

Velindre University NHS Trust

Performance Report

2022-2023



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

INTRODUCTION AND CEO STATEMENT

This Annual Performance Report describes how we delivered services from 1st April 2022 to 31st March 2023. It also outlines how we ensured patient, donor and staff safety and demonstrates our total commitment to Quality, Care and Excellence.

During 2022/2023 I am proud that our patients, donors and families have continued to benefit from the highest standards of care, innovation and professionalism across the range of services we deliver. We successfully maintained the delivery of transplant services and the supply of blood and blood products to the whole of NHS Wales whilst also delivering essential tertiary cancer services to the South East Wales population. We believe the strong foundations and clinical operating models that we have established will stand us in good stead, as we enter 2023/2024.

The NHS Wales Annual Planning Framework Guidance required the production of a three year Integrated Medium Term Plan (IMTP), covering the period 2023/24 – 2025/26. In line with this guidance we submitted our plan to the Welsh Government on 31st March 2023. Our plan builds upon the excellent work undertaken by teams from across the Trust, working with our many partners, to develop a set of ambitious organisational priorities, which build on our strengths and which will result in people who use our services receiving excellent care, service and support. Our plans are outlined in four distinct areas.

Firstly, the plan sets out our commitment to ensuring that we have firm foundations to support the delivery of high quality, safe and effective services which provide an excellent experience to all of our service users. This will include the establishment of our Quality Management System, supported by enhanced Business Intelligence capacity and expertise.

The second area signals the continued strategic development of the Trust. This will see us explore opportunities across the health and social care system to identify areas where we can further support our partners in achieving outcomes and benefits for the population we serve. It outlines our key strategic priorities and objectives and describes the programmes of work we have established to ensure that these will be delivered.

Thirdly, the plan identifies our priorities related to the implementation of enhanced models of care and services for blood and cancer services. This will see donors and patients being able to access services as close to home as possible, being able to receive a wider range of information services digitally and having access to trials and other services provided by our partners which may add value for them.

Finally, our plan describes our ambition to significantly develop our buildings and upgrade our equipment by 2026. These infrastructure improvements, together with our clinical and sustainability plans, will provide us with the opportunity to deliver a carbon net-zero organisation and a range of wider benefits to support the development of thriving and resilient communities across Wales.

The Trust has developed this plan to take account of its commitment to Diversity and Inclusion in the way in which services are delivered and also the way in which staff are recognised and engaged with across the organisation. The Trust embraces an anti-discriminatory approach, and this is central to our programme of listening and to enhancing the positive culture of the Trust.

The plan we have set out demonstrates the challenging, but exciting times, ahead for the Trust. We look forward to working with our commissioners, staff, patients, donors and partners to deliver the changes set out within the plan and to continue our transformation into the future.



Mr Steve Ham, Chief Executive

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ANNUAL PLANNING FRAMEWORK AND DELIVERY FRAMEWORK CONTEXT 2022-2023

Our Integrated Medium-Term Plan (IMTP) for 2023/24- 2025/26 was approved by the Trust Board, on 30th March 2023, as part of the Trusts' statutory duty under the Finance (Wales) Act 2014. Our IMTP was developed in line with the requirements of the Welsh Government NHS Wales Planning Framework for 2023/24 – 2025/26.

Our plan builds upon our approved plan for 2022/23 – 2024/25 and is an output of the excellent work undertaken by teams from across the Trust and strong engagement with our many stakeholders. We have set ourselves a set of ambitious priorities, which build upon our strengths, and which will result in the people who use our services receiving excellent and person-centred care.

Our plan is framed within the Trusts' ambition for the future, following the Boards' approval of the Trust strategy '*Destination 2032*' and brings together the immediate, medium and long-term ambitions of the organisation. The core principle in developing our plan has been our commitment to quality and safety. Our plan will ensure that we put our patients and donors at the centre of everything we do; working towards optimum quality, safety and experience; and continual learning and improving. This is the '*golden thread*' throughout our organisation.

Our strategic goals will be achieved by ensuring that all of our services are developed and delivered in collaboration with the patients and donors who use them, continually reviewing outcomes and experience and using these to learn and improve. These priorities, as set out within our IMTP, have been discussed and agreed with our commissioners and reflects their service needs.

Our IMTP for 2023/24 – 2025/26 will be subject to internal performance management arrangements and will be reported to various external stakeholders, including the Welsh Government.

DUTY OF QUALITY

The Duty of Quality comes into legal force in April 2023, in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020. The new reporting requirements will therefore be captured in processes in place for 2023/24. In the interim it is anticipated that there will be a non-statutory implementation of the duty of quality in autumn 2022.

This will allow for testing the quality reporting indicators, measures and narrative framework concepts being developed during the duty of quality implementation phase as a hybrid reporting process for 2022/23.

2021-22	Quality reporting requirements embedded in the Annual Report and Accounts process.
2022-23	Non-statutory implementation of the duty of quality in autumn 2022. Hybrid reporting process to test indicators, measures and narrative framework being developed during the duty of quality preparation phase.
2023-24	Duty of quality comes into force April 2023. New reporting requirements will subsequently be in place.

Clinical Safety for our Patients and Donors:

Quality is the 'golden thread' running through the planning and provision of services to improve the quality of care provided, leading to improved patient and donor outcomes and promote good practice and innovation.

During 2022/23 we have put in place a number of initiatives, ensuring that 'quality is at the heart of what we do' to deliver and improve the quality of services we provide and to drive further improvements in care.

- Trust Quality & Safety Framework approved – Quality, Safety, Outcomes is everyone's business
- Readiness for Duty of Quality & Duty of candour requirements focus
- Integrated Quality & Safety Group operational – to enhance triangulation & assurance
- Quality governance assurance mechanisms implemented with training for all department, divisional, executive and Board leaders

The Trust continually drives hard on quality, safety, experience and value in delivering our primary focus on cancer services and blood products. We are currently developing further quality and safety initiatives, as below:

- The Quality and Safety Team are in the process of developing a Trust wide repository where learning and outcomes from patient and donor experiences can be shared and saved.
- The Trust will also establish “Always on” reporting metrics to aid continual improvement opportunities and real time investigation of concerns that are raised.
- The Trust is developing Quality Hubs operating quality management systems in both VCS and WBS divisions (WBS now operational)

OUR APPROACH TO THE PLANNING AND DELIVERY OF SAFE, EFFECTIVE AND QUALITY SERVICES

Velindre Cancer Service (VCS):

Our work in 2022/2023 has been based on:

The sustained delivery of our services, with sufficient capacity in the context of COVID-19, and the recovery phase was our primary focus during 2022/23. Our overarching aim has been to safely maintain the delivery of non-surgical cancer services for the population of South East Wales during continued growth in cancer treatments, while ensuring that staff and patients continued to be safe when attending our treatment locations and to minimise the risk of COVID-19 transmission.

The Transforming Cancer Services programme, leading to the opening of the new cancer centre in 2025/26, will continue to be a core area of work for us and we continue to work in partnership with South-East Wales Local Health Boards and the Collaborative Cancer Leadership Group (CCLG). Existing regional projects such as the Acute Oncology Service Project also continue to be key strategic priorities for us and our LHB partners.

In taking account of the above determining factors, the Velindre Cancer Service pursued the following priorities during 2022/23.

Our Priorities in 2022/23:

Priority 1: Ensuring that Staff and Patients are Safe at our Treatment Locations – we minimised the Risk of COVID-19 transmission through maintaining enhanced infection control measures, revised patient and care delivery pathways during 2022/23 with most preventative measures being lifted in quarter 4.

Priority 2: Delivery of appropriate capacity to meet patient demand – despite the pressures caused by the pandemic and subsequent recovery challenges, we continued to deliver all of our services by adapting our clinical model and seeking capacity delivery solutions.

Priority 3: Delivery of business-critical initiatives – we continued to deliver a number of business critical and strategic initiatives. These included:

- Engagement processes with Health Boards commenced to support the operational planning for the clinical models for the new Velindre Cancer Centre and outreach services.
- Support and input into the Outline Business Case for the construction of a cancer centre in Neville Hall Hospital in partnership with Aneurin Bevan University Health Board.
- Implementation of the Digital Health and Care Record (DHCR) replacing the CANISC system.

- Implementation of a rolling Linac replacement programme as part of the implementation of an integrated radiotherapy system (IRS).

Priority 4: Engagement with Health Boards and Regional Service Planning – we have continued to lead and support regional service developments, including:

- The Radiotherapy Satellite Centre implementation ion Neville Hall Hospital.
- The development of a South-east Wales Acute Oncology Service.
- The development of a research and development facility in partnership with Cardiff and Vale University Health Board and Cardiff University.

Priority 5: Patient Experience and Engagement (recognising and responding to the impact of COVID-19) - Our patient engagement strategy has been developed in collaboration with our staff, our patients and donors and with other key stakeholders. It outlines how we will engage with our patients, donors and their families and carers in the future to ensure that their voices are at the heart of how we plan and deliver our services.

Performance Analysis:

We have developed a wide range of measures which are routinely used to monitor the quality and performance of our core services. The VCS performance against a range of quality measures and targets are explored further in the following Performance Analysis Section. The Trust's detailed performance reports received by the Trust Board are available on the Trusts internet site via the following link (**insert link**).

Challenges faced during 2022/23:

VCS continues to operate against the background of the challenges for tertiary cancer services in addition to those that resulted from the pandemic, including increasing cancer rates and health inequalities, a growing gap in the forecast demand between supply and demand, increasingly complicated and personalised treatments and supporting people to live with and beyond cancer.

The year 2022/23 provided significant challenges for VCS in responding to the COVID-19 pandemic recovery phase and move into business as usual. Ensuring effective and safe utilisation of the site to accommodate services remained a challenge in year with a number of PPE restrictions only relaxed in the last quarter.

Quarter 1 2022/23 saw an increase in demand for Services within VCS as Health Board implemented a range of measures to address their backlog of activity that had resulted from the COVID pandemic. SACT services faced significant pressure and a formal recovery project was established in response to managing the demand. This work focused on identifying opportunities for increasing short terms and sustainable longer term capacity. Implementation of the recovery plan, resulted in a return to balance in Quarter 3, which has continued to be maintained throughout Quarter 4. At all times, the treatment of patients was managed in keeping with accepted national guidelines. A further focus of the recovery plan was the repatriation back to Health Board sites of pre-pandemic SACT outreach facilities, working in partnership with ABUHB and CTM UHB.

An increase in referrals for breast cancer provided a level of challenge for Radiotherapy performance. This was effectively managed within the operational service through reconfiguration of systems, workforce and processes. Management of this cohort of patients was further exacerbated as the planned replacement of the LINACs commenced towards the end of Quarter 3. Clinical prioritisation of patients in line with national guidelines was maintained

At the start of Quarter 4, the new Radiotherapy performance metrics (Radiotherapy Quality Indicators) were introduced across Wales, replacing the previous JCCO performance targets. All patients are now having their treatment planned with an aim to meet those targets. Optimum pathways to support delivery of this new reporting metrics were developed, which require changes to processes and workflows, some of which will be dependent on elements of the new radiotherapy technology replacement programme. Implementation of the new pathways continues as we move into 2023/24.

A major change to 'ways of working' at the VCS was successfully implemented in Quarter 3 as the existing CANISC system was replaced with a new Digital Health Care Record (DHCR) Welsh Patient Administration system (WPAS). This is the first phase of a larger programme of work across Wales to bring all Health Boards and Trust onto the same WPAS platform. Work to embed the system and new 'ways of working' continued through Quarter 4 and is continuing into 2023/24.

The wellbeing of our staff continued to be a key priority during 2022/23, and the professional and personal impact of the pandemic and the way in which we work will continue to be a key area of focus. The recruitment of additional staff with specialist skills that we require, and the most effective use of our staff skill sets, and skill mix has been and remains to be critical to our demand response. This has required us to develop different ways of working and delivering our services.

Velindre Futures:

The Velindre Futures programme was established in 2020, and is the vehicle through which we are delivering the transformation needed to meet the aspirations of the South East Wales Transforming Cancer Services programme, the further regional opportunities which we have identified and the existing ambitious plans for service modernisation.

Over the past year, a number of the transformation programmes have made good progress despite the impact of the COVID pandemic – these have included progress on the Unscheduled and Acute Oncology pathways with our local Health Board partners, the development of a Research and Development Hub at the University of Wales Hospital, the Radiotherapy service change programme and the development of a formal engagement strategy for the Trust.

The outpatient transformation programme (linked with Values Based Health Care), and the replacement of the CANISC system through the delivery of the Digital Health and Care Record system are continuing.

In the autumn the Integrated Radiotherapy Solution procurement was completed, and the implementation phase started with the first LINAC delivered in January. Work has also commenced on the establishment of the Radiotherapy Satellite Centre. We will continue

to drive the transformation agenda at the Cancer Centre via the Velindre Futures Major Programme Board. Core to these ongoing service changes is ensuring that the voice of the patient, their carer's, families and the public are involved in shaping what we do.

New Velindre Cancer Centre:

Since Welsh Government's approval in March 2021 for the outline business case for the new Velindre Cancer Centre the Trust has successfully continued to take forward the plans to the next stage. The Trust has been working with two consortia as part of the competitive dialogue process to design, build and operate the new VCS. This work includes working with our patients and staff to develop a hospital design that will deliver our ambition of a world-class facility that will deliver unrivalled care for cancer patients across South-East Wales, be an inspiring workplace for our dedicated staff to thrive and be a focal point for international research. In addition, the Trust and consortia have been actively seeking to ensure the new hospital is a place that benefits the local community.

The Trust has successfully started the enabling works on the new site, which is a key dependency for the opening of the new centre, which is programmed to open in 2025.

We are all continuing to work to develop the new Velindre Cancer Centre to be one we can all be proud of for generations to come.

Welsh Blood Service (WBS):

The Welsh Blood Service has met all clinical demand in 2022/23, despite being another challenging year. Whilst it has had to rely on support from other UK blood services on occasions, it has also supported those services with mutual aid at other times during the year. WBS has continued to adapt its blood collection and processing service model and its transplant support services in response to changing public health and IPC guidance in relation to COVID throughout the year.

The pattern of change in demand for our services is clearly aligned to that of Local Health Board services and we have continued to work closely with NHS colleagues through the National Oversight Group for Blood Health and blood bank managers to respond as required.

In 2022/23, work began on establishing the WBS Future initiative which will be the vehicle to deliver the aspirations and shape future services for WBS.

The Welsh Blood Service Strategy has been developed and will be launched in Quarter 1 2023/24. It sets out our vision for blood and transplant services in Wales for the next five years, outlining where we are now, where we want to be in 2028 and the steps we will take to get there. In 2022/23, work began on establishing the WBS Future initiative which will be the vehicle to deliver the aspirations outlined in our strategy and shape future services for WBS.

Our Priorities Delivered in 2022/23:

Provide an efficient and effective collection service, facilitating the best experience for the donor, and ensuring blood products and bone marrow donations are safe and high quality – The donor strategies, for both whole blood and bone marrow donors, began development in 2022/23 and will be finalised in 2023/24.

Monthly donor satisfaction surveys have continued to be a source of feedback that promotes donor led improvements in service delivery. These have included the re-introduction of Mobile Donation Clinics and smaller community based whole blood clinics that had been removed due to COVID related IPC constraints, enhanced pre clinic screening to reduce incidents of donors being unable to donate blood having attended their appointment, a revised approach to children on clinic and improved donor adverse event recording.

A number of national campaigns have been undertaken during 2022/23 including Blood Sweat and Cheers, Giving Runs in Your Blood, #BestGift, our sixth form, college and university donation programme (#YoungBlood) and #ChilledOutLifesaver which re-launched in November featuring a donor Tom and his recipient, Rob – both from Wales who met for the first time after Rob received a lifesaving bone marrow donation from Tom – you can watch the video when they met here www.wbs.wales/col. Further campaigns are anchored around key dates across the year including World Cancer Day, World Blood Cancer Day, National Blood Donor Week, World Blood Donor Day, World Marrow Donor Day and Christmas/New Year.

Meet the patient demand for blood and blood products through facilitating the most appropriate use across Health organisations - WBS has sustained supply of blood and blood products for Wales in difficult circumstances and whilst it has had to rely on support from other UK blood services on occasion, WBS has also found itself supporting those services at other times during the year. A collaborative working group continues to match supply to demand through the extensive use of data, flexing the collection of whole blood and platelets on a seasonal basis.

The Blood Health team continue to work with hospitals across Wales, providing training and support to ensure that blood products are used appropriately.

Provide safe, high quality and the most advanced manufacturing, distribution and testing laboratory services – In the last year, Welsh Blood has procured new Blood Group Analysers for whole blood, and a new Bacteriological monitoring and alerting system for platelets. New processes have been developed to support the screening of donors for occult Hepatitis B infections. Screening of platelet donors for HNA antigens has been introduced.

Provide safe, high quality and the most advanced diagnostic, transplant and transfusion services – Welsh Blood has implemented state of the art Next Generation Sequencing in the Histo-compatibility and Immuno-genetics laboratories and has implemented changes to cross-matching tests used to assess compatibility in solid organ transplantation. During 2022/2023 WBS will introduce a Consultant Clinical Scientist on-call service to support organ transplantation.

We have also been working closely and collaboratively with our international colleagues through the Association of Donor Relations Professional (ADRP) and the European Blood Alliance (EBA) to share best practice, information and knowledge and to benchmark our systems and processes to help identify opportunities to improve our service delivery.

Provide, services that are environmentally sustainable and benefit our local communities and Wales – A programme of work is underway to develop and implement an energy efficient, sustainable, SMART estate at Talbot Green site that will facilitate a future service delivery model. Other projects are working to reduce the use of non-recyclable materials such as water bottles and biodegradable cups in donation clinics, and to reduce the use of printed documents across the service. The first electric vehicle was introduced to the Logistics department where it is deployed on the delivery of blood components to hospitals across the south east region of Wales.

Be a great organisation with great people dedicated to improving outcomes for patients and donors – Welsh Blood continues to offer a variety of career development pathways for its people. It has maintained support for higher education and vocational training for scientists and health professionals. This includes the national Higher Specialist Scientific Training programme for consultant clinical scientists as well as management and leadership development. Trade union engagement continues to be positive with close collaboration as we seek to align terms and conditions across our collection teams. Work is ongoing to design an agile model of working where lessons from the pandemic can be applied to allow our people flexibility in where they work.

Performance Analysis:

We have developed a wide range of measures which are routinely used to monitor the quality and performance of our core services. The WBS performance against a range of quality measures and targets are explored further in the following Performance Analysis Section. The Trust's detailed performance reports received by the Trust Board are available on the Trusts internet site via the following link (insert link).

Challenges faced during 2022/23:

Whilst we always plan to collect enough blood to meet the forecast issuing requirements of hospitals across NHS Wales, 2022/23 has continued to present unique challenges as a result of the pandemic and industrial action, as outlined below:

Collection of Blood and blood products, processing and distribution:

- Fewer fixed donation sites, incorporating social distancing and infection prevention control measures.
- Competition for donation sites from vaccination clinics.
- Continuation of IPC measures for COVID positive staff and contacts.
- The need to increase stocks of Fresh Frozen Plasma to support stock replacement as part of the occult Hepatitis B screening programme.
- Access to timely, up to date demand information to support forward planning.
- Industrial Action derogation negotiations.

Wholesale Distribution of Commercial Blood Products:

- Ongoing monitoring of availability of stock and contingency planning.
- Pressure to increase and maintain critical stocks in response to forecast global shortages of donated plasma from which these products are made.

Blood and stem cell donor selection regulations:

- Continuing to meet stringent and changing donor selection guidelines and regulations for blood and stem cells including the introduction of screening for occult Hepatitis B Infections and the need to review historical donations from donors who test positive.
- Continuing to meet COVID-19 requirements for facilitation of export and import of stem cell products such as transport from restricted countries and COVID-19 testing of couriers.

Maintaining an engaged healthy donor panel:

- Focus on 'targeting' to meet specific and fluctuating requirements for specific groups.
- Strategy for bone marrow donor recruitment, where age group differs to whole blood donors.

A healthy and sustainable workforce:

- Specialist staff shortages.
- Recruitment and retention.

Work is ongoing through the Blood Health Team and Collections Team to align the collection profile with demand for specific blood groups, but this remains difficult to determine. Furthermore, there is a requirement to ensure the supply of blood by blood group meets the demand, which adds to the risk of supply and issuing alignment being achieved. Unpredictability within the platelet demand, alongside the short life span of this component has led to particular difficulties in matching supply to demand and controlling expiry of unused units.

We continue to use our donor recruitment plans to flex to meet demand and our donors are responsive. However, in the event of shortage, we will draw on our mutual aid agreement with the UK Blood Services or in extreme circumstances initiate the National Blood Shortage Plan to actively manage stocks with hospitals.

PERFORMANCE ANALYSIS



During 2022/23 our Performance Management framework (PMF) has evolved with an enhanced range of measures which are routinely used to monitor the quality and performance of our core services. The core measures for Velindre Cancer Centre and the Welsh Blood Service are included in the tables below.

The performance summaries are explored further with supporting narrative in the Trusts performance reports received by the Trust Board. These papers are available on the Trust's internet site via the following **link**:

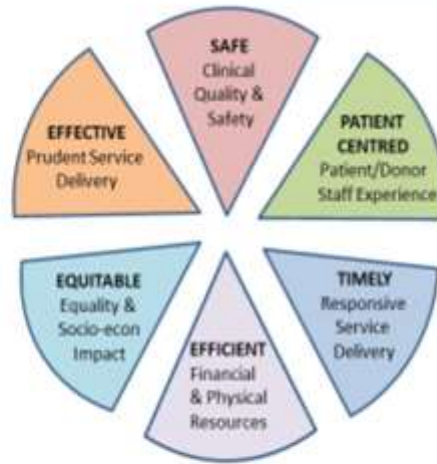
Our Performance Management Framework

This Annual Report provides an overview of the performance our Trust for the financial year 2022/23, in our new PMF format, against a range of national targets, best practice standards and locally identified outcome measures for our cancer and blood and transplant services, as well as incorporating measures of patient and donor satisfaction, staff wellbeing and sustainability.

The new performance report format adopts a 'balanced scorecard' approach which seeks to 'triangulate' the interplay between operational delivery, service quality and safety, our people and physical/finance resources, and is based on the 'six domains' of the Quality Safety Framework (QSF), namely safe, effective, patient/donor centred, timely, efficient and equitable care.

Each Key Performance Indicator (KPI) is supported by analysis that explains the current performance, using wherever possible Statistical Process Control (SPC) Charts, to enable the distinction to be made between 'natural variations' in activity, and trends or performance requiring investigation.

The process of developing the new PMF performance reporting style has involved extensive engagement and discussion with Independent Members, Executive Directors, Community Health Council Representatives plus detailed work with Directorate Leads and key staff responsible for gathering, collating and reporting performance.



QSF Domain	Trust-wide Performance Management Framework Scorecard			Average Monthly Performance for 2022/23		
	Key Performance Indicator (KPI)	Target	Reported	Baseline April '22	Target	Actual
Safety	% compliance for staff who have completed the Core Skills and Training Framework Level 1 competencies	National	Monthly	85%	85%	86%
	Number of VCS Inpatient (avoidable) falls	National	Monthly	1	0	1
	Number of Potentially (avoidable) Hospital Acquired Thromboses (HAT)	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) MRSA	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) MSSA	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) P. aeruginosa cumulative	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) Klebsiella spp	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) C Difficile	National	Monthly	0	0	0
	Number Healthcare acquired Infections (HAIs) E Coli	National	Monthly	0	0	1
	Number Healthcare acquired Infections (HAIs) Gram negative bacteraemia	National	Monthly	0	0	1
	Number of Velindre Cancer Centre acquired (avoidable) patient pressure ulcers	National	Monthly	0	0	0
	Number of Incidents reported to Regulator / Licensing Authority	Local	Monthly	3	0	1
	Carbon Emissions – carbon parts per million by volume 16% reduction by 2025 against 2018/19 baseline	National	Annually	0%	-3%	-3%

QSF Domain	Trust-wide Performance Management Framework Scorecard			Average Monthly Performance for 2022/23		
	Key Performance Indicator (KPI)	Target	Reported	Baseline April '22	Target	Actual
Effectiveness	Number of Delayed Transfers of Care (DTocS)	National	Monthly	0	0	0
	% Demand for Red Blood Cells Met	Best practice	Monthly	102%	100%	105%
	% Time Expired Red Blood Cells (adult)	Local	Monthly	0.08%	Max 1%	0.12%
	% Time Expired Platelets (adult)	Local	Monthly	16%	Max 10%	18%
	Number of Stem Cell Collections per month	Local	Monthly	1	7	4
	% Rolling average Staff sickness levels	National	Monthly	6.31%	3.54%	6.12%
	% Personal Appraisal Development Reviews (PADR) compliance staff appraisal carried out by managers	Prof. Std.	Monthly	69%	85%	72%
Patient/Donor/ Staff Experience	% of Patients Who Rate Experience at VCS as very good or excellent	Prof. Std.	Monthly	85%	85%	92%
	% Donor Satisfaction	Local	Monthly	96%	95%	96%
	% of 'formal' VCS concerns responded within 30 working days	Local	Monthly	100%	85%	100
	% Responses to Formal WBS Concerns within 30 Working Days	Local	Monthly	100%	90%	100%
Timeliness	% Patients Beginning Radical Radiotherapy Within 28 days (JCCO)	National	Monthly	87%	98%	89%
	% Patients Beginning Palliative Radiotherapy Within 14 days (JCCO)	National	Monthly	79%	98%	84%
	% Patients Beginning Emergency Radiotherapy Within 2 days (JCCO)	National	Monthly	84%	98%	96%
	Scheduled Radiotherapy Patients Treated 80% within 14 Days and 100% within 21 Days (COSC) – Feb and March data only	National	Monthly	N/A	80% 100%	29% 47%
	Urgent Symptom Control Radiotherapy Patients Treated 80% within 2 Days and 100% within 7 days (COSC) – Feb and March data only	National	Monthly	N/A	80% 100%	6% 50%
	Emergency Radiotherapy Patients Treated 100% within 1 Day (COSC) – Feb and March data only	National	Monthly	N/A	100%	94%
	Elective delay Radiotherapy Patients Treated 80% within 14 Days and 100% within 21 Days (COSC) – Feb and March data only	National	Monthly	N/A	80% 100%	27% 32%
	% Patients Beginning Non-Emergency SACT within 21 days	National	Monthly	69%	98%	88%
	% Patients Beginning Emergency SACT within 5 days	National	Monthly	100%	98%	96%
	% Antenatal Turnaround Times (within 3 working days)	Best practice	Monthly	96%	90%	96%
% Turnaround Times (Antenatal -D & -c quantitation) within 5 working days	Best practice	Quarterly	97%	90%	94%	

QSF Domain	Trust-wide Performance Management Framework Scorecard			Average Monthly Performance for 2022/23		
	Key Performance Indicator (KPI)	Target	Reported	Baseline April '22	Target	Actual
Efficient	Financial Balance – achievement of Trust forecast (£k) in line with revenue expenditure profile	National	Monthly	0	0	(£0.064m) outturn
	Financial Capital spend (£m) position against forecast expenditure profile	National	Monthly	0	£27,760 M	£27,758M outturn
	Trust expenditure (£k) on Bank and Agency staff against target budget profile	National	Monthly	N/A	£0.128m	£0.140m outturn
	Cost Improvement Programme £1.3M achievement of savings (£k) in line with profile	National	Monthly	N/A	£1.300m	£1.300m outturn
	Public Sector Payment Performance (% invoices paid within 30 days)	National	Monthly	95%	95%	96%
Equitable	Diversity of Workforce – % of women in senior leadership positions (defined as Band 8 and above)	Local	Quarterly	N/A	N/A	63%
	Diversity of Workforce – % Black, Asian and Minority Ethnic people (based on Wales version of WRES)	Local	Quarterly	N/A	N/A	12%
	Diversity of Workforce – % People with a Disability within workforce	Local	Quarterly	N/A	N/A	4%
	% of Workforce declared Welsh Speakers at Level 1	National	Quarterly	N/A	N/A	4%

VELINDRE CANCER CENTRE (VCS)

Performance during 2022/23 was of a high standard and reflected our on-going ambition to deliver the best possible services. Areas not meeting set levels have been and are subject to continued scrutiny and actions are being taken forward to improve. Below, we examine our performance in 2022/23 in more detail.

WAITING TIMES AND ACCESS TO SERVICES



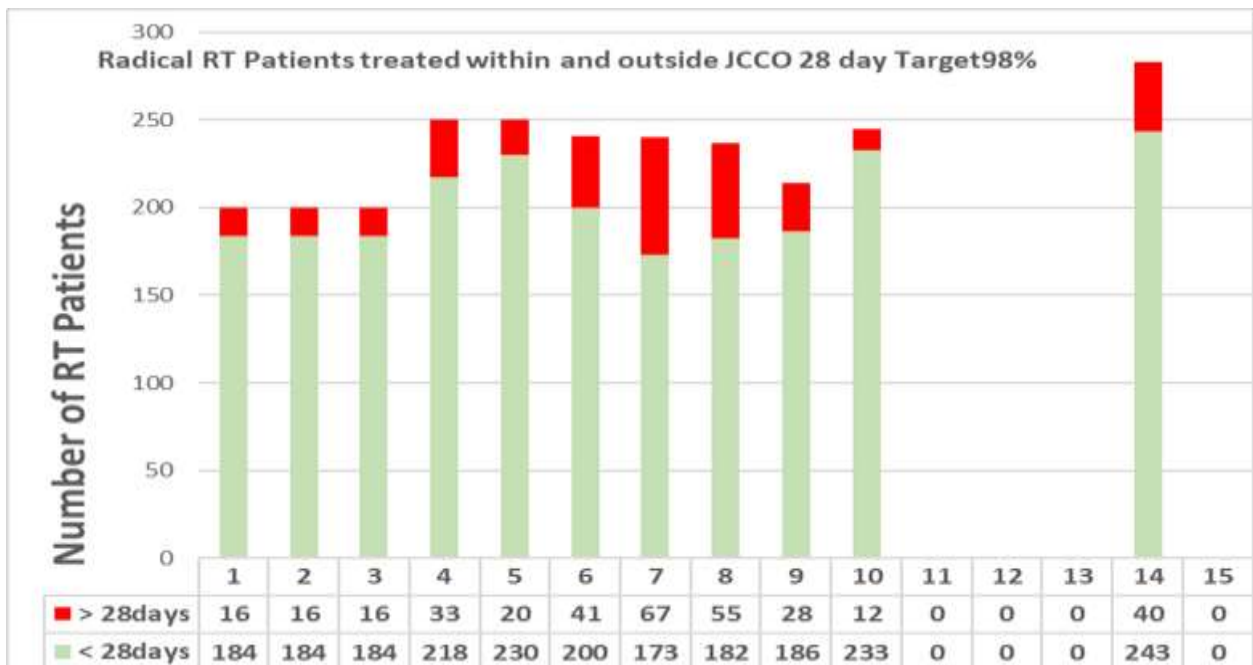
During the year we saw high demand for the radiotherapy and chemotherapy services provided at the Velindre Cancer Centre. Our staff worked hard to meet this demand and we continue to explore new ways of working which will reduce waiting times and improve patient access to our services.

PROGRESS AGAINST: RADIOTHERAPY

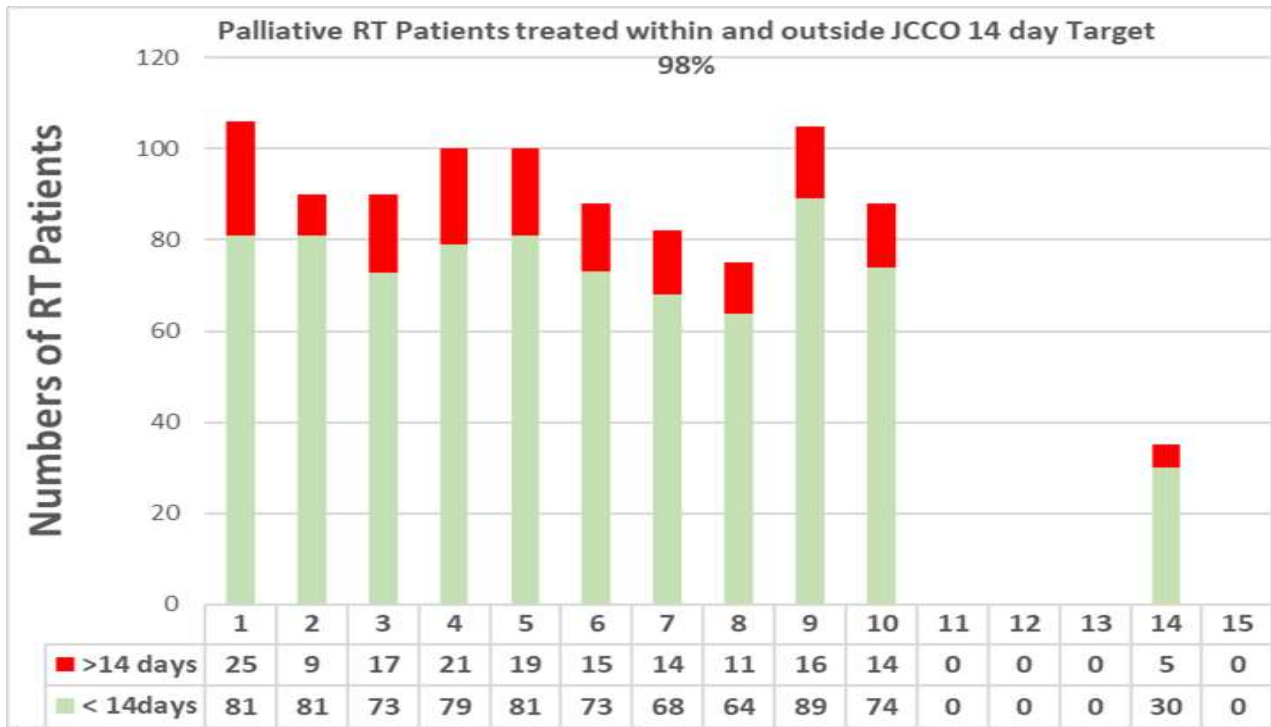


In 2022/23, we observed an 8% increase in demand for radiotherapy services. We implemented a balanced capacity plan to ensure sufficient capacity was in place to meet demand increases. Our performance between April and October 2022 was 85% against the Radical 28-day target, 83% against the Palliative 14-day target and 93% against the Emergency 2-day target.

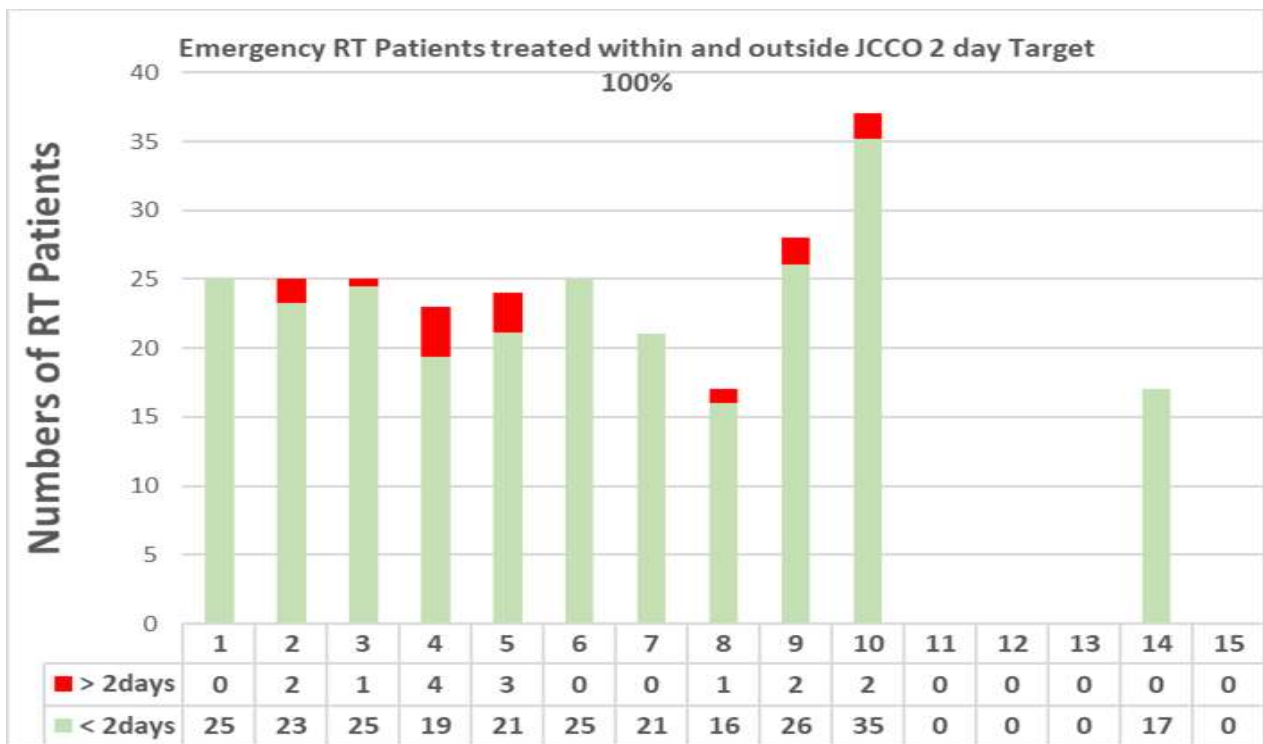
The new categorisation of treatment times new Radiotherapy Time to Treatment targets (RRTT) (previously known as COSC), are a major change implemented from January 2023, that is being adopted across Wales and work is ongoing to fully embed the changes. Due to data system changes which have occurred because of the transition to the new data warehouse (following implementation of the Digital Health and Care Record - DHCR) and a requirement for a full rebuild of the data warehouse to accommodate reporting functionality for the data, waiting times reports were unavailable for the period November 2022 to January 2023. Work is also taking place at a national level to more clearly define the new categories, reporting criteria and how pathways can be changed to ensure the delivery of the new measures. Our performance between April and October 2022 was 85% against the Radical 28-day target, 83% against the Palliative 14-day target and 93% against the Emergency 2-day target.



Months 1 to 15 Jan 2022 to March 2023



Months 1 to 15 Jan 2022 to March 2023

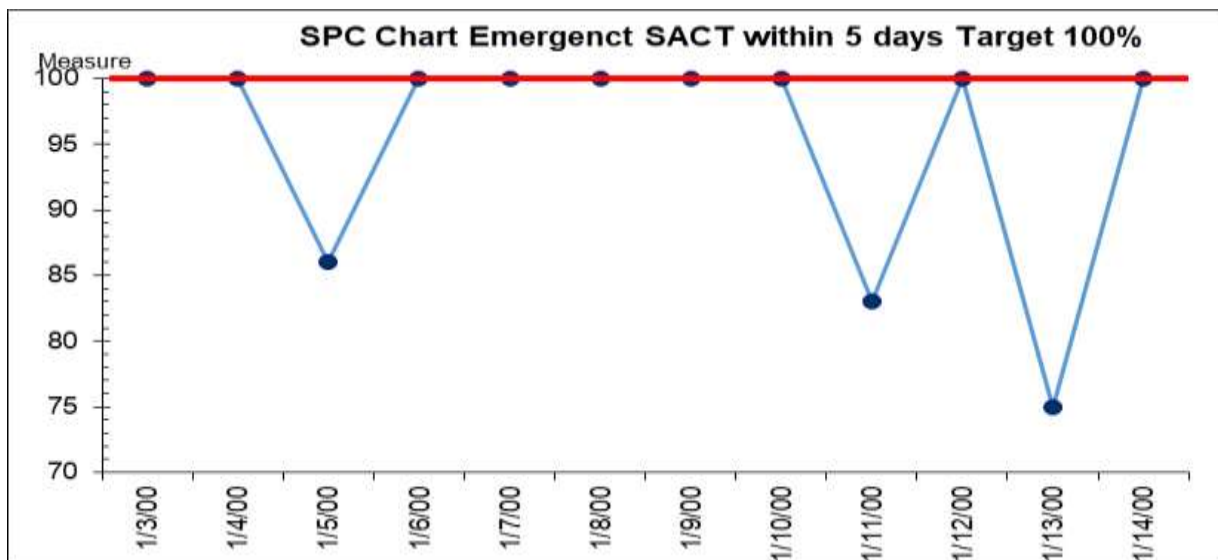
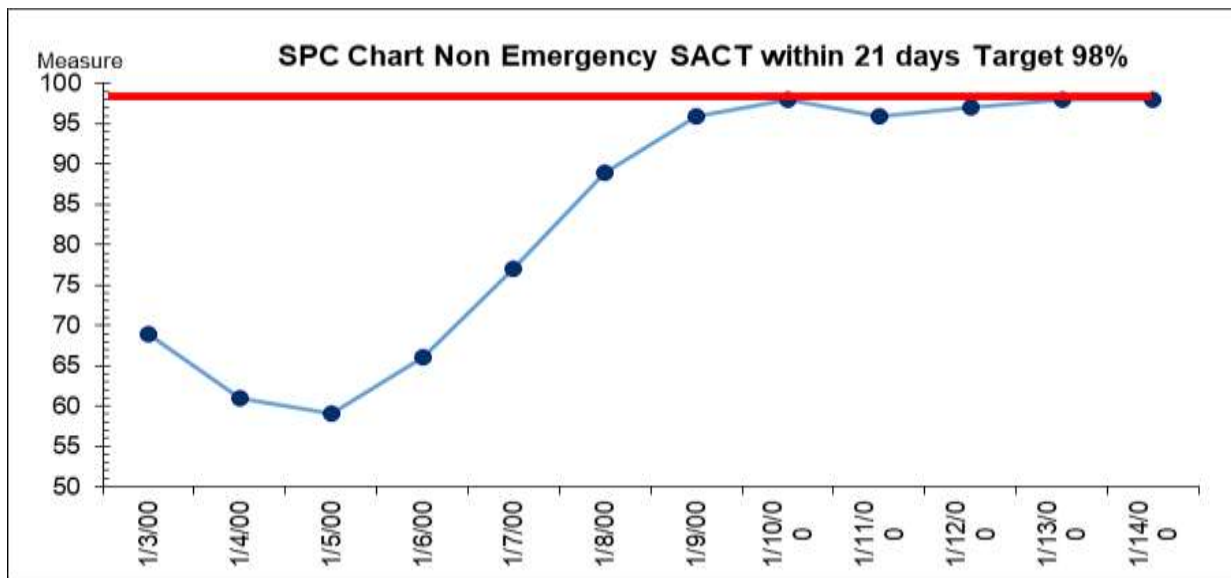


Months 1 to 15 Jan 2022 to March 2023

PROGRESS AGAINST: CHEMOTHERAPY



Following a significant increase in SACT referrals of 8% in 2021/22 we saw a further increase of 12% in 22/23. This resulted in a significant challenge to produce capacity to match the demand as all outreach provision for ABUHB and 50% for CTMUHB had been repatriated and delivered at VCS. As a result, we saw deterioration in performance between January and June 2022. We implemented a delivery plan which included additional resources alongside a return to full capacity at CTMUHB and internal productivity and service improvement changes. This saw us recover between July and November 2022 to return to delivery of our waiting times targets. We feel that this reflects the hard work and dedication of our team and our ongoing commitment to improve our services.



PROGRESS AGAINST: ACCESS TO THERAPY SERVICES

Performance throughout 2022/2023 was excellent overall, but we recognise that the small number of therapies staff means that staff absence can have a disproportionate effect on overall performance. Every effort is made to manage such situations effectively.

VCS	Apr22	My 22	Jun22	Jul 22	Aug22	Sep22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar23
Dietetics	100	100	100	100	96	95	100	100	100	100	100	100
Physio	100	100	100	100	100	100	100	100	100	100	100	100
OT	100	100	100	100	100	100	100	100	100	100	100	100
SLT	67	100	100	100	100	100	100	100	100	100	100	100
Dietetics	100	100	100	100	100	100	100	98	100	91	100	98
Physio	100	100	100	100	100	100	100	100	100	100	100	100
OT	100	100	100	100	100	100	100	100	67	100	100	100
SLT	100	100	100	100	100	50	100	100	100	100	100	100
Dietetics	100	100	100	100	100	100	100	100	100	100	100	100
Physio	100	100	100	100	100	100	100	100	100	100	100	100
OT	100	100	100	100	97	100	78	100	100	96	100	96
SLT	100	100	100	100	96	100	100	100	100	100	100	100

PROGRESS AGAINST: SAFE AND RELIABLE SERVICES TARGET

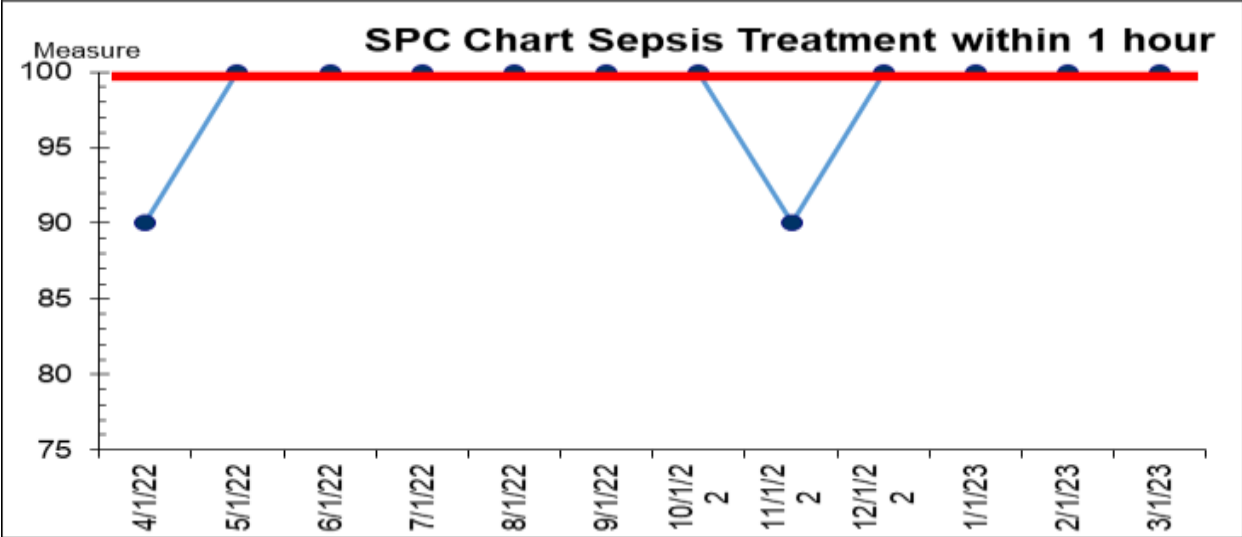
Hospital Acquired Infections: We have continued to maintain our low rates of hospital acquired infections. We have zero tolerance with respect to hospital acquired infections, such as MRSA. This means that our aim is to see no such infections in our inpatients over the course of any year. However, we also recognise that our inpatients can be particularly susceptible to infection because of the nature of the treatments that they undergo and their physical condition. There was a peak in December 2022 and January 2023 which reflected a national rise in infection rates.

VCS	Apr22	My 22	Jun22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
C.diff	0	0	0	0	0	0	0	0	1	1	0	0
MRSA	0	0	0	0	0	0	0	0	0	0	0	0
MSSA	0	0	0	0	0	0	0	0	1	0	0	0
E.coli	0	0	0	1	0	0	0	0	1	3	1	0
Klebsiella	0	0	0	0	0	0	0	0	0	1	0	0
Pseudo Aerugi	0	0	0	0	0	0	0	0	0	0	0	0
Gram Neg	0	0	0	0	0	0	0	0	1	4	1	0

Pressure Ulcers: We also have zero tolerance with respect to tissue damage and pressure ulcers. Again, our inpatients can be particularly susceptible to this sort of damage. Compliance with our Skin Care bundle, which has been developed to reduce the risk of skin and tissue damage for our inpatients, showed full compliance with the avoidable pressure ulcer target all year.

