0	91,581
Primary care	22	0	0	0	75	(16)	(26)	0	55
Redress Secondary care	267	0	(70)	0	267	(137)	(157)	0	170
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	4,086	0	(20)	0	358	(577)	(1,078)	(51)	2,718
All other losses and special payments	504	0	733	0	5,177	(1,168)	(736)	0	4,510
Defence legal fees and other administration	3,066	0	0	0	3,099	(1,296)	(1,373)		3,496
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	246			0	128	(149)	0	(3)	222
2019-20 Scheme Pays - Reimbursement	2,256			0	0	(17)	(1,092)	0	1,147
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	7,878		0	0	3,679	(2,250)	(2,224)		7,083
Total	114,029	(13,450)	(6,386)	0	60,722	(26,517)	(17,362)	(54)	110,982

21. Contingencies

21.1 Contingent liabilities

	2023-24 £'000	2022-23 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		
Secondary care	209,178	174,690
Primary care	3,012	353
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	5,633	2,632
Continuing Health Care costs	0	0
Other	0	0
Total value of disputed claims	<u>217,823</u>	<u>177,675</u>
Amounts (recovered) in the event of claims being successful	<u>(214,113)</u>	<u>(174,883)</u>
Net contingent liability	<u>3,710</u>	<u>2,792</u>

In accordance with IAS37, the Health Board is required to disclose details of claims made against it where the financial liability, if any, cannot yet be determined. The contingent liabilities included in Note 21.1 for 2023-24 relate to legal claims for alleged negligence (net of amounts recoverable from the Welsh Risk Pool in the event of claims being successful)

The Health Board has received invoices in relation to historic transactions for provision of care within the local community. The Health Board sought legal representation and on this advice disputes liability and consequently any obligation to remit funds to these third parties. The Audit Committee members remain briefed on this matter, with the values non-material to the production of the Annual Accounts in which this note is contained.

21.2 Remote Contingent liabilities	2023-24	2022-23
	£000	£000
Guarantees	0	0
Indemnities	35,911	35,567
Letters of Comfort	0	0
	<hr/>	<hr/>
Total	35,911	35,567

The 2023-24 balance for remote contingent liabilities relates to 9 litigation claims (2022-23 8 claims). In the event of these claims being successful £35,723,000 (2022-23 £35,377,000) would be recoverable from the Welsh Risk Pool.

21.3 Contingent assets	2023-24	2022-23
	£000	£000
The Health Board did not hold any contingent assets at the balance sheet date	0	0
	<hr/>	<hr/>
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.	2023-24	2022-23
	£000	£000
Property, plant and equipment	12,853	1,227
Right of Use Assets	0	0
Intangible assets	0	0
	<hr/>	<hr/>
Total	12,853	1,227

Note 22 includes capital commitments relating to the following All Wales funded schemes as at 31st March 2024:

- Radiology Informatics System Programme (RISP); and
- Elective Orthopaedic Hub-Llandudno.

Commitments in respect of discretionary capital schemes are not included in the note.

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore, the payments in this note are prepared on a cash basis.

Gross loss to the Exchequer

23.1 Number of cases and associated amounts paid out during the financial year

	Amounts paid out during period to 31 March 2024	
	Number	£
Clinical negligence	206	24,450,057
Personal injury	22	245,295
All other losses and special payments	110	425,045
Total	338	25,120,398

23.2 Analysis of number of cases and associated amounts paid out during the financial year

Case Type	In year claims in excess of £300,000		Cumulative amount £
	Case Number	£	
Cases in excess of £300,000:			
Clinical Negligence	197A1MN0198	306,678	306,678
Clinical Negligence	217A1MN0228	315,505	315,505
Clinical Negligence	217A1MN0054	325,000	385,000
Clinical Negligence	177A1MN0006	445,000	490,000
Clinical Negligence	207A1MN0287	482,000	591,000
Clinical Negligence	207A1MN0222	610,000	660,000
Clinical Negligence	127A1MN0107	680,000	2,247,856
Clinical Negligence	197A1MN0262	698,753	1,034,119
Clinical Negligence	197A1MN0200	842,500	1,042,500
Clinical Negligence	157A1MN0213	915,000	915,000
Clinical Negligence	207A1MN0201	942,076	1,020,000
Clinical Negligence	207A1MN0125	1,145,000	1,300,000
Clinical Negligence	187A1MN0041	2,075,691	3,385,000
Clinical Negligence	127A1MN0103	2,555,000	3,000,000
Clinical Negligence	127A1MN0085	3,987,533	4,247,533
	No of cases	£	£
Sub-total	15	16,325,737	20,940,190
All other cases paid in year	323	8,794,661	19,180,389
Total cases paid in year	338	25,120,398	40,120,580