VCS	Apr22	My22	Jun22	Jul22	Aug22	Sep22	Oct22	Nov22	Dec22	Jan23	Feb23	Mar23
<u>Actual Number</u>	1	0	1	0	0	4	1	1	1	0	0	1
<u>Avoidable Ulcers</u>	0	0	0	0	0	0	0	0	0	0	0	0
<u>Target NIL</u>	0	0	0	0	0	0	0	0	0	0	0	0

National Early Warning Score (NEWS): NEWS was originally developed by the Royal College of Physicians and is intended to help reduce the number of patients whose conditions deteriorate whilst they are in hospital. When a patient is assessed using NEWS, a score equal to, or greater than 3, indicates that they may be at an increased risk of developing complications. At VCS, we use NEWS to determine whether our patients are at an increased risk of complications related to neutropenic sepsis. Those patients that are deemed to be at greater risk have the ‘Sepsis Six’ bundle (a combination of 3 different treatments and 3 tests) administered to them within a set time. The graph below shows that we performed well against our target (that all patients be administered with the ‘Sepsis Six’ bundle within the set timeframe) in 2022/23, with full compliance in 10 of 12 months.



PROGRESS AGAINST: FIRST CLASS PATIENT EXPERIENCE TARGET

Our patient feedback is largely positive. The Trust has worked to improve the way it collects and receives feedback from those who use our services. Work to understand how best to collate feedback, identify themes and to use this information to aid improvement is crucial. There are 2 surveys used in VCS – ‘Would you recommend us?’ and ‘Your Velindre Experience’ The Your Velindre experience uses 0-10 in the question about rating VCS, whereas ‘Would you recommend us?’ used Very good, good etc. The majority of surveys completed in VCS is the ‘Would you recommend us?’ one.

Patients at Velindre Cancer Centre consistently rated their own experience as being very good, scoring an average in the 92% for ‘would you recommend us?’ to an 85% average for ‘your Velindre experience’. The importance of learning from patient feedback remains paramount in the development of our services.

	Apr22	My 22	Jun22	Jul 122	Aug22	Sep22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
VCS												
Would you recommend us? %					89	89	88	nda	nda	93	96	95
Your Velindre Experience? %								nda	nda	84	86	82
Target 85%	95	95	95	95	95	95	95	95	95	95	95	95

Specifically, the ‘Your Velindre Experience’ relates to those who scored their experience as a 9 or 10 against a scale of 1 to 10. For February and March, 86% and 82% of patients scored 9/10 with all patients rateing their experience as 6 /10 or greater.

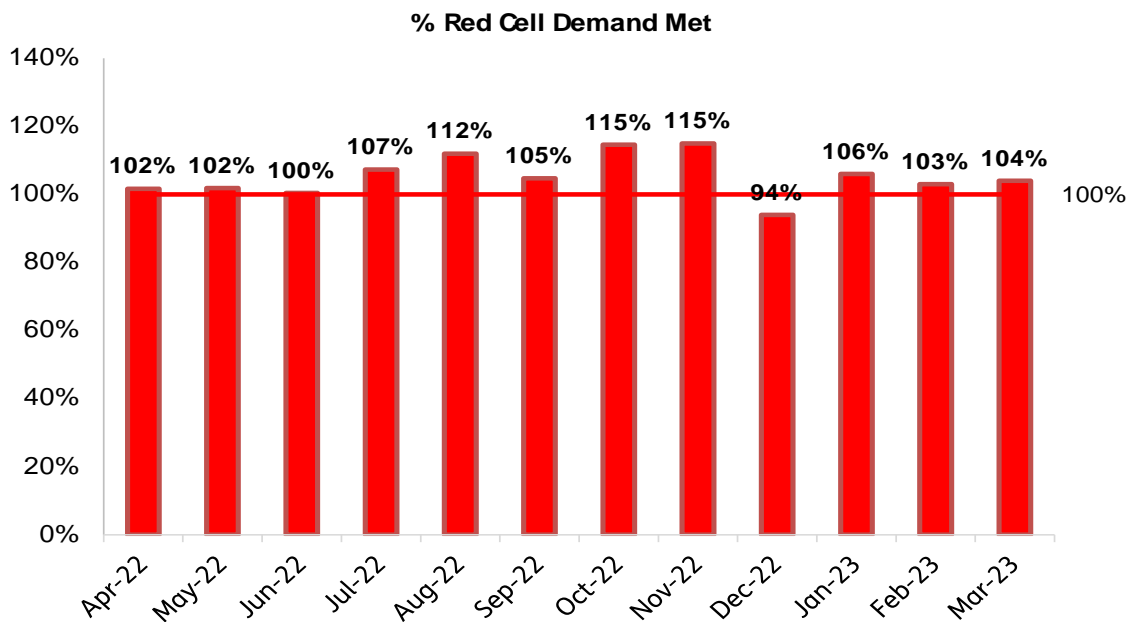
WELSH BLOOD AND TRANSPLANT SERVICE (WBS)

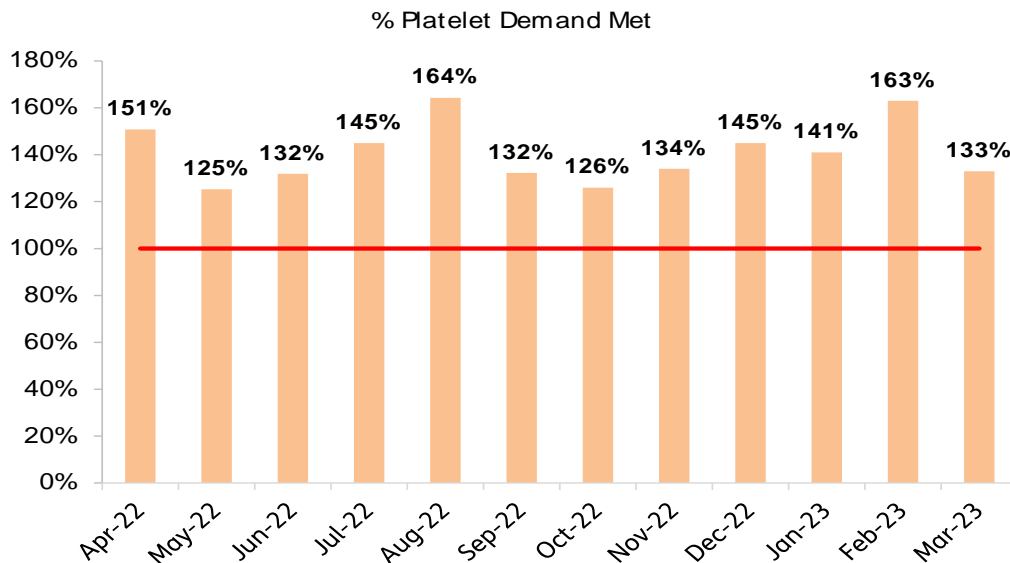
Performance metric	2020/21		2021/22		2022/23	
	Target	Actual	Target	Actual	Target	Actual
Number of new Bone Marrow Volunteer (BMV) registrations aged 17-30 recruited to the Welsh Bone Marrow Donor Registry (WBMDR)	4,000	2,964	4,000	2,199	4,000	2,175
≥80% deceased donor typing / cross matching reported within 4 hours (turnaround times target reduced from 6 to 4 hours in 2017/18)	80%	89%	80%	88%	80%	86%
≥90% Anti-D & -c Quantitation results provided to customer hospitals within 5 working days	90%	99%	90%	97%	90%	93%
≥90% routine antenatal patient results provided to customer hospitals within 3 working days	90%	98%	90%	97%	90%	96%
≥80% samples referred for red cell reference serology work up provided to customer hospitals within 2 working days	80%	84%	80%	81%	80%	69%
Number of reportable SABRE events	5	5	5	9	0	9
Quality incident Records closed within 30 days (rolling three month period)	90%	100%	90%	100%	90%	96%
≥71% of blood donors scoring 5 or 6 out of 6 for satisfaction with overall service	95%	92%	95%	95%	95%	96%
≥100 % of concerns answered within 30 days	100%	99%	100%	100%	100%	100%
<10% time expired platelets	10%	14.6%	10%	13.4%	10%	21%
<1% volume of waste (<0.5% until March 2017)	1%	0.6%	1%	2.5%	1%	0.12%

Performance metric	2020/21		2021/22		2022/23	
	Target	Actual	Target	Actual	Target	Actual
% Part Bags	3%	3.1%	3%	2.7%	3%	2.4%
% Failed Venipuncture	2%	1.6%	2%	1.4%	2%	1.4%

PROGRESS AGAINST: MEETING CLINICAL DEMAND FOR RED BLOOD CELLS AND PLATELETS

Throughout 2022/23, the Welsh Blood Service successfully met all clinical demand for Red Blood Cells (RBC) and Platelets for our customer hospitals across NHS Wales. This is the result of established daily communications between the Collections and Laboratory teams enabling agile responses to variations of stock levels and service needs and working closely with our customer hospitals. Whilst it has had to rely on support from other UK blood services on occasions, it has also supported those services with mutual aid at other times during the year.

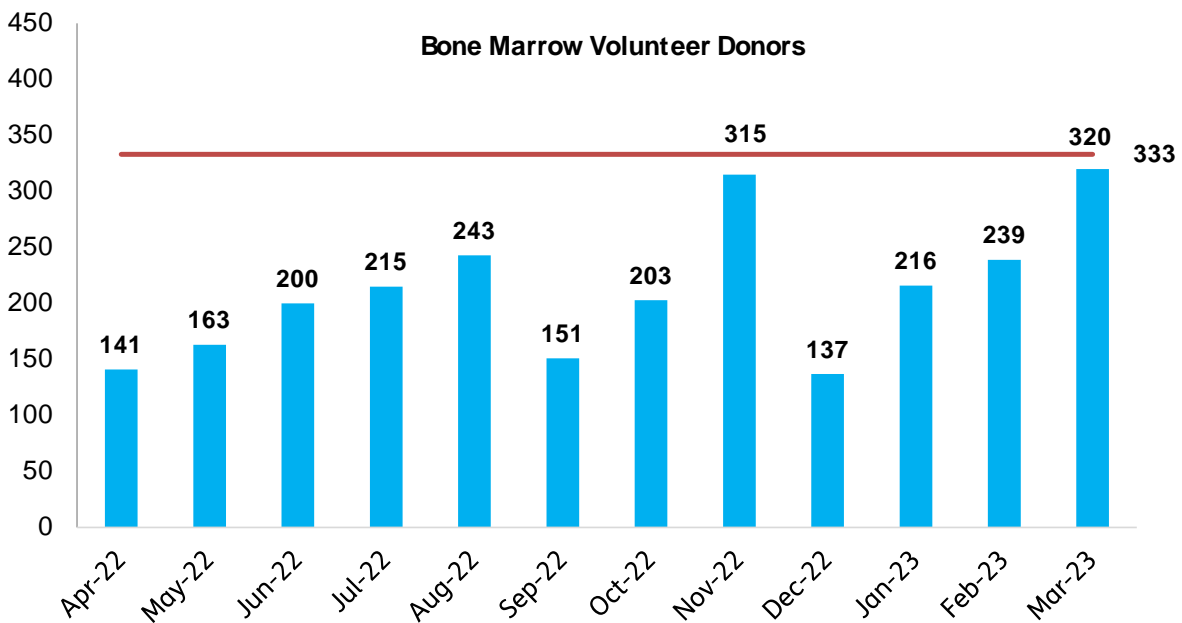




PROGRESS AGAINST: GROWING OUR BONE MARROW REGISTRY

The Welsh Bone Marrow Donor Registry (WBMDR) provides a panel of volunteer donors recruited from the blood donor panel willing to donate stem cells for use as cellular therapy. A donor attends a blood donor session and if aged between 17 and 30 is asked if they would like to join the panel. Donors stay on the panel until their 61st birthday.

Our registry currently includes more than 71,000 volunteers who were recruited via a blood donor session. However, the WBMDR donors represent only 3% of the UK donor panel and the target recruitment is 4,000 per annum (5.6% of the panel) which was not met in 2022/2023. However, a recruitment recovery plan has been put in place to address this shortfall. The WBMDR five-year strategy, re-appraising the existing collection model and its ambition, began development in 2022/23.



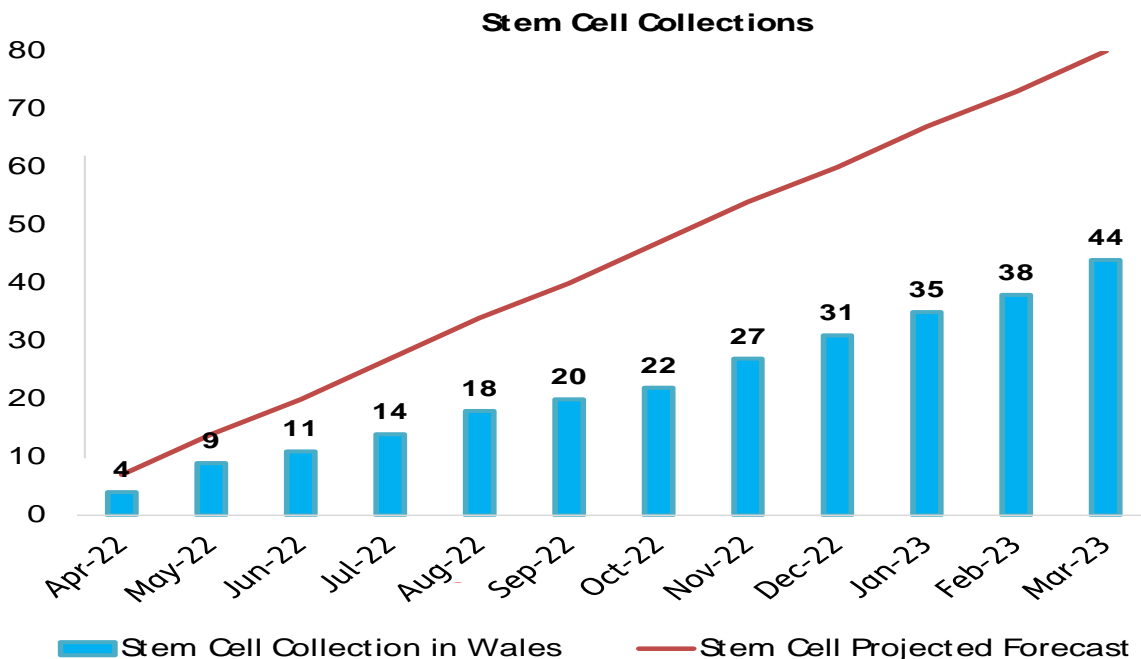
Current Bone Marrow Volunteer (BMV) recruitment involves a combination of recruitment of blood donors aged 17-30 at blood donor sessions and the recruitment of non-blood donors using buccal swabs. This age group is preferred as young donors have longevity as a potential donor and because they provide a more clinically effective transplant. Recruitment via blood donor sessions is becoming increasingly difficult to sustain as the strategy of aligning blood supply to demand going forward, will require increased focus on returning blood donors whose demographic is not necessarily aligned to the target BMV age group. This has resulted in the requirement to increase our focus on recruitment of bone marrow volunteers via buccal swabs

There are 114 registries in the global network and in total there are nearly 41 million donors on the global panel. The panel grows at ~7% each year. In the UK, there are 4 registries with a total of 2.1 million donors. The Welsh Bone Marrow Donor Registry represents 3% of the total donors in the UK. The WBMDR has the highest collection index of the 4 UK registries and consistently scores high in international collection and efficiency indexes and trend reports such as the WMDA Global Trends Report and the National Marrow Donor Program (NMDP-USA) Global Registry Report. The WBMDR has recently passed inspection by the Human Tissue Authority (HTA) and the World Marrow Donor Program (WMDA) and maintains its status as a donor centre for the NMDP.

PROGRESS AGAINST: MEETING TRANSPLANT SERVICES REQUESTS

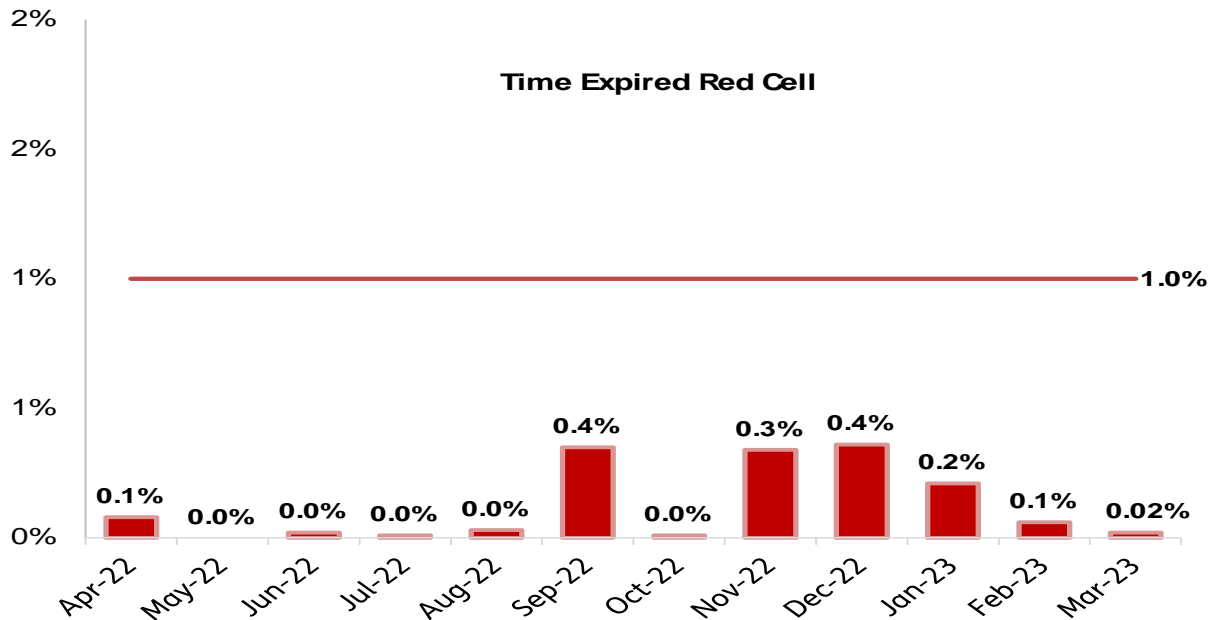
Our annual target for the number of stem cell collections that we would anticipate in any 12-month period is set at the beginning of the year.

There are a high number of variable factors that influence the number of stem cell collections that are undertaken in any one calendar month. There is an initial confirmatory test, which is, then sent back to the requesting transplant centre who then make a decision on which donor will be taken forward for their particular patient. From the basic genetic match of our donors, availability and willingness of our donors to participate and donate, the wellbeing of the recipient patient, and their treatment pathway, all contribute to the final number of collections that will be undertaken in any one calendar month. In 2022/23, the Welsh Bone Marrow Donor Registry fell shy of its annual target. However, during the pandemic stem cell collections had fallen mainly due to a reduction in transplant centre stem cell collection requests and the high cancellation rate due to patient factors during this period. The WBMDR has recently (November 2022) implemented a new piece of software that provides external registries with a more modern donor selection algorithm and we are already experiencing an increased number of sample requests, which have a direct relationship to product requests.



PROGRESS AGAINST: MINIMISING WASTE TIME EXPIRED RED CELLS AND PLATELETS

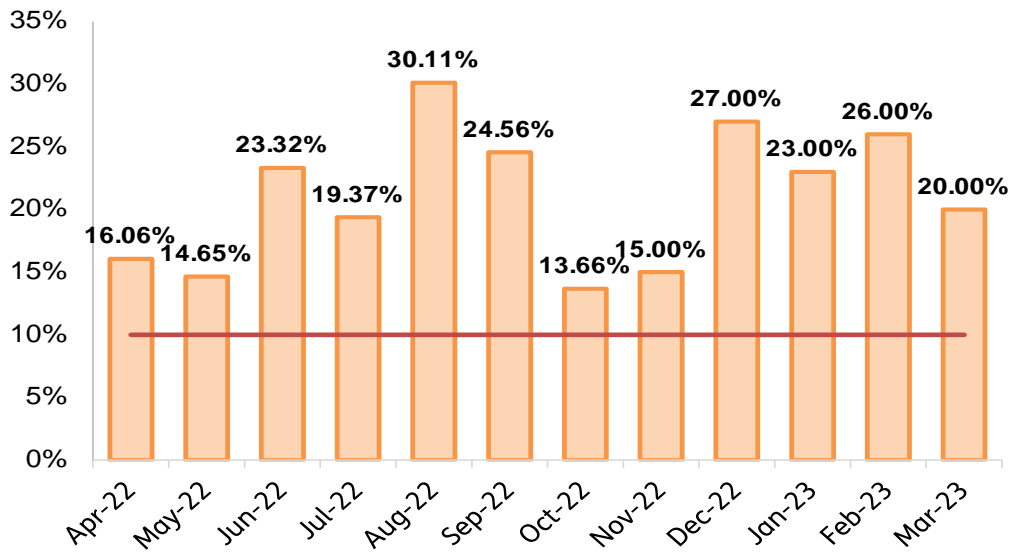
Aligning the supply of blood components, which have limited shelf life, to the varying demand of hospitals is highly complex and multifaceted. Currently, the WBS has set itself a target of no more than 1% of Red Blood Cells (RBC) time expiring each month where they exceed their 35-day 'shelf-life' and a 10% target for platelets (7 days shelf life).



During 2022/23, the levels of time expired red cells remained consistently below the 1% target, this was attributed to the active and agile management of the supply chain.

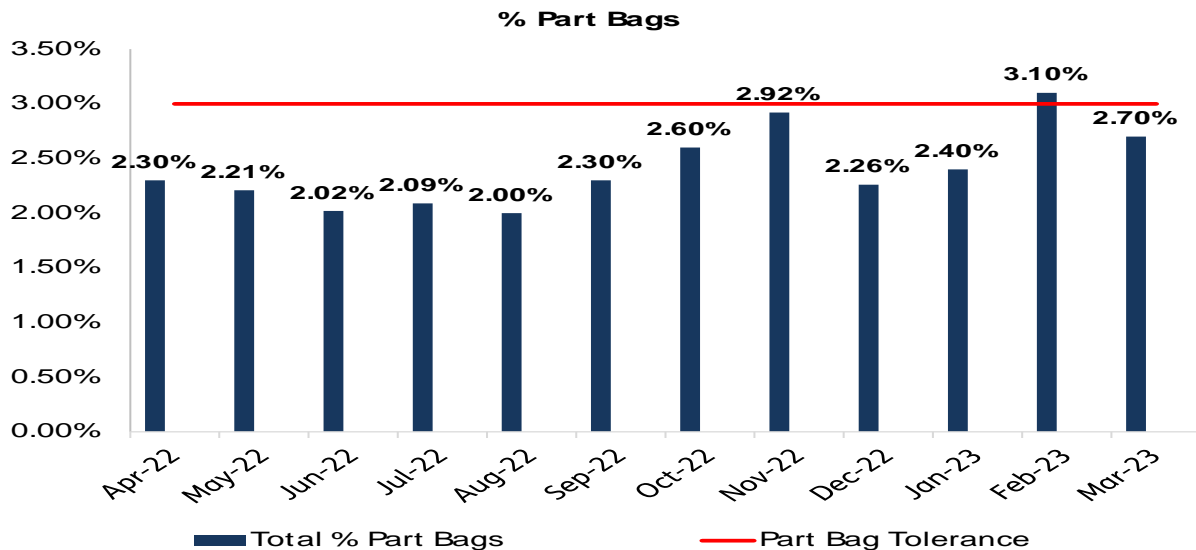
Time expiry of platelets was above the target tolerance threshold on a number of occasions during 2022/23. This was largely due to a strong stock position against a reduction in demand. Operational focus directed towards provision of platelets as opposed to reduction in waste in the short-term. A longer-term review of the platelet production strategy is underway to minimise the potential for waste in the supply chain. This is in addition to work initiated during the year to develop an improved understanding of how the operational factors, which effect supply could continue to improve.

Time Expired Platelets



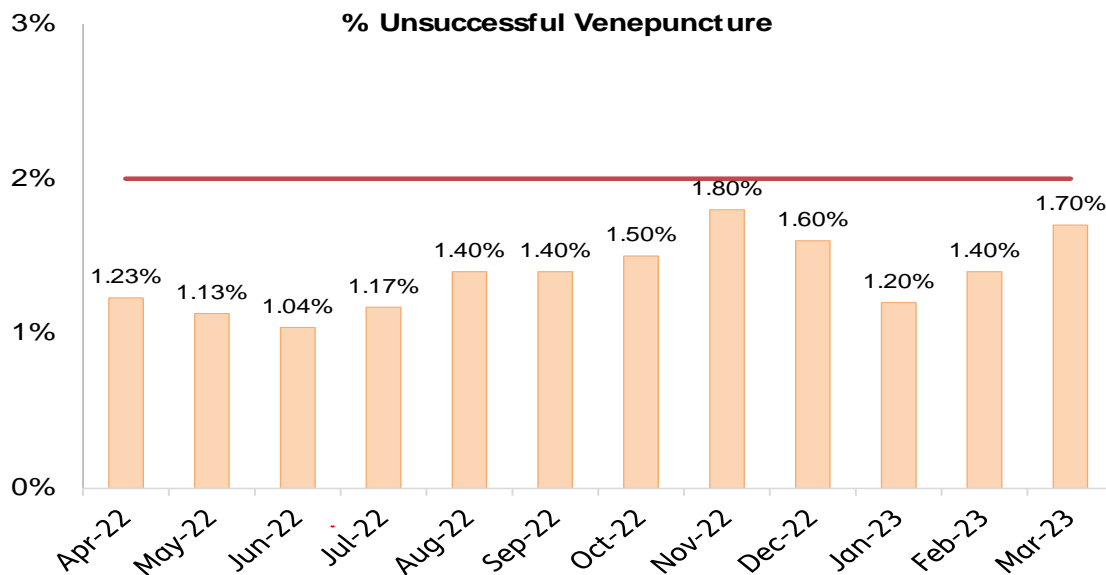
PROGRESS AGAINST: COMPLETE WHOLE BLOOD DONATIONS

Part bag is the term we use to describe a whole blood donation of less than 420ml of blood and which is therefore not viable for clinical use and disregarded. There are various reasons why a donation may need to be stopped before the required volume of blood has been collected. These reasons include venepuncture technique, donors feeling unwell or equipment failure. Our current target is to ensure that we collect less than a maximum of 3% part bag blood donations and during 2022/23, we consistently this target for 11 out of 12 months. Despite strong performance in this area, the WBS will continue to modernise our service and strive to reduce the numbers of part bags wherever possible.



PROGRESS AGAINST: UNSUCCESSFUL VENEPUNCTURE

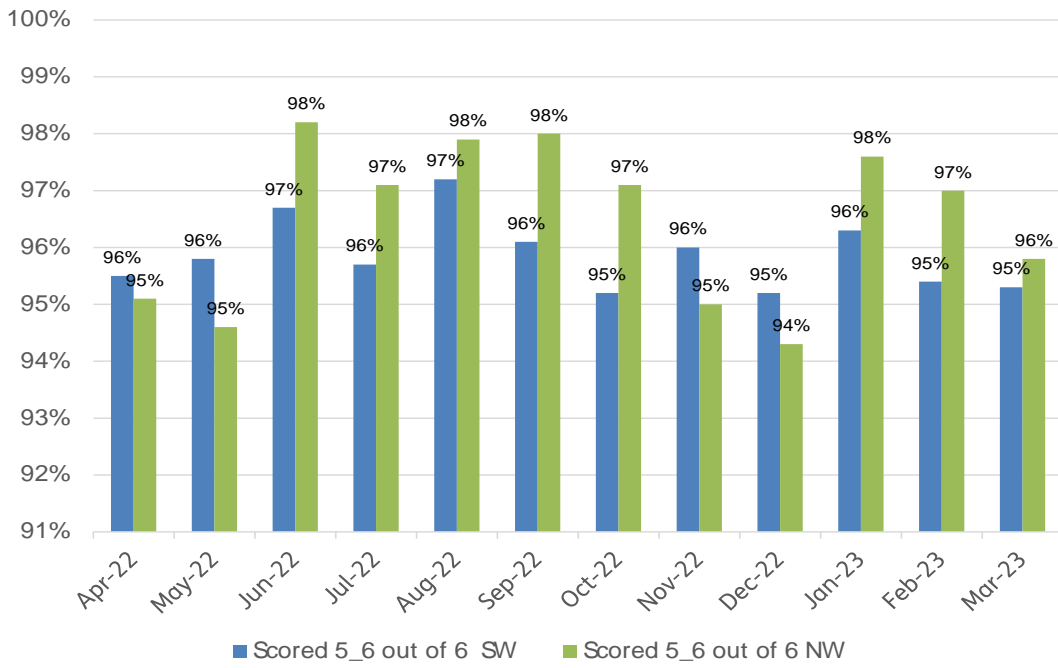
Unsuccessful venepuncture refers to donors who have reached the donation chair but despite an attempt to venepuncture the donor, no blood enters the bag. There are various reasons why this can happen, typically this might be a result of inaccessible donor veins, poor venepuncture technique or equipment failure. Our current tolerance threshold is no more than 2% of all donors where a blood donation is initiated to result in a failed venepuncture attempt. Performance during 2022/23 was consistently within target tolerance levels. Despite strong performance in this area the WBS will continue to modernise our service and strive to reduce the number of unsuccessful venepunctures wherever possible.



PROGRESS AGAINST: FIRST CLASS DONOR EXPERIENCE TARGET

The importance of learning from donor feedback remains paramount in the ongoing development of our services. During 2022/23, the Welsh Blood Service has worked hard to improve systems and processes relating to concerns management to ensure that donor and service user feedback is consistently managed in a timely and effective manner, whilst ensuring lessons are learnt and identified service improvements are introduced.

Donor Satisfaction



RISKS AND CHALLENGES

VELINDRE CANCER CENTRE – RISKS AND CHALLENGES

Velindre Cancer Centre, currently, faces a number of key challenges. Additional detail on how we will address these can be found in our three-year plan, but it is important to recognise that these issues effect the design of our services and our performance.

CANCER INCIDENCE IS INCREASING

The incidence of cancer in Wales is forecast to increase by 2% per annum to 2031. This is expected to result in an estimated 12,677 new cases per year in the VCS catchment population by 2031, representing an increase of 35% since 2013.

THERE CONTINUES TO BE VARIATION IN OUTCOMES THROUGHOUT WALES

While survival rates have improved, there continues to be significant variation in survival rates between the least and most deprived in south-east Wales. We need to work with our partners to reduce inequalities, improve prevention, improve the rates of earlier detection and diagnosis and patient access and take up of treatment. The advent of the Single Cancer Pathway (SCP) will have important ramifications for the delivery of cancer services across Wales.

THERE IS A GAP BETWEEN FORECAST DEMAND AND SUPPLY WHICH WE NEED TO CLOSE

The increasing incidence of cancer, increasing survival rates of people with cancer and the increasing complexity in treatments will create a significant pressure on our ability to deliver the required level of services in the future. It is crucial that the healthcare system responds to this increasing and changing demand if it is to continue to deliver services and maintain current performance.

TREATMENTS ARE BECOMING MORE COMPLEX

The pace of innovation, clinical and technological change in cancer services is rapid. We know that on the immediate horizon are new advances in radiotherapy along with personalised medicine. Similarly, within SACT services, there is a growing list of cancer types for which immunotherapy has shown promising results and, consequently, we are introducing ever more immunotherapy treatments. These treatments are often used in addition to existing therapies or, in some cases, are providing entirely new options for patients. This is an exciting and dynamic area. We recognise that the use of these novel treatments introduces new levels of complexity and are sometimes delivered over extended periods. We must ensure that the appropriate support and infrastructure is in place to allow us to continue to offer these treatments in a timely, safe fashion in order to optimise outcomes for our patients.

MORE PEOPLE ARE LIVING WITH AND BEYOND CANCER

As treatments have improved survival in the UK has doubled over the last 40 years. A new approach to longer term care is therefore required to support individuals with ongoing treatment and rehabilitation, and to ensure patients are able to maximise their potential and enjoy the highest quality of life.

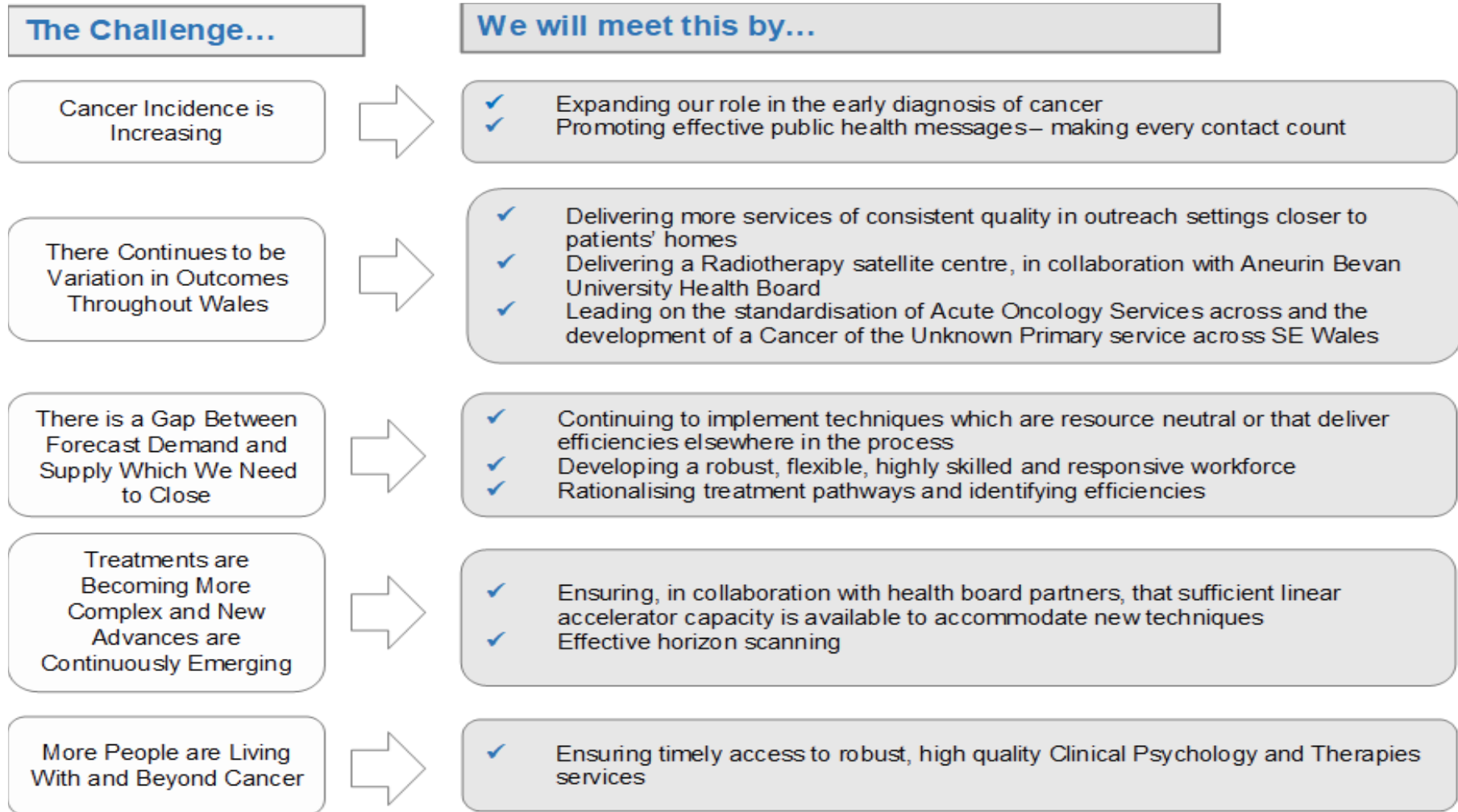
There is a need to develop a broader range of services which support individuals and helps them engage fully in society, including employment, following their recovery. We need to ensure that we can continue to offer robust, high quality Therapies and Clinical Psychology services. This will require a change in relationship between patient and clinician, with patients taking an equal role in designing and co-producing care.

SUPPLY OF WORKFORCE



Survival in the UK has doubled over the last 40 years. A new approach to longer term care is therefore required to support individuals with ongoing treatment and rehabilitation and to ensure patients are able to maximise their potential and enjoy the highest quality of life. There is a need to develop a broader range of services which support individuals to engage fully in society, including employment, following their recovery. We need to ensure that we can continue to offer robust Therapies and Clinical Psychology services. This will require a change in relationship between patient and clinician, with patients taking an equal role in designing and co-producing care.

**VELINDRE CANCER CENTRE
HOW WE WILL MEET OUR CHALLENGES**



WELSH BLOOD SERVICE – RISKS AND CHALLENGES

Maintaining an engaged healthy donor panel:

The challenge of ensuring we have enough donors of the right group to meet our demand is one that is being experienced by blood services globally with an aging population, increased travel to countries where donors may be susceptible to blood donor disease and people having busy lives.

Meeting demand and service development:

Aligning varying hospital demand to the supply of blood components, especially those with limited shelf life, is a challenge. National data on blood component usage required to make demand predictions more accurate and effective; all Wales LIMS project will be a major enabler for this.

Increasing use of immunotherapy and improved compliance with national guidelines increase the demand for highly specialised reference blood testing provided by WBS Red Cell Immunohaematology (RCI) laboratory. This service need continues to grow and is not sustainable under the current commissioning arrangement which needs to be revised.

Demand for stem cell donation and transplant immunology services is also expected to increase through presumed consent legislation across the UK and increased use of stem cell treatments. The Welsh Blood Service is also exploring the opportunity for expansion of its stem cell collection services for partner organisations.

Continuing to meet stringent blood selection guidelines and regulatory requirements:

Changes in science, technology and ways of working provide a continually evolving service and developing regulatory requirements for blood services. The In-vitro-diagnostic Device (IVDD) Regulations, changes to the Advisory Committee on the Safety of Blood, Tissues and Organs (SaBTO) guidance on plasma and platelets and monitoring the impact of Brexit on UK regulatory policy all provide an immediate work programme for WBS. These are in addition to the regular changes in Donor Selection Guidelines (DSGs) and the Joint United Kingdom (UK) Blood Transfusion and Tissue Transplantation Services Professional Advisory Committee (JPAC) guidelines for the Blood Transfusion Services in the United Kingdom (Red Book).

Changing science and technology:

Advances in both scientific and medical understanding of the origin and management of disease, as well as broader supporting technological developments, provide opportunities for step changes in operational workflows, efficiencies and services provided by WBS. This includes Next Generation Sequencing (NGS) and Advanced Therapy Medicinal Products (ATMPs).

During 2022/23, WBS continued to 'horizon scan' and support the Welsh Government and NHS Wales on developing strategies to facilitate the adoption of these new ATMP therapies. Through Advanced Therapies Wales, WBS worked closely with NHS Wales organisations, private and third sector to make recommendations on prioritised activities required for such a roll out.

Automated technology is rapidly evolving within the field of blood component manufacturing and testing and WBS are exploring the potential of these technologies including red cell genotyping.

Advances, such as artificial intelligence driven data analysis and implementation of augmented reality enhanced routine procedures, that increase throughput and quality, eliminate errors and identify issues earlier in a cost-effective manner are emerging. Adoption of these techniques will enable further developments in efficiency and quality of our services.

Workforce:

WBS has to respond to these advances in terms of its own workforce but also in the role it plays in the training of the current and future scientific workforce for NHS Wales through its support for undergraduate provision and its informal and formal outreach to support NHS colleagues. Consideration also needs to be given to the throughput of entry level scientific staff and their career progression within the NHS which already creates some pressure within WBS. In addition, competition for scientists with the commercial sector will increase the current difficulties in recruitment / retention, meaning that we will have to develop and maintain attractive roles and opportunities. Education strategies that support succession planning and develop a work force that is flexible and responsive to the transformation are being developed as well as those which support the new and emerging skills requirements.

WELSH BLOOD SERVICE – HOW WE WILL MEET OUR CHALLENGES

2.2: The Challenge...

Maintaining an Engaged
Healthy Donor Panel



We will meet this by...

- ✓ Working in partnership with donors delivering a prudent, safe and sustainable personalised donor service to support lifesaving treatments for NHS Wales and beyond.
- ✓ Making the most of our contact with people in Wales by delivering activity such as public health and wellbeing interventions, alongside our collective activities in our communities.

Meeting Blood
Component and Blood
Product Demand



- ✓ Delivering a fully automated and intelligence led supply model where blood collection is planned to meet specific health service need.
- ✓ Leading and working within a clinically led NHS Wales blood health community with a truly prudent use of blood components and products.

Continuing to Meet
Stringent Blood
Selection Guidelines
and Regulatory
Requirements



- ✓ Delivering state of the art blood and transplant services
- ✓ Active engagement, participation and collaboration with UK and European networks to horizon scan, plan & influence regulatory changes and developments
- ✓ Supporting partners through our expertise in Good Manufacturing Practice (GMP), quality assurance, validation and cold chain logistics.

Changing Science and
Technology



- ✓ Being recognised internationally for our sector leading service model and our research and life science innovation.
- ✓ Working collaboratively with pathology, genomics, ATMP and life sciences sectors and Higher Education Institutions in service delivery and innovation with the required infrastructure and systems to transfer new treatments and technology from the bench to the bedside in Wales creating high skilled jobs.
- ✓ Developing a centre for excellence in laboratory science, supporting professional development of NHS colleagues and educating the next generation science and laboratory workforce for NHS Wales and the life science sector.

PUTTING THINGS RIGHT

We are committed to managing and learning from concerns in accordance with the Putting Things Right process, or NHS (Concerns, Complaints and Redress Arrangements) (Wales) Regulations 2011.

During 2022/23, we received a total of 155 concerns. This was a considerable reduction (-36) in the volume of concerns raised during 2021 – 2022. 55% of the concerns were raised to the Trust via email, 33% received verbally by telephone, 6% verbally in person, 5% via letter and 1% via social media.

The Trust has continued to respond to the complainant within 30 days of receipt of their concern. The compliance breakdown per quarter is listed below and demonstrates continuous compliance over the year:

Quarters Q1 – 100% Q2 – 100%, Q3 – *45%, Q4 – 100%

**Due to a validation of the PTR closure within 30-day return figures by the Welsh Risk Pool, an anomaly was found where the day on which a PTR concern was received being classed by the Trust as “day zero”, when this should have been classed as “day one”. The outcome has meant that for quarter 3, only 4 of the 9 PTR concerns have been completed within 30 days. However, all 9 PTR concerns were completed within 31 working days of receipt. This issue has been addressed and all future PTR concerns will be classed as “day one” on the date of receipt.*

Over 96% of the concerns raised were graded 1 and 2, and 70% were successfully resolved via the ‘early resolution’ process which is an 11% increase in comparison to 2021/22. The Trust has continued to have a low number of re-opened complaints of less than 6% for the year.

8 complaints have been referred to and upheld by the Ombudsman during the year. 3 Ombudsman cases remain open at the end of quarter 4 2022/23 and the Trust await further communication from the Ombudsman.

Covid related concerns have remained consistent throughout 2022/23 with 13 concerns being reported in comparison to 12 during 2021/22. The Covid related concerns have related to the impact on cancer patients due to delays in referral and treatment and in relation to Welsh Blood Service, the reduced number of venues available to donate following some venues having to close during the pandemic and not reopening.

The main themes for concerns raised throughout the year related to; delays in Cancer Service patient appointments and the attitude and behaviour of medical staff to patients in relation to the lack of communication and information regarding treatment options. There was also a theme identified relating to patient assessments through the treatment helpline, of which a full-scale review, action plan and improvement project has been implemented. The Welsh Blood Service continue to receive concerns raised with donors experiencing issues with planning appointments or being turned away from scheduled appointments due to arriving late to donate. Donors also raised concerns in relation to the practicalities of giving blood which has resulted in identifying staff training needs and the review of related policies and procedures.

We remain committed to encouraging patient / carer feedback so that we can learn from and improve our services. We have continued to refine our complaints management processes and concerns investigation through to formal response to the service user, ensuring that any actions required are taken promptly and that learning from complaints is fully embedded.

VELINDRE UNIVERSITY NHS TRUST QUARTERLY INDICATORS 2022/23					
Quarters	Q1	Q2	Q3	Q4	YTD Total
CONCERNS					
Trust Early Resolution (ER) (resolved within 48 hours)					
ER opened	40	20	24	24	108
Trust Putting Things Right (PTR) (formal)					
Trust wide PTR opened	13	12	9	11	45
Acknowledged within 48 hours	13	12	9	11	45
PTR closed within 30 days	13	12	4	11	40
PTR closed after 30 days	0	0	5	0	5
Concerns raised through Welsh language communication	1	0	0	1	2
Total number of concerns (PTR/ER) received per quarter	53	32	33	35	-
OMBUDSMAN (OMBS)					
OMBS cases opened	0	3	0	1	4
Open OMBS cases	3	6	3	3	-
OMBS cases closed	0	0	3	1	4
Total number of Ombudsman cases received	0	3	0	1	-
REDRESS					
Redress cases opened	1	0	1	2	4
Open redress cases	3	4	3	4	2
Redress cases closed	0	0	1	0	1
Total opened during quarter	1	0	1	2	-

CLAIMS					
Claims opened	0	0	0	1	1
Open claims	8	7	6	5	3
Closed claims	0	1	1	2	4
Total opened during quarter	0	0	0	1	-

Redress

During the reporting period, 7 Redress cases were investigated under the Putting Things Right Regulations (PTR):

- 1 case was closed following a determination of qualifying liability. Financial compensation was accepted, and the case closed in December 2022, following approval of reimbursement by the Welsh Risk Pool.
- 1 case has not identified a qualifying liability and remains open pending settlement of financial matters.
- 1 case remains open following the determination of a qualifying liability. Financial compensation has been offered and is awaiting acceptance.
- 4 new Redress matters were opened during the reporting period and remain under investigation.

Claims

Throughout the reporting period, the Trust's role is to handle claims to achieve a fair resolution for all parties. Where claims are valid, the Trust looks to settle. However, we defend claims where there is sufficient merit to do so.

During the reporting period between 1st April 2022 and 31st May 2023, the Trust dealt with 9 claims in total, consisting of Clinical Negligence and Personal Injury. During the reporting period:

- 1 new clinical negligence claim was received.
- 4 claims were closed following out of court settlements (PI and CN).
- 5 claims remain under investigation

The number of new claims against the Trust has decreased during the reporting period. The Trust, however, continues to drive down litigation and the costs associated with it.

The reduction in litigation has not, however, been at the expense of a less rigorous approach to investigations, as the Trust continues to respond to the responsibilities

and challenges in relation to claims and legal change. This has allowed flexibility to respond to new priorities without significantly affecting progress towards the Trust's strategic aims to ensure continued relevance. Negligence claims form a very small proportion of both the number of incidents and complaints reported in comparison to the many individual episodes of care that are delivered by the Trust on a daily basis. There are many factors influencing the reasons why individuals bring a claim, including factors in the legal market. There is also a significant time lag between an incident occurring and a claim being received (on average 3.1 years). It may also take several years to settle a claim, particularly those involving high-value claims and payments made in relation to these claims may take many years into the future. Taken together, this means that the claims that are progressed against the Trust is a very partial indicator of service user safety in past years, and also what we can expect to pay out in settlement of those claims in the future.

Decisions taken to settle claims against the Trust are often made as a consequence of lack of evidence. The ability to defend claims relies heavily on the quality of the Trust's documentation, its records and the decisions taken, or not taken, at the time.

Where learning is identified from these claims, the Trust continues to play its part in reducing the cost of claims through the actions it takes to improve the standard of care. As part of learning assurance, the Trust is required to submit a Learning from Events Report (LfER) to the Welsh Risk Pool that demonstrates what lessons are learnt. When a breach of duty has been identified or admissions are made, the Quality and Safety team continue to work with directorates and services to identify the learning and actions that are required to satisfy the Welsh Risk Pool criteria and the way in which learning can be implemented to reduce the risk of reoccurrence and future impact. These actions ultimately drive down cost in litigation and continues to promote and encourage a culture of learning that benefits both patient, service user and staff.

As part of the Welsh Risk Pool requirements, the Trust is required to pay the first £25,000 of any claim. A reimbursement is sought from the WRP

During the reporting period, 1 Learning from Events Report was submitted to the Welsh Risk Pool for approval and received approval following an amber deferral and request for further evidence in support of learning.

As part of learning from claims, Learning Briefs are presented periodically to the Quality and Safety Performance Committee. The briefing captures:-

- a) The summary of the incident
- b) The root cause
- c) The key learning
- d) Supplemental learning
- e) Actions taken
- f) Actions outstanding
- g) Review and ongoing assurance

These Learning Briefings are designed to reinforce the learning and sharing across the organisation and provide enhanced assurance of the actions undertaken to improve quality and safety care.

Learning Briefs were presented to the Quality and Safety Performance Committee during the reporting period, demonstrating the Trust's ongoing commitment of improving standards in the services and care provided to prevent repeat occurrences.

The following figures are estimations provided by NHS Wales Shared Services Partnership (NWSP) Legal and Risk Services in the event a claim is successful. The estimated financial liability as at the 31st March 2023 was:-

- £924,576
- Anticipated Trust Liability: £119,224

Inquests

An inquest is an inquiry into the circumstances surrounding a person's death. The purpose of the inquest is to find out who the deceased person was and how, when and where they died for the death to be registered. To assist staff, guidance has been developed during the reporting period and includes:-

- An overview of inquest proceedings and what to expect as a witness
- Advice on how to write a statement for the Coroner and
- A revised template statement for witnesses to follow.

During the reporting period, 7 inquests were managed by the Trust comprising of;
3 new inquest notifications. Witness statements from treating clinicians have been submitted during this period, together with relevant copy medical records.

- 1 inquest hearing took place during the reporting period, where learning has been identified that can help improve communication with health care providers. The case remains open and is subject to an after action review.
- No inquest was subject to a Regulation 28, Prevention of Deaths Report during the reporting period.
- 2 inquests were closed during the reporting period.
- 5 inquests remain open at the end of the reporting period.

DELIVERING IN PARTNERSHIP

The Trust works with a wide range of partners including health, local authorities, emergency services and the voluntary/charity sector. Our primary health partners are set out below:

Organisation	Relationship
Aneurin Bevan University Health Board	Commissioner
Betsi Cadwaladr University Health Board	Commissioner
Cardiff and Vale University Health Board	Commissioner
Cwm Taf Morgannwg University Health Board	Commissioner
Hywel Dda University Health Board	Commissioner
Powys University Health Board	Commissioner
Swansea Bay University Health Board	Commissioner
Welsh Ambulance Service NHS Trust	Provider
Public Health Wales NHS Trust	Provider
Health Education and Improvement Wales	Provider
NHS Wales Shared Services Partnership	Provider of services
Digital Healthcare Wales (DHCW)	Provider of services
Welsh Health Specialist Services Committee	Specialist Commissioner

Effective planning and commissioning of services is fundamental to achieving the best outcomes for the people we serve across Wales and the cultural shift required to reduce health inequalities, improve population health and well-being and achieving excellence across Wales.

The Trust has worked in close partnership with our Local Health Board partners to ensure that our key strategies are aligned, that there are a clear set of shared priorities and to ensure that we can provide sufficient capacity and capability to deliver commissioned services of the highest quality.

Engagement with people who use our services to design them in partnership



Effective and ongoing engagement is vital in the development of our services and we strive to make it as easy as possible for patients and donors to share feedback following their care.



There are a number of ways used to listen, discuss and learn about our services.

Velindre Cancer Services

Our service plans respond to feedback from patients and donors, their families and carers, Velindre staff, Health Boards, third sector and other partners. A range of engagement events and workshops have been undertaken with key stakeholders over the last three years.

Social Media continues to offer a productive two-way conversation tool with our online cancer community. This helps us to listen and respond to compliments, queries and concerns. Our Patient Advice and Liaison Service is able to respond

Blood and Transplant Services

The Blood Service also has daily interactions with members of its community of donors. We are committed to listening to our donors and we do this by circulating a comprehensive survey to every donor that enters a donation session each month.

The service operates a dedicated donor contact centre which exists to inform, educate and assist donors in contributing to the health of the nation by donating their blood, platelets or bone marrow. The service also engages existing and prospective donors through its donor engagement team. This team uses social media, the press, the website and face-to-face interactions to promote blood, platelet and bone marrow donations in Wales.

The engagement department is present in the communities of Wales, building close links and partnerships with community groups, sports teams, businesses, education providers and other socially engaged groups that have an influence in their localities. The engagement team is also committed to having a presence at the high-profile national events that occur each year across Wales, such as the National Eisteddfod.

WORKFORCE AND WELLBEING

Our overall workforce aims for our people, articulated in our People Strategy, are:

- To develop a **Skilled and Developed Workforce**, given clear career pathways, provide them with leadership, skills and knowledge they need to deliver the care our patients and donors need now and in the future.
- To support a **Healthy and Engaged Workforce** where wellbeing is key, recognizing and valuing their diversity in a bi-lingual culture.
- To have a **Planned and Sustained Workforce** having the right people with the right values, behaviors, knowledge, skills and confidence to deliver evidence based care and support patient and donor wellbeing.

Over the past 12 months, key deliverables include:

Skilled and Developed Workforce:

- Worked with HEIW, maintaining provision of the Trust Inspire Management Programme.
- Further developed follow-on activities that are flexible and support 'just for me, just in time' development
- Working with colleagues to develop the School of Oncology and Centre for Learning
- 85% compliance with Statutory and Mandatory training

Healthy and Engaged Workforce

- Embarked on a 12-month project refreshing and embedding a positive and relevant code of values for the Trust.
- Agreed an Equality, Diversity and Inclusion plan and a Welsh Language Plan for 2022-23. Developed metrics to track progress of plans.
- Developed a plan to ensure compliance with Welsh Government Race Equality Action and LGBTQ+ Action Plans
- Health and Wellbeing infrastructure in place to support staff physical, mental and financial wellbeing

Planned and Sustained Workforce

- Further embedded our workforce planning process and toolkit
- Reviewed hard to fill roles ensuring robust recruitment and retention plans
- MDT training pathways mapped to maximise opportunities for transformation
- Ongoing management and development of Apprenticeships, Graduate trainees

Looking forward to 2023/24

Moving forward, focusing on looking after our staff will be key including ongoing engagement and wellbeing provisions. Working with partners regionally will be key to address recruitment issues and locally to develop and promote the opportunities working for a specialist Trust can provide – all focusing on meeting the vision of an Employer of Choice.

DIGITAL TRANSFORMATION

The Trust has developed a new Digital Strategy – ‘Digital Excellence | 2023 to 2033’ – to complement the new Trust strategy, ‘Destination 2033’. It describes our vision for how digital services will be used to enhance patient and donor services, enable wider access through work on digital inclusion, secure and protect our data and how we will use data collected from all over NHS Wales to inform decision making and plan our services for the future. The new strategy is due to be published in May 2023

Over the past 12 months, the primary focus of activity within the Velindre Cancer Centre has been the delivery of the Digital Health & Care Record – a programme to replace the existing ‘CANISC’ IT system with the national Welsh Patient Administration System (WPAS) and an enhanced version of the Welsh Clinical Portal (WCP). The new platform was successfully deployed into the VCS in November 2022. Both WCP and WPAS are due to be further upgraded through 2023/24, to better support the clinical and operational workflows across the VCS and to further improve the mobility and visibility of patient data across organisational boundaries.

The major digital change introduced into the Welsh Blood Service saw the delivery of a new communications platform – ‘Prometheus’ – into the Welsh Bone Marrow Donor Registry (WBMDR), which also went live in November 2022. This service is expected to help enable a higher throughput of activity through the WBMDR, ultimately delivering an increase in the number of stem cell transplantations for patients across Wales and internationally.

Other digital activity over the past 12 months include:

- The Digital Service Desk – established in March 2021 – continues to effectively manage calls for IT support. Over 20,000 calls were resolved by the team in the 2022/23 financial year; of those, over 33% were fixed immediately by the 1st Line Support Team on the helpdesk. Over the coming year, the support team will be focused on improving the responsiveness of the Digital Service Desk, to include an element of automation for resolving common issues – this will further improve the turnaround times for calls raised with the team.
- Upgrades to some of the key operational and clinical applications across the Trust, including the WBS Blood Establishment Computer System (BECS) and the Welsh Nursing Care Record (WNCR), Welsh Clinical Portal and ChemoCare systems used in the Velindre Cancer Centre.
- The Digital Services team delivered a new system for the Welsh Infected Blood Support Scheme (WIBSS), to improve the support for beneficiaries of the scheme.

- The Digital Services team continue to play a central role in the design of the new Velindre Cancer Centre (nVCC) – due to open in 2025 – and the Radiotherapy Satellite Centre in Nevill Hall, Abergavenny – due to open in 2024. Digital is at the forefront of the design for the nVCC, with the intention to use a variety of new and innovative digital solutions to enhance the patient experience and improve the working conditions of staff who work in the new hospital.
- Delivered the IT infrastructure services and equipment to support the first phases of the Integrated Radiotherapy Solution (IRS) programme – the refurbishment of the ‘LA6’ radiotherapy suite at VCS. Further works are planned through 2023/24 to enhance radiotherapy services and ready the organisation for the establishment of the new, enhanced radiotherapy services at the new Velindre Cancer Centre, which is currently scheduled to open in 2025, and Radiotherapy Satellite Centre in Nevill Hall, which is due to open in 2024.
- Lastly, we continue to develop our local cyber security systems and procedures and participate in national approaches to help secure patient and donor data and protect critical Trust IT services. A recent audit of the Trust’s cyber security posture, undertaken by NHS Wales Shared Services Partnership, reported that the Trust had been able to provide ‘**substantial assurance**’ in respect our cyber security strategic plan and internal procedures for reporting and managing cyber security performance.

To support the delivery and support for an ever-increasing portfolio of digital services, we are growing the Digital Services team, to include the introduction of new roles that we’ll need to address the future challenges of cloud adoption, automation and the adoption of Microsoft 365 services.

Looking forward to 2023/24 the Trust will be establishing a Digital Programme, to oversee delivery of the digital transformation agenda across the Trust. In support of our digital aspirations, we are working with the Centre for Digital Public Services (CDPS) and Digital Communities Wales (DCW), to improve our approach to the design of digital services for our patients, donors and staff. Digital inclusion is a central theme within the Digital Strategy and will be a key focus for all our digital projects and programmes over the coming years.

SUSTAINABILITY STRATEGY 2022/2023



WELLBEING OF FUTURE GENERATIONS ACT / CREATING A SUSTAINABLE ORGANISATION

Our Approach to the Well-Being of Future Generations Act:

We have a commitment to transform the Trust and to create a sustainable organisation. The Trust Strategy together with those for specialist Cancer and Blood and Transplantation Services for 2022 – 2032 has been approved and has sustainability at its core. These have set out what good look like in five years' time and the actions we will take over the coming years to achieve the excellence we are committed to.

These strategies have been developed within the context of the Well-Being of Future Generations Act (*the Act*) as we seek to implement the principles of the Act within the Trust to ensure that they become the central organising principle of each and every action that our staff take on a daily basis. This will take time, but we are committed to ensuring we translate the intentions and spirit of the Act into tangible and sustainable benefits for the people of our region.

The Act requires public-sector organisations in Wales to focus on delivering long-term well-being goals in a sustainable manner. Whilst we have made progress in embedding the Act across the organisation, we know that we have much more to do. The pioneering Act and the 2016 Environment (Wales) Act 2016 provides Wales with an exciting opportunity to lead the way internationally and outlines our sustainability aims and enables real action to create positive and significant change.

Therefore, we are really excited to be able to set out our journey to sustainability and the benefits it will realise over the coming years. As an anchor organisation in Wales, we are committed to embedding sustainability within our own organisation and become an exemplar for others to come and learn with, and from. We are committed to placing sustainability at the heart of everything we do and to maximise the benefits we can provide for people across Wales.

This Sustainability Strategy has created a roadmap for us to contribute to our communities and mitigate our impact on the planet whilst continuing to deliver world class services for our donors, patients and carers. This will only be possible if we enhance our existing infrastructure and educate and empower our workforce. Every individual and team should have the ability to act sustainably and have the knowledge and confidence to make environmentally conscious decisions.

This will require an increased focus on sustainability and well-being over the next three years as we attempt to embed the Sustainable Development (SD) principle still further to make it a 'normal' part of everything that we do. The journey we are on will see us



implement a new approach to planning and delivery across the Trust and the development of a different organisation that is more involved across the breadth of health, social care and public services. This collaborative way of working will see us working across the region with a range of partners to ensure the five ways of working are embedded within everything we collectively do and that we are actively contributing to the seven well-being goals.

Leadership will be fundamental to effective change. Our Chair is committed to leading the Trust to function as an exemplar Public Sector body in relation to the five ways of working and the embedding of the sustainability principle in all we do as an organisation. We have worked with our Health Board partners to facilitate the establishment of the South East Wales Collaborative Cancer Leadership Group (and this regional collaborative work also embraces the Act as a central principle).

During the next five years we recognise that there are opportunities for us to do more to advance our and the wider community's, well-being and sustainable development agenda. Within our major capital schemes in the new Velindre Cancer Centre and Talbot Green Infrastructure Upgrade Project, are developing ambitious and inclusive community benefits. We will seek to evolve existing partnerships to a much greater extent, and also to develop new relationships within the health sector and beyond in order to maximise our contribution and to support others in doing the same.



Our Well-Being Objectives:

The Trust, recognised under the Act as a national body, was required to develop and publish a set of its own well-being objectives.

These objectives were developed following extensive engagement and were designed to focus the Trust's contribution to the realisation of the national well-being goals.

Delivery Arrangements:

Our approach is built upon the personal support and leadership from the Chair and our Board. At Executive level, the Director of Transformation, Strategy and Digital holds the responsibility for sustainability within their portfolio and discharges this

through a range of Offices which are co-ordinated and led by the Director of Commercial and Strategic Partnerships. The Trust has established a Sustainability Community Group to facilitate and support work across the Trust and the Sustainability Manager plays a key role in this process.

However, it is important to emphasise that our approach is to expect all of our workforce, suppliers and service providers to contribute to the well-being goals and to

embody the five ways of working in their day-to-day actions and behaviours. The Act is viewed as adopting a 'way of being' rather than simply demonstrating compliance to standards. In this regard, at its heart, it is viewed as whole system organisational development and emphasis is being placed on induction, education and training, relationship management, communication and workforce health and well-being.

The workforce, and the processes they utilise to function, will be supported and enhanced respectively so that they: clearly reflect what 'long-term' means, identify the root causes of problems through system wide perspectives, support work across organisational boundaries to maximise value, establish shared processes and ways of working. Importantly, our actions will be framed and facilitated by our strategic approach.

Progress against Delivery:

There are a number of actions that we are progressing:

Doing things differently to deliver change:

- The Trust is considering the Sustainability Development (SD) principle when developing its main strategic programmes, in new Velindre Cancer Centre and the Talbot Green Infrastructure Upgrade Project and the Radiotherapy Satellite Centre
- The Trust is considering how it can evolve existing partnerships to a greater extent and develop new relationships within the health sector and beyond, to maximise its contribution to A Healthier Wales and to support others in doing the same.

Developing core arrangements and processes:

- The Trust has developed an ambitious Sustainability Strategy and plans to use it to embed the Sustainable Development principle and utilises the Well-being Goals at its core.
- Responsibility for delivering the Act and embedding the Sustainable Development principle sits within the Strategic Transformation, Planning and Digital Division. The Trust is developing current capacity within the team to deliver the requirements of the Act.
- The Trust is considering the merging or better alignment of its well-being objectives and strategic goals, ensuring we meaningfully contribute to our set objectives.
- The Trust has developed a strategic planning framework, which aims to ensure that the Act genuinely underpins all service development work and the Trust's Integrated Medium-Term Plan. All planning activity throughout the Trust will utilise this framework in order to ensure that the Sustainable Development Principle is fully embedded across the organisation. The Trust intends for all investment proposals to demonstrate how they align to the Act.
- The Trust is currently undertaking work to create a more systematic approach to tracking and monitoring progress.

Involving citizens and stakeholders:

- The Trust is actively identifying ways to improve how it engages with citizens, stakeholders, patients and donors when developing its services.
- The Trust is exploring possibilities for collaborating with other health bodies to develop a wider regional 'whole system' Cancer Community and a public health promotion agenda.

Whilst recognising we have much more to do, it is important to acknowledge the achievements of the organisation to date and the strengths it can draw on as we grow together as a sustainable community.

The Welsh Blood Service is currently developing ambitious Business Case to reduce the carbon footprint of the Talbot Green site. A key and ambitious objective of this Programme is to transition to a carbon neutral footprint for the building. This will be achieved through an increased focus on the use of renewable technologies, solar photovoltaic arrays, ground source and air source heat pumps and bio- mass boilers.

We have also focused considerable efforts on ensuring that the TCS Programme has embedded the requirements of the Act. The new Velindre Cancer Centre project is championing sustainable developments, such as integrating sustainable transport into the design of the new VCS and encouraging the use of sustainable travel. We have identified several proposals for community benefits in the design of the new VCS. In this regard, a number of fundamental deliverables can be evidenced. The project aims to the

We have applied, and continue to apply, the Sustainable Development Principle when designing and developing the TCS Programme clinical service model and supporting infrastructure. The new TCS Programme clinical service model has a clear preventative focus and there are opportunities to educate patients and the wider community on healthier lifestyles to help prevent cancer. The TCS Programme clinical service model and supporting infrastructure also has a strong long-term focus based on a sophisticated understanding of current and future needs.

We have worked in an integrated way to design and develop the TCS Programme and supporting infrastructure and have considered how it can deliver wider benefits as the programme progresses to ensure it has a positive impact on social, economic, environmental and cultural well-being. We are also collaborating with partner organisations across South East Wales to develop and improve cancer services.

In addition, we have a range of strategic and operational examples of good practice in implementing the Act. A number of these are shared below.

TRUST SUSTAINABILITY STRATEGY

The approved Sustainability Strategy seeks to ensure we contribute to a better world for future generations in our community and across the globe, acting today, for a more sustainable tomorrow. To achieve this vision, we set out what we want to achieve

together with ten themes which we will focus on to deliver our ambitions. These are driven by the United Nations Sustainable Development Goals and the Well-Being of Future Generations Act, which together ensure we achieve the Trust Well-being Objectives. The Trust's net zero reporting will be available on the Trust internet.

INTERACTIVE ACTIVE TRAVEL AND SUSTAINABILITY MAPS

An interactive Active Travel & Sustainability Map has been developed for ease of access to active and sustainable transport options for staff. This includes signposting to: the OVO Bikes cycle hires; cycling storage; local bus routes; local train stations; and disabled parking. Pop-ups on the map provide additional information to staff, including how to access the Active Travel Hub and OVO Bike availability. Specifically, for VCS, the map will include information about staff and patient support sessions, including Ray of Light and Noddfa Staff Well-Being Gardens. At Talbot Green, it highlights the nature walk and the location of the beehives. It provides an engagement tool to staff to highlight upgrades, for example the installation of bike repair unit in the Active Travel hub is signposted.

BIODIVERSITY ENHANCEMENTS

As part of our obligations to enhance biodiversity under the Environment Wales Act, the Trust is actively increasing local flora and fauna on all sites and encouraging and educating staff to do the same in their gardens. This has included 'No Mow May' and 'Let it Bloom June' communication campaigns and at all sites we have reduced mowing. At VCS, we planted seasonal shrubberies and flowers and over 50 different species of daffodils were planted, and wildflower seeds were sewn. At our Talbot Green site, we have removed invasive species to allow local flora to thrive.

ISO14001:2015 EXTERNAL AUDIT

Welsh Government sets a requirement for all NHS bodies to be accredited by the ISO14001:2015 standard, an environmental management system. Following the successful recertification, with no non-conformities in November 2021, the Trust passed the revalidation external audit in September 2022 with no non-conformities raised.



GREEN SOCIAL PRESCRIBING

The Trust continues to partner with Ray of Light Cancer Support, who deliver a safe and non-judgemental support group for patients, carers and families affected by a cancer diagnosis, based at Velindre Cancer Centre. Ray of Light centre their sessions on the well-being benefits of nature, with many activities to choose from, including painting, whittling, forest bathing and many more. The Trust has

converted a shipping container in the Noddfa gardens which has been painted by a local artist, allowing the sessions regardless of the weather. The Trust has continued to work with Down to Earth to deliver green woodworking skills workshops. Volunteers comprising of Velindre patients, family, staff and local community members worked together to build the roundhouse and binhouses with green, living roofs, in addition to groups from a wide variety of organisations across south Wales, with the support of the Down to Earth Project team.

WBEES – BEEHIVE INSTALLATION

We have installed a beehive at our Talbot Green Welsh Blood Service site, and we have a group of dedicated staff volunteers, who have all been trained to look after the hive. To design the logo for our honey jars, we ran an all Wales competition (for staff and donors!). Staff were invited to pick from the shortlisted designs, and the winning design will be printed on all jars once the honey is ready to be collected.



PLASTIC REDUCTION

The Trust is actively reducing single use plastic where possible. Following the success of our pilot project, we have been rolling out biodegradable cups on all donor clinics across Wales, stopping nearly 150,000 plastic cups from landfill annually. Further to this, we have stopped purchasing plastic stirrers across all sites. At VCS, biodegradable coffee cup and takeaway containers have been introduced, preventing 98,000 plastic containers and 28,000 plastic coffee lids going to landfill annually.

WEAVING VELINDRE

The 'Weaving Velindre' art project invited staff to take a creative break whilst embedding the principles of the circular economy, by using old uniforms and materials associated with the hospital to fabric weave a piece of artwork celebrating Velindre Cancer Centres history. All materials used would have been thrown away, but instead have been repurposed to create a piece of artwork.

SUSTAINABLE JAMBOREES

Throughout August, a 'Sustainable Summer Jambori' was held in the Cancer Centre for staff, patients, families and the local community. The Trust Sustainability Team together with the new Velindre Cancer Centre project team held a month-long event programme featuring staff, patient and community engagement events over the summer. There was a breadth of different activities, linking themes of sustainability, well-being and art. Due to the success of the events, an Autumn Jamboree was held, along with a Sustainable Spring Jamboree organised for VCS and WBS staff, with

themes of biodiversity and active travel. The Jamborees take the form of mini festivals - engaging with patients, families, staff and communities through arts and crafts to demonstrate the benefits of undertaking creative activities in a green space and educate on sustainability and biodiversity matters.

WELSH LANGUAGE REGULATIONS AND COMPLIANCE

Introduction:

This will be the Trust's fourth annual report dedicated to the delivery, promotion and monitoring of the Welsh Language Standards. The Trust's focus is strongly embedded in the cultural promotion of the Welsh Language and within this we are committed to comply with the legal requirements of the language as a provider of services for Patients and Donors.

Our delivery of the Welsh Language Standards and the 'More than Just words...' framework continues to be the driver for us to ensure compliance and we now have strong governance processes to monitor our performance.

Last year our focus was very much around the commitment to recruitment structures and embedding an ethos of cultural understanding, and this year we continue to strengthen this. Understanding the language needs of our workforce has driven forward simple yet effective measures to promote our services and has opened discussions with patients around the 'active offer' concept.

It is our ambition to ensure our patients and donors are aware of their Welsh Language rights and our response to this awareness becomes even more proactive, providing bilingual services as a matter of course rather than request is our ultimate aim.

Celebrating Welsh Culture:

The Trust continues to actively seek ways in which to engage its staff in the culture of Wales as well as its language. We recognise the need to comply with our legal obligations but we aim to do more than is needed as this celebrates the diversity of our staff and services.

This reporting year we have drafted a Cultural Plan that aims to strengthen our engagement with staff around the language and Culture of Wales and promote a value of inclusion that encompasses all that we believe. The Executive Management Board has taken on roles that have responsibility for certain aspects of the Equality and Diversity agenda and this includes an Ambassador role responsible for the Welsh language.

The Trust's draft Cultural plan aims to be as inclusive as possible and the Welsh language Ambassador will drive the ethos of this plan throughout the work of the Executive Management Board.

Highlights at a glance:

To support this work the Welsh Blood Service have developed a specific intranet page that complements the work of the Trust. The service has its own specific requirements and felt a need to support staff visibly as well as using Trust wide guidance. This has strengthened the division's understanding and enables staff to see the relevance to their work in promoting and supporting bilingual donor needs.



Velindre Cancer Centre have increased its 'Active offer' presence. A simple visual approach has given patients the opportunity to verbalise their language needs.

Staff have reported patients identifying themselves as Welsh speakers as part of the care process and this has ensured a tailored bilingual service to their care pathway.

Increased translation investment again this year means the Trust continues to support patients and donors that need Welsh Language services.

Partnership working with other Welsh Language Managers gives an opportunity to share best practice and begin the development of a shared IT system.

Welsh language Standards Compliance:

Governance structure

We continue to work with our divisions to ensure a local approach to the achievement of the Standards. The divisional groups report frequently into the Trust-wide Welsh Language Group and information is fed directly to the Executive team and the Trust Board.

It has proved to be an extremely successful way to ensure information is shared and it informs the Trust Board of any regulatory changes that need discussion at Board level.

Our Board Welsh Language Champion continues to support and challenge our Welsh Language compliance.

The Trust is a host organisation for Health Technology Wales and NHS Wales Shared Services Partnership and they are both working diligently to support the development of the Welsh Language standards.

Training

The Trust continues to actively promote Welsh Language online training and in this reporting year eight members of staff have completed the Part 1 course. We also secured our second Foundation Welsh language course for staff but unfortunately the identified front line members were unable to complete the course.

We are reviewing our approach to training and will be running specific awareness sessions for staff from May 2023, prioritising staff that answer the telephone in line with the requirements of the Welsh Language Standards.

Staff have also been attending a Welsh Language confidence course run by HEIW and will be offered this opportunity again following a positive response. Partnership approaches to this course has proved to be extremely positive.

The newly introduced Welsh Language awareness ‘more than just words...’ on line course has been welcomed by the Trust and staff have embraced the course positively.

Since its introduction in December 2022 we can demonstrate a positive approach to compliance.

Welsh language awareness – More than Just words	By February 2023 % of staff
Corporate	50.00
Research, Development and innovation	55.10
Transforming Cancer Services	44.44
Velindre Cancer Centre	40.72
Welsh Blood Service	70.48
Velindre Organisations	50.85

Recording our staff competency levels in ESR ensures our workforce planning considers the language needs of our services. Currently over 86% of the workforce are completing the competency field within ESR.

Competence Name	Assignment Count	Required	Achieved	Compliance %
NHS LANG Listening/Speaking Welsh	1571	1571	1378	87.71%
NHS LANG Reading Welsh	1571	1571	1367	87.01%
NHS LANG Welsh Language Awareness - 3 Years	1571	1571	803	51.11%
NHS LANG Writing Welsh	1571	1571	1363	86.76%

Workforce planning

We continue to work diligently on ensuring a Trust wide compliance with the Welsh Language standards whilst promoting and supporting the ethos of ‘more than just words...’

Our Governance structure is embedded successfully and our document used to monitor compliance, demonstrates a strengthened compliance level. As a Trust we continue to use this as a benchmark for the delivery of our Welsh Language services.

As part of the Supply and Shape activity, work is currently being undertaken to gather a baseline assessment of our workforce. Part of this is to assess the current capability of colleagues to speak, read and write in Welsh. This work will also consider how our workforce reflects the local population average, as well as looking at the capability levels of future colleagues (i.e., students currently enrolled on commissioned courses). This will provide a picture of the potential gap that we face as an organisation.

Working with partners, we will then implement steps to reduce this gap and meet our requirements as articulated in the ‘More than Just Words’ action plan.’

Translation

Our increase in investment over the last two years has meant we have been able to increase our translation capacity. In 2023-24 we will have a team of three dedicated translators as well as utilising a Service level agreement with NWSSP.

In 2019/20 we were translating almost 380,000 words. In 2022/23 we have translated just over 1,059,053 – a 178% increase in the number of words translated in two years.

Job descriptions and recruitment

Translation has supported the time the Trust has given to strengthening its assessment of language needs whilst recruiting. Workforce planning is critical in order to ensure the Trust supports its patients and donors and is proactive with its recruitment priorities.

This year we have focussed heavily on ensuring recruitment managers are aware of the Welsh language recruitment process, we have invested heavily in structures to support this and the workforce team alongside the Welsh language department have now embedded the process securely.

In 2021-22 the translation team dealt with the translation of 24 job descriptions. Since making the investment in the recruitment assessment process for Welsh language skills, this has increased to 219 job descriptions to the beginning of March 2022-23.

Velindre University NHS Trust 2022-2023

Total number of vacancies advertised as:	
Welsh language skills are essential	1
Welsh language skills are desirable	157
Welsh language skills need to be learnt when appointed to the post	0
Welsh language skills are not necessary	5
Total Number of vacancies advertised 01/04/2022 - 31/03/2023	163

From the data, we can confirm that the one post identified as 'essential' was a front line, telephony post. The 'no skills necessary' related to posts within a clinical laboratory service with no patient or donor contact.

Contractual obligations at Velindre Cancer Centre

Integrating our bilingual obligations into all that we do is essential to 'normalise' the use of the language and an understanding of our commitment to the development and promotion of the Welsh language Standards. As we plan our services we have ensured that our obligations are highlighted in all that we do.

At the Cancer Centre a revision of service level agreements has encouraged us to ensure the Welsh language is considered by our suppliers as well as our internal services. A simple yet effective way to ensure our compliance and encourage discussions with providers. It highlights our expectations of the provider and supports a discussion previously not considered:

Welsh Language Obligations

The Provider warrants and undertakes that it will not discharge its obligations under the Agreement in such a way as to render the Commissioner in breach of its obligations in respect of the Welsh language including, but not limited to, the Welsh Language Act 1993, the Government of Wales Act 1993, the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards (No. 7) Regulations 2018.

Clinical consultations

Our clinical consultation plan has been reviewed and a structure for assessing its actions put in place this year. The plan highlights the struggles of providing bilingual consultations for patients and donors but it also recognises the need to ensure a clear understanding of what skills are needed and where. The divisional groups have been charged with monitoring the action plan and will inform the Trust development group of any concerns.

This year the WBS have conducted a skills audit as the first step in recognising where Welsh language skills lie. This audit will inform the next process of understanding how we can fit the need for Welsh language skills with roles, especially as part of the donor collection process and the need for language communication on the front line.

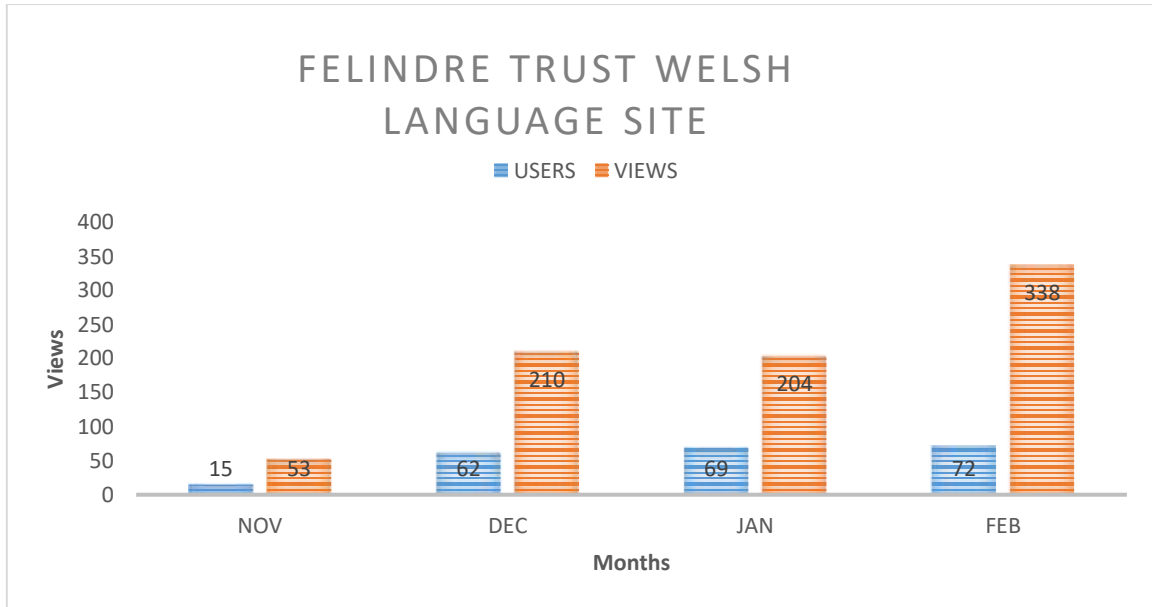
We will continue to work with the divisional groups to ensure our plan is revised and is informed by the language needs of our services.

At Velindre Cancer Centre the strengthening of the Active offer has seen three patients through the appointment system, receiving care and returning for care, in the Welsh language. New IT systems in place and a commitment from the department to the Active offer, it has enabled the department to respond to the specific needs of their patients.

Website

The new Trust website has been embedded and from November 2022 we are now able to monitor the Welsh language interest in our information.

English: https://velindre.nhs.wales/	Welsh: https://felindre.gig.cymru/
<p>November 2.3k users 6.9k page views</p> <p>December 8.1k users 24k page views</p> <p>January 9.2k users 31k page views</p> <p>February 9.1k users 30k page views</p>	<p>November 15 users 53 page views</p> <p>December 62 users 210 page views</p> <p>January 69 users 204 page views</p> <p>February 72 users 338 page views</p>



It is encouraging to note that there has been a 537% increase over four months in views to the Welsh language site.

Telephone Communication

Performance indicators for the Welsh Blood Service donor contact centre from January 1 – 16 March 2023

English language calls: 9,716

Welsh language calls: 366

Welsh language calls are around 4% of the calls.

Calls to Velindre Cancer Centre and the Trust headquarters are not measured, however specific actions for staff directly working on the telephone have been communicated. A specific question and answer session was also held to ensure staff understand their duties.

Promotion



We continue to highlight important events in the Welsh language calendar. This means an additional opportunity for staff to engage with the culture of Wales as well as the language.

This year the Trust has participated in a number of awareness raising days including St David's Day, Santes Dwynwen, Shw'mae day and 'mae gen ti hawl'.



Information on these events run alongside our regular communications, where we promote Welsh language training, on line and face to face.

Our social media accounts have been incredibly busy this year with both divisions taking part in events. We are now offering bilingual approaches to all our promotional videos.



This year we were also fortunate enough to showcase our commitment to Welsh Culture at the HPMA (Healthcare People Management Association) Conference. This is a high profile event and Welsh culture was celebrated in a day long conference, with Velindre University NHS Trust showcasing our commitment.



Concerns and Complaints

The Trust welcomes feedback on its services. Concerns or complaints are used to ensure we continue to understand the needs of our patients and donors. Welsh language users are becoming increasingly aware of their rights to use the language and it is our duty to ensure we can provide those services to the best of our ability. This year we have recieved four official complaints and one formal investigation.

The formal investigation focussed on the Trust's ability to answer the telephone bilingually and to continue a discussion in the Welsh language.

The investigation has not been concluded, however the Trust has been proactive and will be providing direct training raising confidence of those answering the telephone.

Overall, the number of concerns and complaints around the provision of Welsh language services are small, however, we are aware of the need to continuously monitor our provision and have this year updated our Concerns policy to reflect Welsh language provision.

NHS Wales Shared Services Partnership

Welsh Language Review Highlights 2022/23

The Welsh Language Unit at NHS Wales Shared Services Partnership has continued to support NWSSP divisions and services with advice on compliance and service delivery to our customers through the medium of Welsh and have supported the organisation and other NHS Organisations with translation support during 2022/23. The demand for translation services continues to grow, and this year we've translated even more words than in 2021/22. In 2022/23 NWSSP has translated a total of over 5.2million words for the following organisations:

- NHS Wales Shared Services Partnership
- Velindre University NHS Trust
- Public Health Wales NHS Trust
- Digital Health Care Wales
- Health Education Improvement Wales
- Wales Ambulance Service Trust
- Value in Health Care
- WHSSC

Compliance with Standard 106A

NHS Wales Shared Services categorises vacant or newly created posts as either Welsh essential or Welsh desirable, and we have introduced a matrix to determine which skill category is most relevant to each vacancy.

We have devised a protocol and a system whereby all advertisements are translated and published on the TRAC recruitment system and NHS Jobs in both Welsh and English since June 2022. We regularly review the system to capture any issues that arise in the creating vacancy advert process.

Easy-read Patient Information Leaflets

During the year, we have undertaken a full review of existing easy-read leaflets and new leaflets and have ensured that the translation of these leaflets is suitable for the audience for which they are intended.

Student Awards System

We reviewed the old system to ensure that the user journey was entirely through the medium of Welsh. During 2022/23, we have commissioned a new developer and a new Student Awards System, whereby the interface for students will be available through the medium of Welsh, as well as any mail tips, correspondence and messages that are generated by the system. This work will continue into 2023/24.

Workforce Reporting System

This site provides a Web Portal for Primary Care Data accessible to GP practice staff, Clusters and Health Boards of NHS Wales and other approved stakeholder organisations. This site is only available to registered users. However, we have ensured that the system is bilingual.

Duty of Candour Public Video

We have supported the production of an animated video for the public in Wales about the duty of candour in collaboration with Welsh Government.

The video is available in both Welsh and English.

Counter Fraud Awareness Course and App

The Counter Fraud Awareness Course for all Wales NHS Staff is available in Welsh, as is the application for NHS Staff to report fraud or suspicion of fraud in NHS Wales.

All Wales GDPR Awareness Course

We have been supporting the production of the All Wales GDPR Awareness Course through the medium of Welsh and this will be available to launch in 2023/24.

All Wales Occupational Health System for NHS Wales Staff

The specification in the tender process for this system has included detailed requirements for the system interface and any correspondence/messages and mail tips to be available through the medium of Welsh as well as English. Further work on this system will continue in 2023/24.

Assessment of compliance across our services

Following on from the pandemic, we have re-introduced annual local assessments across our services in order to identify areas of best practice, identify areas of risk. Local improvement and action plans are established in order to strengthen our Welsh language services offer across all NWSSP services and programmes.

A copy of the full Annual Report for NWSSP can be found on our website:

[Welsh Language Standards - NHS Wales Shared Services Partnership](#)

Moving forward

Cultural change continues to be high on our priorities. Without a deeper understanding of the need for bilingual services, we will continue to enhance a provision that does not have strong foundations, relying heavily on the willingness of supportive staff.

The Trust induction programme is being updated and will again include the importance of the Welsh language, sitting alongside other areas such as Equality and Diversity and the Future Generations Act. Our commitment to these areas is as important to us as our clinical requirements, as we know how important they are to our patients and donors. Communication is key to safe care.

The Cultural plan will be revised and a refreshed action plan drawn up highlighting opportunities for staff to familiarise themselves with the language and opportunities to learn. We will also be connecting this to the 'more than just words...' framework as our actions relate positively to the aims of the framework.

Our recruitment and workforce planning will also play a key role. Planning with our community needs in mind, ensures a targeted approach to recruitment. With this in mind our recruitment process will be supported by strong monitoring to ensure the Welsh language skills needed are highlighted correctly. This continues to be challenging for us, as the nature of our services calls upon a small pool of clinical specialisms but we are committed to this agenda.

CONCLUSION AND FORWARD LOOK

We have produced our Integrated Medium-Term Plan for 2023/24 – 2025/26 ([insert link](#)) which sets out how we will deliver services from 1st April 2023 to 31st March 2026. It describes what services we will provide, where they will be provided from and how we will continue to ensure patient, donor and staff safety. It also outlines the arrangements we have in place for managing our capacity so that we can meet the expected increase in demand for our services.

The next three years will undoubtedly provide both challenge and opportunity in equal measure. Our intention is to see the challenges as opportunities to place quality, safety and experience at the heart of everything we do. We are committed to working with patients, donors and our health and public service partners to understand, design and deliver services which are truly person focused and deliver the experience and outcomes that people value most.

Annex - Glossary of Terms

IMTP	Integrated Medium Term Plan
IQPD	Integrated Quality and Planning Delivery
IPC	Infection Prevention Control
Linac	Linear Accelerator
RT	Radiotherapy
SACT	Systemic Anti-Cancer Therapy
VCS	Velindre Cancer Centre
WBS	Welsh Blood Service
CCLG	Collaborative Cancer Leadership Group
nVCC	New Velindre Cancer Centre
WCP	Welsh Clinical Portal
WRP	Welsh Risk Pool
LfER	Learning from Events Report
EAP	Employee Assistance Programme
TCS	Transforming Cancer Services
CDPS	Centre for Digital Public Services
DCW	Digital Communities Wales
WPAS	Welsh Patient Administration System
DHCW	Digital Healthcare Record
WTAIL	Welsh Transplantation & Immunogenetics Laboratory
BECS	Blood Establishment Computer System
WNCR	Welsh Nursing Care Record
NWSSP	NHS Wales Shared Services Partnership
HTW	Health Technology Wales
ESR	Electronic Staff Record

Velindre University NHS Trust

Accountability Report

2022-2023



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

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VELINDRE UNIVERSITY NHS TRUST SCOPE OF RESPONSIBILITY

Velindre University NHS Trust provides specialist services to the people of Wales. The operational delivery of services is managed through the Velindre Cancer Service and the Welsh Blood Service.

The Velindre Cancer Service delivers specialist cancer services for South East Wales using a hub and spoke model and provides a specialist treatment, teaching, research and development centre for non-surgical oncology. We treat patients with chemotherapy, Systemic Anti-Cancer Treatments (SACTs), radiotherapy and related treatments, together with caring for patients with specialist palliative care needs.

The Welsh Blood Service plays a fundamental role in the delivery of healthcare and covers the whole of Wales. It works to ensure that the donor's gift of blood is transformed into safe and effective blood components, which allow NHS Wales to improve the quality of life and save the lives of many thousands of people in Wales every year. We provide an antenatal screening service to several hospitals and offer all customer hospitals specialist laboratory services to assist in the investigation of complex serological problems. The Welsh Transplantation and Immunogenetics Laboratory, within the Welsh Blood Service, provides direct support to local providers of Renal and Stem Cell Transplant Services. It also operates a national panel of unrelated potential blood and stem cell donors – the Welsh Bone Marrow Donor Registry.

During the reporting period 2022-2023, Velindre University NHS Trust also hosted two organisations, which are outlined below:

NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP)

On 11 May 2012, the Velindre National Health Service Trust Shared Services Committee (Wales) Regulations 2012 No.1261 (W.156) was laid before the National Assembly for Wales and came into force on 1 June 2012. The NWSSP is a dedicated organisation that supports the statutory bodies of NHS Wales through the provision of a comprehensive range of high quality, customer focused support functions and services.

NWSSP is hosted by Velindre University NHS Trust via a formal Hosting Agreement, signed by each statutory organisation in NHS Wales. The Director of NWSSP holds Accountable Officer status and holds a separate Accountability Statement with the Director General for Health in the Welsh Government. The Director of NWSSP produces and signs his own Governance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Governance Statement.

HEALTH TECHNOLOGY WALES (HTW)

Velindre University NHS Trust received grant funding to continue the operation of Health Technology Wales. HTW is funded by Welsh Government under the Efficiency through Technology Programme. HTW was established to facilitate the timely adoption of clinically and cost effective health technologies in Wales, working with, but independently of, NHS Wales. Its remit covers all health technologies that are not medicines. This could be medical devices, surgical procedures, telemonitoring, psychological therapies, rehabilitation or any health intervention that is not a medicine.

HTW independently critically assesses the best available international evidence about the clinical and cost effectiveness of a health technology. This evidence is reviewed by experts and the HTW Appraisal Panel to put the evidence into the Welsh context. HTW also coordinates a Front Door process to support health technology developers to navigate NHS Wales. As well as its Front Door and appraisal functions, HTW also has roles in horizon scanning, evaluating uptake and disinvestment of technologies and providing advice to health technology developers. It does this in partnership with other organisations in NHS Wales to ensure there is no duplication of work and sharing of limited skilled assessment resources. The Director signs a Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Governance Statement.

VELINDRE UNIVERSITY NHS TRUST SCOPE OF ACCOUNTABILITY (inc HOSTED ORGANISATIONS)

Velindre University NHS Trust Board is accountable for Governance, Risk Management, and Internal Control for those services directly managed, and those managed via hosting arrangements. As Accountable Officer, the Chief Executive has 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 the public funds and the organisation's assets for which the Chief Executive is personally responsible. These are carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales. Directors of the Hosted Organisations are bound by a Governance Compliance Statement, (or their own Governance Statement in the case of NHS Wales Shared Services Partnership), with the Velindre University NHS Trust Chief Executive and in accordance with the individual hosting agreements with Velindre University NHS Trust.

Velindre University NHS Trust Annual Report outlines the different ways the organisation has continued to work both internally and with partners in planning and providing services as it moves beyond the recovery phase of the COVID-19 pandemic. It explains arrangements for ensuring standards of governance are maintained, risks are identified and assurance has been sought and provided. Where necessary additional information is provided in the sections of the Accountability Report, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Velindre University NHS Trust wider Annual Report alongside this Accountability Report.

Throughout 2022-2023, Velindre University NHS Trust and NHS Wales has continued to adapt our governance framework to ensure we continue to operate in an open and transparent way, applying the learning derived from each stage of the COVID-19 pandemic. Further detail on how we maintained good governance arrangements during 2022-2023 are provided within the Governance Statement contained within this Accountability Report.

SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and HM Treasury Guidance, Velindre University NHS Trust has produced an Accountability Report for the financial reporting period 2022 - 2023.

The purpose of the Accountability Report, which sits within the suite of Velindre University NHS Trust Annual Report documents, is to report to the Welsh Government in respect of the key accountability requirements.

The Accountability Report will be signed and dated by the Velindre University NHS Trust's Accountable Officer - Chief Executive, and is made up of the following four sections:

- I. Corporate Governance Report
- II. Financial Accountability Report
- III. Remuneration and Staff Report
- IV. Parliamentary Accountability and Audit Report

CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition of Velindre University NHS Trust and its governance structures and how these support the achievement of the Trust's objectives.

The Corporate Governance Report includes the following sub sections:

- Director's Report
- The Statement of Accountable Officers' Responsibilities
- The Statement of Directors' Responsibilities in Respect of the Accounts
- The Governance Statement

DIRECTORS' REPORT

This Directors' report brings together information about the Velindre University NHS Trust Board including the Independent Members and Executive Directors, the composition of the Trust Board and other elements of its governance and risk management structure. It also includes the disclosures and reporting required by Velindre University NHS Trust relating to the day-to-day execution of the Trust's business.

Velindre University NHS Trust Board is made up of Executive Directors, who are employees of the Trust, and Independent Trust Board Members (IMs), who were appointed to the Trust Board by the Minister via an open and competitive public appointment process. The Board's main role is to add value to the organisation through the exercise of strong leadership and control, including: setting the organisation's strategic direction; establishing and upholding the organisation's governance and accountability framework, including its values and standards of behaviour, and ensuring delivery of the organisation's aims and objectives through effective challenge and scrutiny of the Trust's performance across all areas of activity.

CHAIR & INDEPENDENT MEMBERS OF THE TRUST 2022-2023



Professor Donna Mead, OBE, Chair

Appointment:

Professor Mead was appointed Chair of Velindre University NHS Trust in May 2018.

Areas of Expertise:

Higher Education, Research, the NHS and Education, Partnerships and Collaboration.

Trust Board Committee, Advisory Group and Fora Membership

Professor Mead Chairs the Trust Board, Remuneration Committee, Advisory Consultant Appointment Committee, Charitable Funds Committee, Academic Partnership Board and the Advancing Radiotherapy Fund Programme Board. Professor Mead is also a member of the Quality, Safety & Performance Committee, Strategic Development Committee and Research, Development & Innovation Sub-Committee. Professor Mead attends Transforming Cancer Services Programme Scrutiny Sub-Committee

Champion Role:

Trust Champion for Armed Forces and Veterans, University Trust.