23.3 Analysis of number of cases and associated amounts where no payments were made in financial year

	Number	£
Cumulative amount up to £300k	96	4,579,287
Cumulative amount greater than £300k	14	20,772,816
Total	110	25,352,103

24. Right of Use lease obligations**24.1 Obligations (as lessee)****Amounts payable under right of use asset leases:****2023-24**

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2024	2024	2024	2024
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	2,608	2,303	4,911
Between one and five years	0	8,767	5,202	13,969
After five years	0	13,773	2,117	15,890
Less finance charges allocated to future periods	0	(3,018)	(446)	(3,464)
Minimum lease payments	0	22,130	9,176	31,306
Included in:				
Current borrowings	0	2,397	2,168	4,565
Non-current borrowings	0	19,733	7,008	26,741
	0	22,130	9,176	31,306
Present value of minimum lease payments				
Within one year	0	2,397	2,168	4,565
Between one and five years	0	8,150	4,944	13,094
After five years	0	11,583	2,064	13,647
Present value of minimum lease payments	0	22,130	9,176	31,306
Included in:				
Current borrowings	0	2,397	2,168	4,565
Non-current borrowings	0	19,733	7,008	26,741
	0	22,130	9,176	31,306

2022-23

	LAND	BUILDINGS	OTHER	TOTAL
	31 March	31 March	31 March	31 March
	2023	2023	2023	2023
	£000	£000	£000	£000
Minimum lease payments				
Within one year	0	2,517	1,906	4,423
Between one and five years	0	8,605	4,590	13,195
After five years	0	14,870	2,275	17,145
Less finance charges allocated to future periods	0	(3,089)	(286)	(3,375)
Minimum lease payments	0	22,903	8,485	31,388
Included in:				
Current borrowings	0	2,310	1,828	4,138
Non-current borrowings	0	20,593	6,657	27,250
	0	22,903	8,485	31,388
Present value of minimum lease payments				
Within one year	0	2,310	1,828	4,138
Between one and five years	0	7,978	4,433	12,411
After five years	0	12,615	2,224	14,839
Present value of minimum lease payments	0	22,903	8,485	31,388
Included in:				
Current borrowings	0	2,310	1,828	4,138
Non-current borrowings	0	20,593	6,657	27,250
	0	22,903	8,485	31,388

24.2 Right of Use Assets receivables (as lessor)

The Health Board did not hold any Right of Use Assets lease receivables, as a lessor, at the balance sheet date.

Amounts receivable under right of use assets :	2023-24	2022-23
	31 March	31 March
	2024	2023
	£000	£000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
 Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current financial assets	0	0
Non-current financial assets	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Health Board did not have any PFI Schemes that were deemed to be off-statement of financial position at the balance sheet date.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2024	31 March 2023
	£000	£000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	<u>0</u>	<u>0</u>

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11	£000
	1,098
Contract start date:	01/09/2004
Contract end date:	01/09/2034

The Conwy & Denbighshire NHS Trust (a legacy organisation of the Health Board) contracted with Fresenius Medical Care to build and equip a Renal Diabetic Unit at Glan Clwyd Hospital under PFI contract arrangements. Whilst Fresenius continue to have defined responsibilities for the maintenance of the Unit, the Health Board is responsible for the delivery of all clinical care and other support costs.