Professor Mead is supported by six other Independent Members.



Mr. Stephen Harries, Vice Chair and Independent Member

Appointment:

Mr. Harries was appointed as an Independent Member of Velindre University NHS Trust in April 2017. In November 2018, Mr. Harries was appointed as Interim vice Chair of the Trust and was appointed on a permanent basis in April 2022.

Areas of Expertise:

Information Governance, Information Management and Technology.

Trust Board Committee Membership

Mr. Harries is Chair of the Strategic Development Committee and Transforming Cancer Services Programme Scrutiny Sub-Committee. He is also a member of the Remuneration Committee and the Quality, Safety & Performance Committee.

Champion Role:

Trust Champion for Digital and Mental Health.



Mr. Gareth Jones, Independent Member

Appointment:

Mr. Jones was appointed as an Independent Member of the Velindre University NHS Trust in December 2019.

Area of Expertise:

Legal.

Trust Board Committee Membership

Mr. Jones is a member of the Strategic Development Committee, Trust Audit Committee, Transforming Cancer Services Programme Scrutiny Sub-Committee and the NWSSP Audit Committee.

Champion Role:

Trust Champion for Patient Information and Welsh Language.



Mrs. Hilary Jones, Independent Member

Appointment:

Mrs. Hilary Jones was appointed as an Independent Member of Velindre University NHS Trust in March 2020.

Area of Expertise:

Estates & Planning.

Trust Board Committee, Advisory Group and Fora Membership

Mrs. Jones is a member of the Quality, Safety & Performance Committee, Charitable Funds Committee, Investment Performance Review Sub-Committee, Advancing Radiotherapy Fund Programme Board and Transforming Cancer Services Programme Scrutiny Sub-Committee.

Champion Role:

Trust Champion for Patient Engagement & Experience, Sustainable Development and Design.



Mrs. Vicky Morris, Independent Member

Appointment:

Mrs. Morris was appointed as an Independent Member of Velindre University NHS Trust in November 2021.

Area of Expertise:

Quality & Safety.

Trust Board Committee Membership

Mrs. Morris Chairs the Quality, Safety & Performance Committee and is a member of the Trust Audit Committee, NWSSP Audit Committee and the Research, Development & Innovation Sub-Committee.

Champion Role:

Trust Champion for Infection Prevention, Vulnerability and Violence & Aggression.



Mr. Martin Veale, JP, Independent Member

Appointment:

Mr. Veale was appointed as an Independent Member of the Velindre University NHS Trust in April 2017.

Area of Expertise:

Finance, Audit & Governance.

Trust Board Committee Membership

Mr. Veale is Chair of the Trust Audit Committee, NWSSP Audit Committee and the Investment Performance Review Sub-Committee.

Mr. Veale is also a member of the Remuneration Committee and the Charitable Funds Committee.

Champion Role:

Trust Champion for Hosted Organisations and Performance Framework.



**Professor Andrew Westwell,
Independent Member**

Appointment:

Professor Westwell was appointed as an Independent Member of Velindre University NHS Trust in August 2021.

Area of Expertise:

University Representative.

**Trust Board Committee, Advisory Group and
Fora Membership**

Professor Westwell is Chair of the Research, Development & Innovation Sub-Committee, and is also a member of the Strategic Development Committee, the Advancing Radiotherapy Fund Programme Board and the Academic Partnership Board.

Champion Role:

Trust Champion for Research, Development & Innovation.

EXECUTIVE DIRECTORS (BOARD MEMBERS)



**Mr. Steve Ham, Chief Executive
Accountable Officer**

**Trust Board Committee, Advisory Group and Fora
Membership**

Mr. Ham is a member of the Charitable Funds Committee and the Charitable Funds Investment Performance Review Sub-Committee. Mr. Ham attends the Quality, Safety and Performance Committee, Strategic Development Committee, Local Partnership Forum, Remuneration Committee, Transforming Cancer Services Programme Scrutiny Sub-Committee and Advisory Consultant Appointments Committee.



Dr. Jacinta Abraham, Executive Medical Director

**Trust Board Committee, Advisory Group and Fora
Membership**

Dr. Abraham attends the Quality, Safety and Performance Committee, Strategic Development Committee, Research, Development & Innovation Sub-Committee, Charitable Funds Committee and Advisory Consultant Appointments Committee.

Lead Function: Medical Director and Research



**Mr. Matthew Bunce, Executive Director of
Finance**

**Trust Board Committee, Advisory Group and Fora
Membership**

Mr. Bunce is a member of the Charitable Funds Committee and attends the Charitable Funds Investment Performance Review Sub-Committee, Strategic Development Committee, Quality, Safety & Performance Committee, Research, Development & Innovation Sub-Committee, Transforming Cancer Services Programme Scrutiny Sub-Committee, Audit Committee (Trust), Audit Committee (NWSSP) and the Local Partnership Forum.

Lead Function: Finance, Charitable Funds and Information Governance.



Mr. Carl James, Executive Director of Strategic Transformation, Planning, & Digital

Trust Board Committee Membership

Mr. James attends the Strategic Development Committee, Quality, Safety & Performance Committee and the Transforming Cancer Services Programme Scrutiny Sub-Committee.

Lead Function: Strategic Transformation, Planning, Digital & Estates.



Ms. Sarah Morley, Executive Director of Organisational Development & Workforce

Trust Board Committee, Advisory Group and Fora Membership

Ms. Morley is Joint Chair of the Local Partnership Forum and attends the Strategic Development Committee, the Quality, Safety & Performance Committee, the Remuneration Committee and Transforming Cancer Services Programme Scrutiny Sub-Committee.

Lead Function: Organisational Development & Workforce



Mrs. Nicola Williams, Executive Director of Nursing, Allied Health Professionals and Health Science

Trust Board Committee membership: Mrs. Williams is lead Executive for the Quality, Safety & Performance Committee and attends the Strategic Development Committee, Charitable Funds Committee and Research, Development & Innovation Sub-Committee and Transforming Cancer Services Programme Scrutiny Sub-Committee.

Lead Functions: Quality & Safety, Safeguarding, Infection Prevention & Control, professional lead for nursing, Allied Health Professionals and Healthcare Scientists.

EXECUTIVE TEAM MEMBERS (NON-BOARD MEMBERS)



**Mrs. Lauren Fear,
Director of Corporate Governance & Chief of
Staff**

Principal advisor to the Trust Board and the organisation as a whole on all aspects of corporate governance and ensuring that the Trust meets the standards of good governance set for the NHS in Wales.



Mrs. Cath O'Brien, Chief Operating Officer

Responsible for oversight and ensuring effective arrangements are in place for Trust wide:

- Operational Service Delivery
- Service Improvement
- Catering
- Managing/Improving Divisional Performance
- IMTP Service Planning and Delivery
- Business Intelligence
- Business Continuity
- Emergency Planning
- Medical Devices

Further information in respect of the Trust Board, a Review of its Effectiveness, Committee Activity, the System of Internal Control and the Trust Assurance Framework are captured in the Governance Statement section of this report, which starts on page 26 and **Appendix 1** on page 64.

PUBLIC INTEREST DECLARATION

Each Velindre University NHS Trust Board Member has stated in writing that they have taken all the steps that they ought to have taken as a Director in order to make the Trust's auditors aware of any relevant audit information.

All Trust Board Members and Senior Managers within the Trust (including Directors of all Hosted Organisations) have declared any interests in companies, which may result in a conflict with their managerial responsibilities. No material interests have been declared during 2022-2023: a full register of interests for 2022-2023 is available upon request from the Director of Corporate Governance & Chief of Staff.

DISCLOSURE STATEMENTS

Information Governance:

The Trust operates an Information Governance (IG) Framework that ensures the Trust meets its Mandatory and Statutory obligations and other standards in relation to applicable legislation. Applicable legislation includes but is not exclusive to legislation which supports the principles of the European Convention on Human Rights, Human Rights Act 1998, Protection of Freedoms Act 2012, the Data Protection Act 2018 (includes the retained EU General Data Protection Regulations 679/2016 (UK GDPR)), Freedom of information Act 2000, Environmental Information Regulations 2004, Common Law Duty of Confidence and the Access to Health Records Act 1990.

This legislation is supported by non-legislative guidance such as: the Surveillance Camera Code of Practice 2021, Caldicott Principles and the Records Management Code of Practice for Health and Social Care 2022 which is in itself based on the Freedom of Information Act's Section 46 Information Management Code of Practice.

- **Information Governance Roles and Responsibilities:**

The Trust's Executive Director of Finance is the designated Senior Information Risk Owner (SIRO) who holds responsibility for information risk to the Trust Board. As an NHS Body, the Trust has in place a Caldicott Guardian, which is the Trust's Executive Medical Director. The two main divisions of the Trust also have a Caldicott Guardian in place. From a Digital perspective, the Trust's Chief Digital Officer links directly with the SIRO, Caldicott Guardians and Head of Information Governance (HoIG) at regular intervals throughout the year so that a rounded approach to Information Governance is undertaken. The lead for Information Governance for the Trust is the HoIG.

The role of the HoIG is to ensure that there are effective controls and mechanisms in place to ensure that the Trust complies with its Mandatory and Statutory obligations as well as supporting staff ability via the delivery of Training and Awareness to comply with Information Governance fundamental principles and procedures.

- **Information Governance Overall Risk:**

Since the last Statement overall risk has reduced. This risk assessment is supported by the completion of an Internal Audit in Quarters 3 and 4 which provided “reasonable assurance” overall with assessments in the following four areas:

- Handling of sensitive information – Reasonable
- Information Governance training – Reasonable
- Recording of data breaches – Substantial
- Governance and oversight – Substantial

The overall reasonable assurance opinion reflected the fact that most of the areas identified for improvement by the audit were already covered by the Trust’s Information Governance Improvement Plan.

In relation to the handling of sensitive information, the SIRO and HoIG had identified in Financial Year (FY) 2021/22 that the lack of workable Information Asset Registers (IAR) meant that the handling of sensitive information was not as robust as it could be, and this has been identified within the work plan in the long term, this assessment was borne out by the audit. The Welsh Blood Service (WBS) has IAR’s in operation in 100% of its working areas. Velindre Cancer Service (VCS) and the Corporate Divisions do not currently have working IAR’s in operation within their sphere of operation (0%). The IG Toolkit for 2022/23 and 2023/24 have both noted this as a requirement. In terms of the route to compliance, the Records Management Task and Finish Group (which was set up as a result of the Offsite Storage Incident) began to meet in Q1 2023/24. It has an overarching objective to instigate the operation and maintenance of IAR’s as Business as Usual (BAU) which will include periodical audits by the HoIG by the end of Q4 2023/24. The IG Toolkit Action Plan also notes that requirement to achieve compliance by the end of Q4 2023/24.

Face-to-face (either by teams or in person) Information Governance training is provided for all clinical staff joining the Trust, workshops are also provided where an incident has occurred to ensure that individuals and teams understand their obligations in relation to Information Governance. Reports are received monthly which enables the HoIG to target groups and individuals where compliance is low. SIRO and HoIG had identified in FY 2021/22 that all staff should receive identical induction training. This approach was supported by the audit, the audit noted that Electronic Staff Record (ESR) compliance was lower than 75% in some areas at the time of the audit. The Trust has already taken steps to address the assessment of the audit, a

recent check (end of May 23) has demonstrated that the area concerned has increased compliance from 65.38% in April 2023 to 72.55%, this has been achieved by a targeted training programme delivered by the HoIG. Further sessions are planned for July 2023 to further increase compliance rates. .

In addition to internal audit activity, the Trust utilises the Welsh Information Governance Toolkit (IG Toolkit) to measure its level of compliance against national IG standards and legislation. The toolkit is completed annually and provides evidence of areas of improvement achieved and identifies actions for the following year. The HoIG undertakes the annual completion of the toolkit, which is reviewed and amended by the SIRO, to identify areas for improvement. The priority areas for improvement have formed the basis of the IG work plan for 2022/23 and will continue to form its basis for 2023/24.

Evidence of Trust progress against the work plan is demonstrated within the quarterly Information Governance Report, which is presented for assurance to the Executive Management Board. The highlight report which is derived from the detailed report is presented for noting to the Quality, Safety and Performance Committee. The Independent Member of the Board whose portfolio includes Digital and Information Governance receives a copy of the full and highlight report, this enables them to seek additional assurance should it be required from SIRO and present that assurance to the Board. This process was assessed as providing substantial assurance to the Board in the IG Internal Audit of February 2023.

The Trust continues to process personal data using the “Privacy by Design” approach when procuring new systems and maintaining existing ones where personal data is processed. “Privacy by Design” enables the Trust to consider risk by using the Information Commission Office mandated Data Protection Impact Assessment process. The process helps analyse, identify and minimise the data protection risks of a system (both electronic and manual records). Article 35 of the UK GDPR states that Data Protection Impact Assessments (DPIA) are a legal requirement for processing data that is likely to result in high risk to the rights and freedoms of individuals. The Information Commissioner’s Office (ICO) advises that the completion of a Data protection Impact Assessment is good practice when processing personal data. A Data Protection Impact Assessment does not have to eradicate all risk but should help to minimise and determine whether the level of risk is acceptable in the circumstances.

In the period 1 April 2022 – 31 March 2023, 43 Data Protection Impact Assessments (DPIA) were approved with another 16 in progress. The DPIAs that remain in progress are related to ongoing long term projects.

The public have the right to request information held by the trust under the Subject Access Process in relation to the Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations 2004 (EIR). In the period 1 April 2022 – 31 March 2023, the Trust received requests for information under the Freedom of Information Act per quarter as follows:

Quarter	Number of requests	Number of requests completed within statutory timeframe	Percentage compliance
1	43	23	53.49%
2	58	47	81.03%
3	36	23	63.89%
4	58	54	93.10%
Total for FY 22/23	195	147	75.38%

The Trust received requests for information under the Environmental Information Regulations per quarter as follows:

Quarter	Number of requests	Number of requests completed within statutory timeframe	Percentage compliance
1	1	1	100%
2	2	2	100%
3	0	0	100%
4	0	0	100%
Total for FY 22/23	3	3	100%

In relation to FOI responses, the Trust undertook 1 Review requested by a member of the public. The Review was undertaken as a result of a multiple stranded complaint covering five specific areas, the areas and a summary of the Trust's response for each area are articulated:

There was a 92 working day delay in response

The Review found that the delay was due to the fact the information requested was not held at the time of the request. The review found that the delay could have been communicated with the requestor more effectively.

The document provided was undated and unsigned

The Review upheld the complaint regarding the date of the document and took the incident as a learning point. The Review did not uphold the complaint in this instance as unsigned documents were found to be entirely correct in relation to the Trust business concerned.

Each page within the document provided contained the faint lettering “draft”

The Review found that the original decision to share the information with the requestor was correct after the consideration of harm to the Public Interest.

The requestor asked for a copy of the final report, signed and dated

The Review found that the document had since been finalised and a copy was shared with the requestor as part of the Review.

An insight in to the 92 working day delay was requested

The Review found that the delay was sufficiently articulated within the Review process, the Trust apologised for the delay in the provision of the information to the requestor.

The Review was extended to take place within the 40 day timeframe where the review is complex, this was successfully achieved.

On 15th June 2022, the Trust received a notice from the ICO in relation to a complaint by a member of Staff under the Data Protection Act 2018. The Trust received the same complaint at the same time from the same individual. The complaint was related to the extension of a deadline in full response to a Subject Access Request made by the member of Staff. The extension was required because the request was complex and large in volume. The Trust wrote to the complainant on several occasions explaining the issues to them and the rationale for the extension of the timeline.

The member of Staff’s complaint was not upheld by the ICO, the finding from ICO on 22nd June 2022 as follows:

*“In this case, you have demonstrated good practice of your data protection obligations and as long as you have resolved matters with **redacted** I see no further action for this case”.*

In relation to Subject Access Requests (SAR) made under the Data Protection Act 2018, the Trust received the following number of requests:

Medical Records

Quarter	Number of requests	Number of requests completed within statutory timeframe	Percentage compliance
1	59	59	100%
2	34	34	100%
3	45	39	86.60%
4	45	45	100%
Total for FY 22/23	183	177	96.72%

Non-clinical

Quarter	Number of requests	Number of requests completed within statutory timeframe	Percentage compliance
1	2	2	100%
2	1	1	100%
3	0	0	100%
4	1	0	0%
Total for FY 22/23	4	3	75%

The SAR which has not yet been completed for Q4 2022/23 is deemed an unreasonable request due to the lack of clarity to define the data requested. Dialogue with the requestor is ongoing.

During 2022/23 the Trust reported 1 personal data breach incident to the ICO, this breach originated on 20th February 2022. The notification was submitted within the 72 hour breach reporting timeframe. The reported breach was a serious incident and further information is articulated within this Statement.

During 2022/23, the Trust has engaged appropriately with the ICO as part of its duty to conduct prior consultation for intended processing under Article 36 UK GDPR. The consultation has proven to be useful in identifying and mitigating risk where the intended processing may result in a high risk to the rights and freedoms of data subjects. The example in this case being consideration of best practice where the Trust may decide to act as a Processor to Consultants as a result of the liquidation of a private UK wide Cancer Treatment Centre.

The Trust has also engaged with the ICO informally to seek timely appropriate advice and guidance on operational issues, such as:

- Potential use of Body Worn Cameras and CCTV equipment in the new Velindre Hospital

and compliance with the Surveillance Camera Code of Practice 2021

- Use of social media platforms for fundraising purposes, especially assessing the consideration of Legitimate Interest as a lawful basis of processing
- The regulators position on the use of the Freedom of Information Act by companies seeking contract work in Public Bodies
- The regulators position on the frequency of requests by the same requestor made to the Trust under the Freedom of Information Act
- Monitoring of employees in the workplace and privacy considerations

Reported February 2022 – A Data Processor under contract to the Trust reported severe damage to a document storage site. Reported to the Information Commissioners Office on 24th February 2022. The Information Commissioner undertook an investigation into the incident under Article 5(1)(f) UK GDPR which requires that the Trust as a Data Controller must ensure that personal data is;

“processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures”

The investigation focused on the Trust’s activity in terms of the management of the contract with the supplier and whether the Trust acted appropriately.

The investigation concluded on 15th September 2022 and decided that regulatory action was not required in relation to the incident, this was because the risk of clinical harm to data subjects is low, that the Trust took steps to ensure that the site was appropriate for storing records by undertaking a procurement specification process. In this process the Trust set out specific requirements regarding the facility and the conditions in which the records would be stored.

In addition the All-Wales Terms and Conditions (revised May 18) were in place which sets out how information should be handled in accordance with data protection legislation.

The Information Commissioner welcomed the remedial steps taken by the Trust in light of the incident.

The Information Commissioner made clear recommendations, these being:

1. The Trust to consider the amount of information it currently holds, including information held in third party storage, and assess whether its retention remains necessary for the intended purposes for processing. If this information is no longer required, take active steps to ensure that it is appropriately archived, or securely destroyed, and;
2. To ensure that, going forward, all third party storage contracts undergo a formal procurement process; including a site visit to ensure that the facility is appropriate and secure for the purposes of storage

In response to Recommendation 1, the Trust has been mandated, along with many other NHS bodies to retain patient data as a result of the ongoing UK Infected Blood Inquiry, but is putting together a case to destroy records of deceased patients, where those patients have been deceased for at least eight years, and where electronic records exist. This approach is in line with the NHS Wales Records Management Code of Practice for Health and Social Care 2022.

In response to Recommendation 2, the Trust ensures that all procurement where it involves the processing of personal data involves the Head of Information Governance and that where appropriate the necessary risk assessments are undertaken prior to the commencement of processing.

In addition to quarterly reporting to the Executive Management Board and Quality, Safety and Performance Committee, an Annual Information Governance Report is produced which provides an overview of the previous year's activity to the Board thereby providing assurance that the Trust continues to meet its Mandatory and Statutory responsibilities in relation to Information Governance.

Corporate Governance Code for Central Government Departments:

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, Velindre University NHS Trust has undertaken an assessment against the main principles as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Trust's assessment of governance undertaken by the Trust Board in April 2023 (outlined on Page 50) and also evidenced by internal and external audits. The Trust Board is committed to the continuous review and pursuit of excellence in ensuring good governance. This includes the programme of work underway to review and strengthen the quality/detail of information provided to the Board for assurance. In addition, each of the Trust Board Committees conducts an Annual review of its Effectiveness, actively seeking further opportunities for continuous development and improvement ensuring good governance is maintained. To support good governance and strengthen assurance to the Board, the Chair has also established an Independent Members' Group which meets on a monthly basis, the purpose of which includes (but is not limited to) testing the robustness and effectiveness of the Governance and Assurance Framework.

The Trust is complying with the main principles of the Code where applicable, and follows the spirit of the Code to good effect and is conducting its business openly and in a transparent manner in line with the Code. The Trust Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust wider Annual Report. There have been no reported/identified departures from the Corporate Governance Code during the year.

Sustainability:

Our Trust Strategy 'Destination 2032' outlines a clear ambition for the organisation over the coming years; the delivery of high quality, sustainable health care services which reduce our impact on the environment and provides wider value to our communities. This is an exciting

challenge for us which will require us to continue to pursue excellence in our clinical services whilst also making a contribution to the wealth, health and prosperity across the country. Our Sustainability Strategy has created a roadmap for us to contribute to our communities and mitigate our impact on the planet whilst continuing to deliver world class services for our donors, patients and carers. The strategy has 10 themes, which were derived from the United Nations Sustainable Development Goals and the Well-Being of Future Generations Act and are designed to achieve our Trust Well-being Objectives.

The Trust recognises that its day-to-day operational activities have a direct impact upon the environment and is committed to meeting the legislative drivers set out by Welsh Government to address this when possible. Welsh Government have an ambition for the public sector to be carbon neutral by 2030. This ambition sits alongside the Environment (Wales) Act 2016 and Well-being of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation and embracing the Sustainable Development Principle within the public sector in Wales. The Trust will continue its work on carbon footprint monitoring in line with the NHS Wales Decarbonisation Strategy, to realise this ambition, the Trust has created tangible actions in a detailed Decarbonisation Action Plan. The Trust is taking ambitious action, both strategically through the Trust Sustainability Strategy and operationally to adapt to climate change and respond to climate risk through the development of new Velindre Cancer Centre Radiotherapy Satellite Centre and the Talbot Green Infrastructure upgrade project. Capital schemes are designed using projected climate data to ensure the design caters for global warming assessed within the lifetime of the build. This approach ensures as far as is reasonably practicable that fabric and systems used to control internal comfort remain fit for purpose. Alongside these major capital schemes, the Trust is actively educating our staff to instigate meaningful behavioral change, through events and raising awareness. The Trust Annual Sustainability Report for 2022/2023 received at the July Quality, Safety and Performance Committee, further outlines how the Trust is driven by its Sustainability Strategy and has continued to be ambitious with its strategic aims in this context and will continue to work to ensure that it is compliant with the Climate Change Act and the Adaptation reporting requirements. Progress against which will be reported using a risk-based approach via the Quality, Safety and Performance Committee.

NHS Pension Scheme:

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to 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.

MINISTERIAL DIRECTIONS

A list of Ministerial Directions issued by the Welsh Government during 01 April 2022 - 31 March 2023 is available [here](#). Whilst Ministerial Directions are received by Health Boards, these are not always applicable to Velindre University NHS Trust. The Trust has disseminated those of relevance to the Trust as appropriate during the reporting period and are detailed in **Appendix 3** on Page 76. In addition, Welsh Health Circulars issued by Welsh Government are logged by the Corporate Governance Function and assigned an Executive Lead(s) to assess the impact to the Trust and take forward any necessary actions as appropriate. A register and action log is maintained by the Corporate Governance Function. A list of Welsh Health Circulars issued by the Welsh Government during 01 April 2022 - 31 March 2023 considered of relevance to the Trust are also listed in **Appendix 3** on Page 76.

**STATEMENT OF THE CHIEF EXECUTIVE'S
RESPONSIBILITIES AS ACCOUNTABLE OFFICER
OF
VELINDRE UNIVERSITY NHS TRUST**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the LHB/ NHS Trust/SHA. 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.

Signed by:

Mr. Steve Ham
Chief Executive

Dated: 27/07/2023

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 the LHB / NHS Trust and of the income and expenditure of the LHB /NHS Trust for that period.

In preparing those accounts, the directors are required to:

- make judgements and estimates which are responsible and prudent
- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- 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:

Mr. Stephen Harries
Acting Chair

Dated: 27/07/2023

Mr. Steve Ham,
Chief Executive

Dated: 27/07/2023

Mr. Matthew Bunce,
Executive Director of
Finance

Dated: 27/07/2023

GOVERNANCE STATEMENT

GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

This Governance Statement details the arrangements in place for discharging the Chief Executive's responsibility to manage and control Velindre University NHS Trust's resources, and the organisations, which it hosts, during the financial year 2022-2023.

Due to the unique Accountable Officer status of the Managing Director of Shared Services Partnership (NWSSP), a Governance Statement for NWSSP has been requested and submitted by the Director of NWSSP to the Trust Chief Executive. This is available from the Director of Corporate Governance & Chief of Staff upon request and helps to inform this report.

The Director of Health Technology Wales (the Trust second hosted body), has also signed and submitted a '*Governance Compliance Statement*', detailing and declaring compliance with Velindre University NHS Trust governance arrangements. This has been submitted to the Velindre University NHS Trust's Chief Executive to provide assurance that Trust policy, systems and processes are being complied with to support good governance.

DISCHARGING RESPONSIBILITIES

The Trust Board has been constituted to comply with the National Health Service Wales, Velindre University NHS Trust (Establishment) Order 1993 No.2838 and subsequent Amendment Orders (1995 No. 2492, 1999 No.808, 1999 No 826, 2002 No.442 (W.57) and 2002 No.2199 (W.219 2009 No.2059, 2012 No.1261, 2012 No.1262, 2015 No.22, 2017 No.912, 2018 No.887). In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Trust Board members also fulfil a number of "champion" roles where they act as ambassadors for these matters (detailed on pages 8-11).

The Trust Board discharges its responsibilities through its Committees (listed in the table below) and scheme of delegation, which is set out in its Standing Orders.

There are nine Committees/Partnership Forums reporting directly to the Trust Board, which is supported by sub-Committees/groups in the discharge of functions outlined below:

Committee, Advisory Group and Fora	Sub Committee
Academic Partnership Board	N/A
Audit Committee (Trust)	N/A
Audit Committee (For NHS Wales Shared Services Partnership)	N/A
Charitable Funds Committee	Investment Performance Review Sub-Committee
Local Partnership Forum	N/A
Quality, Safety & Performance Committee	<ul style="list-style-type: none"> • Research, Development and Innovation Sub-Committee (for Research & Development activity) • Transforming Cancer Services Programme Scrutiny Sub-Committee (for programme delivery) • Advisory Consultant Appointment Committee
Remuneration Committee	N/A
Strategic Development Committee	<ul style="list-style-type: none"> • Research, Development and Innovation Sub-Committee (for Strategic / Innovation activity) • Transforming Cancer Services Programme Scrutiny Sub-Committee (for future direction setting)

At a local level, the Trust Board has agreed Standing Orders (SOs) for the regulation of proceedings and business.

The *Trust Standing Orders and Standing Financial Instructions* have been adopted from the Welsh Government's Model Standing Orders for NHS Trusts in Wales and are designed to translate the statutory requirements set out in the *National Health Service Trusts (Membership and Procedures) Regulations 1990 (1990/2024)* into day to day operating practice. Together with the adoption of a scheme of matters reserved to the Trust Board; a scheme of delegations to officers and others; and Standing Financial Instructions, the SOs provide the regulatory framework for the business conduct of the Trust and define its 'ways of working'.

These documents, together with the range of policies set by the Trust Board make up the Governance and Accountability Framework. The Standing Orders have been periodically updated to account for alterations in year; details in respect of the reviews are outlined on page 34.

The dates the Trust Board and Committees met during the period 2022-2023 are captured in **Appendix 1** on page 64.

Since the onset of the pandemic, the Trust has continually adapted and made changes to its governance arrangements to meet the challenges that were faced by COVID 19. The required response during each phase of the pandemic has meant that the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to revise the way the Board governance and operational framework has been discharged.

It is acknowledged that in the unprecedented times that followed the onset of the COVID 19 pandemic, and each of its subsequent phases, there have been limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admission to Meetings) Act 1960, the organisation is required to meet in public. As a result of the public health risk linked to the pandemic there have been limitations on public gatherings and has not therefore been possible to allow the public to attend meetings of our Board and Committees since the 24 March 2020. Whilst this is not in compliance with our Standing Orders with regards to allowing the public to attend meetings of our Board and Committees meetings, since that time, to ensure that the Trust's business has continued to be conducted in as open and transparent a manner as possible, the following actions have been taken and remain in place for the reporting period:

- The Trust is inviting all regular attendees to its Public Board and Committees via technological solutions.
- The meetings are closed session i.e. public are not invited to join the meetings in person. This has allowed the Trust to act in accordance with the social distancing guidelines that were introduced. From July 2020, the Trust has held its virtual Trust Board meeting in public. The public are able to observe the meeting from the widely

available video conferencing platform Zoom. A video recording of the meetings has also been made available on the Trust website. From March 2021, our Trust Board meetings have been held in person for Board members and members of the public continue to be able to observe the meeting via the video conferencing platform Zoom. Committee meetings have continued to be held virtually for the reporting period. It is planned to reinstate invitations to the public to join to its Public Board and Committees meetings in person where possible from April 2023-2024 onwards.

- Papers are published in advance of the Trust Board and Committee meetings and the minutes following their formal approval to be an accurate and true record at the subsequent meeting.

At the onset of the pandemic Velindre University NHS Trust established a dedicated incident Command and Control structure. The structure provided a formal escalation and de-escalation path to facilitate the Trust’s planning and preparations for the emerging global COVID-19 pandemic and was consistent with the nationally recognised three tiered Command and Control structure. Effective arrangements were established as part of the Command and Control structure for ensuring that decision logs were maintained and reported appropriately. Whilst this structure was formally stood down due to the reduced COVID-19 transmissions, it was kept under review during 2022-2023 and was subsequently reinstated in response to the industrial action during quarter 3 and quarter 4. The frequency of GOLD COMMAND meetings during this period has been continually assessed and flexed in line with the needs of the industrial action, and its interface with the Welsh Blood Service and Velindre Cancer Service SILVER COMMANDS.

COMMITTEE ACTIVITY

In line with the Trust’s Standing Orders, each Committee formally reports annually to the Trust Board on its work during the year detailing the business, activities, attendance and main issues dealt with by the Committee in the reporting year. Copies of the Committee Annual Reports for 2022-2023, which outline the activity of each of the Committees for the year ending 31 March 2023, are available on the Trust Internet site [here](#). In addition, each Trust Board meeting receives a highlight report outlining the issues and activity considered and addressed by each Committee at its last meeting. The Trust has a process where Committees schedule a pause at the end of each meeting to discuss the key issues they want to raise with the Trust Board through the highlight report process under the following headings:

ALERT / ESCALATE
ADVISE
ASSURE
INFORM
APPENDICES (<i>as required</i>)

Each Committee Highlight Report is presented to the Trust Board by the Committee Chair. Similarly, each Committee Highlight Report is available within the Trust Board papers on the Trust's Internet site [here](#). A further enhancement to the governance framework has been the embedding of the monthly meeting of the Independent Members Group which provides an opportunity for each of the Committee Chairs together with the Trust Chair, Chief Executive and Director of Corporate Governance & Chief of Staff, to discuss the triangulation of information across the Committee structure and the wider Trust.

The Terms of Reference for each Committee are reviewed annually in line with the Trust's Standing Orders, or more frequently if deemed necessary by the Committee or Trust Board. The Terms of Reference for all Committees are available on the Trust's Internet site [here](#).

Key highlights and issues considered by the Trust Board and its Committees during 2022-2023 are included in **Appendix 1** of the Governance Statement on **page 64**.

Minutes and papers of all Public Trust Board and Committee meetings are also published on the Trust Internet site [here](#).

During 2022-2023, key aspects of Trust Board business and issues delegated to the Audit Committee for consideration and advice, including action taken, included but were not limited to the following:

- Agreement of the Internal and External Audit Plans for the year.
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans. The Audit Action Plan, which tracks the implementation of the recommendations of Audits is regularly reviewed by the Audit Committee. A review of the existing monitoring and tracking arrangements has been undertaken at the beginning of 2022-2023 to strengthen this process in partnership with Internal Audit.
- Agreeing the Annual Counter Fraud Plan and monitoring counter fraud activities.
- Review of the Declaration of Interests and Gifts, Hospitality, Sponsorship and Honoraria Register.
- Monitoring the development of the Trust's Accountability Report.
- Monitoring of Governance Arrangements across the organisation, including hosted bodies.
- Monitoring overall risk management process by reviewing the Trust Risk Register at each meeting.

Further details in respect of the activity of the Audit Committee during 2022 - 2023 is captured in full on the Trust website [here](#).

BOARD ASSURANCE FRAMEWORK

To provide a holistic overview and avoid duplication, please refer to the **Risk Section** on Page 40 of this **Governance Statement** where the **Board Assurance Framework** is fully detailed in the context of the wider Trust Risk Management Framework.

ENGAGEMENT WITH THE LOCAL PARTNERSHIP FORUM

In support of the Trust Board, the Trust also has a Local Partnership Forum that met five times during 2022-2023, with Joint Chairs who are each nominated from the Trade Union representatives and Executive Directors. The role of the Local Partnership Forum is to supply the main (but not only) forum within the Trust where the Directors of the Trust and Trade Union Representatives can discuss together and develop appropriate directions and responses to all major service development and change management issues.

Examples of engagement with the Local Partnership Forum during 2022-2023 are outlined in **Appendix 1** on page 64.

TRUST BOARD DEVELOPMENT AND EFFECTIVENESS

During 2022-2023 the Trust Board has received six Board Development sessions covering a number of key areas including the following:

April 2022

- Velindre Cancer Service Show and Tell
- Arts, Health and Wellbeing
- Annual Integrated Board Effectiveness Assessment
- Health and Social Care (Quality and Engagement) (Wales) Act 2020 – Preparedness Update
- Radiation Services Presentation
- VCC Patient Engagement Strategy Update: Journey So Far

June 2022

- Organisational Design
- Working Together - NHS Wales Shared Services Partnership (NWSSP) and the Trust
- Internal Audit and Audit Wales Reflections
- Board Writing, Processes and Templates
- Style and Approach – Seven Step Approach to Evaluating Assurance

- Performance Management Framework Update
- Risk Management Framework Training
- New Velindre Cancer Centre (nVCC) Approach to Bidder Selection

October 2022

- PREVENT/Contest Training
- Infection Prevention and Control Showcase and lunch with the Board
- Performance Management Framework
- Equality, Diversity & Inclusion (ED&I) Session – Focus on Race

November 2022

- Refresh of Board Risk Appetite
- Refresh of the Trust Assurance Framework Strategic Risks

December 2022

- nVCC Full Business Case
- Value Based Healthcare
- Finance Contracting and Commissioning Showcase
- Duty of Candour and Quality
- Recruitment Journey – Roles and Responsibilities
- Building our Future Together

February 2023

- Compassionate Leadership
- Intellectual Property Workshop
- nVCC Discussion
- IMTP and Accountable Officer Letter

In addition to the Board Development arrangements outlined above, the Trust Board has continued to receive an externally facilitated Board Development Programme designed to support the Board and Executive Team in meeting the challenges it is facing in the continually evolving environment within which it is operating. The Programme is made up of a number of parts and has covered (*although not limited*) to the following key areas of development:

- Building a high performing leadership team.
- Strategic decision-making capabilities and prioritisation.
- Building organisational capacity and capability including developing a highly effective and business-focused cadre of senior managers.
- Challenging areas of conflicting styles and behaviour.
- Developing clear strategies for harnessing individual differences to enable the Executive Team to work as a cohesive whole.

- Better understanding organisational dynamics in order to improve matrix working and embed change management capability across a diverse and dispersed organisation.

Executive and Independent Member visits ('15 Step Challenge process') with our staff have also recommenced as COVID-19 restrictions have eased to gain greater insight to the multi-faceted work undertaken by our staff across the Trust, and also better understand the different pressures faced on a daily basis. The Trust was due to commence piloting utilisation of the '15 Step Challenge process' in March 2020, however, the pilot was initially paused due to the pandemic.

The process that has been developed is based on the NHS England 15 Step Challenge process designed in 2017 for outpatient and clinic settings and is intended to be used as a framework using Plan, Do, Study, Act (PDSA) improvement methodology within the Welsh Blood Service and Velindre Cancer Service.

STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

The Trust approved a revised set of Standing Orders and Standing Financial Instructions for the regulation of proceedings and business to ensure the following issues were addressed:

- **January 2023** – Amendments to Trust Standing Orders Schedule 3.0, resulting from the Annual review of the Terms of Reference and Operating Arrangements in respect of the Quality, Safety & Performance Committee.
- **February 2023** – Amendment to the Trust Standing Orders (via Chairs Urgent Action) the revised membership of the Trust Board in line with [The Health and Social Care \(Quality and Engagement\) \(Wales\) Act](#) to comprise of one additional Executive Director.

TRUST BOARD APPOINTMENTS DURING 2022-2023

The Trust made the following Trust Board appointments/reappointments during 2022-2023:

Independent Members

- Mr. Stephen Harries was appointed as an Independent Member of Velindre University NHS Trust in April 2017. In November 2018, Mr. Harries was appointed as Interim vice Chair of the Trust and was appointed on a permanent basis in April 2022.

Executive Team Members

- In February 2023, the portfolio for the Director of Strategic Transformation, Planning & Digital was revised to be that of an Executive Director, following the revised membership of the Trust Board in line with The Health and Social Care (Quality and Engagement) (Wales) Act, to comprise of the Vice Chair and one additional Executive Director.

There were no vacancies in the Trust Board membership during 2022-2023, as such there was no adverse impact on the balance of the Board and decision making during the reporting period.

Further details on the Trust Board appointments are provided in the Trust Remuneration Report on **page 84**.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

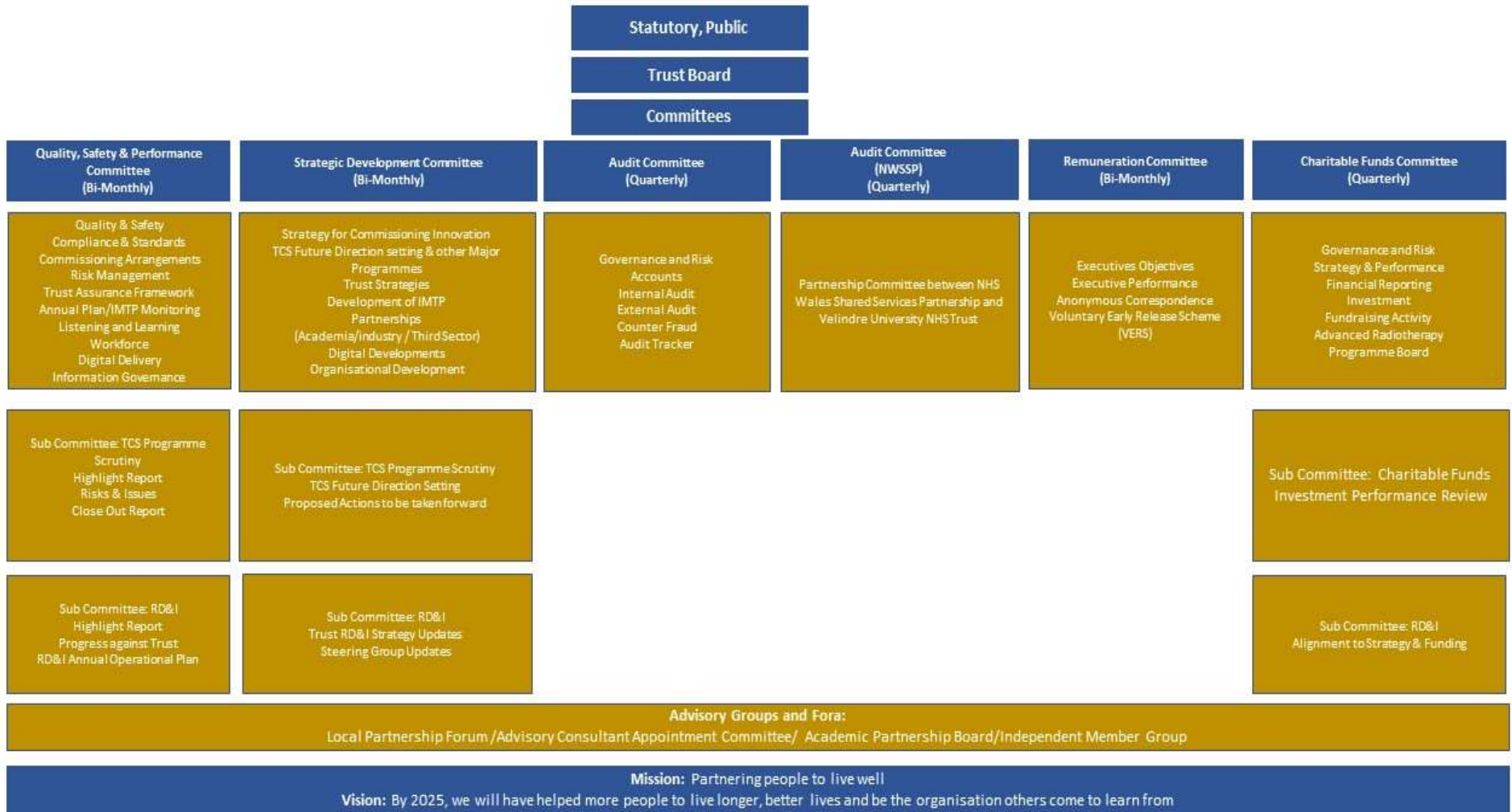
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks, it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2023, and up to the date of approval of the 2022-2023 Annual Report and Accounts.

The Welsh Government requires that the Trust operates within the wider governance framework set for the NHS in Wales and incorporating the standards of good governance set for the NHS in Wales (as defined within the Citizen Centred Governance principles and Standards for Health Services in Wales), together with its planning and performance management frameworks.

An overarching summary of the Trust's Governance and Accountability Framework is illustrated overleaf:

Trust's Governance and Accountability Framework



GOVERNANCE OF THE CHARITABLE FUNDS

The Velindre University NHS Trust Board was appointed as Corporate Trustee of the Charitable Funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1st December 1993, and the Trust Board serves as its agent in the administration of the Charitable Funds held by the Trust.

As part of their induction programme, new Executive Directors and Independent Members of the Trust are made aware of their responsibilities as Board Members of Velindre University NHS Trust and as Corporate Trustees of Velindre University NHS Trust Charity.

The Trust Board as Corporate Trustee is ultimately accountable for Charitable Funds given to Velindre University NHS Trust Charity. In order to facilitate the administration and management of these funds the Trust Board has established a Charitable Funds Committee (CFC) to provide advice and recommendations to the Board. Committee meetings are held every three months and otherwise as the Committee Chair deems necessary. At least two members must be present to ensure the quorum of the Committee.

The CFC is supported by the Charitable Funds Senior Leadership Group that meets on a monthly basis.

The CFC is also supported by an Investment Performance Review - Sub Committee, to oversee the investments made by the Charity.

Further information in respect of the Charitable Funds is available in the Trustee's Annual Report which can be found on the Trust website [here](#).

HOSTED ORGANISATIONS SYSTEMS OF INTERNAL CONTROL AND ASSURANCE

Hosted organisations utilise the existing Trust Committee Structure (Accountability & Governance Framework) illustrated on page 36 of this Governance Statement.

A separate Velindre University NHS Trust Audit Committee is held to consider issues relating specifically to NWSSP, having the same Chair and Independent Membership as the Velindre University NHS Trust Audit Committee. Information relating to the governance arrangements in NWSSP is contained within the Director's Governance Statement to the Velindre University NHS Trust Chief Executive which is available from the Director of Corporate Governance and Chief of Staff upon request.

NWSSP has an 'NHS Wales Shared Services Partnership Committee' which was established in 2012 to comply with the Velindre University NHS Trust Shared Services (Wales) Regulations 2012 (2012/1261 (W.156)). Velindre University NHS Trust (Velindre) must agree Standing Orders (SOs) for the regulation of the Shared Services Partnership Committee's (the SSPC) proceedings and business. These SSPC SOs form an Annex to Velindre's own SOs and have effect as if incorporated within them. They are designed to translate the statutory requirements set out in the Velindre University NHS Trust Shared Services (Wales) Regulations 2012 (2012/1261 (W.156)) and Velindre's Standing Order 3 into day to day operating practice. The NWSSP Committee has membership from each statutory body in NHS Wales and is chaired by an Independent Chair. The NWSSP Committee reports to Velindre University NHS Trust Board and all other health body Boards in Wales via their representative member on the Committee. NWSSP have their own Standing Orders which are appended to the Velindre University NHS Trust Standing Orders.

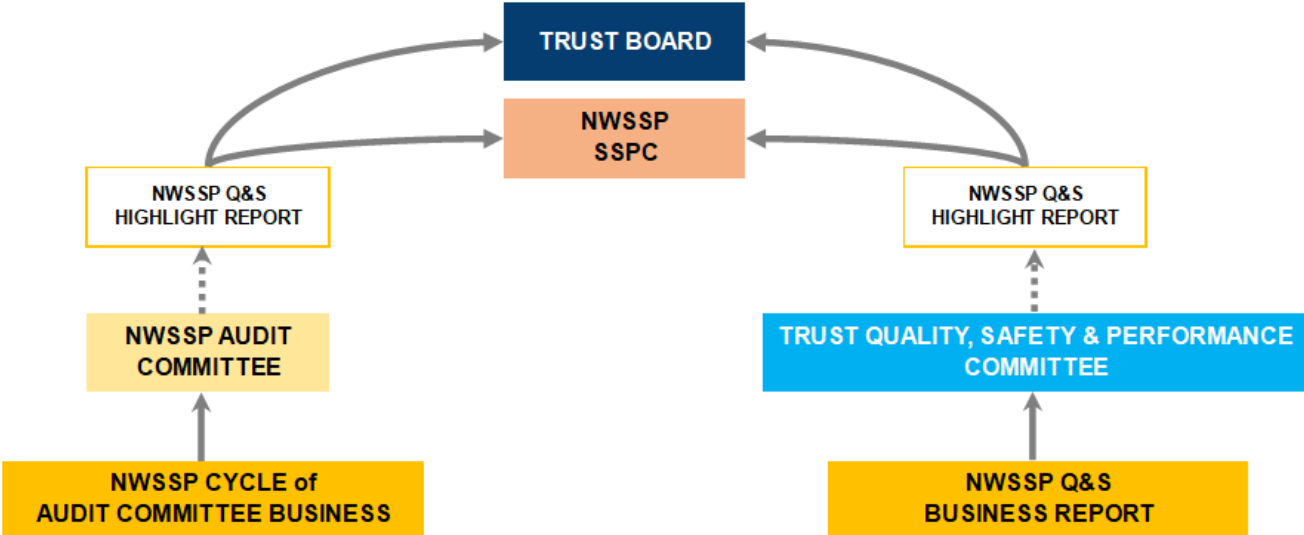
Currently, organisations hosted by Velindre University NHS Trust are able to link with Trust Board Committees and Management Groups where appropriate to ensure assurance is provided for the governance arrangements, including statutory compliance for the areas remaining within the Trust's area of responsibility.

In May 2021, a review was undertaken by Velindre University NHS Trust in partnership with NWSSP to consider arrangements for Quality & Safety governance in respect of the Shared Services Partnership Committee. This included consideration of the culture and approach adopted by the Velindre Board following the creation of the Quality, Safety & Performance Committee in November 2020. In addition, it also considered the approaches with other hosted organisations to support in

considering different models and what may work best to fulfill the purpose agreed by the Shared Services Partnership Committee – to “advise and assure the Shared Services Partnership Committee and Accountable Officer on whether effective arrangements are in place for quality and safety” (in line with the approved NWSSP Standing Orders). This was coupled with ensuring that Velindre University NHS Trust Board, as the host organisation and statutory body, also having appropriate assurance to fulfill its accountabilities in this respect. The review recommended that an additional section be added to the start of each Trust Quality, Safety & Performance Committee to cover NWSSP Quality and Safety business. This approach was considered sufficient for the volume of business at this time, and in quarter 4 of FY 2022-23 has been subject to further review as the NWSSP business model continues to develop. This has been reflected in the Trust Quality, Safety & Performance Committee Cycle of Business, and reported in the March 2023 meeting of the Committee.