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element 31 March 2024	On SoFP PFI Imputed interest 31 March 2024	On SoFP PFI Service charges 31 March 2024
	£000	£000	£000
Total payments due within one year	63	27	496
Total payments due between 1 and 5 years	277	85	2,166
Total payments due thereafter	440	50	3,909
Total future payments in relation to PFI contracts	<u>780</u>	<u>162</u>	<u>6,571</u>

	On SoFP PFI Capital element 31 March 2023	On SoFP PFI Imputed interest 31 March 2023	On SoFP PFI Service charges 31 March 2023
	£000	£000	£000
Total payments due within one year	61	29	411
Total payments due between 1 and 5 years	267	94	1,798
Total payments due thereafter	513	68	3,872
Total future payments in relation to PFI contracts	<u>841</u>	<u>191</u>	<u>6,081</u>

	31/03/2024
	£000
Total present value of obligations for on-SoFP PFI contracts	6,314

25.3 Charges to expenditure

	2023-24	2022-23
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	479	396
Total expense for Off Statement of Financial Position PFI contracts	<u>0</u>	<u>0</u>
The total charged in the year to expenditure in respect of PFI contracts	<u>479</u>	<u>396</u>

The LHB is committed to the following annual charges

PFI scheme expiry date:	£000	£000
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	<u>479</u>	<u>396</u>
Total	<u>479</u>	<u>396</u>

The estimated annual payments in future years will vary from those which the Health Board is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	1	0
Number of PFI contracts which individually have a total commitment > £500m	0	0
	On / Off- statement of financial position	
PFI Contract		
Number of PFI contracts which individually have a total commitment > £500m	0	
PFI Contract	On	

25.5 The Health Board did not have any Public Private Partnerships during the year

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The Health Board is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The Health Board has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Health Board in undertaking its activities.

Currency risk

The Health Board is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the United Kingdom and Sterling based. The Health Board does not have any overseas operations. The Health Board therefore has low exposure to currency rate fluctuations.

Interest rate risk

Health Boards are not permitted to borrow and the Health Board therefore has low exposure to interest rate fluctuations.

Credit risk

As the majority of the Health Board's funding derives from funds voted by the Welsh Government the Health Board has low exposure to credit risk.

Liquidity risk

The Health Board is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The Health Board is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2023-24 £000	2022-23 £000
(Increase)/decrease in inventories	(628)	(1,202)
(Increase)/decrease in trade and other receivables - non-current	(5,708)	(15,814)
(Increase)/decrease in trade and other receivables - current	(30,315)	28,396
Increase/(decrease) in trade and other payables - non-current	(572)	27,189
Increase/(decrease) in trade and other payables - current	(28,191)	(19,308)
Total	(65,414)	19,261
Adjustment for accrual movements in fixed assets - creditors	(849)	(26,279)
Adjustment for accrual movements in fixed assets - debtors	0	0
Adjustment for accrual movements in right of use assets - creditors	82	0
Adjustment for accrual movements in right of use assets - debtors	0	0
Other adjustments	0	0
	(66,181)	(7,018)

28. Other cash flow adjustments

	2023-24 £000	2022-23 £000
Depreciation	43,724	42,116
Amortisation	485	362
(Gains)/Loss on Disposal	(5)	(16)
Impairments and reversals	(3,817)	251
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0
Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	0	(460)
Government Grant assets received credited to revenue but non-cash	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in right of use assets	393	
Non-cash movements in provisions	44,026	23,470
Other movements	42,792	38,374
Total	127,598	104,097

Non-cash movements in right of use assets of £393,000 represents interest incurred during the year on obligations under Right of Use leases.

Other movements of £42,792,000 (2022-23 £38,374,000) is made up of notional funding received for:

- LHB notional 6.3% Staff Employer Pension Contributions;
- the 2019/20 Pensions Annual Allowance Charge Compensation Scheme (PAACCS);

which are both funded directly to the NHSBA Pensions Division by Welsh Government, less revenue cash payments in respect of interest on Right of Use asset leases.

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 12th July 2024, the date they were certified by the Auditor General for Wales.

Medical Pay Awards

NHS Wales bodies were notified on 28th June 2024 of the revised pay arrangements for employees covered by medical and dental terms and conditions of service in Wales, which will be funded by Welsh Government. The arrangements are confirmed in the following pay letters:

- Pay Letter M&D(W) 04/24 applying to junior doctors. This confirms an overall 12.4% pay award backdated to 1st April 2023 and includes the 5% pay award already implemented and recognised in the accounts for 2023-24.
- Pay Letter M&D(W) 02/24 confirms the reform of the consultant (amended Welsh contract) pay scale from 1st January 2024.
- Pay Letter M&D(W) 03/24 confirms the pay scales applicable from 1st January 2024 for medical and dental consultants employed on national terms and conditions on the 2021 Specialty and Specialist contracts and the closed 2008 Associate Specialist contract in Wales.

The additional 7.4% for junior doctors, and the increases for consultants and specialists have not been recognised in the 2023-24 financial statements because the obligating event was the publication of the pay circular issued on 28th June 2024. These costs will be accounted for in the 2024-25 Annual Accounts.

30. Related Party Transactions

The Welsh Government is regarded as a related party of the Health Board. During the year the Health Board had a significant number of material revenue and capital transactions with either the Welsh Government or with other entities for which the Welsh Government is regarded as the parent body, namely:

Health Bodies and Welsh Government	2023-24		As at 31st March 2024	
	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	258	2,162,992	147	1,725
Aneurin Bevan University LHB	138	1,474	13	293
Cardiff & Vale University LHB	1,295	396	348	142
Cwm Taf Morgannwg University LHB	302	156	51	42
Hywel Dda University LHB	5,378	394	113	66
Powys Teaching LHB	895	4,327	62	545
Swansea Bay University LHB	257	534	39	134
Digital Health and Care Wales (DHCW)	10,249	1,179	284	(19)
Health Education and Improvement Wales (HEIW)	68	21,689	7	573
Public Health Wales NHS Trust	6,503	5,250	710	695
Velindre NHS Trust (includes capitalised expenditure)	59,757	8,455	5,116	4,126
Welsh Ambulance Services NHS Trust	2,225	478	618	89
Welsh Risk Pool	0	0	0	151,227
WHSSC / EASC	243,093	51,636	6,362	1,936
Total	330,418	2,258,960	13,870	161,574

Other Organisations	2023-24		As at 31st March 2024	
	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Conwy County Borough Council	12,316	2,081	4,110	869
Denbighshire County Council	12,345	3,545	4,732	1,879
Flintshire County Council	16,140	2,962	6,173	1,893
Gwynedd County Council	12,532	2,476	3,825	1,752
Isle of Anglesey Council	12,599	1,371	4,353	546
Wrexham County Borough Council	11,287	5,804	3,280	1,861
Other Welsh Local Authorities (Including Police & Crime Commissioners, Fire Authorities and Welsh National Parks)	526	617	96	75
Total	77,745	18,856	26,569	8,875

Charitable Funds
<p>The Health Board is corporate trustee of the Betsi Cadwaladr University Health Board Charity and Other Related Charities (registered charity number 1138976). All voting members of the Health Board can act as corporate trustees of the charity. Operational responsibility for the administration of the charity is delegated to a Charitable Funds Committee.</p> <p>The Health Board received revenue and capital grants totalling £1,660,000 from the charitable fund during the year (2022-23 £1,158,000).</p>

30. Related Party Transactions (continued)

A number of Health Board's Members had interests with related parties during the year, as detailed below:

Name	Position Held	Nature of Related Party Interest
C Shillabeer	Chief Executive	Substantive Chief Executive of Powys Teaching Local Health Board whilst on secondment - 1st April 2023 to 31st January 2024
A Gittoes	Interim Executive Director of Operations	Seconded to the Health Board from NHS Wales Executive (Hosted by Public Health Wales NHS Trust) - 1st August 2023 to 31st March 2024
K Balmer	Independent Member	Chief Executive Officer, Groundwork North Wales (Refurbs Flint and Wild Ground, Wrexham)
C Budden	Independent Member	Chief Executive and Board Member Clwyd Alyn Housing Association
U Felda	Independent Member	Chair and Member of the Social Care Wales Fitness to Practice Panel
C Field	Independent Member	Partner is Assistant Director of Human Resources, Mersey and West Lancashire Teaching Hospitals NHS Trust
Cllr D Jones	Independent Member	Elected member of Isle of Anglesey County Council
Prof M Larvin	Independent Member	Pro Vice-Chancellor for Medicine and Health and Dean of Medicine, Bangor University
F Roberts	Associate Board Member	Director of Social Services and Head of Children Services, Isle of Anglesey County Council

The total value of transactions and balances between the Health Board and these related parties during 2023-24, unless already reported on pages 69, was as follows:

Organisation Name	2023-24		As at 31st March 2024	
	Expenditure with related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Bangor University	1,426	578	471	188
Clwyd Alyn Housing Association	1,436	0	187	0
Groundwork North Wales	3	0	0	0
Mersey and West Lancashire Teaching Hospitals NHS Trust	2,147	301	1,088	300
Social Care Wales	0	46	0	0

The Health Board did not have financial transactions with any other organisation recorded as a Declaration of Interest by Board Members during 2023-24 and considered to be a related party.