In line with the arrangements for the Velindre Audit Committee for Shared Services, a separate highlight report is produced for this section of the Committee and this is shared with the Shared Services Partnership Committee and the Trust Board to provide assurance. A summary overview of these arrangements is provided below:

Quality & Safety (Q&S) Governance Arrangements for NHS Wales Shared Services Partnership Committee (SSPC)



A review of the existing governance reporting arrangements in place for Health Technology Wales

has also been taken forward in quarter 4 of FY 2022-23 for development and implementation during the 2023-2024 reporting period onwards. This will be subject to further ongoing continuous review as the governance assurance reporting arrangements continues to develop and mature and ensure its effectiveness.

CAPACITY TO HANDLE RISK

The organisations hosted by Velindre University NHS Trust maintain and manage their own risk registers and comply with the Trust escalation processes to ensure the Trust Board is made aware of any significant relevant risks relating to the Trust Board's responsibilities via the Trust Risk Register as necessary.

Risks relating to hosted organisations will only be escalated to the Velindre University NHS Trust risk register where matters directly affecting the Trust are apparent. Matters relating to service delivery and performance are a matter for hosted bodies to receive, manage, and escalate as necessary to the relevant sponsor body.

Information on the risks managed and mitigated during 2022-2023 is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site [here](#).

RISK MANAGEMENT

The Trust has an approved Risk and Assurance Framework and associated policies in place. The policies detail a robust risk assessment process to identify, assess and manage organisational risks, which are reported on a risk register to the Trust Board, in line with risk appetite levels set by the Trust Board. The underlying risk principles applied throughout this framework are consistent with the overarching principles of HM Treasury's Orange Book *'Management of Risk – Principles and Concepts'*, 2020; and ISO 31000: 2018 *'Risk Management – Guidelines'*. The framework also supports the UK Corporate Governance Code 2018 and the Financial Reporting Council's *'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'*.

The overarching Trust Risk Management Policy, approved by the Trust Board in September 2022 provides an overarching and strategic level document for the framework of managing risk in Velindre University NHS Trust:

“The primary objective of the Policy is to support staff across the Trust to identify and manage the risks that may prevent the achievement of the Trust’s objectives. This includes assessing risks to patient and donor safety, compliance across our legal and regulatory frameworks and risks attached to our key dependencies, core processes, and stakeholder expectations and in so doing, the achievement of Trust Strategy. It is also important to emphasise that the Trust’s commitment to quality and safety is the ‘golden thread’ throughout the organisation and recognise the key role that a strong risk management culture has in that. As with everything the Trust does, this is achieved by putting our patients and donors at the centre of everything we do, working towards optimum quality, safety and experience and continual learning and improving.”

The Policy aims to deliver a pragmatic and effective multidisciplinary approach to risk management which is underpinned by a clear accountability structure through the organisation. It recognises the need for robust systems and processes to support the continuous and ever-changing nature of risk. The Policy requires individuals throughout the Trust to embed risk management in their day to day activities and support better decision making through a deeper understanding and insight into risks and their potential impact.”

Alongside the Risk Management Policy, there is a Trust Risk Management Procedure, which:

“... supports the application of the Risk Management Policy across the Trust. It provides details on how staff across the Trust should apply the risk management process across the Trust to identify and manage the risks which prevent the achievement of the Trust’s strategic goals and objectives. It is not designed to be a standalone document, and must be read in conjunction with the Risk Management Policy, which describes the context of why risk management is important and how the Risk Management Framework operates across the Trust.”

The Trust Board has overall responsibility for risk management and will ensure our risk management approach is appropriate by considering whether the Trust Risk Register and Trust Assurance Framework identify principal areas of risk against objectives and that adequate risk mitigation strategies have been designed and implemented to manage all identified principal risks. The Trust Board is also responsible for reviewing the framework’s effectiveness as assured by the Audit Committee. It sets the ‘tone at the top’ for risk management culture by setting risk appetite and explicitly considering risk when developing or updating the strategy, or when considering performance and/or major programmes of change.

The Quality, Safety & Performance Committee has a remit to review risks, however, during 2022-23 the committee’s focus has been more so on ensuring that the information in the risk register is accurate and providing the appropriate details to enable effective assurance. During 2023-24 the committee’s

focus will be on scrutinising risks in the register. The committee provides: assurance to the Trust Board that the risk register appropriately reflects the most significant risks facing the organisation, through a Quality and Safety lens; that the control framework in place is appropriate both in design and operating effectiveness; and that actions to manage risk are appropriately progressing to reach the target risk score.

Other Board Committees provide assurance to the Trust Board, that the specific sections of the Trust Risk Register: appropriately reflects the most significant risks facing the organisation, in accordance to their scope; that the control framework in place is appropriate both in design and operating effectiveness; and that actions to manage risk are appropriately progressing to reach the target risk score.

Executive Management Board Directors support and promote risk management. They ensure that risk management is integrated into all activities, and demonstrate leadership and commitment by ensuring:

- their portfolios (department/division) implement the Risk Management Policy;
- risk is considered when setting their objectives/drafting their business plan and discussed alongside their performance and in any local management meetings;
- all risks, controls and risk management issues under their control are adequately coordinated, managed, monitored, reviewed and reported/escalated in accordance with the requirements of this framework;
- necessary resources are allocated to managing risk/that they identify individuals who have the accountability and authority to manage risk under their control (i.e. risk owners).

The Director of Corporate Governance is the Executive Lead for the risk framework of the Trust. The Executive Lead will own the risk management framework and associated Trust level risk management procedures and is accountable for the strategic development of organisational risk management. Including arrangements for:

- Maintaining and updating appropriate risk management Policies and Procedures;
- Ensuring the Trust has a comprehensive and dynamic Risk Register by working with executive and divisional management teams to ensure that they understand their accountability and responsibilities for managing risks in their areas;
- Ensuring that risk is reported though, and challenged appropriately, through the governance structures of the Trust.

In summary, the Trust's risk management framework:

- promotes consistency and transparency by articulating an overarching framework for managing risk and establishing a common risk language across Trust;
- explains how the three lines of defence operates;
- explains how risk management is aligned to the governance structures across the

organisation;

- defines risk management roles and responsibilities for individuals and teams within VUNHST;
- ensures that risk management processes support and align with the overarching strategy for the Trust, in which the golden thread is our commitment to quality and safety, ensuring that we put our patients and donors at the centre of everything we do;
- recognises that timely and accurate monitoring, review, communication and reporting of risk are critical to providing:
 - early warning mechanisms for the effective management of risk occurrences
 - assurance to our patients and donors
 - assurance through governance structures to the Trust Board and to our partners/stakeholders such as Regulators and Inspection bodies
 - a sound platform for organisational resilience
 - supports decision-making through risk based information;
 - and supports the continued development a culture where proactive risk management is integrated into all Trust business.

Risk management is embedded in Trust decision making and service delivery. This is supported by continually considering and assessing Trust compliance with key clinical guidance including:

- Guidance and technology appraisals from the National Institute for Health and Care Excellence (NICE).
- National Service Frameworks (NSFs).
- National Enquiries for example Confidential Inquiries.
- Patient Safety Alerts.
- Professional Guidelines for example from Royal Colleges.
- Guidelines or standards from other national/local bodies.
- Local and national audit.
- Research & Development.
- Participation in clinical trials.
- Health and Care Standards (Wales).

TRUST RISK REGISTERS

The organisation's risk profile is visible through the Trust Risk Registers. Risks are identified at the commencement of new or amended activities and through the ongoing review of existing risks. Risk assessments are undertaken to assess the impact upon the service and other stakeholders. Public Stakeholders are involved in the assessment of risk through public consultations, Patient Liaison

Group representation and Community Health Council at Trust Board and Committee meetings, feedback received in respect of Patient Experience surveys and Donor Forums and learning from Concerns received from patients, donors, relatives and/or carers.

All risks are assessed and awarded a score, informed by potential impact and likelihood. Risks are escalated resulting in the highest level of risk being referred to the Executive Management Trust Board for appraisal prior to inclusion on the Trust's risk register and reported to Trust Board and relevant Trust Board Committee/s. Each risk entered onto the Trust register is given a 'target' score informed by the appetite for the risk, which is the level of risk the Trust Board is prepared to accept before action is deemed necessary to reduce it. The risk appetite is used in decision making to inform the prioritisation of actions and the resources required to mitigate risks on the Trust risk register. The system of record and for risk management is Datix. The Trust updated the module used in Datix and the revised forms in 2022.

New risks are accessed through the governance cycle; new risk are reviewed by divisional Senior Leadership/Senior Management Teams, when a risk will accepted, declined or closed. Management from that point is led by the risk lead, in conjunction with the risk owner, and where the level is such (a risk rating over 15 or over 12 for safety risks) the risk is reported through the governance cycle detailed below.

The Trust has three levels of risk training:

- **Level 1** – This training is carried out by all staff in the Trust by means on e-learning. The training sets out how to identify risk and report risk, via the Datix system via the first input form.
- **Level 2** – Training is aimed at risk leads, providing information on manage risk, initially via second input form, including risk assessments, why and how we manage risk, descriptions of risk and rating of risks. The key objective of level three training is to manage risk and follow the cycle of a risk, mitigations, action plans and regular management. Tools are included in the training package. This training is delivered online via Teams, this is a fully interactive session, including scenarios to test understanding.
- **Level 3** – The focus of this training is on governance and individual roles of Board Members and Directors in respect of risk. Leadership responsibility is key to this level of training. The training is delivered via Executive Management Board meetings and Board Development sessions.

The Risk Policy and Procedure were revised and approved in September 2022 following ongoing review through 2022. All improvement opportunities identified from the Internal Audit Report in 2021/22 were fully completed and implemented by April 2023.

The highest scored risks as at end of March 2023, governed through the March Committee and Trust Board cycle are summarised below, for access to fuller detail, including mitigating actions and controls, please review the March 2023 Trust Board Risk Paper [here](#).

Risk Type	Division	Title	Rating (Current)
Safety	Corporate	There is a risk to safety as a result of work related stress leading to harm to staff and to service delivery.	12
Safety	Corporate	Deficiencies in compartmentation (fire-resisting construction, fire doors and fire dampers) – Velindre Cancer Centre	12
Safety	Corporate	Infection control - There is a risk that staff could contract COVID-19 in their working environment as a result of poor social distancing or hygiene.	12
Safety	Velindre Cancer Centre	Risk that patients with altered airways may not receive appropriate care from the MDT clinical team with necessary skills and competencies due to frequency of staff being required to use these competencies and their ability to train and maintain.	12
Quality	Welsh Blood Service	There is a risk to quality/ complaints/ audit/ GxP as a result of use of outdated legacy systems, leading to increased risk of incorrect test results and clinical advice.	16
Performance & Service Sustainability	Transforming Cancer Services	There is a risk that the high-pressure water main at Asda, which have recently been discovered, will need to be moved, which may lead to a delay of several months to Asda's works.	16
Safety	Velindre Cancer Centre	There is a risk that the continuation of safe patient care may be adversely affected resulting in harm as a result of technical errors in DHCR	15
Performance & Service Sustainability	Velindre Cancer Centre	There is a risk that if the new Laboratory Information Management System (LIMS) service is not fully deployed before the contract for the current LIMS expires in June 2025 then operational delivery of pathology services may be severely impacted resulting IN potential delays in treatments, affecting the quality and safety of a broad spectrum of clinical services and the potential for financial and workforce impact.	20
Performance & Service Sustainability	Velindre Cancer Centre	Digital Health Care Record 118(R) - There is a risk that patient's records in WPAS will not be updated correctly or at all. Caused by a reduced level of knowledge on the actual events that have occurred and lack of access to medical records e.g. paper notes, specialist clinical systems to make	20

Risk Type	Division	Title	Rating (Current)
		<p>the appropriate decision on what should/shouldn't not be done in the record.</p> <p>The impact being inaccurate patient records and potential errors in patient pathways.</p>	
Compliance	Corporate	There is a risk to compliance as a result of the permanent deletion of email mailboxes for VUNHST staff who have fully left the NHS since September 2021, leading to a potential issue should those emails be required by a 3rd party investigation - e.g. COVID enquiry.	15
Financial Sustainability	Transforming Cancer Services	Interest Rates - There is a risk that increased rates of interest before financial close lead to the costs of the project exceeding the affordability envelope.	16
Workforce	Velindre Cancer Centre	Acute Oncology Service (AOS) Workforce Gaps. There is a risk that the AOS service at Velindre Hospital is not sufficiently resourced.	15
Performance & Service Sustainability	Velindre Cancer Centre	Digital Health Care Record 062(R) - There is a risk that patients will still be live in Canisc at the end of the 12-week dual running period, caused by an increased number of patient treatment delays/suspensions. There will be a negative impact on service capacity with the additional need to manually migrate IRMER forms that are nearly complete or fully complete. This may further negatively impact BAU activities, such as the Mosaiq upgrade.	15
Performance & Service Sustainability	Velindre Cancer Centre	<p>Number of emails medics are receiving, especially those related to clinical tasks.</p> <p>Due to the change in the content of the training position to include acute oncology, VCC has been unsuccessful in securing trainees, this is leading to significant gaps in the training rota. There is a national shortage for these roles</p>	15
Performance & Service Sustainability	Velindre Cancer Centre	There is a risk to performance and service sustainability as a result of training curriculum changing to include acute oncology leading to inability to secure the required number of Palliative Care Trainees.	15
Performance & Service Sustainability	Velindre Cancer Centre	There is a risk that staffing levels within Brachytherapy services are below those required for a safe resilient service.	15

A link to the Trust Board papers for the period can be found [here](#).

RISK APPETITE STATEMENT

The Trust faces a broad range of risks reflecting its responsibilities. The risks arising from its responsibilities can be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff and public accountability.

The Trust makes resources available to control operational risks at acceptable levels and we recognise that it is not possible or indeed necessarily desirable to eliminate some of the risks inherent in our activities. Acceptance of some risk is often necessary to foster innovation within the services for which we are responsible.

The Trust's Risk Appetite Statement was refreshed and approved at Trust Board in January 2023, and considers the most significant risks to which the Trust is exposed. It provides an outline of the approach to managing these risks. All strategic and business plans for operational areas must be consistent with this Statement. Given the range of the Trust's activities and responsibilities, it is not appropriate to make a single overarching statement of the Trust's attitude to risk. Instead, a range of risk appetite statements arising from the different areas of our work has been developed and approved by the Trust Board, in the following areas. The Risk Appetite categorisation approach is based on the Good Governance Institute (GGI) Risk Appetite for NHS Organisations Matrix.

- Safety - 1 - Minimal
- Quality - 2 - Cautious
- Compliance - 2 - Cautious
- Research & Development – 3 - Open
- Reputation & Public Confidence - 2 - Cautious
- Performance & Service Sustainability - 2 - Cautious
- Financial Sustainability - 2 - Cautious
- Workforce & Organisational Development - 3 - Open
- Partnerships & Innovation – 4 – Seek
- Information Governance – 2 – Cautious
- Environmental – 3 - Open

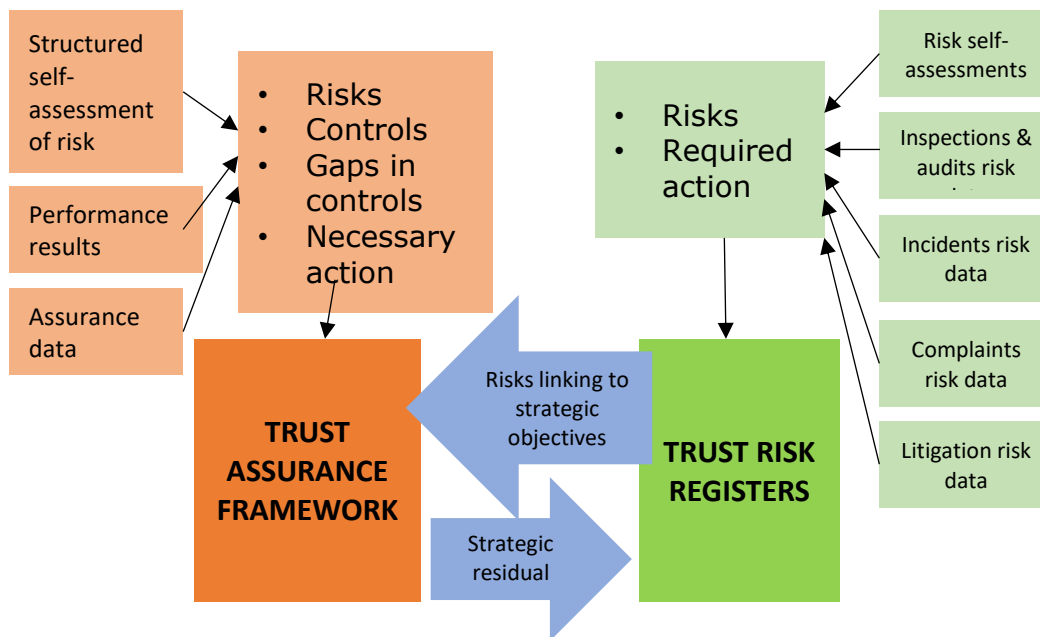
TRUST ASSURANCE FRAMEWORK (TAF)

The Audit Committee and Trust Board approved a new Board Assurance Framework (BAF) in September 2020. It was agreed to name this document and process the Trust Assurance Framework (TAF) to firstly reflect the fact that the process should be of value for the whole Trust and secondly to reflect the ambition of this framework to, in time, effectively link with both the Quality & Safety and Performance frameworks.

The TAF enables the Board to identify and understand the principal risks to achieving its strategic objectives; receive assurance that suitable controls are in place to manage these risks, and where improvements are needed suitable action plans are in place and being delivered; and to provide an assessment of the risk to achieving the related objective.

The TAF is the key source of information that links the Velindre University NHS Trust's Strategic Objectives to risk and assurance, as demonstrated in **Figure 1**:

Figure 1: Information flows between the Trust Risk Register & TAF



There is not expected to be significant movement in the articulation of the Trust's principal risks in the short-term, instead these would be reviewed and evolved in line with the organisation's strategic development cycles or in response to significant external changes.

The focus of the management of the TAF is twofold:

- I. Setting out the key controls, identifying any gaps in controls and taking action to address these;

II. Setting out the sources of assurance, from first, second and third line of defence sources, and then tracking the insight that each of these sources of assurance is demonstrating against each of the risks. In addition, identifying any gaps in assurance and taking action to address these. To clarify on these terms:

- **First line of defence** – are sources of assurance from the functions that own and manage the risk.
- **Second line of defence** – are sources from the functions that oversee the day-to-day operations – e.g. Quality & Safety, Corporate / Clinical Governance.
- **Third line of defence** – are sources from functions that provide independent assurance – e.g. Internal /External Audit, Regulators, Audit Wales.

Each of the risks has an Executive owner, who is responsible for coordinating the actions required to improve the effectiveness of the key controls and assurance on an on-going basis. The Head of Corporate Governance works with each of the Executive owners to update the Trust Assurance Framework on a bi-monthly basis for reporting at Audit Committee, Strategic Development Committee, Quality, Safety and Performance Committee and Trust Board. The Trust has continued to further develop, mature and operationalise the TAF. This has been further enhanced by regular, informal review by Internal Audit, supported by formal Internal Audit follow up of the 2021/22 TAF report recommendations, which determined good progress is being made. Improvement opportunities identified from the Internal Audit Report will be managed by the Executive Management Board, and ongoing continued progress will be monitored via the Audit Committee by scrutiny of the Audit Action Plan.

HEALTH & CARE STANDARDS FOR WALES

The Health & Care Standards in force during 2022/23 have been in place across NHS Wales since 2015 and since this time the Trust have developed a process to help more firmly embed the Standards in the core business of Divisions and corporate teams. Work has been completed to include strengthening accountabilities and responsibilities and roles of management oversight groups in monitoring standards compliance.

The Trust has continued to drive quality improvement through 2022/23 by formally reviewing the Health and Care Standards every quarter ensuring each Standard remains firmly embedded in the core business of the Divisional and Corporate Teams.

The Divisional and Corporate teams have undertaken a comprehensive review of their compliance with the Health and Care standards during each quarter of 2022/2023, and have also ensured that the Improvement Plan has been updated. The Executive Management Board and Quality, Safety and Performance Committee have received quarterly update reports. The assessment scoring

criteria included: compliant; partial compliance or non-compliance to the national scoring criteria detailed below:

Self-Assessment Rating					
Assessment Level	1	2	3	4	5
	We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what / where we need to improve	We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	We are developing plans and processes and can demonstrate progress with some of our key areas for improvement	We have well developed plans and processes can demonstrate sustainable improvement throughout the organisation / business	We can demonstrate sustained good practice and innovation that is shared throughout the organisations / business, and which others can learn from

A national review of the Health and Care Standards has been completed to ensure they reflect the requirements of the Wales Quality and Engagement Act (2020) and the National Quality & Safety Framework (2021) requirements. The Duty of Quality was enacted from the 1st April 2023, as such, the Health and Care Standards have been withdrawn and replaced by the Health and Care Quality Standards to align with the introduction of the Duty of Quality requirements.

The Health and Care Quality Standards provide a structure on which to implement the Duty of Quality, allowing the standards to integrate with wider Trust health systems.



GOVERNANCE & ACCOUNTABILITY ASSESSMENT / TRUST BOARD EFFECTIVENESS

The Trust Board is required to undertake an annual self-assessment of its effectiveness. The approach taken this year was to bring together the various sources of assurance, internal and external, that would support the Board in considering its overall level of maturity for the Trust in respect of good governance and Board effectiveness. At the Trust's Annual Board Governance and Effectiveness Assessment meeting on the 18 April 2023, Board members were taken through the process and concluded that the Trust's self-assessment of the overall maturity level for 2022-2023 was assessed at Level (4). This will continue to be reviewed as part of its ongoing review of Board Committee effectiveness and sources of assurance, in the pursuit of excellence, and as such is not limited to the annual review process.

Governance, Leadership & Accountability – Self Assessment	1. Do not yet have a clear, agreed understanding of where they are (or how they are doing) and what / where they need to improve.	2. Are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	3. Are developing plans and processes and can demonstrate progress with some of their key areas for improvement.	4. Have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation /business.	5. Can demonstrate sustained good practice and innovation that is shared throughout the organisation/ business, and which others can learn from.
Rating				✓	

The above assessment was informed by contributions from the Interim Head and Interim Deputy Head of Internal Audit. Both were in attendance to present the Head of Internal Audit Opinion for 2022-2023, and support any queries arising from this. Opportunity was provided to comment on any observations made regarding progress since the findings of their review on the Trust Board Committee Effectiveness and the Trust Assurance Framework. Internal Audit follow up of the high and medium priority recommendations across both areas determined that good progress had been made in implementing the agreed actions, with only minor areas for improvement to be implemented. The findings of which have also helped to support the Trust's ongoing commitment to continuous improvement.

REVIEW OF EFFECTIVENESS (ADDITIONAL SOURCES OF ASSURANCE)

As Accountable Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive's review of the effectiveness of the system of internal control is informed by the work of Internal and External Auditors, the Executive Directors and other assessment and assurance reports, including the work of Healthcare Inspectorate Wales. The Chief Executive has listened to the Board on their views of the strengths and opportunities in the system of internal control and been advised by the work of the Audit Committee and other Committees established by the Board.

The Chief Executive's performance in the discharge of these personal responsibilities is assessed by the Director General of the Department of Health & Social Services/Chief Executive of NHS Wales.

At the Annual Board Governance and Effectiveness Assessment meeting (mentioned above) the Trust Board concluded an overall maturity level for 2022-2023 as Level (4); which is defined as 'having well developed plans and processes and can demonstrate sustainable improvement throughout the organisation'. The scrutiny of these arrangements is in part informed through the internal mechanisms already referred to and also through the independent and impartial views expressed by a range of bodies external to the Trust, these include:

- Children's Commissioner
- Community Health Councils
- Health & Safety Executive
- Healthcare Inspectorate Wales
- Welsh Language Commissioner
- Future Generations Commissioner
- Other accredited bodies
- Older Peoples Commissioner
- Audit Wales
- Welsh Government
- Internal Audit
(NHS Wales Shared Services Partnership)
- Welsh Risk Pool Services
- Equality & Human Rights Commission

INTERNAL AUDIT OPINION & SCORES FOR 2022–2023

Internal audit provides the Chief Executive as Accountable Officer and the Trust Board through the Audit Committee with a flow of assurance on the system of internal control. The Chief Executive and Internal Audit agreed a programme of audit work, which was approved by the Audit Committee, and delivered in accordance with Public Sector Internal Audit Standards by the NHS Wales Audit & Assurance Services, part of the NHS Wales Shared Services Partnership. The programme of audit work is designed to focus on significant risks and local improvement priorities. The areas used to frame the 2022/23 internal audit planning process were:

1. Corporate Governance, Risk and Regulatory Compliance
2. Strategic Planning, Performance Management and Reporting
3. Financial Governance and Management
4. Clinical Governance Quality & Safety
5. Information Governance and Security
6. Operational Service and Functional Management
7. Workforce Management
8. Capital and Estates

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 is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion the Head of Internal Audit has considered the impact of the audits that have not been completed.

A summary of the audits undertaken in the year and their results is outlined in the table overleaf. Improvement opportunities identified from the findings are actively being addressed by the Executive Management Board, and ongoing continued progress will be monitored via the Audit Committee by scrutiny of the Audit Action Tracker.

Substantial Assurance	Reasonable Assurance
<ul style="list-style-type: none"> • Digital Health Record – Implementation • Research & Development • Cyber Security 	<ul style="list-style-type: none"> • Trust Priorities • Capital Systems • Clinical Audit • Managing Attendance at Work • Finance & Service Sustainability • Information Governance • nVCC Enabling Works (deferred from 2021/22) • Patient & Donor Experience • Performance Management Framework • Follow Up of Previous Recommendations
Limited Assurance	Advisory/Non-Opinion
<ul style="list-style-type: none"> • New Velindre Cancer Centre Mutual Investment Model 	<ul style="list-style-type: none"> • Staff Wellbeing • nVCC Enabling Works Security Contract • Decarbonisation
No Assurance	
N/A	


The Trust has received two high priority recommendations during the reporting period, and these are detailed in the Head of Internal Audit Opinion for 2022-2023.

THE HEAD OF INTERNAL AUDIT OPINION FOR (2022–2023)

The Head of Internal Audit is satisfied that sufficient audit work has been undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards. Regular audit progress reports have been submitted to the Audit Committee during the year.

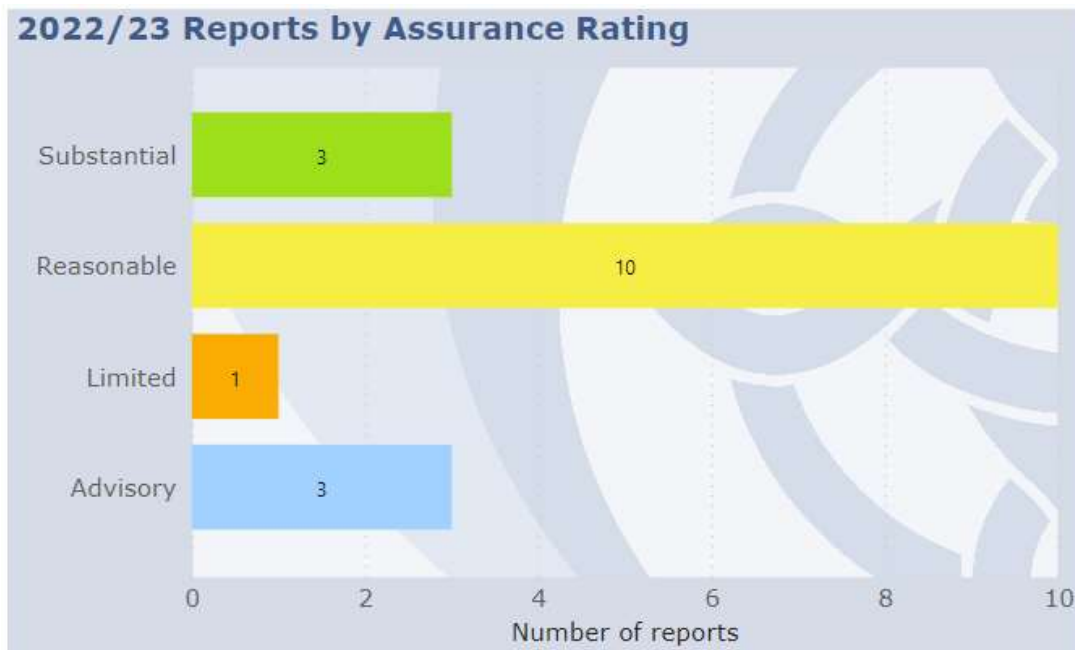
The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement.

The Head of Internal Audit opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management, and control is set out below. The overall opinion was classified as Reasonable Assurance.

Reasonable assurance	 <p style="text-align: center;">- + Yellow</p>	<p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
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In reaching this opinion the Head of Internal Audit identified that all reviews during the year concluded positively with robust control arrangements operating in some areas. From the reports issued during the year, three were allocated Substantial Assurance and ten were allocated Reasonable Assurance. One report was allocated Limited Assurance and there were no ‘no assurance’ reports issued. In total 17, made up of 14 assurance audits and 3 advisory (no opinion) reviews were reported during the year. The chart below presents the assurance ratings and the number of audits derived for each. Assurance opinion and action plan risk rating definitions can be found [here](#).

Summary of audit ratings



AUDIT WALES STRUCTURED ASSESSMENT 2022 - 2023

The Trust's External Auditors, Audit Wales, Structured Assessment work is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness of their use of resources under section 61 of the Public Audit (Wales) Act 2004.

Audit Wales 2022 Structured Assessment work took place at a time when NHS bodies continued to not only address the ongoing challenges presented as a result of the pandemic, but were also seeking to recover and transform services.

The key focus of the work has been on the Trust's corporate arrangements for ensuring that resources are used efficiently, effectively, and economically, with a specific focus on the organisation's governance arrangements, strategic planning arrangements; financial management arrangements; and arrangements for managing the workforce, digital assets, the estate, and other physical assets.

The main conclusions of Audit Wales 2022 Structured Assessment work are summarised below:

- Overall, the Trust is generally well led and governed, with a clear strategic vision and priorities, improving systems of assurance, and effective arrangements for managing its finances and other resources.
- The Trust's Board and its committees continue to operate effectively and are actively using learning to drive improvement. Opportunities remain to improve the public availability of key papers and documents on the Trust's website.
 - In the Trust management response, it has set out / advised Audit Wales that it has implemented tracking to ensure the completeness and timely publication of committee agenda bundles and other key governance papers in this regard.
- The Trust continues to have a stable Executive Team and organisational structure. It has reviewed and strengthened its systems of assurance which should enable the Board and its committees to assess and improve organisational performance and effectiveness once fully operational. It would benefit from reinstating the log for tracking recommendations relating to the quality and safety of services made by external inspection and regulatory bodies.
 - In the Trust management response, it has set out / advised Audit Wales that the Quality & Safety Improvement Tracker will be received at each meeting of the Quality, Safety & Performance Committee from May 2023 onwards, together with the associated Improvement Plan using the 7 levels of assurance template. The Trust management

response also confirmed that the Trust wide Legislative & Regulatory Compliance Register is already established and received in full by the Trust Audit Committee.

- The Trust has good planning and stakeholder engagement arrangements. It has a clear strategic vision, supported by goals and objectives, which the Trust articulates in its new ten-year strategy (Destination 2032), enabling strategies, and Welsh Government approved 2022-25 Integrated Medium-Term Plan (2022-25 IMTP). However, whilst the Trust's strategic priorities as set out in the 2022-25 IMTP, are specific, measurable and time bound, they do not set out the intended outcome. In the Trust management response, it has set out / advised Audit Wales that further work will be undertaken to:
 - (i.) improve the SMART elements of the objectives
 - (ii). align them to measurable outcomes/output key performance indicators within the Performance Management Framework (phase 2)
- Whilst reporting on delivery of the 2022-25 IMTP is good, opportunities exist to strengthen reports to provide greater detail on whether the intended outcome has been achieved.
 - In the Trust management response, it has set out / advised Audit Wales that its IMTP for 2023-2026 will outline the impact / benefits of actions being taken and the process for developing the IMTP has included an assessment of actions which should be rolled forward to 2023 – 2026 reported through the Trust governance structure.
- The Trust has effective arrangements for managing its financial resources and continues to meet its financial duties. However, the Trust is aware that it faces risks to maintaining financial sustainability in the medium- to long-term. Financial controls are effective, and the Trust continues to produce clear and accessible financial reports to support effective monitoring and scrutiny.
- Staff well-being continues to be a priority for the Trust. But its arrangements for measuring and reporting on the effectiveness of well-being interventions require strengthening.
 - In the Trust management response, it has set out / advised Audit Wales this will be addressed in the Workforce and OD report received at the May 2023 Trust Board onwards and also as appropriate via the Trust Quality, Safety & Performance Committee Cycle of Business.
- The Trust has ambitious plans in place to harness the potential of digital to transform service delivery, but some plans remain un-costed. Furthermore, arrangements for monitoring and reporting on the benefits of digital require strengthening.
 - In the Trust management response, it has set out / advised Audit Wales that further development of digital benefits will be undertaken in several ways:
 - (i). a range of key performance indicators that are reported to the Executive Management Board

- (ii). improving the clarity of benefits in projects/business cases on a case-by-case basis
- (iii). implementing the measures set out within the digital strategy and key service plans (e.g., quality metrics) which will demonstrate the impact of digital services on service quality and outcomes and including an overall % spent on digital technology
- The Trust has a clear vision for its estates and environmental sustainability and has good arrangements in place for ensuring Board-level oversight and scrutiny of key estates related risks and matters.

Improvement opportunities identified from the 2022 Structured Assessment work are actively being addressed by the Executive Management Board, and ongoing continued progress will be monitored via the Trust Audit Committee by scrutiny of the Audit Action Plan.

BUSINESS CONTINUITY AND EMERGENCY PREPAREDNESS

Business Continuity & Emergency Preparedness:

NHS organisations must ensure that they have in place emergency plans and business continuity arrangements that takes full account of their statutory duties under the Civil Contingencies Act 2004 and Emergency Planning Guidance issued by Welsh Government. Velindre University NHS Trust (VUNHST) including the Welsh Blood Service and Velindre Cancer Centre are required to submit an annual Emergency Planning Report setting out broadly their level of compliance in meeting these requirements and also to submit a copy of their current major incident/emergency plan for perusal. The Trust had effective emergency and business continuity arrangements in place during the financial year 2022-2023, in accordance with the Civil Contingencies Act and the Emergency Planning Guidance issued by Welsh Government. The Trust has submitted the requested documentation to Welsh Government and continues to make significant progress in its Business Continuity and Emergency Preparedness framework, which includes multi-faceted planning, underpinned by robust risk management arrangements. The changing environment of risk results in the strategies and plans being reviewed regularly and in line with the National and all Wales Risk Registers. Emerging threats are considered in the development and enhancement of risk mitigation strategies and the organisations response mechanisms. These plans are commensurate with the level of risk the Trust anticipates exposure to.

Co-operation and Information Sharing:

The Trust continues to work closely with a wide range of partners across a number of varying themes, integrated with NHS Wales, Local Authorities, Welsh Government and the Local Resilience Forum its partners with and key stakeholders. In addition, the Welsh Blood Service continues to work closely with other UK Blood services to further enhance the mutual aid arrangements between services to maintain the continuity and safety of the blood supply chain.

Training and Exercising:

The Trust continues to engage with Welsh Government Emergency Planning Advisory Group and Local Resilience Forums around key strategies for workload including internal and external training and exercising. Engagement in multidisciplinary exercises allows the Trust to encompass lessons identified and to align to wider health emergency planning with the aim to further improve current procedures.

Work Programme 2023/2024:

During 2023/2024, the Trust plans to continually review and enhance its business continuity management system to ensure alignment with current best practice guidelines and to ensure the Trust is prepared in any future emergency planning and business continuity arrangements.

INTEGRATED MEDIUM TERM PLAN (IMTP) 2023/2024 – 2025/2026

We are an ambitious organisation striving to provide services which are recognised as outstanding by the people who use them, the people who work in them and by our peer organisations.

Velindre University NHS Trust purpose is to 'improve lives' and we have a vision of 'excellent care, inspirational learning and healthier people'.

Our guiding principles are founded upon the Well-being of Future Generations Act (Wales) 2015.

Our purpose and vision are supported by a clear set of five Strategic Goals to be achieved through a focused set of key deliverables, which provide the framework for our IMTP over the coming three years:



Destination 2032: Our View of the Future

Our Purpose: To Improve Lives

Our Vision: Excellent Care, Inspirational Learning, Healthier People

Our Strategic Goals



The graphic features a blue background with a vertical stack of colored squares (orange, grey, dark teal, grey, orange) on the left. The text is arranged in a list format. On the right, there is a logo for GIG Cymru NHS Wales and Ymddiriedolaeth GIG Prifysgol Felindre Velindre University NHS Trust. Below the logo, the text 'Velindre University NHS Trust' is written in red, followed by 'Destination 2032' in large blue letters. At the bottom, there is an illustration of a mountain peak with people climbing it, a red sun, and a cityscape.

Outstanding for quality, safety and experience

An internationally renowned provider of exceptional clinical services that always meet, and routinely exceed, expectations

A beacon for research, development and innovation in our priority areas

An established 'University' Trust which provides highly valued knowledge and learning for all

A sustainable organisation that plays its part in creating a better future for people across the globe

GIG Cymru NHS Wales | Ymddiriedolaeth GIG Prifysgol Felindre Velindre University NHS Trust

Velindre University NHS Trust

Destination 2032

The NHS in Wales is a planned system and each Health Board and Trust is required to have a fully costed three-year rolling Integrated Medium Term Plan. In accordance with the set statutory duty, we have submitted our IMTP, covering the period 2023/24 – 2025/26, to the Welsh Government. This was approved by the Velindre University NHS Trust Board on 30th March 2023.

EQUALITY & DIVERSITY

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and inclusion are complied with.

The control measures include:

- Trust Strategic Equality Plan and Objectives.
- Trust Gender Pay Gap Report.
- Trust Annual Equality Monitoring Report.
- Equality reports to Quality, Safety & Performance Committee on the Trust's Equality Objectives and Actions.
- Reports to the Equality and Human Rights Commissions' enquiries.
- Report to the Welsh Government Equalities Team.
- Provision of evidence to the Health Care Standards Audit, specifically Standard 2.
- Integrated Equality Impact Assessments.

CONCLUSION

As indicated throughout this statement, the need to continue to develop and evolve as we move forward from the COVID-19 pandemic, will be with the organisation and wider society throughout 2023-2024 onwards. I will ensure our Governance Framework considers and responds to this need, whilst also continuing to optimise the learning and development opportunities that have arisen in response to the various stages of the pandemic.

The system of internal control has been in place for the financial year ended 31 March 2023 and up to the date of approval of the 2022-2023 Annual Report and Accounts.

There have been no significant governance issues identified during this period.

Signed by:

Mr. Steve Ham
Chief Executive

Date: 27/07/2023

APPENDIX 1 – GOVERNANCE STATEMENT – TRUST BOARD, COMMITTEE, ADVISORY GROUP AND FORA ACTIVITY 2022-2023

The table below outlines the key highlights and activity considered by the Trust Board and its Committees during 2022-2023, please note this is not an exhaustive list.

Meeting:	Meeting Dates:	Activity:
<p>Velindre University NHS Trust - Public Trust Board meeting.</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here: https://velindre.nhs.wales/about-us/trust-board/public-trust-board-meetings/</p>	<ul style="list-style-type: none"> • 26.05.2022 • 14.06.2022 • 28.07.2022 • 29.09.2022 • 24.11.2022 • 31.01.2023 • 30.03.2023 <p>All meetings were quorate.</p>	<p>High level summary/headlines of key topics received by the Trust Board during 2022-2023:</p> <ul style="list-style-type: none"> • Chair and CEO Update Reports • Chair's Urgent Actions Reports • Commitment of Expenditure Exceeding Chief Executive's Limit • Policy Update Reports • Documents 'Sealed' Reports • Board Committee Highlight & Annual Reports • Welsh Health Specialist Services Committee & Emergency Ambulance Services Committee Joint Committee Briefings • Shared Services Partnership Committee Assurance Report • Performance Reports • Financial Reporting • Annual Report and Accounts 2021/22 • Trust Risk Register and Trust Assurance Framework • Development of Integrated Medium Term Plan & Progress Delivery Reports • Equality, Diversity & Inclusion Ambassadors Showcases • Developing our Future Strategic Direction 2022 – 2032: enabling strategies (sustainability, people, digital and estates) • Revisions to Velindre University NHS Trust Model Standing Orders and Standing Financial Instructions • Infected Blood Inquiry Reporting

Meeting:	Meeting Dates:	Activity:
		<ul style="list-style-type: none"> Wales Infected Blood Support Service (WIBSS) Annual Report Integrated Radiotherapy Solution Full Business Case Radiotherapy Satellite Centre Full Business Case
Advisory Consultant Appointments Committee	Panels were held: <ul style="list-style-type: none"> 14/06/22 20/07/22 23/02/23 	As and when required the Advisory Consultant Appointment Committee meet to manage the arrangements for appointments to NHS Consultant posts within the Trust.
NHS Wales Shared Services Partnership Audit Committee (NWSSP) Meeting Agendas, Minutes and Papers are available on the Trust Internet site here :	<ul style="list-style-type: none"> 05.04.2022 29.06.2022 13.07.2022 11.10.2022 24.01.2023 All meetings were quorate.	The NWSSP Audit Committee Annual Review was received at its July 2022 meeting and is available here .
Trust Audit Committee Meeting Agendas, Minutes and Papers are available on the Trust Internet site here: https://velindre.nhs.wales/about-us/audit-committee/	<ul style="list-style-type: none"> 03.05.2022 13.06.2022 19.07.2022 04.10.2022 12.01.2023 25.04.2023 All meetings were quorate.	The purpose of the Audit Committee is to: Advise and assure the Board and the Accountable Officer on whether effective arrangements are in place - through the design and operation of the Trust's system of assurance - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales. Where appropriate, the Committee will advise the Board and the Accountable Officer on where and how its system of assurance may be strengthened and developed further. The Audit Committee Annual Report which outlines the activity of the Committee for the year ending 31 December 2022 was approved by the Audit Committee on 12 January 2023 and is available on the Trust Internet site here :

Meeting:	Meeting Dates:	Activity:
<p>Charitable Funds Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> • 17.05.2022 • 20.09.2022 • 19.01.2022 • 21.03.2023 <p>All meetings were quorate.</p>	<p>The Velindre University NHS Trust Board was appointed as Corporate Trustee of the Charitable Funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1st December 1993 and that its Board serves as its agent in the administration of the Charitable Funds held by the Trust.</p> <p>The purpose of the Committee “is to make and monitor arrangements for the control and management of the Trust’s Charitable Funds”.</p> <p>The Charitable Funds Committee Annual Report for 2022/23, which outlines the activity of the Committee for the year ending 31 March 2023, will be received by the Committee for approval in June 2023.</p> <p>The Charitable Funds Committee also receives a Highlight Report from the Charitable Funds Investment Performance Review Sub-Committee.</p>
<p>Local Partnership Forum (LPF)</p>	<ul style="list-style-type: none"> • 05/05/2022 • 05/07/2022 • 06/09/2022 • 08/11/2022 • 07/03/2023 <p>All meetings were quorate.</p>	<p>The purpose of the Local Partnership Forum (LPF) is:</p> <p>To provide a formal mechanism where the Trust, as employer and trade unions / professional bodies representing Trust employees (hereafter referred to as staff organisations) work together to improve health services for the citizens served by the Trust – achieved through a regular and timely process of consultation, negotiation and communication. In doing so, the LPF must effectively represent the Trust’s workforce.</p> <p>It is the forum where the Trust and staff organisations will engage with each other to inform, debate and seek to agree local priorities on workforce and health service issues; and inform thinking around</p>

Meeting:	Meeting Dates:	Activity:
		<p>national priorities on health matters.</p> <p>The Trust may specifically request advice and feedback from the LPF on any aspect of its business and the LPF may also offer advice and feedback even if not specifically requested by the Trust. The LPF may provide advice to the Board:</p> <ul style="list-style-type: none"> ○ In written advice or, ○ In any other form specified by the Board. <p>The Local Partnership Forum Annual Report for 2022/23, which outlines the activity of the Committee for the year ending 31 March 2023 is due to be received at its June 2023 meeting.</p>
<p>Quality, Safety & Performance Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> ● 12.05.2022 ● 14.07.2022 ● 15.09.2022 ● 10.11.2022 ● 17.01.2022 ● 16.03.2022 <p>All meetings were quorate.</p>	<p>The purpose of the Quality, Safety and Performance Committee is to provide:</p> <p>Evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the: quality, safety and performance of healthcare; all aspects of workforce; digital delivery and information governance; and</p> <p>Assurance to the Board in relation to the Trust's arrangements for safeguarding and improving the quality, safety and performance of patient and service user centred healthcare, workforce matters, digital delivery and information governance in accordance with its stated objectives, legislative responsibilities and the requirements and standards determined for the NHS in Wales.</p> <p>The Quality, Safety & Performance Committee Annual Report for the year ending 31 March 2023 will be approved at the July 2023 Committee.</p>

Meeting:	Meeting Dates:	Activity:
<p>Strategic Development Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> • 16.05.2022 • 07.07.2022 • 13.10.2022 • 08.12.2022 • 07.02.2023 • 24.03.2023 <p>All meetings were quorate.</p>	<p>The purpose of the Strategic Development Committee is to provide:</p> <p>Evidence based and timely advice to the Board to assist it in discharging its functions and responsibilities with regard to the:</p> <ul style="list-style-type: none"> • strategic direction • strategic planning and related matters • organisational development • digital services, estates and other enabler services • sustainable development and the implementation of strategy through the spirit and intention of the Well Being of Future Generations Act • investment in accordance with Value-based healthcare <p>Assurance to the Board in relation to strategic decision-making, ensuring it is supported with a robust understanding of risks in relation to the achievement of organisational goals and strategic objectives.</p> <p>Where appropriate, the Committee will advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further.</p> <p>The Strategic Development Committee Annual Report which outlines the activity of the Committee for the year ending 31 March 2022 will be approved at its July 2023 Committee.</p>
<p>Remuneration Committee</p>	<ul style="list-style-type: none"> • 28/04/2022 • 22/09/2022 • 25/10/2022 • 09/02/2023 	<p>The purpose of the Remuneration Committee is to provide:</p> <ul style="list-style-type: none"> • advice to the Board on remuneration and terms of service for the Chief

Meeting:	Meeting Dates:	Activity:
	All meetings were quorate.	<p>Executive, Executive Directors and other senior staff within the framework set by the Welsh Assembly Government; and</p> <ul style="list-style-type: none"> • assurance to the Board in relation to the Trust'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. <p>And to perform certain, specific functions on behalf of the Board.</p>
<p>Research, Development & Innovation (RDI) Sub-Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> • 07.04.2022 • 21.07.2022 • 15.11.2022 • 28.02.2023 <p>All meetings were quorate.</p>	<p>The purpose of the RD&I Sub-Committee is to provide:</p> <ul style="list-style-type: none"> • Strategy and policy oversight for Innovation and Research activities at the Trust and advise on and monitor performance in these areas. • Promotion and encouragement of an Innovation and Research ethos and culture which is integral to the Trusts vision, mission and values. • Evidence based timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to the quality and safety of Innovation and Research activity. In the relation to research this includes activity carried out within the Trust both as a research sponsor and host organisation. • Assurance to the Board in relation to the Trust's arrangements for ensuring compliance with the, and the EU Clinical Trials Directive 2004 as amended from time to time. • Foster collaboration and make recommendations on adoption and dissemination. • Consideration of relevant matters with reference to the parameters identified for risk appetite in relation to research, development and innovation as set by the Board.