31. Third Party assets

As at 31st March 2024, the Health Board held £161,437 cash at bank and in hand on behalf of third parties (31st March 2023 £179,914) comprising:

	2023-24	2022-23
	£	£
Monies held on behalf of patients - savings accounts	69,857	68,932
Monies held on behalf of patients - current accounts and cash in hand	72,930	72,682
Deposits for staff residential accommodation	18,650	38,300
	<u>161,437</u>	<u>179,914</u>

These balances have been excluded from the Cash and Cash Equivalents figure reported in Note 17 of these Accounts.

The Health Board also holds a quantity of consignment stock that remains the property of suppliers until it is used and is therefore considered as a third party asset. The value of consignment stock as at 31st March 2024 was £3,159,432 (31st March 2023 £3,269,221).

32. Pooled budgets

The Health Board has entered into five pooled budget arrangements which are governed by the NHS (Wales) Act 2006:

- North East Wales Community Equipment Service - hosted by Flintshire County Council
- Denbighshire Community Equipment Service - hosted by Denbighshire County Council
- Denbighshire Health and Social Care Support Workers Service - hosted by Denbighshire County Council
- Bryn-y-Neuadd Community Equipment Store - hosted by Betsi Cadwaladr University Local Health Board
- North Wales Older People Accommodation Pooled Budget - hosted by Denbighshire County Council

The financial arrangements for each of these five agreements are subject to partner organisations normal annual auditing requirements with each host body being responsible for the audit of the accounts of individual arrangements in accordance with their statutory audit requirements.

Memorandum notes on pages 74-76 of these accounts provide details of the joint income and expenditure transactions for each of these arrangements.

The Health and Social Care Regional Integration Fund (RIF)

The Health and Social Care Regional Integration Fund (the RIF) is a 5 year fund to deliver a programme of change from April 2022 to March 2027. The RIF builds on the learning and progress made under the previous Integrated Care Fund (ICF) and Transformation Fund (TF) and will seek to create sustainable system change through the integration of health and social care services.

Key features and values of the Fund include:

- A strong focus on prevention and early intervention
- Developing and embedding national models of integrated care
- Actively sharing learning across Wales through Communities of Practice
- Sustainable long term resourcing to embed and mainstream new models of care
- Creation of long term pooled fund arrangements
- Consistent investment in regional planning and partnership infrastructure

The RIF is a key lever to drive change and transformation across the health and social care system and in doing so will directly support implementation of several key pieces of policy and legislation.

Regional Partnership Boards (RPBs) facilitate the partnership arrangements made between a Local Health Board and one or more Local Authorities. The objectives of a RPB are set out in Regulation 10 of the Partnership Regulations and are to ensure that the partnership bodies work effectively and to ensure that the partnership bodies provide sufficient resources for the partnership arrangements. In addition to health and social care partners RPB membership includes representatives from housing, education, the third sector, providers, citizens and carer representatives to take forward the effective delivery of integrated services in Wales. Their purpose is to improve the outcomes and well-being of people with care and support needs, and carers who need support. RPBs work as a partnership to strategically plan, manage and develop effective care and support services required to best meet the needs of their respective populations.

Total RIF funding allocated through the North Wales Regional Partnership Board for 2023-24 was £32.8m (2022-23 £32.9m) of revenue funding plus RIF capital grant funding of £2.1m (2022-23 £2.1m). These funding flows are managed through the Health Board's Statement of Comprehensive Net Expenditure and reported in Note 3.3 Expenditure on Hospital and Community Health Services and Note 4 Miscellaneous Income.

33. Operating segments

Accounting standard IFRS 8 defines an operating segment as a component of an entity:

1. That engages in activities from which it may earn revenue and incur expenses (including internally);
2. Whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resource allocation to the segment and assesses its performance;
3. For which discrete information is available.

The Health Board operates as three Integrated Health Communities (IHCs), each led by an accountable Director, with Mental Health and Learning Disabilities, Women's Services, Cancer Services and Diagnostic and Clinical Support Services operating as pan-North Wales functions.