Meeting:	Meeting Dates:	Activity:
<p>Transforming Cancer Services Programme Scrutiny Sub-Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site here:</p>	<ul style="list-style-type: none"> • 04.05.2022 • 19.05.2022 • 21.06.2022 • 19/07/2022 • 22.09.2022 • 18.10.2022 • 17.11.2022 • 26.01.2023 • 23.03.2023 <p>All meetings were quorate.</p>	<p>The purpose of the Transforming Cancer Services (TCS) Programme Scrutiny Sub-Committee is to:</p> <ul style="list-style-type: none"> • Provide assurance that the leadership, management and governance arrangements are sufficiently robust to deliver the outcomes and benefits of the programme. • Scrutinise the progress of the programme and provide the Trust Board with assurance that implementation is effective, efficient and within the budget available. • Undertake any other scrutiny activity relating to the TCS Programme as directed by the Trust Board or Senior Responsible Owner (SRO). • Seek advice and guidance from appropriate Technical Advisors as well as the MIM Transactor (if relating to the nVCC Project) to assist the Committee with their scrutiny of the TCS Programme. • Provide assurance to the Trust Board on all aspects of the TCS Programme in relation to approvals sought on all decisions reserved for the full Board. • Receive all audit, gateway and assurance reviews pertaining to the programme or its constituent projects and provide assurance (or otherwise) to the Trust that the programme is being delivered in accordance with all professional, financial and Trust standards. • Provide assurance to the Trust Board and support to the Senior Responsible Officer in signaling the TCS closure activities once it has met its objectives. • Where appropriate, the Committee will advise the Trust

Meeting:	Meeting Dates:	Activity:
		Board and the Accountable Officer on where, and how, its system of assurance in relation to the TCS Programme may be strengthened and developed further.

APPENDIX 2–Board Member Attendance

Trust Board, Committee, Advisory Group and Fora Meetings 2022- 2023

NAME	POSITION & AREA OF REPRESENTATION	BOARD, COMMITTEE, ADVISORY GROUP AND FORA MEMBERSHIP & RECORD OF ATTENDANCE	CHAMPION ROLE	AREAS OF EXPERTISE
Professor Donna Mead, OBE	Trust Chair	<ul style="list-style-type: none"> • Trust Board (Chair) 7/7 • Charitable Funds Committee (Chair) 4/4 • Remuneration Committee (Chair) 4/4 • Quality, Safety & Performance Committee 5/6 • Strategic Development Committee 4/6 • Research, Development & Innovation Sub-Committee 4/4 • TCS Programme Scrutiny Sub-Committee 8/9 	Trust Champion for Armed Forces and Veterans, University Trust	Higher Education, Research, the NHS and Education, Partnerships and Collaboration.
Stephen Harries	Vice-Chair	<ul style="list-style-type: none"> • Trust Board 6/7 • Strategic Development Committee (Chair) 5/6 • TCS Programme Scrutiny Sub-Committee (Chair) 7/10 • Quality, Safety & Performance Committee 5/6 • Remuneration Committee 4/4 	Digital and Mental Health	Information Governance, Information Management and Technology.
Gareth Jones	Independent Member	<ul style="list-style-type: none"> • Trust Board 6/7 • Strategic Development Committee 5/6 • Audit Committee 5/5 • NWSSP Audit Committee 4/4 • TCS Programme Scrutiny Sub-Committee 7/10 	Patient Information and Welsh Language.	Legal

NAME	POSITION & AREA OF REPRESENTATION	BOARD, COMMITTEE, ADVISORY GROUP AND FORA MEMBERSHIP & RECORD OF ATTENDANCE	CHAMPION ROLE	AREAS OF EXPERTISE
Hilary Jones	Independent Member	<ul style="list-style-type: none"> • Trust Board 6/7 • Quality, Safety & Performance Committee 4/6 • Charitable Funds Committee 4/4 • Charitable Funds Investment Performance Review Sub-Committee 2/2 • TCS Programme Scrutiny Sub-Committee 9/10 	Patient Engagement & Experience, Sustainable Development and Design.	Estates and Planning
Vicky Morris	Independent Member	<ul style="list-style-type: none"> • Trust Board 5/7 • Quality, Safety & Performance Committee (Chair) 5/6 • Audit Committee 5/5 • NWSSP Audit Committee 4/4 • Research, Development & Innovation Sub-Committee 4/4 	Infection Prevention, Vulnerability and Violence & Aggression.	Quality and Safety
Martin Veale	Independent Member	<ul style="list-style-type: none"> • Trust Board 5/7 • Charitable Funds Committee 4/4 • Charitable Funds Investment Performance Review Sub-Committee (Chair) 2/2 • Audit Committee 4/5 • Remuneration Committee 3/4 • NWSSP Audit Committee (Chair) 4/4 	Hosted Organisations and Performance Framework.	Finance, Audit and Governance
Professor Andrew Westwell	Independent Member	<ul style="list-style-type: none"> • Trust Board 7/7 • Research, Development & Innovation Sub-Committee (Chair) 4/4 • Strategic Development Committee 5/6 	Research, Development & Innovation.	University Representative

NAME	POSITION & AREA OF REPRESENTATION	BOARD & COMMITTEE MEMBERSHIP & RECORD OF ATTENDANCE	LEAD FUNCTION
Steve Ham	Chief Executive	<ul style="list-style-type: none"> • Trust Board 4/7 • Quality, Safety & Performance Committee 4/6 • Strategic Development Committee 5/6 • Charitable Funds Committee 3/4 • Charitable Funds Investment Performance Review Sub-Committee 0/2 • Remuneration Committee 3/4 • Research, Development & Innovation Sub-Committee 1/4 • TCS Programme Scrutiny Sub-Committee 4/10 • Local Partnership Forum 1/5 	Chief Executive Accountable Officer
Carl James	Executive Director of Strategic Transformation, Planning, and Digital	<ul style="list-style-type: none"> • Trust Board 7/7 • Quality, Safety & Performance Committee 4/6 • Strategic Development Committee 5/6 • TCS Programme Scrutiny Sub-Committee 9/10 • Audit Committee (Acting CEO) 1/5 • Remuneration Committee (Acting CEO) 1/4 	Strategic Transformation, Planning, Digital & Estates.
Jacinta Abraham	Executive Medical Director	<ul style="list-style-type: none"> • Trust Board 7/7 • Research, Development & Innovation Sub-Committee 4/4 • Quality, Safety & Performance Committee 4/6 • TCS Programme Scrutiny Sub-Committee 2/10 • Strategic Development Committee 4/6 • Charitable Funds Committee 2/4 • Audit Committee 3/5 	Medical Director and Research

NAME	POSITION & AREA OF REPRESENTATION	BOARD & COMMITTEE MEMBERSHIP & RECORD OF ATTENDANCE	LEAD FUNCTION
Matthew Bunce	Executive Director of Finance	<ul style="list-style-type: none"> • Trust Board 7/7 • Audit Committee 5/5 • NWSSP Audit Committee 4/4 • Quality, Safety & Performance Committee 5/6 • Strategic Development Committee 6/6 • Charitable Funds Committee 4/4 • TCS Programme Scrutiny Sub-Committee 7/10 • Charitable Funds Investment Performance Review Sub-Committee 2/2 • Research, Development & Innovation Sub-Committee 3/4 • Local Partnership Forum 2/5 	Finance and Charitable Funds
Sarah Morley	Executive Director of Organisational Development & Workforce	<ul style="list-style-type: none"> • Trust Board 6/7 • Quality, Safety & Performance Committee 4/6 • Strategic Development Committee 5/6 • Remuneration Committee 4/4 • Local Partnership Forum (Chair) 5/5 	Organisational Development and Workforce
Nicola Williams	Executive Director of Nursing, Allied Health Professionals and Health Science	<ul style="list-style-type: none"> • Trust Board 5/7 • Quality, Safety & Performance Committee 4/6 • Strategic Development Committee 4/6 • TCS Programme Scrutiny Sub-Committee 2/10 • Research, Development & Innovation Sub-Committee 3/4 • Local Partnership Forum 1/5 	Quality & Safety, Safeguarding, Infection Prevention & Control, professional lead for nursing, Allied Health Professionals and Healthcare Scientists.

APPENDIX 3 – Ministerial Directions and Welsh Health Circulars

Ministerial Directions and Welsh Health Circulars	Date/Year of Adoption	Executive Lead(s)	Status
The Wales Infected Blood Support Scheme (Amendment) (No. 2) Directions 2022	8 December 2022	Chief Operating Officer	This Ministerial Direction has been enacted.
Local health boards and NHS Trusts reporting on the introduction of new medicines into the National Health Service in Wales Directions 2023	24 March 2023	Executive Medical Director	This Ministerial Direction has been enacted.
(WHC/2022/09) Prioritisation of COVID-19 patient episodes by NHS Wales clinical coding departments	04 April 2022	Director of Strategic Transformation, Planning & Digital and Chief Operating Officer.	This Ministerial Direction has been enacted.
(WHC/2022/015) Changes to the vaccine for the HPV immunisation programme	01 June 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.
(WHC/2022/016) The National Influenza Immunisation Programme 2022 to 2023.	01 June 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.
(WHC/2022/002) NHS Wales national clinical audit and outcome review plan annual rolling programme for 2022 to 2023	14 June 2022	Executive Medical Director	This Ministerial Direction has been enacted.
(WHC/2022/12) Donation and transplantation plan 2022-2026	16 June 2022	Chief Operating Officer	This Ministerial Direction has been enacted.
(WHC/2022/18) Suspected cancer pathway: guidelines	30 June 2022	Chief Operating Officer	This Ministerial Direction has been enacted.
(WHC/2022/020) Never events: policy and incident list July 2022	22 July 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.

Ministerial Directions and Welsh Health Circulars	Date/Year of Adoption	Executive Lead(s)	Status
(WHC/2022/021) National optimal pathways for cancer	28 July 2022	Executive Medical Director, Chief Operating Officer and Director of Strategic Transformation, Planning & Digital.	This Ministerial Direction has been enacted.
(WHC/2022/023) Changes to the vaccine for the HPV immunisation programme (WHC/2022/023)	09 September 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.
(WHC/2022/011) COVID-19 patient testing framework	22 September 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.
(WHC/2022/026) Approach for respiratory viruses: technical guidance for healthcare planning	11 October 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.
(WHC/2022/031) Reimbursable vaccines and eligible cohorts for the 2023 to 2024 NHS seasonal influenza (flu) vaccination programme	08 December 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.
(WHC/2022/035) Influenza (flu) vaccination programme deployment 'mop up' 2022 to 2023 (WHC/2022/035)	22 December 2022	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.
(WHC/2023/04) COVID-19 spring booster 2023	08 March 2023	Executive Director of Nursing, Allied Health Professions and Health Science.	This Ministerial Direction has been enacted.

FINANCIAL ACCOUNTABILITY REPORT

The Trust continues to operate in a challenging financial environment like all organisations in NHS Wales, which continued to be difficult in 2022/2023 as there were significant increases in energy costs and recovery from the COVID-19 pandemic still required significant additional expenditure. However, despite these challenges, opportunities to make efficiency savings and identify recurring reductions in costs whilst maintaining and improving services are sought wherever possible by Directors, finance teams and staff across the organisation.

During 2022/23 the Trust Services incurred additional spend to establish additional capacity, support mass vaccination, provide PPE, undertake enhanced cleaning etc. in its response to the pandemic. Welsh Government and Commissioners through protected LTA activity growth income provided the Trust with funding to cover these COVID-19 related issues which ensured they did not impact on the Trust meeting the key target of its revenue expenditure not exceeding income.

Despite these challenges, the Trust was able to achieve all three financial targets set by Welsh Government in 2022/2023. The Trust has submitted a balanced financial plan for 2023/2024 to 2025/2026 which includes a significant amount of risk, so delivery of the key target of revenue expenditure remaining within income will be difficult to achieve in 2023/2024, and the foreseeable future, as the Trust continues to respond to the backlog demand in recovering from the pandemic, and fund significantly increased energy costs and general price inflation.

The Trust remains committed to providing high value, quality and safe care with the best possible outcomes for its patients, while striving to deliver this through efficient and effective services, and therefore seeking opportunities to make efficiency savings and identify recurring reductions in costs will continue to be a priority focus for the organisation.

FINANCIAL TARGETS

The Trust has met all three of its financial targets for the year ended 31st March 2023:

- Breakeven duty - The Trust achieved a revenue surplus of £0.076m in 2022/2023 (2021/2022: surplus of £0.041m; 2020/2021 surplus of £0.038m), resulting in a surplus of £0.155m over a three year period. The Trust has therefore achieved its statutory financial duty to achieve financial breakeven over a rolling three year period.

- Duty to prepare a 3 year integrated plan –The Trust submitted a 2022-2025 integrated plan in accordance with the planning framework and has therefore met its statutory duty to have an approved financial plan.
- Creditor payments - The Trust is required to pay 95% of the number of non- NHS bills within 30 days of the receipt of goods or a valid invoice (whichever is the later). The Trust has met this target, paying 95.6% (2021/2022: 95.7%) within the required time.

The Trust ordinarily would have four financial targets to meet: the fourth being the External Finance Limit (EFL). The Welsh Government temporarily removed this target in 2019/2020, in response to the pandemic, and are expected to reintroduce it in 2023/2024.

FEES & CHARGES - AUDITOR REMUNERATION

Fees paid to Audit Wales for their statutory audit and performance audit work relating to 2021 - 2022 was £260,000 in total by the Trust, this included the £17,000 for the audit of the Trust's Charity.

MATERIAL REMOTE CONTINGENT LIABILITIES

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP). The WRP returns from Welsh Health Organisations estimate that in 2022/2023 the Trust has remote contingent liabilities of £103m (2021/2022: £60m) which relate to potential litigation claims against NHS Wales that could arise in the future due to known incidents. Due to the nature and uncertainty of these potential claims, no provision has been made for them within the accounts.

LONG TERM EXPENDITURE TRENDS

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	£000	£000	£000	£000	£000
Total Revenue	525,607	572,642	848,405	1,044,074	961,179
Pay	160,551	182,684	242,072	294,020	404,977
Non Pay	352,075	373,015	587,320	738,544	551,840
Depreciation	16,466	17,186	17,554	10,222	11,860
Total Expenditure	529,092	572,885	846,946	1,042,786	968,677
Non-operating revenue and costs	3,295	440	(207)	(953)	10,324
Total consolidated surplus / (deficit)	(190)	197	1,252	335	2,826

The table above includes the income and expenditure of the Trust's charitable fund and assets that have been donated to the Trust, and, in the case of 2021/2022, assets that have been donated by NWSSP. The Trust's annual surplus / (deficit) excluding the charitable fund and donated assets is shown below:

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	£000	£000	£000	£000	£000
Surplus / (deficit) excluding charitable fund and donated assets	31	24	38	41	76

Notes

- During 2018/2019 the Wales Workforce Education & Development Services (WEDS), which was part of the NHS Wales Shared Services Partnership (NWSSP), was transferred from the Trust into the newly established Health Education & Improvement Wales (HEIW). The transfer of WEDS resulted in a significant reduction in the income and expenditure reported within the above table, but had no impact on the surplus / deficit for the year.
- During 2019/2020 two new all Wales services were established within NWSSP - the Medical Examiner Scheme and the General Medical Practice Indemnity Scheme.
- During 2020/2021 a new All Wales service was established within NWSSP – the Collaborative Bank Partnership; and two existing services commenced expansion – the Single Lead Employer Scheme and the General Medical Practice Indemnity Scheme to include the first phased intake to the Existing Liability Scheme.

- 2021/2022 saw the NHS Wales Informatics Service (NWIS), transition out of the Trust on 1st April 2021 to the newly established Special Health Authority, Digital Health & Care Wales (DHCW). NWSSP continued expansion of the Single Lead Employer Scheme and established a new All Wales service – the All Wales Laundry Service.
- During 2022/2023 NWSSP completed a phased rollout of all core and specialty medical trainees in NHS Wales via the Single Lead Employer Scheme.

MODERN SLAVERY ACT 2015

TRANSPARENCY IN SUPPLYCHAINS STATEMENT 2022/2023

This statement is made to comply with Section 54 of the Modern Slavery Act 2015 and the Welsh Government’s Code of Practice: Ethical Employment in Supply Chains. The Statement sets out the steps that Velindre University NHS Trust has taken and is continuing to take, to make sure that modern slavery and / or human trafficking is not taking place within the Trust or its supply chains during the year ending 31st March 2023.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Trust has a zero-tolerance approach to any form of modern slavery (slavery, servitude, human trafficking and forced labour). We are committed to acting ethically and with integrity and transparency in all business activity and to establish effective systems and controls, to safeguard against any form of modern slavery occurring within the Trust’s supply chains.

The Trust is also fully committed to complying with its legal obligations. In doing so, it is committed as an NHS employer, to eradicate modern slavery and human trafficking, by combating unlawful and unethical employment practices and to support those affected.

The Trust will not undertake any employment practices that;

- Support modern slavery and human rights abuses;
- Support or abet the operation of blacklist / prohibited lists;
- Facilitate false self-employment;
- Permits the use of unfair umbrella schemes;
- Provide employees or workers with zero hours contracts; and
- Facilitate the payment of salaries which are lower than the National Living Wage.

Current Policies and Initiatives

The Trust is fully aware of its responsibilities towards patients, donors, service users, employees and the local community, and expects all employees and suppliers to act ethically and with integrity, in all our business relationships.

The Trust takes the following steps, to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business:

People

- The Trust is fully compliant with the six NHS pre-employment check requirements, to verify that applicants meet the preconditions of the role they are applying for. This includes a right to work in the UK check;
- The Trust has a robust IR35 policy and processes in place, which ensures that there is no unfair use of false self-employed workers or workers being engaged under umbrella schemes. This process ensures the fair and appropriate engagement of all workers and prevents individuals from avoiding paying Tax and National Insurance contributions.
- The Trust does not engage or employ employees or workers on Zero Hours Contracts. The Trust does employ Bank Staff, but these staff are provided with the opportunity to apply for substantive posts should they wish to.
- The Trust pays our lowest paid employees on Pay Band 2 (the lowest NHS Wales pay band). This salary is compliant with the National Living Wage.
- The Trust has an Equality and Diversity Policy and a range of processes and procedures which ensures that no potential applicant, employee or worker engaged by the Trust is in any way unduly disadvantaged in terms of pay, employment rights, employment, training and development and career opportunities;
- In Trust has a Working in Confidence platform that allows staff to raise and resolve concerns confidentially
- The Trust has in place a range of workforce policies e.g. Respect and Resolution Policy, Grievance Policy, Dignity at Work Procedure, Violence, Domestic Abuse and Sexual Violence in the Workplace; etc. Our policies enable our employees to raise concerns about poor working practices.
- The Trust complies fully with the Transfer of Undertaking (Protection of Employment) Regulations ensuring that Trust employees that may be required to transfer to a new organisation, will retain their current NHS Terms and Conditions of Service; and
- The Trust does not make use of blacklist / prohibited list information.

Procurement and our Supply Chain

- The Trust's Procurement Team operates within the current UK and NHS procurement regulations and includes a mandatory exclusion question regarding the Modern Slavery Act 2015.
- The Trust's NWSSP Supplier Policy sets out the manner in which we behave as an organisation and how we expect procurement employees and suppliers to act.
- The Trust's Procurement Team's approach to procurement and our supply chain includes:
 - Ensuring that our suppliers are carefully selected through robust supplier selection criteria/processes;
 - Requiring that the main contractor provides details of its sub- contractor(s), to enable the Procurement Team on behalf of the Trust to check their credentials;
 - Randomly request that the main contractor provide details of its supply chain;
 - Ensuring invitation to tender documents contain a clause on human rights issues;
 - Ensuring invitation to tender documents also contain clauses giving the Trust the right to terminate a contract for failure to comply with labour laws;
 - Using a Supplier Selection Questionnaire which includes a section on Modern Day Slavery;
 - Trust staff must contact and work with the Procurement Team when looking to work with new suppliers, to ensure that appropriate checks can be undertaken;
 - Ensuring supplier adherence to the Trust and NHS Wales values. We are zero tolerant to slavery and human trafficking and thereby expect all our direct and indirect suppliers /contractors to be compliant;
- Assurances are sought from suppliers, via the tender process, that they do not make use of blacklists/prohibited lists. The Trust is also able to provide confirmation and assurances that the Trust does not make use of blacklist/prohibited list information.
- The Transparency in Supply Chain (TISC) Report – Modern Slavery Act (2015) compliance tracker is used, through contracts procured by NWSSP Procurement Services on the Trust's behalf.

Training

- Advice and training about modern slavery and human trafficking is provided to employees through our mandatory safeguarding children and adults training programmes, our safeguarding policies and procedures and our safeguarding lead. The Trust is exploring new ways to continuously increase awareness within our organisation and to ensure a high level of understanding of the risks involved with modern slavery and human trafficking, in our supply chains and in our business.

Policies and Initiatives 2022 /2023

In the forthcoming year, the Trust is committed to ensuring that modern slavery and / or human trafficking is not taking place within our organisation or supply chain during the year ending 31st March 2023.

REMUNERATION & STAFF REPORT

The details of the Remuneration Relationship are reported on page 97 of the Accountability Report, and note 10.6 of the Annual Accounts.

The pay and terms and conditions of employment for the Executive Team and senior managers have been and will be determined by the Velindre University NHS Trust Remuneration and Terms of Service Committee, within the framework set by the Welsh Government. The Remuneration and Terms of Service Committee also considered and approved applications relating to the voluntary early release scheme. The Trust Remuneration Committee members are Independent Members of the Board and a Trade Union Representative. The Committee is chaired by the Trust Chair. Details of the membership of the Remuneration & Terms of Service Committee are captured on pages 8-12 of the Directors' Report section of this report.

Existing public sector pay arrangements apply to all staff including members of the Executive Team. All members of the Executive Team are on pay points and not pay scales. The performance of members of the Executive Team is assessed against personal objectives and against the overall performance of the Trust. The Trust does not operate a performance related pay scheme.

All Executive Directors have the option to have a lease car, under the terms of the Trust's lease car agreement.

The Chief Executive and Executive Directors are employed on permanent contracts, which can be terminated by giving due notice unless for reasons of misconduct.

There have been no payments to former Executives or other former senior managers during the year.

The remuneration report is required to contain information about senior managers' remuneration. The senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Chief Operating Officer and the Director of Corporate

Governance / Board Secretary / Chief of Staff. Full details of senior managers' remuneration are shown later in the table that starts on page 90.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post as at 31st March 2023 whilst the Annual Accounts (note 10.2) shows the average number of operational employees during the year.

Transparency of senior remuneration in the devolved Welsh Public Sector – ANNEX 10.

Guide to Tackling Unfair Employment Practices and False Self-Employment -

<https://gov.wales/docs/dpsp/publications/valuewales/170620-unfair-employment-en.pdf> - ANNEX 10

STAFF COMPOSITION BY SEX

A breakdown of the workforce by sex is set out in the table below. This figure represents the composition as at 31st March 2023. To note it excludes those in Bank, Locum and Honorary positions.

*FTE – Full-time Equivalent

Sex	Headcount	FTE*	% of Headcount
Female	1,235	1,075.83	75.26%
Male	406	385.39	24.74%
Grand Total	1,641	1,461.23	100%

A breakdown of the Trust Executive Directors and Senior Managers by sex is set out in the table below. This figure represents the composition as at 31st March 2023. The data confirms that there are more female than male Trust Executive Directors and Senior Managers. Female employees are employed in five out of the eight Trust Executive Directors and Senior Manager posts.

Job Title	Sex	Headcount	FTE*	% of Headcount
Chief Executive Officer	Male	1	1	12.50%
Chief Operating Officer	Female	1	1	12.50%
Executive Director of Finance	Male	1	1	12.50%
Executive Medical Director	Female	1	1	12.50%
Executive Director of Nursing, AHP and Healthcare Science	Female	1	1	12.50%
Executive Director of Organisational Development & Workforce	Female	1	1	12.50%
Director of Strategic Transformation, Planning & Digital	Male	1	1	12.50%
Director of Corporate Governance & Chief of Staff	Female	1	1	12.50%
Grand Total		8	8	100%
	Male	3		37.50%
	Female	5		62.50%

STAFF COMPOSITION BY STAFF GROUP

During 2022/2023 the average full time equivalent (FTE) number of operational staff permanently employed by the Trust was 3,718. The average number of employees is calculated as the full time equivalent number of employees in each week of the financial year divided by the number of weeks in the financial year. The table below provides a breakdown of the workforce by staff grouping and in addition to permanently employed staff, shows staff on inward Secondment, agency staff and other staff.

	Average FTE Number of Operational Employees						
	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee	Other Staff	2022/2023 Total	2021/2022 Total
Administrative, Clerical and Board Members	2,029	12	18	0	62	2,121	2,029
Medical and Dental	84	1	0	30	6	121	117
Nursing and Midwifery Registered	208	0	0	0	5	213	204
Professional, Scientific and Technical Staff	77	0	1	0	0	78	73
Additional Clinical Services	232	0	1	0	10	243	247
Allied Health Professionals	140	0	7	0	0	147	139
Healthcare Scientists	157	0	1	0	7	165	153
Estates and Ancillary	524	0	36	0	65	625	641
Students	3	0	0	0	2	5	3
Total	3,454	13	64	30	157	3,718	3,606

SICKNESS ABSENCE DATA 2022/23

Report	2022/23	2021/22	Variance
Total Days Lost FTE (Long Term):	21279.7	22290.4	-1,011
Total Days Lost FTE (Short Term):	11019.6	8873.39	2,146
Total Days Lost:	32299.2	31163.8	1135.47
Average Staff Employed in the Period – FTE	1441.05	1404.72	36.33
Average Working Days Lost (FTE):	6.17	5.29	0.88
Total Staff Employed in Period: (HC)	1641	1610	31
Total Staff Employed in Period with No Sickness Absence (Headcount):	573	618	-45
Percentage Staff with No Sick Leave:	34.92	38.39	-3.47

The Workforce team work with Divisions to manage the wellbeing of staff and sickness absence. Monthly performance reports are developed for Divisions and Executive colleagues to monitor sickness and COVID sickness absence. Interventions to support managers are aligned to reasons for sickness to ensure effective interventions that support staff. Regular sickness audits are undertaken and manager drop in session are available to support managers in ensuring staff are encouraged back to work.

The Trust also offers and provides staff with free access to a diverse range of traditional medical, psychological and complementary therapy interventions, to assist them to proactively and reactively manage their health and wellbeing. This includes an Employee Assistance Programme (EAP), which family members can also access for free.

The top reason for sickness absence across the Trust continues to be psychological ill health. To provide staff with appropriate and additional support in an unprecedented year, the Trust has focused on interventions to support the psychological wellbeing of our staff. This has included drop in session with our wellbeing team as well as on site support from our EAP service. As part of our Health and Wellbeing plan we are training mental health first aid champions and run a number of staff networks to support staff.

STAFF POLICIES

All Trust policies and procedures are equality impact assessed against the nine protected characteristics, to ensure that they do not discriminate against people who apply to work in the Trust or are employed by the Trust. All Trust policies and procedures are available to access via the Trust Internet website.

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – SINGLE TOTAL FIGURE OF REMUNERATION

This Remuneration Report includes a single total figure of remuneration. The amount of pension benefits for the year which contributes to the single total figure is calculated based on guidance provided by the NHS Business Services Authority Pensions Agency.

The amount included in the table for pension benefit is based on the increase in accrued pension adjusted for inflation. This will generally take into account an additional year of service together with any changes in pensionable pay. This is not an amount which has been paid to an individual by the Trust during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The salary and pension disclosures reflect the senior managers' information. As indicated on pages 12-13 the senior management team consists of the Chief Executive, the Executive Directors, and the Independent Members (Non-Executive Directors), the Chief Operating Officer, and the Director of Corporate Governance / Board Secretary / Chief of Staff.

**SALARY AND PENSION DISCLOSURE TABLES (AUDITED) –
SINGLE TOTAL FIGURE OF REMUNERATION (CONTINUED)**

Name and Title	2022/2023					2021/2022				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Executive Directors and Senior Managers										
Steve Ham Chief Executive	150-155	0	0	12	160-165	145-150	0	0	45	190-195
Matthew Bunce Executive Director of Finance ^{1, 4}	115-120	0	0	35	150-155	55-60	0	0	79	135-140
Jacinta Abraham Executive Medical Director ²	120-125	30-35	0	8	155-160	115-120	30-35	0	86	230-235
Catherine O'Brien Chief Operating Officer ^{3, 4}	125-130	0	4	12	135-140	120-125	0	0	63	180-185
Lauren Fear Director of Corporate Governance & Chief of Staff	90-95	0	0	23	115-120	90-95	0	0	22	110-115
Nicola Williams Executive Director of Nursing, AHP and Healthcare Scientists	115-120	0	0	9	120-125	110-115	0	0	53	165-170

Name and Title	2022/2023					2021/2022				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Sarah Morley Executive Director of Organisational Development and Workforce	100-105	0	0	18	115-120	95-100	0	0	38	135-140
Carl James Executive Director of Strategic Transformation, Planning, and Digital ^{3, 4}	125-130	0	4	0	125-130	120-125	0	1	50	170-175

Notes:

1. M Bunce was appointed to the role of Executive Director of Finance on 27/09/2021. The annualised salary band for this role during 2021/2022 was £110-115k.
2. Other remuneration for J Abraham relates to clinical responsibilities.
3. Benefits in kind for C James and C O'Brien relate to the use of a Trust lease car and taxable mileage payments.
4. Three officers received payments during the year for the sale of 2021/2022 annual leave. These include M Bunce £4.2k, C O'Brien £1.9k and C James £4.7k.
5. Pension related figures above have not been updated with any increase in salaries relating to 2022/2023, as increases to pay scales were agreed after the pension information relating to 2022/2023 had been provided by the NHS Pension Agency.

**SALARY AND PENSION DISCLOSURE TABLES (AUDITED) –
SINGLE TOTAL FIGURE OF REMUNERATION (CONTINUED)**

Name and Title	2022/2023					2021/2022				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Independent Members/Non-Executive Directors										
Donna Mead, Chair	40-45	0	0	0	40-45	40-45	0	0	0	40-45
Martin Veale, Independent Member	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Stephen Harries, Vice Chair	30-35	0	0	0	30-35	30-35	0	0	0	30-35
Gareth Jones, Independent Member	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Hilary Jones, Independent Member	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Andrew Westwell, Independent Member	5-10	0	0	0	5-10	0-5	0	0	0	0-5
Vicky Morris, Independent Member	5-10	0	0	0	5-10	0-5	0	0	0	0-5

SALARY AND PENSION DISCLOSURE

CASH EQUIVALENT TRANSFER VALUES

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 an arrangement to secure pension benefits in another pension scheme or an 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.

SALARY AND PENSION DISCLOSURE TABLES (AUDITED) – BOARD MEMBER AND VERY SENIOR MANAGER PENSIONS

Name and Title	Accrued pension at pension age as at 31 March 2023 and related lump sum (bands of £5,000)	Real increase in pension and related lump sum at pension age (bands of £2,500)	Cash Equivalent Transfer Value at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2022	Real increase in Cash Equivalent Transfer Value	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	£000
Steve Ham Chief Executive ¹	180-185	0-2.5	48	0	27	0
Matthew Bunce Executive Director of Finance	145-150	10-12.5	930	832	50	0
Jacinta Abraham Executive Medical Director	155-160	0-2.5	1,103	1,035	15	0
Catherine O’Brien Chief Operating Officer	25-30	0-2.5	461	419	12	0
Lauren Fear Director of Corporate Governance & Chief of Staff	5-10	0-2.5	52	35	4	0
Nicola Williams Executive Director Nursing, AHP and Healthcare Scientists	185-190	0-2.5	1,102	1,035	19	0

Name and Title	Accrued pension at pension age as at 31 March 2023 and related lump sum (bands of £5,000)	Real increase in pension and related lump sum at pension age (bands of £2,500)	Cash Equivalent Transfer Value at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2022	Real increase in Cash Equivalent Transfer Value	Employer contribution to partnership pension account
	£000	£000	£000	£000	£000	£000
Sarah Morley Executive Director of Organisational Development and Workforce	100-105	0-2.5	694	638	23	0
Carl James Executive Director of Strategic Transformation, Planning & Digital	55-60	0-2.5	747	706	3	0

Notes:

1. S Ham is over the Normal Pension Age (NPA) in the existing scheme, therefore a CETV calculation is not applicable. The CETV relates to the 2015 Scheme only.

As Independent Members do not receive pensionable remuneration, there are no entries in respect of pensions for Independent Members.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

During 2022/2023 exit packages were approved for 4 staff with a value of £83,029 (2 staff, value £101,773 2021/2022). £158,903 exit costs were paid in 2022/2023, the year of departure (£25,899 2021/2022). These packages were paid in accordance with recognised NHS terms and conditions of service/Trust Policy. None of the exit packages reported related to senior officers. There were 3 special payments agreed in 2022/2023 total £61,462 (2021/2022 nil).

REMUNERATION RELATIONSHIP

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Velindre University NHS Trust in the financial year 2022/2023 was £150,000 - £155,000 (2021/2022, £145,000 - £150,000). This was: 5.2 times (2021/2022, 5.6) the median remuneration of the workforce, which was £29,383 (2021/2022, £26,365); 6.2 times (2021/2022, 6.7) the 25th percentile remuneration of the workforce, which was £24,069 (2021/2022, £23,525); and 3.5 times (2021/2022, 3.7) the 75th percentile remuneration of the workforce, which was £43,635 (2021/2022, £42,284).

The percentage change from the previous financial year in the remuneration of the Chief Executive was 3.4% and 9.1% in respect of employees taken as a whole.

In 2022/2023, 11 (2021/2022, 8) employees received remuneration in excess of the highest paid Director.

Remuneration for all staff ranged from £21,100 to £236,100 (2021/2022, £18,600 to £227,500).

Total remuneration includes salary and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Overtime payments are included in the calculation of both elements of the relationship.

EXPENDITURE ON CONSULTANCY

During 2022/2023 the Trust spent £3.950m of its revenue funding on external consultancy fees (£1.588m related to the NHS Wales Shared Services Partnership); and £0.827m of its capital funding on external consultancy fees, including £0.773m related to the new hospital project (and £0.048m related to the NHS Wales Shared Services Partnership).

Examples include:

- Accountancy fees
- Legal fees
- Design fees
- Project management fees & support costs
- IT consultancy and advice
- Fees relating to building management, including surveyor & electrical costs.

TAX ASSURANCE FOR OFF-PAYROLL ENGAGEMENTS

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23rd May 2012, departments must publish information on their highly paid and/or senior off-payroll engagements. The information, contained in the three tables below, includes all off-payroll engagements as at 31st March 2023 for those earning more than £245 per day for the core Trust and its hosted organisations.

Table 1: Highly paid off-payroll worker engagements as at 31st March 2023, earning £245 per day or greater:

Number of existing engagements as of 31st March 2023	12
Of which, the number that have existed:	
less than 1 year	8
for between 1 and 2 years	2
for between 2 and 3 years	1
for between 3 & 4 years	0
for 4 or more years	1

Within the total number of off-payroll engagements disclosed, no engagements related to staff seconded from other NHS Wales Organisations.

All the off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax, and where necessary, that assurance has been sought.

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31st March 2023, earning £245 per day or greater:

Number of temporary off-payroll workers engaged during the year ended 31st March 2023	11
Of which:	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined in-scope of IR35	5
Subject to off-payroll legislation and determined as out-of-scope of IR35	6
Number of engagements reassessed for compliance or assurance purposes during the year	5
Of which, number of engagements that saw a change to IR35 status following review	0

Within the total number of new off-payroll engagements disclosed, no engagements related to staff seconded from other NHS Wales Organisations.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1st April 2022 and 31st March 2023

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Where the Trust undertakes activities that are not funded by the Welsh Government the Trust receives income to cover its costs. Further detail of income received is published in the Trust's annual accounts; within note 4 headed 'other operating revenue'.

The Trust confirms it has complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

The Trust ensures public funds are used appropriately and to deliver the intended objectives. Expenditure this year was regular and compliant with the relevant legislation. Fees and charges for services provided by public sector organisations pass on the full cost of providing those services and are in accord with Welsh Government requirements.

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP) and therefore its accounts include the estimates of remote contingent liabilities from Welsh Health Organisations for potential litigation claims that could arise in the future due to known incidents. In 2022/2023, the financial statements of the Trust are reporting total remote contingent liabilities of £102m.

AUDIT CERTIFICATE AND AUDITOR GENERAL FOR WALES REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion on financial statements

I certify that I have audited the financial statements of Velindre University NHS Trust and its group for the year ended 31st March 2023 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity and related notes, including a summary of significant 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 Velindre University NHS Trust and its group as at 31st March 2023 and of its surplus 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, 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 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 trust 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 Velindre University NHS Trust 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 Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance 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 Trust'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 Trust 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 audited entity's internal auditors and those charged with governance, including obtaining and reviewing supporting documentation relating to Velindre University NHS Trust's 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;
- Obtaining an understanding of Velindre University NHS Trust's framework of authority as well as other legal and regulatory frameworks that the Trust 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 Velindre University NHS Trust; 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 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 Velindre University NHS Trust'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

I have no observations to make on these financial statements.

Adrian Crompton
Auditor General for Wales
31 July 2023

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Velindre University NHS Trust

Finance Report

2022-2023



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

Velindre University NHS Trust

Foreword

These accounts for the period ended 31 March 2023 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Velindre University NHS Trust 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, with the approval of the Treasury, directed.

These are Group accounts showing the accounts of the Trust including those organisations hosted by it (see 'Statutory background' below), and are consolidated with the Trust's Charitable Fund of which the Trust is the Corporate Trustee.

Statutory background

The Trust was established by Statutory Instrument on 1 December 1993 with an operational date of 1 April 1994. At that time the Trust was a single specialty Trust providing only Cancer Services. Over the last 29 years, the Trust has significantly evolved and expanded. The main function of the Trust is to provide all-Wales and regional clinical health services to the NHS and the people of Wales. The Trust consists of two clinical divisions: the Welsh Blood Service and Velindre Cancer Service.

In addition to the above services, the Trust is host to two organisations. At period ended 31 March 2023, these were:

- NHS Wales Shared Services Partnership (NWSSP) which was set up on 1 April 2011; following which the functions of a number of separate services were transferred into NWSSP. NWSSP became a hosted body within Velindre NHS Trust on 1 June 2012. During 2022-2023 one existing service, the Single Lead Employer Scheme, completed a phased rollout to all core and specialty medical trainees in NHS Wales.

- Health Technology Wales (HTW) which was established on 1 April 2016 and continued to receive grant funding from Welsh Government under the Efficiency through Technology Programme.

Performance Management and Financial Results

Under the National Health Service (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). These duties were amended for Local Health Boards by the National Health Services Finance (Wales) Act 2014 and a Ministerial direction placed the same statutory duties on NHS Trusts through the Welsh Health Circular WHC/2016/054, which sets out the duty to break even over a three year period.

The NHS Finance (Wales) Act 2014 came into effect from 1 April 2014 and the first assessment of the 3 year rolling financial duty took place at the end of 2016-2017.

The second duty arises as a result of the Welsh Ministers' powers to set financial objectives for the Trust under paragraph 2(2) of Schedule 4 of the National Health Service (Wales) 2006 Act. The planning requirement, which by virtue of being set as a financial objective becomes a statutory financial duty, was previously set by the Welsh Ministers and has been retained by WHC/2016/054.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022-23 £000 NHS Trust	2021-22 £000	2022-23 £000 Consolidated	2021-22 £000
Revenue from patient care activities	3	540,496	736,708	540,496	736,708
Other operating revenue	4	417,245	307,091	420,683	307,366
Operating expenses	5.1	(967,845)	(1,042,935)	(968,677)	(1,042,786)
Operating (deficit)/surplus		(10,104)	864	(7,498)	1,288
Investment revenue	6	1,257	23	1,401	137
Other gains and losses	7	3	3	3	3
Finance costs	8	8,920	(1,093)	8,920	(1,093)
Consolidated Total				2,826	335
Retained surplus/(deficit)	2.1.1	76	(203)		
(including donated assets received or issued)					
Other Comprehensive Income					
Items that will not be reclassified to net operating costs:					
Net gain/(loss) on revaluation of property, plant and equipment		4,826	3,074	4,826	3,074
Net gain / (loss) on revaluation of right of use assets		0		0	
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Movements in other reserves		0	9,833	0	9,833
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	(488)	124
Impairments and reversals		(1,010)	0	(1,010)	0
Transfers between reserves		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Sub total		3,816	12,907	3,328	13,031
Items that may be reclassified subsequently to net operating costs					
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Sub total		0	0	0	0
Total other comprehensive income for the year		3,816	12,907	3,328	13,031
Total comprehensive income for the year		3,892	12,704	6,154	13,366

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	31 March 2023	31 March 2022	31 March 2023	31 March 2022
		NHS Trust		Consolidated	
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	155,615	143,136	155,615	143,136
Right of Use Assets	13.3	14,803		14,803	
Intangible assets	14	11,194	8,667	11,194	8,667
Trade and other receivables	17.1	1,107,047	1,092,008	1,107,047	1,092,008
Other financial assets	18	0	0	5,572	5,826
Total non-current assets		1,288,659	1,243,811	1,294,231	1,249,637
Current assets					
Inventories	16.1	34,070	65,207	34,070	65,207
Trade and other receivables	17.1	565,742	498,478	565,752	497,397
Other financial assets	18	0	0	0	0
Cash and cash equivalents	19	31,136	30,404	33,735	33,116
		630,948	594,089	633,557	595,720
Non-current assets held for sale	13.2	0	0	0	0
Total current assets		630,948	594,089	633,557	595,720
Total assets		1,919,607	1,837,900	1,927,788	1,845,357
Current liabilities					
Trade and other payables	20	(226,254)	(235,852)	(224,778)	(235,900)
Borrowings	21	(1,123)	0	(1,123)	0
Other financial liabilities	22	0	0	0	0
Provisions	23	(392,525)	(341,123)	(392,525)	(341,123)
Total current liabilities		(619,902)	(576,975)	(618,426)	(577,023)
Net current assets/(liabilities)		11,046	17,114	15,131	18,697
Total assets less current liabilities		1,299,705	1,260,925	1,309,362	1,268,334
Non-current liabilities					
Trade and other payables	20	(3,092)	(7,336)	(3,092)	(7,336)
Borrowings	21	(2,421)	0	(2,421)	0
Other financial liabilities	22	0	0	0	0
Provisions	23	(1,108,919)	(1,094,206)	(1,108,919)	(1,094,206)
Total non-current liabilities		(1,114,432)	(1,101,542)	(1,114,432)	(1,101,542)
Total assets employed		185,273	159,383	194,930	166,792
Financed by Taxpayers' equity:					
Public dividend capital		131,461	112,982	131,461	112,982
Retained earnings		19,104	15,466	19,104	15,466
Revaluation reserve		34,708	30,935	34,708	30,935
Other reserves		0	0	0	0
Funds Held on Trust Reserves				9,657	7,409
Total taxpayers' equity		185,273	159,383	194,930	166,792

The financial statements were approved by the Board on 27 July 2023 and signed on behalf of the Board by:

Steve Ham, Chief Executive and Accountable Officer

Date: 27 July 2023

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2022-23	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	FHOT Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2022-23						
Balance as at 31 March 2022	112,982	15,466	30,935	159,383	7,409	166,792
NHS Wales Transfer	0	0	0	0	0	0
RoU Asset Transitioning Adjustment	0	3,519	0	3,519	0	3,519
Balance at 1 April 2022	112,982	18,985	30,935	162,902	7,409	170,311
Retained surplus/(deficit) for the year		76		76		76
Net gain/(loss) on revaluation of property, plant and equipment		0	4,826	4,826		4,826
Net gain/(loss) on revaluation of right of use assets		0	0	0		0
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	(488)	(488)
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	(1,010)	(1,010)		(1,010)
Other reserve movement		0	0	0		0
Transfers between reserves		43	(43)	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	119	3,773	3,892	(488)	3,404
New Public Dividend Capital received	18,894			18,894		18,894
Public Dividend Capital repaid in year	(415)			(415)		(415)
Public Dividend Capital extinguished/written off	0			0		0
PDC Cash Due but not issued				0		0
Other movements in PDC in year	0			0		0
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					2,736	2,736
Balance at 31 March 2023	131,461	19,104	34,708	185,273	9,657	194,930

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2021-22	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	Funds held on Trust Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2021-22						
Balance at 31 March 2021	122,468	15,552	27,978	165,998	6,747	172,745
NHS Wales Transfer	(27,872)	(9,833)	0	(37,705)	0	(37,705)
RoU Asset Transitioning Adjustment						
Balance at 1 April 2021	94,596	5,719	27,978	128,293	6,747	135,040
Retained surplus/(deficit) for the year		(203)		(203)		(203)
Net gain/(loss) on revaluation of property, plant and equipment		0	3,074	3,074		3,074
Net gain/(loss) on revaluation of right of use assets						
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	124	124
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	0	0		0
Other reserve movement		9,833	0	9,833		9,833
Transfers between reserves		117	(117)	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	9,747	2,957	12,704	124	12,828
New Public Dividend Capital received	18,386			18,386		18,386
Public Dividend Capital repaid in year	0			0		0
Public Dividend Capital extinguished/written off	0			0		0
PDC Cash Due but not issued						
Other movements in PDC in year	0			0		0
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					538	538
Balance at 31 March 2022	112,982	15,466	30,935	159,383	7,409	166,792

The notes on pages 6 to 75 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
		NHS Trust		Consolidated	
Cash flows from operating activities					
Operating surplus/(deficit)	SOCI	(10,104)	864	(7,498)	1,288
Movements in working capital	30	(56,728)	(315,095)	(59,216)	(314,364)
Other cash flow adjustments	31	199,189	453,490	199,189	453,490
Provisions utilised		(117,852)	(143,680)	(117,852)	(143,680)
Interest paid		(40)	0	(40)	0
Net cash inflow (outflow) from operating activities		14,465	(4,421)	14,583	(3,266)
		Cash flows from investing activities			
Interest received		989	23	1,133	137
(Payments) for property, plant and equipment		(28,993)	(22,771)	(28,993)	(22,771)
Proceeds from disposal of property, plant and equipment		3	11,931	3	11,931
(Payments) for intangible assets		(3,103)	(4,103)	(3,103)	(4,103)
Proceeds from disposal of intangible assets		0	15,976	0	15,976
Payments for investments with Welsh Government		0	0	0	0
Proceeds from disposals with Welsh Government		0	0	0	0
(Payments) for financial assets.		0	0	(1,158)	(2,005)
Proceeds from disposal of financial assets.		0	0	783	1,900
Net cash inflow (outflow) from investing activities		(31,104)	1,056	(31,335)	1,065
Net cash inflow (outflow) before financing		(16,639)	(3,365)	(16,752)	(2,201)
		Cash flows from financing activities			
Public Dividend Capital received		18,894	0	18,894	0
Public Dividend Capital repaid		(415)	(9,486)	(415)	(9,486)
Loans received from Welsh Government		0	0	0	0
Loans repaid to Welsh Government		0	0	0	0
Other loans received		0	0	0	0
Other loans repaid		0	0	0	0
Other capital receipts		0	0	0	0
Capital elements of finance leases and on-SOFP PFI		0	(8)	0	(8)
Capital element of payments in respect of on-SoFP PFI		0	0	0	0
Capital Element of payments in respect of Right of Use Assets		(1,108)		(1,108)	
Cash transferred (to)/from other NHS Wales bodies		0	0	0	0
Net cash inflow (outflow) from financing activities		17,371	(9,494)	17,371	(9,494)
Net increase (decrease) in cash and cash equivalents		732	(12,859)	619	(11,695)
Cash [and] cash equivalents at the beginning of the financial year	19	30,404	43,263	33,116	44,811
Cash [and] cash equivalents at the end of the financial year	19	31,136	30,404	33,735	33,116

The notes on pages 6 to 75 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 NHS Trusts (NHST) 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 2022-2023 Manual for Accounts. The accounting policies contained in that manual follow the 2022-2023 Financial Reporting Manual (FRoM), 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 NHST 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 NHST for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NHST 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 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

From 2018-2019, 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 is 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

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

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 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019-2020 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, and in Wales the additional 6.3% would be 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 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.

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

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.

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 1 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 Income (SoCI).

From 2015-2016, 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.

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 SoCI. 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 ensures 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

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.

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 SoCI. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCI. 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 SoCI 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 SoCI. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

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 1 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 Trust 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 Trust 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 has been employed 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 Trust 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 Trust will not apply IFRS 16 to any new leases of in tangible assets applying the treatment described in section 1.14 instead.

HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

The Trust 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 Trust has assessed that in all other respects these arrangements meet the definition of a lease under the standard.

The Trust 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 Trust as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The entity 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% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16, and any new leases up to 31st December 2022. The rate of 3.51% has been applied for those commencing on or after 1 January 2023.

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 Trust applies a revised rate to the remaining lease liability.

Where existing leases are modified the Trust 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 Trust.

1.11.2 The Trust as lessor (where relevant)

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 Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust'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 Trust 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 Trust 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. Where inventories are not subject to high turnover levels, stocks are valued at current purchase price as an approximation to net realisable value and fair value.

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 3 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 NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation 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 NHS Wales organisation 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 NHS Wales organisation 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) operate a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participating NHS Wales bodies. The risk sharing option was implemented in both 2022-23 and 2021-22. The WRPS is hosted by the 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 GP 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 1 April 2019.

1.15 Financial Instruments

From 2018-2019 IFRS 9 Financial Instruments is applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales organisations is a change to the calculation basis for bad debt provisions: changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

1.16 Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation 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 SoCI; '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 SoCI

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 SoCI. They are held at fair value, with any resultant gain or loss recognised in the SoCI. 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 SoCI 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 NHS Wales organisation 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 expenditure 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 expenditure 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.

1.16.6 Other financial assets

Listed investments are stated at market value. Unlisted investments are included at cost as an approximation to market value. Quoted stocks are included in the balance sheet at mid-market price, and where holdings are subject to bid / offer pricing their valuations are shown on a bid price. The shares are not held for trading and accordingly are classified as available for sale. Other financial assets are classified as available for sale investments carried at fair value within the financial statements.

1.17 Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation 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. Loans from Welsh Government are recognised at historical cost.

1.17.1 Financial liabilities are initially recognised at fair value through SoCI

Financial liabilities are classified as either financial liabilities at fair value through the SoCI or other financial liabilities.

1.17.2 Financial liabilities at fair value through the SoCI

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 SoCI. 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 VAT does not apply and input VAT 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 VAT 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 SoCI. 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 SoCI on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation 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 NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRPS).

The NHS Wales organisation accrues or provides for the best estimate of future payouts 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 budget

The NHS Wales organisation has/has not entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

The pool budget is hosted by one NHS Wales's organisation. Payments for services provided are accounted for as miscellaneous income. The NHS Wales organisation accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

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 WRPS.

1.25 Provisions for legal or constructive obligations for clinical negligence, personal injury & defence costs

The NHS Wales organisation 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 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 organisations, 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.

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

* Personal injury cases - Defence fee costs are provided for at 100%.

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 -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 Trust's 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.

Discounting provisions

The WRPS discounts estimated future lump sums within the provisions which are assumed to settle over a 3 year period.

A proportion of the lump sum estimates are assumed to settle with RPI indexed annual payments and the remainder as Annual Survey of Hours and Earnings (ASHE) indexed annual payments.

The HM Treasury short term nominal discount rate of 3.27% (2021/2022: 0.47%) is applied to the RPI proportion of the lump sum estimate using the retail price index (RPI) inflation rates of 8.60% for Year 1, 1.8% for Year 2 and 3.20 for Year 3.

The RPI rates have been calculated by reference to CPI for general provisions, with a 1% margin added to CPI indices to the period to 31st January 2030 and 0.1% thereafter. These are the rates recommended by the Government's Actuary's Department in lieu of published RPI rates which were omitted from the December 2021 HMT Public Expenditure System (PES) paper. The remainder is discounted by applying the Annual Survey of Hours and Earnings (ASHE) nominal discount rate of 1.9% (1.9% 2022) with the underlying RPI rates for Years 1 – 3 as above.

PPO Provisions

The majority of high value (>£1M) claims settle with a Periodical Payment Order (PPO) where part or all of the final settlement value is paid over the life time of the claimant. When cases settle with a PPO arrangement, an individual provision is created by multiplying the claimants' index linked annual payment value by the number of years' life expectancy. Future cashflows are modelled based on individual claim data and include any agreed future steps in payment value.

The number of years' life expectancy is discounted according to the Ogden table multipliers using HM Treasury's nominal discount rate for general provisions issued annually in the Public Expenditure System (PES) paper and an inflation factor.

For 2022-2023, the nominal short, medium, long and very long term rates are: 3.27%, (0-5 years), 3.20%, (+5-10 years) 3.51%(+10-40 years) and 3.00% (over 40 years) respectively. The inflation factor applied is dependent upon the rate agreed as part of the settlement of the claimant's case.

Where annual payments are required to be uplifted by the RPI, the RPI rate of 8.60% has been used for Year 1, 1.80% for Year 2, 3.20% for the period up to and including 31st January 2030 and 2.10% thereafter.

Where annual payments are required to be uplifted based on market data for carers' wages, the annual survey of hours and earnings (ASHE) discount rate of -6.7% for Year 1 has been applied, 0.1% for Year 2, -1.3% for the period up to and including 31st January 2030 and -0.2% thereafter. The probabilities of survival for each claimant are based on estimated life expectancy, agreed by medical experts in each case.

1.26 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities will be included for the relevant notes. The disclosure should include where possible undiscounted values to demonstrate the impact. An explanation of the source of the discount rate or how the discount rate has been determined will be included.

1.27 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.28 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 NHS Wales organisation, 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 NHS Wales organisation. 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.

1.29 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.

For transfers of functions involving NHS Wales Trusts in receipt of PDC the double entry for the fixed asset NBV value and the net movement in assets is PDC.

1.30 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 1 January 2016. Therefore not applicable.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.31 Accounting standards issued that have been adopted early

During 2022-2023 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.32 Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has established that as it is the corporate trustee of the Velindre University NHS Trust Charitable Fund it is therefore considered for accounting standards compliance to have control of Velindre University NHS Trust Charitable Fund as a subsidiary, and with the agreement of Welsh Government has made the decision to consolidate the Velindre University NHS Trust Charitable Fund within the statutory accounts of the Trust.

The determination of control is an accounting standard test of control and there has been no change to the operation of the Velindre University NHS Trust Charitable Fund or its independence in its management of charitable funds.

Welsh Government as the ultimate parent of the NHS Wales organisations will disclose the Charitable Accounts in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties notes.

1.33 Subsidiaries

Material entities over which the NHS Wales organisation has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the NHS Wales organisation or where the subsidiary's accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1.34 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.35 Public Dividend Capital (PDC) and PDC dividend

PDC represents taxpayers' equity in the NHS Wales organisation. At any time the Minister for Health and Social Services with the approval of HM Treasury can issue new PDC to, and require repayments of, PDC from the NHS Wales organisation. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

From 1 April 2010 the requirement to pay a public dividend over to the Welsh Government ceased.

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4(2).

The Trust is required to achieve financial breakeven over a rolling 3 year period.

Welsh Health Circular WHC/2016/054 replaced WHC/2015/014 'Statutory and Financial Duties of Local Health Boards and NHS Trusts' and further clarifies the statutory financial duties of NHS Wales bodies.

2.1.1 Financial Duty

	Annual financial performance			2020-21 to 2022-23
	2020-21 £000	2021-22 £000	2022-23 £000	Financial duty £000
Retained surplus / (deficit)	1,222	(203)	76	1,095
Less Donated asset / grant funded revenue adjustment	(1,184)	244	0	(940)
Adjusted surplus/ (Deficit)	<u>38</u>	<u>41</u>	<u>76</u>	<u>155</u>

The Trust has met its financial duty to break even over the 3 years 2020-2021 to 2022-2023.

2.1.2 Integrated Medium Term Plan (IMTP)

The NHS Wales Planning Framework for the period 2022-2025 issued to Trusts placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Trust submitted an Integrated Medium Term Plan for the period 2022-2025 in accordance with NHS Wales Planning Framework.

Status	Approved
Date	13/07/2022

The Trust has therefore met its statutory duty to have an approved financial plan.

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

The EFL target has been suspended in 2022-23.

2.3. Creditor payment

The Trust 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 Trust has achieved the following results:

	2022-23	2021-22
Total number of non-NHS bills paid	81,328	72,627
Total number of non-NHS bills paid within target	77,780	69,488
Percentage of non-NHS bills paid within target	95.6%	95.7%
The Trust has met the target.		

3. Revenue from patient care activities	2022-23	2021-22	2022-23	2021-22
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Local health boards	95,698	88,569	95,698	88,569
Welsh Health Specialised & Emergency Ambulance				
Services Committees (WHSSC & EASC)	52,959	49,172	52,959	49,172
Welsh NHS Trusts	1,494	1,512	1,494	1,512
Welsh Special Health Authorities	2,159	1,465	2,159	1,465
Foundation Trusts	0	0	0	0
Other NHS England bodies	107	107	107	107
Other NHS Bodies	9	1	9	1
Local Authorities	0	0	0	0
Welsh Government	16,250	13,533	16,250	13,533
Welsh Government Welsh Risk Pool Reimbursements			0	
NHS Wales Secondary Health Sector	199,763	424,563	199,763	424,563
NHS Wales Primary Sector Future Liability Scheme Reimbursement	144	93	144	93
NHS Wales Redress	1,503	1,679	1,503	1,679
Other	0	0	0	0
Welsh Government - Hosted Bodies	168,350	153,833	168,350	153,833
Non NHS:				
Private patient income	2,032	2,017	2,032	2,017
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0
Other revenue from activities	28	164	28	164
Total	540,496	736,708	540,496	736,708

Injury Cost Recovery (ICR) Scheme income:

2022-23	2021-22
%	%

To reflect expected rates of collection ICR income is subject to a provision for impairment of:

23.76	23.76
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4. Other operating revenue	2022-23	2021-22	2022-23	2021-22
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Income generation	549	842	549	842
Patient transport services	0	0	0	0
Education, training and research	3,877	5,431	3,877	5,431
Charitable and other contributions to expenditure	1,858	3,105	515	314
Incoming FHoT Revenue				
Unrestricted - donations and legacies			4,781	3,066
Restricted - donations and legacies			0	0
Receipt of Covid Items free of charge from other NHS Wales Organisations	0	0	0	0
Receipt of Covid Items free of charge from other organisations	0	0	0	0
Receipt of donations for capital acquisitions	0	0	0	0
Receipt of government grants for capital acquisitions	0	0	0	0
Right of Use Grant (Peppercorn Lease)	0		0	
Non-patient care services to other bodies	931	936	931	936
Right of Use Asset Sub-leasing rental income	0		0	
Rental revenue from finance leases	10	0	10	0
Rental revenue from operating leases	100	133	100	133
Other revenue:				
Provision of pathology/microbiology services	0	0	0	0
Accommodation and catering charges	211	180	211	180
Mortuary fees	0	0	0	0
Staff payments for use of cars	157	103	157	103
Business unit	0	0	0	0
Scheme Pays Reimbursement Notional	(169)	339	(169)	339
Other	409,721	296,022	409,721	296,022
Total	417,245	307,091	420,683	307,366
Total Patient Care and Operating Revenue	957,741	1,043,799	961,179	1,044,074

Other revenue comprises:

NHS Wales Shared Services Partnership	406,288	291,705	406,288	291,705
Other	3,433	4,317	3,433	4,317
Total	409,721	296,022	409,721	296,022

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Business Services Agency on the Trust's behalf. The notional income of £14.659m (2021/2022 £11.406m) is reported within the above notes, with further details provided in note 37.1.

5. Operating expenses	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000
5.1 Operating expenses	NHS Trust		Consolidated	
Local Health Boards	14,484	11,464	14,484	11,464
Welsh NHS Trusts	18	23	18	23
Welsh Special Health Authorities	2,021	1,170	2,021	1,170
Goods and services from other non Welsh NHS bodies	0	0	0	0
WHSSC/EASC	0	0	0	0
Local Authorities	3	0	3	0
Purchase of healthcare from non-NHS bodies	0	0	0	0
Welsh Government	0	0	0	0
Other NHS Trusts	508	514	508	514
Directors' costs	1,420	1,392	1,420	1,392
Operational Staff costs	171,346	153,982	171,346	153,982
Non operational trainee staff costs	229,121	137,379	229,121	137,379
Non operational collaborative bank staff costs	347	234	347	234
Single lead employer Staff Trainee Cost	2,743	1,033	2,743	1,033
Collaborative Bank Staff Cost	0	0	0	0
Supplies and services - clinical	144,992	136,174	144,992	136,174
Supplies and services - general	83,340	78,047	83,340	78,047
Consultancy Services	3,950	4,224	3,950	4,224
Establishment	13,206	12,383	13,206	12,383
Transport	3,483	3,160	3,483	3,160
Premises	29,863	24,771	29,863	24,771
FHoT Resources expended				
Costs of generating funds			654	157
Charitable activities			178	(306)
Governance Costs			(17)	(15)
Impairments and Reversals of Receivables	0	0	0	0
Depreciation	8,826	9,110	8,826	9,110
Depreciation (RoU Asset)	1,676		1,676	
Amortisation	1,358	1,112	1,358	1,112
Impairments and reversals of property, plant and equipment	1,121	0	1,121	0
Fixed asset impairments and reversals (RoU Assets)	1,894		1,894	
Impairments and reversals of intangible assets	348	0	348	0
Impairments and reversals of financial assets	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0
Audit fees	243	224	260	239
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	227,983	447,889	227,983	447,889
Research and development	0	0	0	0
NWSSP centrally purchased and donated Covid assets issued free of charge to NHS Wales organisations	0	0	0	0
NWSSP centrally purchased Covid assets issued free of charge to other organisations	0	0	0	0
Expense related to short-term leases	369		369	
Expense related to low-value asset leases (excluding short-term leases)	60		60	
Other operating expenses	23,122	18,650	23,122	18,650
Total	967,845	1,042,935	968,677	1,042,786

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Pensions Agency on the Trust's behalf. The notional expenditure of £14.659m (£11.406m 2021/2022) is reported above under the various staff cost headings. Further detail is provided in note 37.1.

Staff costs are split over a number of different headings. Operational staff costs are those staff employed by the Trust and deemed operational within it. Non-operational trainee staff costs are those trainees employed by NWSSP under the All Wales Single Lead Employer Scheme (SLE) on behalf of other NHS Wales organisations, and who are operational within those organisations rather than the Trust. Where NWSSP employ staff under the SLE scheme on behalf of the Trust, these costs are reported as Single Lead Employer Staff Trainee costs. Staff employed under another NWSSP scheme, which commenced in 2020/2021, the All Wales Collaborative Bank, are also identified separately and split between those operational within the Trust and those operational in other NHS Wales organisations. Further analysis of these costs is shown in notes 10.1 and 10.7, with details of average numbers of employees shown in notes 10.2 and 10.8.

Following WG guidance £39,947,860 relating to pharmacy rebates with the other Health Boards has been restated last year from supplies services - general to supplies and services - clinical to ensure consistency with this year's treatment.

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Increase/(decrease) in provision for future payments:	NHS Trust		Consolidated	
Clinical negligence:-				
Secondary care	212,515	299,158	212,515	299,158
Primary care	567	92	567	92
Redress Secondary Care	2,365	951	2,365	951
Redress Primary Care	0	0	0	0
Personal injury	2,127	(1,777)	2,127	(1,777)
All other losses and special payments	16,839	23,441	16,839	23,441
Defence legal fees and other administrative costs	2,744	2,057	2,744	2,057
Structured Settlements Welsh Risk Pool	(9,174)	123,967	(9,174)	123,967
Gross increase/(decrease) in provision for future payments	227,983	447,889	227,983	447,889
Contribution to Welsh Risk Pool	0	0	0	0
Premium for other insurance arrangements	0	0	0	0
Irrecoverable debts	0	0	0	0
Less: income received/ due from Welsh Risk Pool	0	0	0	0
Total charge	227,983	447,889	227,983	447,889

The Clinical Negligence figure includes £2,149,439 (2021/2022 £1,908,747) in respect of payments made under Redress during 2022/2023. The Redress creditor reduced by £646,000 in 2022/23 compared to a reduction in the creditor movement of £229,000 in 2021/22.

Other losses include stock revaluations of £12.9m and stock losses of £3.6m.

	2022-23 £	2021-22 £
Permanent injury included within personal injury:	0	0

6. Investment revenue	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000
Rental revenue :	NHS Trust		Consolidated	
PFI finance lease revenue:				
Planned	0	0	0	0
Contingent	0	0	0	0
Other finance lease revenue	0	0	0	0
Interest revenue:				
Bank accounts	1,257	23	1,257	23
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	144	114
Total	1,257	23	1,401	137

Interest received in 2022/2023 relates to the Trust's main bank account and an Escrow account established in relation to the build of the new cancer centre.

On 19th March 2020, the interest rate on the Trust's bank accounts was reduced to nil and remained at that rate until 16th December 2021. Interest received in 2021/2022 therefore related to the period 16th December 2021 to 31st March 2022. During 2022/2023 the interest rate remained above nil and therefore interest was received each month at the appropriate rate.

7. Other gains and losses	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Gain/(loss) on disposal of property, plant and equipment	3	3	3	3
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of assets held for sale	0	0	0	0
Gain/(loss) on disposal of financial assets	0	0	0	0
Gains/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets at fair value through income statement	0	0	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	3	3	3	3

8. Finance costs	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Interest on loans and overdrafts	0	0	0	0
Interest on obligations under finance leases	0	0	0	0
Interest on obligations under Right of Use Leases	40		40	
Interest on obligations under PFI contracts:				
Main finance cost	0	0	0	0
Contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	40	0	40	0
Provisions unwinding of discount	(4,637)	(50)	(4,637)	(50)
Periodical Payment Order unwinding of discount	(4,323)	1,143	(4,323)	1,143
Other finance costs	0	0	0	0
Total	(8,920)	1,093	(8,920)	1,093

9. Future change to SoCI/Operating Leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by the Trust for properties and equipment.

Payments recognised as an expense	Post Implementation of IFRS 16		Pre implementation of IFRS 16	Post Implementation of IFRS 16		Pre implementation of IFRS 16
	Low Value & Short Term	Other		Low Value & Short Term	Other	
	2022-23 £000	2022-23 £000	2021-22 £000	2022-23 £000	2022-23 £000	2021-22 £000
	NHS Trust			Consolidated		
Minimum lease payments	429	0	2,276	429	0	2,276
Contingent rents	0	0	0	0	0	0
Sub-lease payments	0	0	0	0	0	0
Total	429	0	2,276	429	0	2,276
Total future minimum lease payments	2022-23	2022-23	2021-22	2022-23	2022-23	2021-22
Payable:	£000	£000	£000	£000	£000	£000
	NHS Trust			Consolidated		
Not later than one year	79	0	1,762	79	0	1,762
Between one and five years	101	0	2,843	101	0	2,843
After 5 years	0	0	570	0	0	570
Total	180	0	5,175	180	0	5,175
Total future sublease payments expected to be received	0	0	0	0	0	0

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only. Previously reported expenditure of £nil and minimum lease payments of £4.8m transitioned to the balance sheet as right of use assets.

9. Future change to SoCI/Operating Leases (continued)

9.2 Trust as lessor

NWSSP continues to lease two areas of Matrix House to commercial entities. It also continues to lease areas of Matrix House to the Welsh Ambulance Services NHS Trust and Public Health Wales NHS Trust for zero consideration.

NWSSP also continues to lease a laboratory area of the IP5 warehouse to Public Health Wales for zero consideration. It also leased an area of the IP5 warehouse to DHSC for the Lighthouse Laboratory, but this arrangement ended during 2022/23.

Velindre Cancer Centre has an ongoing agreement with Cancer Research Wales to lease space in the research block building of Velindre Cancer Centre. Rental income is also received in respect of the staff residence in Whitchurch, Cardiff.

Rental Revenue

	Post Implementation of IFRS 16 2022-23 £000	Pre implementation of IFRS 16 2021-22 £000	Post Implementation of IFRS 16 2022-23 £000	Pre implementation of IFRS 16 2021-22 £000
	NHS Trust		Consolidated	
Rent	100	133	100	133
Contingent rent	0	0	0	0
Other	0	0	0	0
Total rental revenue	100	133	100	133

Total future minimum lease payments

	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
	NHS Trust		Consolidated	
Not later than one year	71	266	71	266
Between one and five years	97	691	97	691
After 5 years	0	414	0	414
Total	168	1,371	168	1,371

10. Employee costs and numbers

10.1 Employee costs Operational Staff	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2022-23	2021-22
						£000	£000
	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	129,105	754	2,273	2,208	5,188	139,528	121,600
Social security costs	12,939	0	0	269	223	13,431	12,901
Employer contributions to NHS Pensions Scheme	23,425	0	0	266	343	24,034	23,247
Other pension costs	48	0	0	0	0	48	42
Other post-employment benefits	0	0	0	0	7	7	5
Termination benefits	83	0	0	0	0	83	102
Total	165,600	754	2,273	2,743	5,761	177,131	157,897

Of the total above:

Charged to capital	2,231	1,633
Charged to revenue	174,900	156,264
Total	177,131	157,897

Net movement in accrued employee benefits (untaken staff leave)	(25)	35
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		538
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		(503)

The majority of staff reported as "other" are individuals working under NWSSP bank arrangements.

10.2 Average number of employees

	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	2022-23	2021-22
						Total	Total
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,029	12	18	0	62	2,121	2,029
Medical and dental	84	1	0	30	6	121	117
Nursing, midwifery registered	208	0	0	0	5	213	204
Professional, scientific and technical staff	77	0	1	0	0	78	73
Additional Clinical Services	232	0	1	0	10	243	247
Allied Health Professions	140	0	7	0	0	147	139
Healthcare scientists	157	0	1	0	7	165	153
Estates and Ancillary	524	0	36	0	65	625	641
Students	3	0	0	0	2	5	3
Total	3,454	13	64	30	157	3,718	3,606

The average number is calculated using the full time equivalent (FTE) of employees.

10.3. Retirements due to ill-health

Number

Estimated additional pension costs £

2022-23

2021-22

Please see note 10.9 for information relating to both operational and non operational staff. The information is supplied by the NHS Pensions Agency and is not split at source.

10.4 Employee benefits

The Trust operates four salary sacrifice schemes (childcare vouchers, cycle to work, home electronics and lease cars) for the financial benefit of its employees. In addition, staff have access to a non contributory Employee Assistance Programme which provides financial wellbeing support; a financial wellbeing scheme to provide staff with access to simple financial education; salary deducted loans, and a range of savings and investment products. In 2022-2023 the Trust launched a health cash plan where staff can claim money back on everyday healthcare costs. It also provided a summer childcare subsidy scheme in 2022-2023 and a purchase of annual leave scheme.

10.5 Reporting of other compensation schemes - exit packages

	2022-23	2022-23	2022-23	2022-23	2021-22
Exit packages cost band (including any special payment element)	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only	Number of departures where special payments have been made Whole numbers only	Total number of exit packages Whole numbers only
less than £10,000	0	1	1	1	0
£10,000 to £25,000	1	0	1	0	0
£25,000 to £50,000	0	2	2	2	1
£50,000 to £100,000	0	0	0	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	1	3	4	3	2

	2022-23	2022-23	2022-23	2022-23	2021-22
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	3,178	3,178	3,178	0
£10,000 to £25,000	21,567	0	21,567	0	0
£25,000 to £50,000	0	58,284	58,284	58,284	25,899
£50,000 to £100,000	0	0	0	0	75,874
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	21,567	61,462	83,029	61,462	101,773

Exit costs paid in year of departure	Total paid in year 2022-23 £	Total paid in year 2021-22 £
Exit costs paid in year	158,903	25,899
Total	158,903	25,899

Redundancy and other departure costs have been paid in accordance with the provisions of the relevant schemes or legislation. Where the Trust has agreed early retirements or compulsory redundancies, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table (see notes 10.3 & 10.9 for details of ill health retirement costs).

The disclosure reports the number and value of exit packages agreed in the year in line with the Welsh Government manual for accounts. The values payable to the individuals are shown. Any on costs are excluded as they do not form part of the payment to the individual.

There were 3 special payments agreed in 2022/2023 (2021/2022 nil).

The maximum payment made during 2022/23 was £30,081, the lowest payment made during 2022/23 was £3,178, with the median payment being £24,885

10.6 Fair Pay disclosures

10.6.1 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.

	2022-23 £000 Chief Executive	2022-23 £000 Employee	2022-23 Ratio	2021-22 £000 Chief Executive	2021-22 £000 Employee	2021-22 Ratio
Total pay and benefits						
25th percentile pay ratio	152.0	24.0	6.3	147.5	22.0	6.7
Median pay	152.0	29.0	5.2	147.5	26.4	5.6
75th percentile pay ratio	152.0	44.0	3.5	147.5	40.3	3.7
Salary component of total pay and benefits						
25th percentile pay ratio	152.0	24.0		147.5	21.8	
Median pay	152.0	27.0		147.5	24.9	
75th percentile pay ratio	152.0	42.0		147.5	40.1	

In 2022-23, 11 (2021-2022, 8) employees received remuneration in excess of the highest-paid Chief Executive.

Remuneration for all staff ranged from £21,100 to £236,100 (2021-2022, £18,600 to £227,500).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees. As the Highest Paid Director has no control over the performance of the Trust, the information in the lower half of the table has not been included.

Financial year summary

The current financial year's pay ratios are not dissimilar to the previous year. The decrease in the median pay ratio is generally attributable to an increase in the banding of the remuneration of the Chief Executive.

10.6.2 Percentage Changes	2021-22 to 2022-23	2020-21 to 2021-22
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	3.4	3.5
Performance pay and bonuses	0	0
% Change from previous financial year in respect of highest paid director		
Salary and allowances		
Performance pay and bonuses		
Average % Change from previous financial year in respect of employees taken as a whole		
Salary and allowances	9.1	-5.6
Performance pay and bonuses	0	0

The average % change from the previous financial year in respect of employees taken as a whole has increased primarily due to an increase in the sum of allowances paid.

The employees of the Trust do not receive any performance pay or bonuses.

10.7 Operational and Non Operational Employee costs

	Non operational staff			Total 2022-23	2021-22
	Operational Staff Total	SLE Trainee Staff	Collaborative Bank Staff		
	£000	£000	£000	£000	£000
Salaries and wages	139,528	183,298	298	323,124	231,027
Social security costs	13,431	22,249	19	35,699	25,622
Employer contributions to NHS Pension Scheme	24,034	24,054	30	48,118	38,712
Other pension costs	48	0	0	48	42
Other employment benefits	7	0	0	7	5
Termination benefits	83	0	0	83	102
Total	177,131	229,601	347	407,079	295,510
Charged to capital	2,231	0	0	2,231	1,633
Charged to revenue	174,900	229,601	347	404,848	293,877
	177,131	229,601	347	407,079	295,510
Net movement in accrued employee benefits (untaken staff leave)	(25)	0	0	(25)	35
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)					538
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)					(503)

10.8 Average number of operational and non operational employees

	Non operational staff			Total 2022-23	2021-22
	Operational Staff Total Number	SLE Trainee Staff Number	Collaborative Bank Staff Number		
Administrative, clerical and board members	2,121	0	0	2,121	2,029
Medical and dental	121	2,979	0	3,100	2,131
Nursing, midwifery registered	213	0	6	219	209
Professional, Scientific, and technical staff	78	0	0	78	73
Additional Clinical Services	243	113	0	356	368
Allied Health Professions	147	0	0	147	139
Healthcare Scientists	165	0	0	165	153
Estates and Ancillary	625	0	0	625	641
Students	5	0	0	5	3
Total	3,718	3,092	6	6,816	5,746

10.9. Retirements due to ill-health

	2022-23	2021-22
Number	3	5
Estimated additional pension costs £	189,690	310,700

Information received from the NHS Pensions Agency does not provide detail on whether the retirements related to operational or non operational staff.

10.10 Employee benefits

The Single Lead Employer Trainees are entitled to the same employee benefits as the Velindre operational staff.

10.11 Reporting of other compensation schemes - exit packages

There have been no exit package payments for the Single Lead Employer Trainee staff, therefore the figures reported in Note 10.5 remain unchanged.

11. Pensions

PENSION COSTS

Past and present employees are covered by the provisions of the two 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 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme 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 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

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 2022-2023 tax year (2021-2022 £6,240 and £50,000).

Restrictions on the annual contribution limits were removed on 1st April 2017.

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

The Welsh Government requires that trusts 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 trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	2022-23	2022-23	2021-22	2021-22
	Number	£000	Number	£000
NHS				
Total bills paid in year	2,622	109,896	2,635	90,939
Total bills paid within target	2,272	104,135	2,388	81,381
Percentage of bills paid within target	86.7%	94.8%	90.6%	89.5%
Non-NHS				
Total bills paid in year	81,328	365,417	72,627	279,961
Total bills paid within target	77,780	343,678	69,488	270,196
Percentage of bills paid within target	95.6%	94.1%	95.7%	96.5%
Total				
Total bills paid in year	83,950	475,313	75,262	370,900
Total bills paid within target	80,052	447,813	71,876	351,577
Percentage of bills paid within target	95.4%	94.2%	95.5%	94.8%

12.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2022-23	2021-22
	£	£
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

13. Property, plant and equipment :

2022-23	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 31 March bf	17,756	84,488	283	29,664	43,408	7,910	21,208	1,866	206,583	0	206,583
NHS Wales Transfers	0	0	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset N	0	(12,133)	0	0	0	0	0	0	(12,133)	0	(12,133)
At 1 April 2022	17,756	72,355	283	29,664	43,408	7,910	21,208	1,866	194,450	0	194,450
Indexation	(327)	3,696	12	0	0	0	0	0	3,381	0	3,381
Additions - purchased	0	3,056	0	17,823	4,983	686	1,915	293	28,756	0	28,756
Additions - donated	0	0	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	1,400	(1,400)	0	0	113	0	0	0	113	0	113
Revaluation	2,629	(10,314)	(23)	0	0	0	0	0	(7,708)	0	(7,708)
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	(1,121)	0	0	0	0	0	0	(1,121)	0	(1,121)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(1,729)	(92)	(1,685)	0	(3,506)	0	(3,506)
At 31 March 2023	21,458	66,272	272	47,487	46,775	8,504	21,438	2,159	214,365	0	214,365
Depreciation											
Depreciation at 31 March bf	0	14,970	46	0	28,863	3,960	14,542	1,066	63,447	0	63,447
NHS Wales Transfers	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset N	0	(910)	0	0	0	0	0	0	(910)	0	(910)
At 1 April 2022	0	14,060	46	0	28,863	3,960	14,542	1,066	62,537	0	62,537
Indexation	0	508	0	0	0	0	0	0	508	0	508
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	45	0	0	0	45	0	45
Revaluation	0	(9,615)	(46)	0	0	0	0	0	(9,661)	0	(9,661)
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(1,729)	(92)	(1,684)	0	(3,505)	0	(3,505)
Charged during the year	0	2,829	10	0	2,951	895	1,994	147	8,826	0	8,826
At 31 March 2023	0	7,782	10	0	30,130	4,763	14,852	1,213	58,750	0	58,750
Net book value											
At 1 April 2022	17,756	58,295	237	29,664	14,545	3,950	6,666	800	131,913	0	131,913
Net book value											
At 31 March 2023	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
Net book value at 31 March 2023 comprises :											
Purchased	21,458	53,473	262	47,487	16,615	3,741	6,583	946	150,565	0	150,565
Donated	0	5,017	0	0	30	0	3	0	5,050	0	5,050
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2023	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
Asset Financing:											
Owned	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615
Held on finance lease	0	0	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2023	21,458	58,490	262	47,487	16,645	3,741	6,586	946	155,615	0	155,615

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000	£000	£000
Freehold	67,948	0	67,948
Long Leasehold	12,165	0	12,165
Short Leasehold	0	0	0
Total	80,113	0	80,113

Valuers 'material uncertainty', in valuation.

0 0 0

The disclosure relates to the materiality in the valuation report not that of the underlying account.

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. Trusts are 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 occupation.

13. Property, plant and equipment :

2021-22

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 31 March bf	17,463	72,876	270	23,315	36,743	6,409	42,072	1864	201,012	0	201,012
NHS Wales Transfers	0	(1,428)	0	(29)	(172)	(9)	(23,047)	-5	(24,690)	0	(24,690)
Prepayments	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note											
At 1 April 2021	17,463	71,448	270	23,286	36,571	6,400	19,025	1,859	176,322	0	176,322
Indexation	214	3,333	13	0	0	0	0	0	3,560	0	3,560
Additions - purchased	0	8,628	0	8,459	2,500	1,502	2,171	7	23,267	0	23,267
Additions - donated	0	0	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	79	1,077	0	0	5,933	70	31	0	7,190	0	7,190
Reclassifications	0	2	0	(2,081)	0	0	0	0	(2,079)	0	(2,079)
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(1,596)	(62)	(19)	0	(1,677)	0	(1,677)
At 31 March 2022	17,756	84,488	283	29,664	43,408	7,910	21,208	1,866	206,583	0	206,583
Depreciation											
At 1 April 2021	0	10,950	36	0	23,936	3,288	12,562	889	51,661	0	51,661
Indexation	0	485	1	0	0	0	0	0	486	0	486
Transfers from/(into) other NHS bodies	0	415	0	0	3,322	70	29	0	3,836	0	3,836
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	(1,565)	(62)	(19)	0	(1,646)	0	(1,646)
Charged during the year	0	3,120	9	0	3,170	664	1,970	177	9,110	0	9,110
At 31 March 2022	0	14,970	46	0	28,863	3,960	14,542	1,066	63,447	0	63,447
Net book value											
At 1 April 2021	17,463	60,498	234	23,286	12,635	3,112	6,463	970	124,661	0	124,661
Net book value											
At 31 March 2022	17,756	69,518	237	29,664	14,545	3,950	6,666	800	143,136	0	143,136
Net book value at 31 March 2022 comprises :											
Purchased	17,756	65,002	237	29,664	14,496	3,950	6,660	800	138,565	0	138,565
Donated	0	4,516	0	0	49	0	6	0	4,571	0	4,571
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2022	17,756	69,518	237	29,664	14,545	3,950	6,666	800	143,136	0	143,136
Asset Financing:											
Owned	17,756	69,518	237	29,664	14,545	3,950	6,666	800	143,136	0	143,136
Held on finance lease	0	0	0	0	0	0	0	0	0	0	0
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2022	17,756	69,518	237	29,664	14,545	3,950	6,666	800	143,136	0	143,136

The net book value of land, buildings and dwellings at 31 March 2022 comprises :

	£000	£000	£000
Freehold	66,047	0	66,047
Long Leasehold	21,464	0	21,464
Short Leasehold	0	0	0
Total	87,511	0	87,511

Valuers 'material uncertainty', in valuation.

0 0 0

The disclosure relates to the materiality in the valuation report not that of the underlying account.

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards. LHB s are 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 occupation.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

The Trust received no donated assets during the financial year 2022-23.

ii) Valuations

The Trust's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2022. The valuation has been prepared in accordance with the terms of the latest version of the Royal Institute of Chartered Surveyors' Valuation Standards.

The Trust 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.

The next District Valuation is due to take place during 2027-2028.

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 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

Impairments and revaluations are shown in the body of note 13.

vi) The Trust 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 Trust does not hold any assets for sale at the end of the financial year.

viii) Consultancy Services

The Trust capitalised a total of £827k of consultancy services during the financial year (including £773k related to the new hospital project and £48k to NWSSP).

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
Van	Insurance write-off	3
		<u>3</u>

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total	FHoT assets	Consolidated Total
	£000	£000	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2022	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	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	0	0
Balance c/f 31 March 2023	0	0	0	0	0	0	0	0
Balance b/f 1 April 2021	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	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	0	0
Balance c/f 31 March 2022	0	0	0	0	0	0	0	0

13.3 Right of Use Assets

The organisation's right of use asset leases are disclosed across the relevant headings below. Most are individually insignificant, however, the following are significant in their own right, all included in Land & Buildings:

	NBV at 31/03/2023
NWSSP Unit IP5 Imperial Park, Newport	£8,162,000
NWSSP Greenvale Laundry, Llanfrecfa	£2,460,000
NWSSP Alder House, St Asaph	£1,176,000
NWSSP Bridgend Stores, Bridgend	£507,000
NWSSP Surgical Materials Testing Laboratory, Bridgend	£562,000
NWSSP Companies House, 4th floor	£275,000
NWSSP Unit 25 Samlet Road, Swansea	£245,000
NWSSP Glan Clwyd Laundry, Rhyl	£234,000

2022-23	Land & Buildings				Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000	FHoT Assets £000	Consolidated Total £000
	Land £000	buildings £000	Buildings £000	Dwellings £000							
Cost or valuation at 31 March	0	0	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	0	0
Transfer of Finance Leases from PPE Note	0	12,133	0	0	0	0	0	0	12,133	0	12,133
Operating Leases Transitioning	0	7,439	0	0	595	24	0	0	8,058	0	8,058
Cost or valuation at 1 April	0	19,572	0	0	595	24	0	0	20,191	0	20,191
Additions	0	98	0	0	8	0	0	0	106	0	106
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	-3,816	0	0	0	0	0	0	-3,816	0	-3,816
De-recognition	0	0	0	0	0	0	0	0	0	0	0
At 31 March	0	15,854	0	0	603	24	0	0	16,481	0	16,481
Depreciation at 31 March	0	0	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases from PPE Note	0	910	0	0	0	0	0	0	910	0	910
Operating Leases Transitioning	0	0	0	0	0	0	0	0	0	0	0
Depreciation at 1 April	0	910	0	0	0	0	0	0	910	0	910
Recognition	0	0	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	-910	0	0	0	0	0	0	-910	0	-910
De-recognition	0	0	0	0	0	0	0	0	0	0	0
Provided during the year	0	1,497	0	0	169	12	0	0	1,678	0	1,678
At 31 March	0	1,497	0	0	169	12	0	0	1,678	0	1,678
Net book value at 1 April	0	18,662	0	0	595	24	0	0	19,281	0	19,281
Net book value at 31 March	0	14,357	0	0	434	12	0	0	14,803	0	14,803
RoU Asset Total Value Split by Lessor											
NHS Wales Peppercorn Leases	0	3,281	0	0	0	0	0	0	3,281	0	3,281
NHS Wales Market Value Leases	0	482	0	0	0	0	0	0	482	0	482
Other Public Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0	0	0
Other Public Sector Market Value Leases	0	440	0	0	0	0	0	0	440	0	440
Private Sector Peppercorn Leases	0	0	0	0	0	0	0	0	0	0	0
Private Sector Market Value Leases	0	10,154	0	0	434	12	0	0	10,600	0	10,600
Total	0	14,357	0	0	434	12	0	0	14,803	0	14,803

13.3 Right of Use Assets

Quantitative disclosures

Maturity analysis

Contractual undiscounted cash flows relating to lease liabilities	£000
Less than 1 year	1,148
2-5 years	1,819
> 5 years	687
Total	3,654

Lease Liabilities (net of irrecoverable VAT)

	£000
Current	1,123
Non-Current	2,420
Total	3,543

Amounts Recognised in Statement of Comprehensive Net Expenditure

	£000
Depreciation	1,676
Impairment	1,894
Variable lease payments not included in lease liabilities - Interest expense	40
Sub-leasing income	0
Expense related to short-term leases	369
Expense related to low-value asset leases (excluding short-term leases)	60

Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)

	£000
Interest expense	40
Repayments of principal on leases	1,366
Total	1,406

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Assets under Construction	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March bf	7,907	4,321	1,342	0	0	0	13,570	0	13,570
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
At 1 April 2022	7,907	4,321	1,342	0	0	0	13,570	0	13,570
Revaluation									
Reclassifications	(113)	0	0	0	0	0	(113)	0	(113)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(348)	0	0	0	0	0	(348)	0	(348)
Additions									
- purchased	1,934	581	1,786	0	0	0	4,301	0	4,301
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	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	(354)	0	(196)	0	0	0	(550)	0	(550)
At 31 March 2023	9,026	4,902	2,932	0	0	0	16,860	0	16,860
Amortisation									
Amortisation at 31 March bf	3,304	343	1,256	0	0	0	4,903	0	4,903
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
At 1 April 2022	3,304	343	1,256	0	0	0	4,903	0	4,903
Revaluation									
Reclassifications	(45)	0	0	0	0	0	(45)	0	(45)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	1,043	249	66	0	0	0	1,358	0	1,358
Reclassified as held for sale	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	(354)	0	(196)	0	0	0	(550)	0	(550)
Accumulated amortisation at 31 March 2023	3,948	592	1,126	0	0	0	5,666	0	5,666
Net book value At 1 April 2022	4,603	3,978	86	0	0	0	8,667	0	8,667
Net book value At 31 March 2023	5,078	4,310	1,806	0	0	0	11,194	0	11,194
Net book value									
Purchased	5,076	4,310	1,806	0	0	0	11,192	0	11,192
Donated	2	0	0	0	0	0	2	0	2
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0	0	0
At 31 March 2023	5,078	4,310	1,806	0	0	0	11,194	0	11,194

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	Assets under Construction	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March bf	42,122	6,710	4,658	0	0	0	53,490	0	53,490
NHS Wales Transfers	(37,352)	(4,183)	(3,319)	0	0	0	(44,854)	0	(44,854)
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
At 1 April 2021	4,770	2,527	1,339	0	0	0	8,636	0	8,636
Revaluation		0			0	0	0	0	0
Reclassifications	1,340	739	0	0	0	0	2,079	0	2,079
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Additions									
- purchased	1,797	1,055	3	0	0	0	2,855	0	2,855
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	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
At 31 March 2022	7,907	4,321	1,342	0	0	0	13,570	0	13,570
Amortisation									
Amortisation at 31 March bf	26,793	1,759	4,117	0	0	0	32,669	0	32,669
NHS Wales Transfers	(24,344)	(1,528)	(3,006)	0	0	0	(28,878)	0	(28,878)
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
At 1 April 2021	2,449	231	1,111	0	0	0	3,791	0	3,791
Revaluation		0			0	0	0	0	0
Reclassifications	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
Charged during the year	855	112	145	0	0	0	1,112	0	1,112
Reclassified as held for sale	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
Accumulated amortisation at 31 March 2022	3,304	343	1,256	0	0	0	4,903	0	4,903
Net book value									
At 1 April 2021	2,321	2,296	228	0	0	0	4,845	0	4,845
Net book value									
At 31 March 2022	4,603	3,978	86	0	0	0	8,667	0	8,667
Net book value									
Purchased	4,599	3,978	86	0	0	0	8,663	0	8,663
Donated	4	0	0	0	0	0	4	0	4
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0	0	0
At 31 March 2022	4,603	3,978	86	0	0	0	8,667	0	8,667

14. Intangible assets

Disclosures:

i) Donated Assets

There were no intangible assets donated or received by Government Grant this financial year.

ii) Recognition

Intangible assets comprise of licences for use of purchased IT software such as financial systems, internally generated IT software and various licences and trade marks.

An assessment is performed on an annual basis to determine that the assets are still available for use and that there is a continued market for their use. The fair values are based on the original cost and amortised based upon finite lives detailed below, and are as detailed in the notes to the accounts.

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 life (UEL) of intangible non-current assets are assigned on an individual asset basis. Software is generally assigned a 5 year UEL and the UEL of internally generated software is based on the professional judgement of Trust professionals and Finance staff. No intangible assets are assessed as having indefinite useful lives.

iv) Additions During the Period

Intangible additions were acquired from All Wales & Discretionary funding during the year, and have been analysed into the relevant categories.

v) Disposals During the Period

The Trust disposed of some software and licences during the year, all of which had net book values of nil.

15. Impairments

Impairments in the period arose from:	2022-23			2021-22		
	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000	Property, plant & equipment £000	Right of Use Assets £000	Intangible assets £000
Loss or damage from normal operations	0	0	0	0		0
Abandonment of assets in the course of construction	996	0	348	0		0
Over specification of assets (Gold Plating)	0	0	0	0		0
Loss as a result of a catastrophe	0	0	0	0		0
Unforeseen obsolescence	0	0	0	0		0
Changes in market price	125	1,894	0	0		0
Other	0	0	0	0		0
Reversal of impairment	0	0	0	0		0
Impairments charged to operating expenses	1,121	1,894	348	0		0
FHoT Impairments charged to operating expenses	0	0	0	0		0
Consolidated impairment charged to operating expenses	1,121	1,894	348	0		0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	1,121	1,894	348	0		0
Revaluation reserve	0	1,010	0	0		0
Total	1,121	2,904	348	0		0
FHoT Operating expenses in SoCNI	0	0	0	0		0
FHoT reserves	0	0	0	0		0
NHS Consolidated Total	1,121	2,904	348	0		0

£0.995m relates to exploratory costs for the All Wales Laundry capital scheme to reach OBC stage, which has now been abandoned following Welsh Government confirmation that there is insufficient capital funding for the programme to proceed as planned. £0.348m relates to the abandonment of a capital project due to a supplier issue which is progressing to legal proceedings. £1.894m is in respect of the impairment of the IP5 warehouse to the value in the District Valuer quinquennial report following the transfer to a Right of Use Asset under IFRS16 and £0.125m impairment is reported for Matrix House as a result of the District Valuer quinquennial valuation.

16. Inventories

16.1 Inventories

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Drugs	3,384	2,217	3,384	2,217
Consumables	24,962	57,422	24,962	57,422
Energy	0	0	0	0
Work in progress	0	0	0	0
Other	5,724	5,568	5,724	5,568
Total	34,070	65,207	34,070	65,207
Of which held at net realisable value:	13,011	2,290	13,011	2,290

DH Assets within other covered under	31 March 2023		31 March 2022	
	Capital £000	Revenue £000	Capital £000	Revenue £000
Memorandum of Understanding 1	0	0	227	0
Memorandum of Understanding 2	0	0	0	0
Memorandum of Understanding 3	0	0	0	0
	0	0	227	0

Department of Health and Social Care and National Health Commissioning Board Donated Assets

	31 March 2023		31 March 2022	
	Capital £000	Revenue £000	Capital £000	Revenue £000
At 1 April	227	0	561	544
Transferred under Memorandum of Understanding 1	0	0	0	0
Transferred under Memorandum of Understanding 2	0	0	730	86
Transferred under Memorandum of Understanding 3	0	0	1,491	0
Issued to NHS Wales bodies	0	0	(2,234)	(317)
Other Issues	0	0	(321)	(313)
AME Impairment	0	0	0	0
Returned to DH	0	0	0	0
Replacement from DH	0	0	0	0
As at 31 March	227	0	227	0

16.2 Inventories recognised in expenses

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Inventories recognised as an expense in the period	128,716	173,686	128,716	173,686
Write-down of inventories (including losses)	19,091	13,066	19,091	13,066
Reversal of write-downs that reduced the expense	0	0	0	0
Total	147,807	186,752	147,807	186,752

Of the stock balance at 31st March 2023, £13.672m relates to Covid PPE and Testing stock with the continued Welsh Government request to hold 16 weeks of PPE to provide resilience in the event of any additional Covid waves.

Due to the expansion of the NWSSP Medicines Unit during 2022/23, the stock balance now includes £1.070m of drugs stock at 31st March 2023.