Four of the Health Board's functions met the criteria to be reported as separate operating segments under the accounting standard during 2023-24 (expenditure 10% or more of total operating costs). Information on divisions which did not exceed the reporting thresholds has also been disclosed in order to provide a complete overview of the Health Board's activities during the year.

	2023-24 £'000	2022-23 £'000
<i>Integrated Health Communities</i>		
West Integrated Health Community *	355,298	320,094
Central Integrated Health Community *	456,292	407,043
East Integrated Health Community *	455,647	416,694
	1,267,237	1,143,831
Midwifery and Womens Services	46,751	44,479
Mental Health and Learning Disabilities	179,331	155,124
Commissioning Contracts *	276,241	257,679
Integrated Clinical Delivery Primary Care	47,766	54,538
Integrated Clinical Delivery Regional Services	123,887	107,063
Service Support Functions	159,390	150,890
	833,366	769,773
Other Budgets	16,816	41,164
6.3% Staff employer pension contributions notional expenditure (See Note 34.1)	43,170	38,357
Operating costs sub-total	2,160,589	1,993,125
Revenue Resource Limit	2,136,242	1,993,514
Under/(over) spend against Revenue Resource Limit	(24,347)	389

* Operating segments which meet the standard criteria for reporting as per par 1.473 of the Welsh Government Manual for Accounts 2023-24.

34. Other Information

34.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1st April 2023 to 31st March 2024. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2023 and February 2024 alongside Health Board data for March 2024.

Transactions include notional expenditure in relation to the 6.3% paid to NHSBSA by Welsh Government and notional funding to cover that expenditure as follows:

	2023-24 £000	2022-23 £000
Statement of Comprehensive Net Expenditure for the year ended 31 March 2024		
Expenditure on Primary Healthcare Services	1,229	1,027
Expenditure on healthcare from other providers	0	0
Expenditure on Hospital and Community Health Services	41,941	37,330
Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024		
Net operating cost for the year	43,170	38,357
Notional Welsh Government Funding	43,170	38,357
Statement of Cash Flows for year ended 31 March 2024		
Net operating cost for the financial year	43,170	38,357
Other cash flow adjustments	43,170	38,357
2.1 Revenue Resource Performance		
Revenue Resource Allocation	43,170	38,357
3. Analysis of gross operating costs		
3.1 Expenditure on Primary Healthcare Services		
General Medical Services	1,023	856
Pharmaceutical Services	9	9
General Dental Services	36	43
Other Primary Health Care expenditure	161	119
3.3 Expenditure on Hospital and Community Health Services		
Directors' costs	47	47
Staff costs	41,894	37,283
9.1 Employee costs		
Permanent Staff		
Employer contributions to NHS Pension Scheme	43,170	38,357
Charged to capital	0	0
Charged to revenue	43,170	38,357
18. Trade and other payables		
Current		
Pensions: staff	0	0
28. Other cash flow adjustments		
Other movements	43,170	38,357

34. Other Information

34.2 Pooled Budgets

Memorandum Note - Note 32 - Pooled Budgets

North East Wales Community Equipment Service Memorandum Accounts 2023-24

The North East Wales Pool is hosted by Flintshire County Council and the formal partnership agreement commenced on 8th July 2009. A memorandum of account has been produced by Flintshire County Council, as shown below:

	2023-24	2022-23
	£ 000	£ 000
Pooled Budget contributions		
Flintshire County Council	327	318
Wrexham County Borough Council	309	301
Betsi Cadwaladr University Local Health Board	472	455
Other	187	227
Total Pooled Budget contributions for the year	1,295	1,301
Expenditure		
Equipment Purchases	495	486
Operating Expenditure	700	780
Non Operating Expenditure	0	0
Total Expenditure for the year	1,195	1,266
Net Surplus/(Deficit) on the Pooled Budget for the Year	100	35

Denbighshire Community Equipment Service Memorandum Accounts 2023-24

The Denbighshire Pool is hosted by Denbighshire County Council. The initial three year partnership agreement commenced on 1st April 2009 and ended on 31st March 2012.

The second partnership agreement commenced on 1st April 2012 and ran until 31st March 2015. For 2015-16 onwards it was decided to revert to one year agreements.

A memorandum of account has been produced by Denbighshire County Council which

	2023-24	2022-23
	£ 000	Restated £ 000
Pooled budget contributions		
Denbighshire County Council	219	219
Betsi Cadwaladr University Local Health Board (Core)	138	138
Betsi Cadwaladr University Local Health Board (Bed Service)	51	51
Other - HEC / CHC / Intermediate Care	288	217
Total Pooled Budget contributions for the year	696	625
Expenditure		
Equipment purchases (Core and CHC)	130	189
Operating Expenditure	562	529
Total Expenditure for the year	692	718
Net Surplus/(Deficit) on the Pooled Budget for the Year	4	(93)
Cumulative net Surplus/(Deficit) on the Pooled Budget	21	17

34. Other Information

34.2 Pooled Budgets

Memorandum Note - Note 32 - Pooled Budgets

Denbighshire Health and Social Care Support Workers Service Memorandum Accounts 2023-24

The Denbighshire Health and Social Care Support Workers Service Pool is hosted by Denbighshire County Council. A memorandum account for the pooled budget arrangement is provided below.

	2023-24	2022-23
	£ 000	£ 000
Pooled Budget contributions		
Denbighshire County Council	50	50
Betsi Cadwaladr University Local Health Board	50	50
RIF Grant Allocation	44	55
RIF Grant Allocation - from slippage	0	3
Total Pooled Budget contributions for the year	144	158
Expenditure		
Employee Expenses	117	147
Other Operating Expenditure	10	11
Total Expenditure for the year	127	158
Net Surplus/(Deficit) on the Pooled Budget for the Year	17	0
Cumulative net Surplus/(Deficit) on the Pooled Budget	55	38

Bryn-y-Neuadd Community Equipment Store Memorandum Accounts 2023-24

The Bryn-y-Neuadd Community Equipment Store Pool is hosted by Betsi Cadwaladr University Local Health Board in partnership with Ynys Môn Council, Conwy County Borough Council and Gwynedd County Council. A memorandum account for the pooled budget arrangement is provided below.

	2023-24	2022-23
	£ 000	£ 000
Contributions		
Ynys Môn County Council	156	156
Conwy County Council	183	183
Gwynedd County Council	204	204
Betsi Cadwaladr University Local Health Board	497	497
Special Orders	90	90
Total Pooled Budget Contributions	1,130	1,130
Expenditure		
Operating Expenses	1,020	797
Equipment Purchases (incl. Special Orders)	453	524
Total Expenditure	1,473	1,321
Net Surplus/(Deficit) on the Pooled Budget for year	(343)	(191)
Cumulative Net Surplus/(Deficit) on the Pooled Budget	(705)	(362)

34. Other Information

34.2 Pooled Budgets

Memorandum Note - Note 32 - Pooled Budgets

North Wales Older People Accommodation Pooled Budget Memorandum Accounts 2023-24

Under regulation 19(1) of the Partnership Arrangements (Wales) Regulations 2015, a pooled budget arrangement has been agreed between North Wales local authorities and the Betsi Cadwaladr University Local Health Board in relation to the provision of care home accommodation for older people.

The arrangement came into effect on 1st April 2019. Denbighshire County Council is acting as host authority during the initial term of the agreement. The transactions relating to Betsi Cadwaladr University Local Health Board are included in Note 3.3 Expenditure on Hospital and Community Health Services within the Statement of Comprehensive Net Expenditure.

Income and expenditure for these pooled budget arrangements for the year ending 31st March 2024 is shown below. Payments in respect of the contributions for Quarter 3 and 4 2023-24 will be made in arrears during 2024-25 in accordance with the Partnership Agreement.

	2023-24	2022-23
	£ 000	£ 000
Contributions		
Denbighshire County Council	11,960	10,236
Conwy County Borough Council	18,182	15,864
Flintshire County Council	13,578	10,556
Wrexham County Borough Council	14,957	14,434
Gwynedd Council	12,044	11,214
Isle of Anglesey County Council	7,214	5,708
Betsi Cadwaladr University Local Health Board	49,033	43,020
Total Pooled Budget Contributions	126,968	111,032
Expenditure		
Care Home Costs	126,968	111,032
Total Expenditure for the year	126,968	111,032
Net Surplus/(Deficit) on the Pooled Budget for the Year	0	0