£0.283m of Covid equipment stock is held at 31st March 2023, of which £0.227m was donated from DHSC in 2020/21.

The continued high value of inventories recognised as an expense in the period is reported due to (a) the quantities of PPE that have been issued from NWSSP stores during 2022/23, however this is a reduction on the 2021/22 values and (b) NICE and high cost drug purchases made by VCS in 2022/2023.

Included in the write down of inventories is a loss of £12.858m in respect of the revaluation of PPE stocks to net realisable value, in addition to the write off of £3.604m of either faulty stock or stock of no value to NHS Wales which is held for a potential donation to Africa, and £2.396m of provisions for the potential write off of items nearing their expiry date that are unlikely to be utilised given the current stock issue rates.

17. Trade and other receivables

17.1 Trade and other receivables

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Current				
Welsh Government	525,653	457,058	525,653	457,058
WHSSC & EASC	(1,754)	81	(1,754)	81
Welsh Health Boards	14,735	15,859	14,735	15,859
Welsh NHS Trusts	1,839	710	1,839	710
Welsh Special Health Authorities	2,626	2,911	2,626	2,911
Non - Welsh Trusts	118	160	118	160
Other NHS	219	141	219	141
2019-20 Scheme Pays - Welsh Government Reimbursement	170	339	170	339
Welsh Risk Pool Claim reimbursement:-				
NHS Wales Secondary Health Sector	68	9	68	9
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	26	0	26	0
Capital debtors- Tangible	0	0	0	0
Capital debtors- Intangible	0	0	0	0
Other debtors	12,866	16,934	12,811	15,849
FHoT debtor			65	4
Provision for impairment of trade receivables	(5,448)	(5,276)	(5,448)	(5,276)
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	9,831	5,103	9,831	5,103
Accrued income	4,793	4,449	4,793	4,449
Sub-total	565,742	498,478	565,752	497,397
Non-current				
Welsh Government	1,106,800	1,091,598	1,106,800	1,091,598
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Welsh Special Health Authorities	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	1	23	1	23
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0	0	0
Welsh Risk Pool Claim reimbursement				
NHS Wales Secondary Health Sector	0	0	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	128	128	128	128
Capital debtors- Tangible	0	0	0	0
Capital debtors- Intangible	0	0	0	0
Other debtors	0	0	0	0
FHoT debtor			0	0
Provision for impairment of trade receivables	0	0	0	0
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	118	259	118	259
Accrued income	0	0	0	0
Sub-total	1,107,047	1,092,008	1,107,047	1,092,008
Total trade and other receivables	1,672,789	1,590,486	1,672,799	1,589,405

The great majority of trade is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £9,366,000 (£3,935,000 in 2021-22).

The Welsh Government figure for 2021-22 has been restated from £498,807 to £457,058 to ensure consistent reporting with WG. WG Payables note has also been restated from £51,216 to £9,467.

17.2 Receivables past their due date but not impaired

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
	NHS Trust		Consolidated	
By up to 3 months	3,827	2,236	3,827	2,236
By 3 to 6 months	907	1,040	907	1,040
By more than 6 months	4,632	659	4,632	659
Balance at end of financial year	9,366	3,935	9,366	3,935

The increase in those debts aged more than 6 months old largely relates to monies due to NWSSP for an unfulfilled PPE contract.

17.3 Expected Credit Losses (ECL) Allowance for bad and doubtful debts

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Balance at 1 April	(5,276)	(2,411)	(5,276)	(2,411)
Transfer to other NHS Wales body	0	0	0	0
Provision utilised (Amount written off during the year)	40	100	40	100
Provision written back during the year no longer required	0	0	0	0
(Increase)/Decrease in provision during year	(291)	(3,567)	(291)	(3,567)
ECL/Bad debts recovered during year	79	602	79	602
Balance at end of financial year	(5,448)	(5,276)	(5,448)	(5,276)

The value of the provision remains high as an NWSSP doubtful debt raised in March 2022 of £3.248m remains unpaid.

17.4 Receivables VAT

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Trade receivables	233	252	233	252
Other	0	0	0	0
Total	233	252	233	252

18. Other financial assets

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	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	
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0
Non-Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	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	
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	5,572	5,826
Available for sale at FV	0	0	0	0
Total	0	0	5,572	5,826

19. Cash and cash equivalents

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Opening Balance	30,404	43,263	33,116	44,811
Net change in year	732	(12,859)	619	(11,695)
Closing Balance	31,136	30,404	33,735	33,116
Made up of:				
Cash with Government Banking Service (GBS)	31,112	30,385	31,112	30,385
Cash with Commercial banks	0	0	0	2,712
Cash in hand	24	19	24	19
Total cash	31,136	30,404	31,136	33,116
Current investments	0	0	2,599	0
Cash and cash equivalents as in SoFP	31,136	30,404	33,735	33,116
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0
Cash & cash equivalents as in Statement of Cash Flows	31,136	30,404	33,735	33,116

Current investments for the FHoT previously reported as 'cash with commercial banks' is reported in 2022/2023 as 'current investments'.

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are:

Lease Liabilities £nil
PFI liabilities £nil

The movement relates to cash, no comparative information is required by IAS 7 in 2022-23.

20. Trade and other payables at the SoFP Date	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Welsh Government	6,312	9,467	6,312	9,467
WHSSC & EASC	0	877	0	877
Welsh Health Boards	144,437	163,061	144,437	163,061
Welsh NHS Trusts	3,335	3,363	3,335	3,363
Welsh Special Health Authorities	1,937	62	1,937	62
Other NHS	2,553	2,418	2,553	2,418
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	4,920	26	4,920	26
National Insurance contributions payable to HMRC	5,157	155	5,157	155
Non-NHS trade payables - revenue	18,271	22,305	18,271	22,305
Local Authorities	84	91	84	91
Capital payables-Tangible	7,860	8,097	7,860	8,097
Capital payables- Intangible	1,735	537	1,735	537
Overdraft	0	0	0	0
FHoT payables			(1,476)	48
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0		0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	4,703	3,918	4,703	3,918
Non NHS Accruals	22,952	20,307	22,952	20,307
Deferred Income:				
Deferred income brought forward	1,167	1,210	1,167	1,210
Deferred income additions	1,458	753	1,458	753
Transfer to/from current/non current deferred income	(6)	0	(6)	0
Released to the Income Statement	(621)	(795)	(621)	(795)
Other liabilities - all other payables	0	0	0	0
PFI assets – deferred credits	0	0	0	0
PFI - Payments on account	0	0	0	0
Sub-total	226,254	235,852	224,778	235,900

The Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

The Welsh Government figure for 2021-22 has been restated from £51,216 to £9,467 to ensure consistent reporting with WG. WG Trade Receivables has been restated from £498,807 to £457,058

20. Trade and other payables at the SoFP Date (cont)

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Non-current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Welsh Government	2,500	7,000	2,500	7,000
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Welsh Special Health Authorities	0	0	0	0
Other NHS	0	0	0	0
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	0	0	0
National Insurance contributions payable to HMRC	0	0	0	0
Non-NHS trade payables - revenue	0	0	0	0
Local Authorities	0	0	0	0
Capital payables- Tangible	0	0	0	0
Capital payables- Intangible	0	0	0	0
Overdraft	0	0	0	0
FHoT payables			0	0
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0			0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	0	0	0	0
Non NHS Accruals	0	0	0	0
Deferred Income:				
Deferred income brought forward	336	301	336	301
Deferred income additions	250	35	250	35
Transfer to/from current/non current deferred income	6	0	6	0
Released to the Income Statement	0	0	0	0
Other liabilities - all other payables	0	0	0	0
PFI assets –deferred credits	0	0	0	0
Payments on account	0	0	0	0
Sub-total	3,092	7,336	3,092	7,336
Total	229,346	243,188	227,870	243,236

The WG non current creditor arose as a result of a requirement to hold additional stocks as a result of Brexit. The value has reduced in year as £4.5m stock for NWSSP was released and WG reimbursed. The remaining value relates to additional stocks still held by the Welsh Blood Service.

21. Borrowings	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Bank overdraft - Government Banking Service (GBS)	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
RoU Lease Liability	1,123		1,123	
Other	0	0	0	0
Total	1,123	0	1,123	0

Non-current				
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
RoU Lease Liability	2,421		2,421	
Other	0	0	0	0
Total	2,421	0	2,421	0

RoU Lease Liability Transitioning & Transferring	£000
RoU liability as at 31 March 2022	0
Transfer of Finance Leases from PPE Note	0
Operating Leases Transitioning	4,798
RoU Lease liability as at 1 April 2022	4,798

The opening liability as at 1 April 2022 was £4.798m: consisting of £4.330m for NWSSP and £0.468m for the Trust core services.

21.2 Loan advance/strategic assistance funding

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due:				
In one year or less	0	0	0	0
Between one and two years	0	0	0	0
Between two and five years	0	0	0	0
In five years or more	0	0	0	0
Sub-total	0	0	0	0
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	0	0	0	0
Sub-total	0	0	0	0
Total repayable after five years by instalments	0	0	0	0

The Trust has not received a loan advance or strategic funding from the Welsh Government.

22. Other financial liabilities

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Non-current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

23. Provisions
2022-23

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	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	£000
Current										
Clinical negligence:-										
Secondary Care	308,483	(40,291)	(33,716)	48,409	0	227,939	(61,159)	(88,156)	(4,637)	356,872
Primary Care	133	0	0	0	0	639	(69)	(72)	0	631
Redress Secondary Care	2,300	0	(366)	8	0	3,638	(1,183)	(1,276)	0	3,121
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	3,803	0	(8)	(197)	0	4,196	(1,821)	(2,333)	0	3,640
All other losses and special payments	0	0	0	0	0	16,839	(16,839)	0	0	0
Defence legal fees and other administration	5,404	0	0	363	0	4,315	(1,791)	(2,563)	0	5,728
Structured Settlements - WRPS	18,070	1,247	0	0	0	24,219	(19,116)	(679)	(4,323)	19,418
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	15		(5)	20	0	0	(17)	0	0	13
2019-20 Scheme Pays - Reimbursement	2		0	0	0	1	0	(2)	0	1
Restructurings	0		0	0	0	0	0	0	0	0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0	0	0
Other Capital Provisions	0		0	0	0	0	0	0	0	0
Other	2,913		0	569	0	3,244	0	(3,625)		3,101
Total	341,123	(39,044)	(34,095)	49,172	0	285,030	(101,995)	(98,706)	(8,960)	392,525
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	341,123	(39,044)	(34,095)	49,172	0	285,030	(101,995)	(98,706)	(8,960)	392,525
Non Current										
Clinical negligence:-										
Secondary Care	472,825	0	(400)	(48,687)	0	100,677	(15,318)	(27,945)	0	481,152
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	12	0	0	(12)	0	3	0	0	0	3
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	195	0	403	(247)	(139)	0	212
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,656	0	0	(79)	0	1,591	(292)	(599)	0	4,277
Structured Settlements - WRPS	615,107	39,044	0	0	0	13,489	0	(46,483)	0	621,157
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	53		0	(20)	0	9	0	0	0	42
2019-20 Scheme Pays - Reimbursement	337		0	0	0	169	0	(337)	0	169
Restructurings	0		0	0	0	0	0	0	0	0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0	0	0
Other Capital Provisions	0		0	0	0	0	0	0	0	0
Other	2,216		0	(569)	0	780	0	(520)	0	1,907
Total	1,094,206	39,044	(400)	(49,172)	0	117,121	(15,857)	(76,023)	0	1,108,919
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,094,206	39,044	(400)	(49,172)	0	117,121	(15,857)	(76,023)	0	1,108,919
TOTAL										
Clinical negligence:-										
Secondary Care	781,308	(40,291)	(34,116)	(278)	0	328,616	(76,477)	(116,101)	(4,637)	838,024
Primary Care	133	0	0	0	0	639	(69)	(72)	0	631
Redress Secondary Care	2,312	0	(366)	(4)	0	3,641	(1,183)	(1,276)	0	3,124
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	3,803	0	(8)	(2)	0	4,599	(2,068)	(2,472)	0	3,852
All other losses and special payments	0	0	0	0	0	16,839	(16,839)	0	0	0
Defence legal fees and other administration	9,060	0	0	284	0	5,906	(2,083)	(3,162)	0	10,005
Structured Settlements - WRPS	633,177	40,291	0	0	0	37,708	(19,116)	(47,162)	(4,323)	640,575
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	68		(5)	0	0	9	(17)	0	0	55
2019-20 Scheme Pays - Reimbursement	339		0	0	0	170	0	(339)	0	170
Restructurings	0		0	0	0	0	0	0	0	0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0	0	0
Other Capital Provisions	0		0	0	0	0	0	0	0	0
Other	5,129		0	0	0	4,024	0	(4,145)		5,008
Total	1,435,329	0	(34,495)	0	0	402,151	(117,852)	(174,729)	(8,960)	1,501,444
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,435,329	0	(34,495)	0	0	402,151	(117,852)	(174,729)	(8,960)	1,501,444

Expected timing of cash flows:

	In year to 31 March 2024	Between		Thereafter	Totals
		01-Apr-24 to 31 March 2028			
	£000	£000	£000	£000	£000
Clinical negligence:-					
Secondary Care	356,872	363,883	117,269		838,024
Primary Care	631	0	0		631
Redress Secondary Care	3,121	3	0		3,124
Redress Primary Care	0	0	0		0
Personal injury	3,640	212	0		3,852
All other losses and special payments	0	0	0		0
Defence legal fees and other administration	5,728	4,277	0		10,005
Structured Settlements - WRPS	19,418	83,967	537,190		640,575
Pensions - former directors	0	0	0		0
Pensions - other staff	13	42	0		55
2019-20 Scheme Pays - Reimbursement	1	2	167		170
Restructuring	0	0	0		0
RoU Asset Dilapidations CAME	0	0	0		0
Other Capital Provisions	0	0	0		0
Other	3,101	1,461	446		5,008
Total	392,525	453,847	655,072		1,501,444
FHoT	0	0	0		0
Consolidated Total	392,525	453,847	655,072		1,501,444

**23. Provisions NHS Trust
2022-23**

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	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	£000
Current										
Clinical negligence:-										
Secondary Care	90	0	0	0	0	1,723	0	(90)	0	1,723
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	26	0	0	0	0	19	0	(22)	0	23
All other losses and special payments	0	0	0	0	0	16,839	(16,839)	0	0	0
Defence legal fees and other administration	89	0	0	0	0	197	0	(92)	0	194
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	15		(5)	21	0	0	(17)	0	0	14
2019-20 Scheme Pays - Reimbursement	2		0	0	0	1	0	(2)	0	1
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0		0
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	2,914		0	569	0	3,245	0	(3,624)		3,104
Total	3,136	0	(5)	590	0	22,024	(16,856)	(3,830)	0	5,059
FHoT	0		0	0	0	0	0	0	0	0
Consolidated Total	3,136	0	(5)	590	0	22,024	(16,856)	(3,830)	0	5,059

Non Current										
Clinical negligence:-										
Secondary Care	0	0	0	0	0	0	0	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	53		0	(20)	0	9	0	0	0	42
2019-20 Scheme Pays - Reimbursement	337		0	0	0	169	0	(337)	0	169
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0		0
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	2,216		0	(569)	0	780	0	(520)		1,907
Total	2,606	0	0	(589)	0	958	0	(857)	0	2,118
FHoT	0		0	0	0	0	0	0	0	0
Consolidated Total	2,606	0	0	(589)	0	958	0	(857)	0	2,118

TOTAL										
Clinical negligence:-										
Secondary Care	90	0	0	0	0	1,723	0	(90)	0	1,723
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	26	0	0	0	0	19	0	(22)	0	23
All other losses and special payments	0	0	0	0	0	16,839	(16,839)	0	0	0
Defence legal fees and other administration	89	0	0	0	0	197	0	(92)	0	194
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	68		(5)	1	0	9	(17)	0	0	56
2019-20 Scheme Pays - Reimbursement	339		0	0	0	170	0	(339)	0	170
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0		0
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	5,130		0	0	0	4,025	0	(4,144)		5,011
Total	5,742	0	(5)	1	0	22,982	(16,856)	(4,687)	0	7,177
FHoT	0		0	0	0	0	0	0	0	0
Consolidated Total	5,742	0	(5)	1	0	22,982	(16,856)	(4,687)	0	7,177

Expected timing of cash flows:

	In year to 31 March 2024	Between 01-Apr-24 to 31 March 2028	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	1,723	0	0	1,723
Primary Care	0	0	0	0
Redress Secondary Care	0	0	0	0
Redress Primary Care	0	0	0	0
Personal injury	23	0	0	23
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	194	0	0	194
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	14	42	0	56
2019-20 Scheme Pays - Reimbursement	1	2	167	170
Restructuring	0	0	0	0
RoU Asset Dilapidations CAME	0	0	0	0
Other Capital Provisions	0	0	0	0
Other	3,104	1,461	446	5,011
Total	5,059	1,505	613	7,177
FHoT	0	0	0	0
Consolidated Total	5,059	1,505	613	7,177

23. Provisions WRP
2022-23

Current	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non-current	Transfers (to)/from other NHS body	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	£000
Clinical negligence:-										
Secondary Care	308,391	(40,291)	(33,716)	48,409	0	226,216	(61,159)	(88,066)	(4,637)	355,147
Primary Care	133	0	0	0	0	639	(69)	(72)	0	631
Redress Secondary Care	2,301	0	(366)	8	0	3,638	(1,183)	(1,276)	0	3,122
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	3,777	0	(8)	(197)	0	4,177	(1,821)	(2,311)	0	3,617
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	5,316	0	0	363	0	4,118	(1,791)	(2,471)	0	5,535
Structured Settlements - WRPS	18,070	1,247	0	0	0	24,219	(19,116)	(679)	(4,323)	19,418
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0		0
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	337,988	(39,044)	(34,090)	48,583	0	263,007	(85,139)	(94,875)	(8,960)	387,470
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	337,988	(39,044)	(34,090)	48,583	0	263,007	(85,139)	(94,875)	(8,960)	387,470

Non Current	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-										
Secondary Care	472,825	0	(400)	(48,687)	0	100,677	(15,318)	(27,945)	0	481,152
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	12	0	0	(12)	0	3	0	0	0	3
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	195	0	403	(247)	(139)	0	212
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,655	0	0	(79)	0	1,590	(292)	(599)	0	4,275
Structured Settlements - WRPS	615,107	39,045	0	0	0	13,489	0	(46,483)	0	621,158
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0		0
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	1,091,599	39,045	(400)	(48,583)	0	116,162	(15,857)	(75,166)	0	1,106,800
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,091,599	39,045	(400)	(48,583)	0	116,162	(15,857)	(75,166)	0	1,106,800

TOTAL	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Clinical negligence:-										
Secondary Care	781,216	(40,291)	(34,116)	(278)	0	326,893	(76,477)	(116,011)	(4,637)	836,299
Primary Care	133	0	0	0	0	639	(69)	(72)	0	631
Redress Secondary Care	2,313	0	(366)	(4)	0	3,641	(1,183)	(1,276)	0	3,125
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	3,777	0	(8)	(2)	0	4,580	(2,068)	(2,450)	0	3,829
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	8,971	0	0	284	0	5,708	(2,083)	(3,070)	0	9,810
Structured Settlements - WRPS	633,177	40,292	0	0	0	37,708	(19,116)	(47,162)	(4,323)	640,576
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
RoU Asset Dilapidations CAME	0		0	0	0	0	0	0		0
Other Capital Provisions	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	1,429,587	1	(34,490)	0	0	379,169	(100,996)	(170,041)	(8,960)	1,494,270
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,429,587	1	(34,490)	0	0	379,169	(100,996)	(170,041)	(8,960)	1,494,270

Expected timing of cash flows:

	In year		Between	Thereafter	Totals
	to 31 March 2024		01-Apr-24		
			to 31 March 2028		
	£000	£000	£000	£000	£000
Clinical negligence:-					
Secondary Care		355,147	363,885	117,269	836,301
Primary Care		631	0	0	631
Redress Secondary Care		3,122	3	0	3,125
Redress Primary Care		0	0	0	0
Personal injury		3,617	211	0	3,828
All other losses and special payments		0	0	0	0
Defence legal fees and other administration		5,535	4,274	0	9,809
Structured Settlements - WRPS		19,418	83,967	537,191	640,576
Pensions - former directors		0	0	0	0
Pensions - other staff		0	0	0	0
2019-20 Scheme Pays - Reimbursement		0	0	0	0
Restructuring		0	0	0	0
RoU Asset Dilapidations CAME		0	0	0	0
Other Capital Provisions		0	0	0	0
Other		0	0	0	0
Total		387,470	452,340	654,460	1,494,270
FHoT		0	0	0	0
Consolidated Total		387,470	452,340	654,460	1,494,270

The provisions relate to amounts over £25,000 in respect of ongoing claims against the NHS in Wales, the outcome of which will not be determined until the case has been finalised.

Timings of cashflow have been profiled to match total current liabilities. However, the total will include cases which may settle with a structured settlement, so the underlying cashflows will be over a number of years. Also, there can be delays in settlement dates anticipated for next year which will further impact the cashflow timings.

23. Provisions (continued)

2021-22

NHS Trust and Welsh Risk Pool

	At 1 April 2021	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	286,428	(56,929)	(8,495)	(9,360)	0	285,210	(94,727)	(93,594)	(50)	308,483
Primary Care	122	0	0	0	0	134	(81)	(42)	0	133
Redress Secondary Care	2,843	0	227	(10)	0	3,176	(1,712)	(2,224)	0	2,300
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6,428	0	(229)	1,292	0	5,932	(1,911)	(7,709)	0	3,803
All other losses and special payments	0	0	0	0	0	23,441	(23,441)	0	0	0
Defence legal fees and other administration	5,590	0	0	420	0	3,725	(1,930)	(2,401)	0	5,404
Structured Settlements - WRPS	15,111	1,700	0	0	0	18,568	(16,645)	(1,807)	1,143	18,070
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	18		(6)	22	0	0	(19)	0	0	15
2019-20 Scheme Pays - Reimbursement	0		0	0	0	2	0	0	0	2
Restructurings	0		0	0	0	0	0	0		0
Other	419		0	0	0	3,311	0	(817)		2,913
Total	316,959	(55,229)	(8,503)	(7,636)	0	343,499	(140,466)	(108,594)	1,093	341,123
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	316,959	(55,229)	(8,503)	(7,636)	0	343,499	(140,466)	(108,594)	1,093	341,123
Non Current										
Clinical negligence:-										
Secondary Care	359,188	0	0	9,195	0	130,985	(3,100)	(23,443)	0	472,825
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	6	0	0	9	0	10	(2)	(11)	0	12
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,292	0	0	(1,292)	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,289	0	0	(254)	0	1,026	(112)	(293)	0	3,656
Structured Settlements - WRPS	452,672	55,229	0	0	0	108,342	0	(1,136)	0	615,107
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	71		0	(22)	0	4	0	0	0	53
2019-20 Scheme Pays - Reimbursement	0		0	0	0	337	0	0	0	337
Restructurings	0		0	0	0	0	0	0		0
Other	2,264		0	0	0	642	0	(690)		2,216
Total	818,782	55,229	0	7,636	0	241,346	(3,214)	(25,573)	0	1,094,206
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	818,782	55,229	0	7,636	0	241,346	(3,214)	(25,573)	0	1,094,206
TOTAL										
Clinical negligence:-										
Secondary Care	645,616	(56,929)	(8,495)	(165)	0	416,195	(97,827)	(117,037)	(50)	781,308
Primary Care	122	0	0	0	0	134	(81)	(42)	0	133
Redress Secondary Care	2,849	0	227	(1)	0	3,186	(1,714)	(2,235)	0	2,312
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	7,720	0	(229)	0	0	5,932	(1,911)	(7,709)	0	3,803
All other losses and special payments	0	0	0	0	0	23,441	(23,441)	0	0	0
Defence legal fees and other administration	8,879	0	0	166	0	4,751	(2,042)	(2,694)	0	9,060
Structured Settlements - WRPS	467,783	56,929	0	0	0	126,910	(16,645)	(2,943)	1,143	633,177
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	89		(6)	0	0	4	(19)	0	0	68
2019-20 Scheme Pays - Reimbursement	0		0	0	0	339	0	0	0	339
Restructurings	0		0	0	0	0	0	0		0
Other	2,683		0	0	0	3,953	0	(1,507)		5,129
Total	1,135,741	0	(8,503)	0	0	584,845	(143,680)	(134,167)	1,093	1,435,329
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,135,741	0	(8,503)	0	0	584,845	(143,680)	(134,167)	1,093	1,435,329

24 Contingencies

24.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Legal claims for alleged medical or employer negligence;				
Secondary care	1,172,097	1,252,357	1,172,097	1,252,357
Primary Care	6,351	1,790	6,351	1,790
Secondary care - Redress	1,539	712	1,539	712
Primary Care - Redress	0	0	0	0
Doubtful debts	0	0	0	0
Equal pay cases	0	0	0	0
Defence costs	0	0	0	0
Other	0	0	0	0
Total value of disputed claims	1,179,987	1,254,859	1,179,987	1,254,859
Amount recovered under insurance arrangements in the event of these claims being successful	(1,179,711)	(1,254,460)	(1,179,711)	(1,254,460)
Net contingent liability	276	399	276	399

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme. The above figures include contingent liabilities for all Health Bodies in Wales.

24.2. Remote contingent liabilities

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Guarantees	0	0	0	0
Indemnities	102,503	60,204	102,503	60,204
Letters of comfort	0	0	0	0
Total	102,503	60,204	102,503	60,204

24.3 Contingent assets

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0

The Trust has no contingent assets.

25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date:
The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Property, plant and equipment	38,598	19,553	38,598	19,553
Right of Use Assets	0		0	
Intangible assets	6,068	83	6,068	83
Total	44,666	19,636	44,666	19,636

The Capital commitments include contract obligations of £32m in respect of the Integrated Radiotherapy Solution project and £11m for the enabling works at the new hospital site development.

26. Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out during the financial year

	Amounts paid out during year to 31 March 2023	
	Number	£
Clinical negligence	402	129,272,440
Personal injury	68	2,466,371
All other losses and special payments	338	20,023,038
Structured Settlements managed by WRP	264	19,483,889
Total	1,072	171,245,738
FHoT losses and special payments	0	0
Consolidated Total	1,072	171,245,738

Analysis of cases in excess of £300,000

Case Type	In year claims in excess of £300,000		Cumulative claims in excess of £300,000		
	Number	£	Number	£	
Cases in excess of £300,000:					
Velindre University NHS Trust	Losses & Special Payments; Clinical Negligence	5	16,733,415	6	17,037,361
WRP - Secondary Care:					
Secondary Care					
Aneurin Bevan UHB	Clinical Negligence	8	16,766,241	8	16,766,241
Betsi Cadwaladr UHB	Clinical Negligence	16	27,038,030	16	27,396,834
Cardiff and Vale UHB	Clinical Negligence; Personal Injury	14	19,978,044	14	19,978,044
Cwm Taf Morgannwg UHB	Clinical	14	21,872,901	14	31,708,369
Hywel Dda UHB	Clinical Negligence	10	11,703,490	10	13,113,726
Swansea Bay UHB	Clinical Negligence	10	8,684,908	10	12,217,878
Welsh Ambulance Service NHS Trust	Clinical Negligence	2	1,150,953	2	1,150,953
Sub-total		79	123,927,982	80	139,369,406
All other cases		986	44,857,336	986	119,254,282
Structured Settlements managed by WRP		7	2,460,420	7	16,870,060
Total cases		1,072	171,245,738	1,073	275,493,748

The Welsh Risk Pool (WRP) reimburses Trusts, Local Health Boards and Special Health Authorities for payments made in year. The WRP also manages annual payments directly to WRP claimants. They arise when a case settles with a Structured Settlement arrangement. The comparative figure of annual payments for 2021/22 is £16,644,570 for 235 transactions. Structured settlements relate to cases which have settled with a lower lump sum element within the total settlement value, plus annual payments over the lifetime of the claimant (the Periodical Payment Order). They typically relate to high value cases over £1M and are primarily used to meet the future care costs of the claimant as they fall due.

26.2 Velindre NHS Trust excluding WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out during the financial year

	Amounts paid out during year to 31 March 2023	
	Number	£
Clinical negligence	4	157,022
Personal injury	2	1,367
All other losses and special payments	9	16,879,531
Structured Settlements managed by WRP	0	0
Total	15	17,037,920
FHoT losses and special payments	0	0
Consolidated Total	15	17,037,920

Analysis of cases in excess of £300,000

	In year claims in excess of £300,000		Cumulative claims in excess of £300,000	
	Number	£	Number	£
Cases in excess of £300,000:				
Clinical Negligence	0	0	1	303,946
Other Losses	5	16,733,415	5	16,733,415
Sub-total	5	16,733,415	6	17,037,361
All other cases	10	304,505	9	702,122
Total cases	15	17,037,920	15	17,739,483

Other losses include stock revaluations of £12.9m and stock losses of £3.6m

26.3 WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out during the financial year

	Amounts paid out during year to 31 March 2023	
	Number	£
Clinical negligence	398	129,115,418
Personal injury	66	2,465,004
All other losses and special payments	329	3,143,507
Structured Settlements managed by WRP	264	19,483,889
Total	1,057	154,207,818
FHoT losses and special payments	0	0
Consolidated Total	1,057	154,207,818

Analysis of cases in excess of £300,000

	In year claims in excess of £300,000		Cumulative claims in excess of £300,000		
	Number	£	Number	£	
Cases in excess of £300,000:					
Secondary Care					
Aneurin Bevan UHB	Clinical Negligence	8	16,766,241	8	16,766,241
Betsi Cadwaladr UHB	Clinical Negligence	16	27,038,030	16	27,396,834
Cardiff and Vale UHB	Clinical Negligence; Personal Injury	14	19,978,044	14	19,978,044
Cwm Taf Morgannwg UHB	Clinical Negligence	14	21,872,901	14	31,708,369
Hywel Dda UHB	Clinical Negligence	10	11,703,490	10	13,113,726
Swansea Bay UHB	Clinical Negligence	10	8,684,908	10	12,217,878
Welsh Ambulance Service NHS Trust	Clinical Negligence	2	1,150,953	2	1,150,953
Primary Care		0	0	0	0
Sub-total		74	107,194,567	74	122,332,045
WRP Managed Structured Settlements		7	2,460,420	7	16,870,060
All other cases		976	44,552,831	976	118,552,160
Total cases		1,057	154,207,818	1,057	257,754,265

The Welsh Risk Pool (WRP) reimburses Trusts, Local Health Boards and Special Health Authorities for payments made in year. The WRP also manages annual payments directly to WRP claimants. They arise when a case settles with a Structured Settlement arrangement. The comparative figure of annual payments for 2021/22 is **£16,644,570** for **235** transactions. Structured settlements relate to cases which have settled with a lower lump sum element within the total settlement value, plus annual payments over the lifetime of the claimant (the Periodical Payment Order). They typically relate to high value cases over £1M and are primarily used to meet the future care costs of the claimant as they fall due.

27. Right of Use / Finance leases obligations

27.1 Obligations (as lessee)

The Trust currently has finance lease obligations in respect of Buildings and Non-Property.

Amounts payable under right of use asset / finance leases:

	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
LAND				
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.1 Finance leases obligations (as lessee) continued

Amounts payable under right of use asset / finance leases: BUILDINGS	Post	Pre	Post	Pre
	Implementation of IFRS 16 (RoU) 31 March 2023 £000	implementation of IFRS 16 (FL) 31 March 2022 £000	Implementation of IFRS 16 (RoU) 31 March 2023 £000	implementation of IFRS 16 (FL) 31 March 2022 £000
Minimum lease payments	NHS Trust		Consolidated	
Within one year	963	0	963	0
Between one and five years	1,540	0	1,540	0
After five years	687	0	687	0
Less finance charges allocated to future periods	(105)	0	(105)	0
Minimum lease payments	3,085	0	3,085	0
Included in: Current borrowings	941	0	941	0
Non-current borrowings	2,144	0	2,144	0
Total	3,085	0	3,085	0
Present value of minimum lease payments				
Within one year	941	0	941	0
Between one and five years	1,491	0	1,491	0
After five years	653	0	653	0
Total present value of minimum lease payments	3,085	0	3,085	0
Included in: Current borrowings	941	0	941	0
Non-current borrowings	2,144	0	2,144	0
Total	3,085	0	3,085	0

Amounts payable under right of use asset / finance leases: OTHER - Non Property	Post	Pre	Post	Pre
	Implementation of IFRS 16 (RoU) 31 March 2023 £000	implementation of IFRS 16 (FL) 31 March 2022 £000	Implementation of IFRS 16 (RoU) 31 March 2023 £000	implementation of IFRS 16 (FL) 31 March 2022 £000
Minimum lease payments	NHS Trust		Consolidated	
Within one year	185	0	185	0
Between one and five years	279	0	279	0
After five years	0	0	0	0
Less finance charges allocated to future periods	(6)	0	(6)	0
Minimum lease payments	458	0	458	0
Included in: Current borrowings	182	0	182	0
Non-current borrowings	276	0	276	0
Total	458	0	458	0
Present value of minimum lease payments				
Within one year	182	0	182	0
Between one and five years	276	0	276	0
After five years	0	0	0	0
Total present value of minimum lease payments	458	0	458	0
Included in: Current borrowings	182	0	182	0
Non-current borrowings	276	0	276	0
Total	458	0	458	0

27.2 Right of Use Assets / Finance lease receivables (as lessor)

Amounts receivable under right of use assets / finance leases:

The Trust has no finance lease receivables.

Amounts receivable under right of use assets / finance leases:	Post	Pre	Post	Pre
	Implementation of IFRS 16 (RoU)	implementation of IFRS 16 (FL)	Implementation of IFRS 16 (RoU)	implementation of IFRS 16 (FL)
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Gross investment in leases	NHS Trust		Consolidated	
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.3 Finance Lease Commitment

The Trust does not have any commitments becoming operational in a future period.

28. Private finance transactions

Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)

The Trust has no PFI or PPP Schemes.

29. Financial Risk Management

IFRS 7, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

NHS Trusts are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust treasury activity is subject to review by the Trust's internal auditors.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from the Welsh Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

Interest-rate risks

The great majority of NHS Trusts' financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

Foreign currency risk

NHS Trusts have no significant foreign currency income or expenditure and any such risk for Velindre University NHS Trust is underwritten by Welsh Government.

Credit Risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers as disclosed in the trade and other receivables note.

General

The powers of the Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

30. Movements in working capital

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Movements in working capital				
(Increase) / decrease in inventories	31,137	30,357	31,137	30,357
(Increase) / decrease in trade and other receivables - non-current	(15,039)	(274,866)	(15,039)	(274,866)
(Increase) / decrease in trade and other receivables - current	(67,264)	8,609	(68,355)	9,383
Increase / (decrease) in trade and other payables - non-current	(4,244)	35	(4,244)	35
Increase / (decrease) in trade and other payables - current	(9,598)	(75,535)	(11,122)	(75,594)
Total	(65,008)	(311,400)	(67,623)	(310,685)
Adjustment for accrual movements in fixed assets - creditors	(961)	(2,415)	(961)	(2,415)
Adjustment for accrual movements in fixed assets - debtors	0	(187)	0	(187)
Other adjustments	9,241	(1,093)	9,368	(1,077)
Total	(56,728)	(315,095)	(59,216)	(314,364)

31. Other cash flow adjustments

	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
	NHS Trust		Consolidated	
Other cash flow adjustments				
Depreciation	10,504	9,110	10,504	9,110
Amortisation	1,358	1,112	1,358	1,112
(Gains)/Loss on Disposal	(3)	0	(3)	0
Impairments and reversals	3,363	0	3,363	0
Release of PFI deferred credits	0	0	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	0	0	0
NWSSP Covid assets received credited to revenue but non-cash	0	0	0	0
Donated assets received credited to revenue but non-cash	0	0	0	0
Government Grant assets received credited to revenue but non-cash	0	0	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non ca:	0		0	
Non-cash movements in provisions	183,967	443,268	183,967	443,268
Total	199,189	453,490	199,189	453,490

32. Events after reporting period

NHS Wales bodies were notified in a pay circular letter issued on 25th May 2023 by the Welsh Government, of the additional pay arrangements for employees covered by the Agenda for Change terms and conditions in Wales for 2022-23, which will be funded by the Welsh Government.

NHS Wales bodies will make a one off non-consolidated, prorated "recovery payment" for staff employed on the Agenda for Change terms and conditions (this includes most NHS staff including nursing staff but excludes medical staff).

These costs have not been recognised in the 2022-23 financial statements because the obligating event was the publication of the offer agreed with the Minister on 20 April 2023 and therefore post 31st March 2023. The costs will be accounted for in the 2023-24 Annual Accounts of NHS Wales bodies.

The estimated cost is £3.419m.

The detailed extent and condition of the NHS Wales organisations' buildings identified as having Reinforced Autoclaved Aerated Concrete (RAAC), has yet to be completed. Thus to make an informed assessment to determine the remaining life assessment of the buildings further work is required. This work is being undertaken at present across all of the NHS Estate (which will hopefully be completed by late summer 2023) which will enable such an assessment to be made for the 23-24 financial year.

During the financial year, it was identified that in order to progress with the building of the new Velindre Cancer Centre, a European Protected Species Licence is required to allow clearance of the site in early 2023/2024. To secure this licence, a portion of the neighbouring Cardiff and Vale UHB site is required to create around 1.6 hectares of new habitat. The Trust Board agreed on 28 April 2023 that the Trust should express an interest in the acquisition of the site.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 01 Aug 2023; post the date the financial statements were certified by the Auditor General for Wales.

33. Related Party transactions

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services.

The Welsh Government is regarded as a related party. During the year, the Trust has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

Related Party	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	34,670	302,408	8,812	1,632,351
WHSSC	600	53,062	164	(1,754)
Aneurin Bevan UHB	29,264	78,852	33,156	3,043
Betsi Cadwaladr UHB	39,389	53,808	30,160	3,494
Cardiff and Vale UHB	27,782	95,552	21,306	3,814
Cwm Taf Morgannwg UHB	36,166	63,239	16,445	(669)
Hywel Dda UHB	18,614	28,612	20,642	2,213
Powys THB	1,300	3,334	1,300	399
Swansea Bay UHB	20,093	51,982	21,270	2,440
Public Health Wales NHS Trust	446	8,686	944	1,150
Welsh Ambulance Service NHS Trust	3,061	2,275	2,334	689
Health Education & Improvement Wales	14	56,494	6	2,175
Digital Health & Care Wales	4,874	1,520	1,930	449
Welsh Risk Pool	0	45	0	57
Welsh Local Authorities (excluding those listed below where declarations of interest have been received):	1,388	26	87	26

Parties where specific interests have been declared	Name of individual declaring interest	Nature of the relationship				
Pembrokeshire County Council	Martin Veale, Independent Member	Lay Member of Audit Committee	(1)	0	8	0
Capita	Donna Mead, Chair	Party employs son	3	0	23	0
City Hospice	Stephen Harries, Vice Chair	Member Partner in Company	(3)	295	3	101
CTX-Cyf	Chief Operating Officer - Cath C Sarah Morley, Executive Director of Organisational Development & Workforce	Director	(1)	0	0	0
Healthcare People Management Association	Gareth Jones, Independent Member	Joint President & Trustee	11	0	1	0
John Sisk	Cath O'Brien, Chief Operating Officer	Senior Counsel COB: Director	9	0	14	0
Life Sciences Hub	Neil Frow, NWSSP Accountable Officer	NF: Observer at Board	48	0	4	0
			217,727	800,190	158,609	1,649,978

In addition, the Trust has had a number of material transactions with other Government departments and other central and local Government bodies. The majority of these transactions have been with universities; and other transactions include payments to English, Scottish and Irish NHS organisations amounting to £13,594,000 (2021/2022 £10,053,000); of this total £2,208,000 (2021/2022 £1,610,550) related to an English Trust that provides a lease car salary sacrifice scheme to Trust employees.

The Trust Board is the corporate trustee of Velindre University NHS Trust Charitable Funds. During the year the Trust received £1,343,000 (2021/2022 £2,791,000) from Velindre University NHS Trust Charitable Funds.

Welsh Government expenditure excludes £18,479,000 that relates to Public Dividend Capital (PDC) received during 2022/2023 (2021/2022 £9,486,000 was received).

Transactions with Capita, City Hospice, CTX-Cyf, Healthcare People Management Association, Life Sciences Hub and John Sisk have been disclosed due to senior Trust managers declaring an interest in these parties and as the transactions could be of material value to these companies.

34. Third party assets

The Trust held £nil cash at bank and in hand at 31 March 2023 (31 March 2022, £nil) which relates to monies held by the Trust on behalf of patients. Cash held in Patient's Investment Accounts amounted to £nil at 31 March 2023 (31 March 2022, £nil).

35. Pooled budgets

Velindre University NHS Trust has no pooled budgets.

36. Operating Segments

IFRS 8 requires organisations to report information about each of its operating segments.

36. Operating Segments

	VELINDRE		NWSSP		WRP		TOTAL		FHOT		ELIMINATIONS		CONSOLIDATED	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Operating Revenue														
Segmental Income	183,449	171,601	572,881	444,770	201,411	427,428	957,741	1,043,799	4,781	3,066	(1,343)	(2,791)	961,179	1,044,074
	183,449	171,601	572,881	444,770	201,411	427,428	957,741	1,043,799	4,781	3,066	(1,343)	(2,791)	961,179	1,044,074
Operating Expenses														
Local Health Boards	243	250	14,241	11,214	0	0	14,484	11,464	0	0	0	0	14,484	11,464
Welsh NHS Trusts	0	0	18	23	0	0	18	23	0	0	0	0	18	23
Welsh Special Health Authorities	451	10	1,570	1,160	0	0	2,021	1,170	0	0	0	0	2,021	1,170
Goods and services from other NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WHSSC & EASC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Local Authorities	3	0	0	0	0	0	3	0	0	0	0	0	3	0
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other NHS Trusts	0	0	508	514	0	0	508	514	0	0	0	0	508	514
Directors' costs	1,420	1,392	0	0	0	0	1,420	1,392	0	0	0	0	1,420	1,392
Operational staff costs	80,121	72,919	91,225	81,063	0	0	171,346	153,982	0	0	0	0	171,346	153,982
Non operational trainee staff costs	0	0	229,121	137,379	0	0	229,121	137,379	0	0	0	0	229,121	137,379
Non operational collaborative bank staff costs	0	0	347	234	0	0	347	234	0	0	0	0	347	234
Single lead employer staff trainee costs	2,743	1,033	0	0	0	0	2,743	1,033	0	0	0	0	2,743	1,033
Collaborative bank staff costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supplies and services - clinical	80,909	77,334	64,083	58,840	0	0	144,992	136,174	0	0	0	0	144,992	136,174
Supplies and services - general	657	292	82,683	77,755	0	0	83,340	78,047	0	0	0	0	83,340	78,047
Consultancy Services	2,403	841	1,547	3,383	0	0	3,950	4,224	0	0	0	0	3,950	4,224
Establishment	2,777	3,053	10,429	9,330	0	0	13,206	12,383	0	0	0	0	13,206	12,383
Transport	953	811	2,530	2,349	0	0	3,483	3,160	0	0	0	0	3,483	3,160
Premises	5,908	5,891	23,954	18,880	0	0	29,862	24,771	0	0	0	0	29,862	24,771
FHOT Resources expended:														
Costs of generating funds	0	0	0	0	0	0	0	0	965	362	(311)	(205)	654	157
Charitable activities	0	0	0	0	0	0	0	0	1,110	2,206	(932)	(2,512)	178	(306)
Governance Costs	0	0	0	0	0	0	0	0	83	59	(100)	(74)	(17)	(15)
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	5,469	5,987	3,357	3,123	0	0	8,826	9,110	0	0	0	0	8,826	9,110
Depreciation (RoU Asset)	148		1,529				1,677						1,677	
Amortisation	787	680	571	432	0	0	1,358	1,112	0	0	0	0	1,358	1,112
Impairments and reversals of property, plant and equipment	0	0	1,121	0	0	0	1,121	0	0	0	0	0	1,121	0
Fixed asset impairments and reversals (RoU Assets)	0	0	1,894	0	0	0	1,894	0	0	0	0	0	1,894	0
Impairments and reversals of intangible assets	0	0	348	0	0	0	348	0	0	0	0	0	348	0
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	236	224	7	0	0	0	243	224	17	15	0	0	260	239
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	(1,084)	472	19,659	21,082	209,408	426,335	227,983	447,889	0	0	0	0	227,983	447,889
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NWSSP centrally purchased and donated COVID items issued free of charge to NHS Wales organisations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NWSSP centrally purchased COVID items issued free of charge to other organisations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expense related to short-term leases	197		172				369						369	
Expense related to low-value asset leases (excluding short-term leases)	40		20				60						60	
Other operating expenses	256	408	21,903	18,242	963	0	23,122	18,650	0	0	0	0	23,122	18,650
Total	184,637	171,597	572,837	445,003	210,371	426,335	967,845	1,042,935	2,175	2,642	(1,343)	(2,791)	968,677	1,042,786
Investment Revenue	1,257	23	0	0	0	0	1,257	23	144	114	0	0	1,401	137
Other Gains and Losses	0	3	3	0	0	0	3	3	0	0	0	0	3	3
Finance Costs	(4)	0	(36)	0	8,960	(1,093)	8,920	(1,093)	0	0	0	0	8,920	(1,093)
SURPLUS / (DEFICIT)	65	30	11	(233)	0	0	76	(203)	2,750	538	0	0	2,826	335

(excluding donated assets received or issued)

37. Other Information

37.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2022 to 31 March 2023. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2022 and February 2023 alongside Trust data for March 2023.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

	2022-23	2021-22
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 31 MARCH 2023	£000	£000
Revenue from patient care activities	14,659	11,406
Operating expenses	14,659	11,406
3. Analysis of gross operating costs		
3. Revenue from patient care activities		
Welsh Government	3,373	3,160
Welsh Government - Hosted Bodies	3,868	3,535
4. Other Operating Revenue		
Other	7,418	4,711
5.1 Operating expenses		
Directors' costs	59	58
Operational staff costs	7,182	6,604
Non operational trainee staff costs	7,328	4,704
Non operational collaborative bank staff costs	9	7
Single lead employer staff trainee cost	81	33
Collaborative bank staff cost	0	0

Notional income reported as 'other operating revenue' is from Local Health Boards, Welsh NHS Trusts and Welsh Special Health Authorities in respect of the Single Lead Employer (SLE) trainees employed via NWSSP and operational within the respective organisation.

37. Other Information (continued)

37.2 Other (continued)

Welsh Government Covid 19 Funding

Details of Covid 19 Pandemic Welsh Government funding amounts provided to the Trust:

	NWSSP 2022-23 £000	Velindre 2022-23 £000	Total 2022-23 £000	Total 2021-22 £000
Capital				
Capital Funding Field Hospitals				0
Capital Funding Equipment & Works				675
Capital Funding other (Specify)				0
Welsh Government Covid 19 Capital Funding	-	-	-	675
Revenue				
Stability Funding	4,580	575	5,155	7,406
Covid Recovery	0	0	0	3,479
Cleaning Standards	0	0	0	769
PPE (including All Wales Equipment via NWSSP)	25,850	70	25,920	47,180
Testing / TTP- Testing & Sampling - Pay & Non Pay	0	0	0	3,941
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	0	0	0	0
Extended Flu Vaccination / Vaccination - Extended Flu Programme	0	0	0	0
Mass Covid-19 Vaccination / Vaccination - COVID-19	1,337	224	1,561	1,853
Annual Leave Accrual - Increase due to Covid				0
Urgent & Emergency Care				77
Private Providers Adult Care / Support for Adult Social Care Providers				0
Hospices				4,500
Other Mental Health / Mental Health				0
Other Primary Care	0	0	0	0
Social Care				0
Dental Patient charges				0
Nosocomial C19 Funding	0	4	4	0
Other	0	0	0	0
Welsh Government Covid 19 Revenue Funding	31,767	873	32,640	69,205

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

NHS TRUSTS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities)