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Addysg a Gwella Iechyd
Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

HEALTH EDUCATION & IMPROVEMENT WALES

ANNUAL REPORT AND ACCOUNTS 2022/2023

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Performance Report 2022/23

PERFORMANCE REPORT 2022-23

Welcome from our Chair and Chief Executive

We are pleased to present this annual report for 2022/2023. We are now in our 5th year as an organisation. The Chief Executive summary gives an insight into how the organisation has continued to develop, perform, and deliver during the year. The country has faced recovery from the Covid pandemic, the emergence of the war in Ukraine, economic challenges with rising inflation, a very tight labour market and continuing industrial action involving key NHS workforce.

We would want to fully recognise the dedication, professionalism and energy of our staff that form team HEIW.

There have been significant changes in our Independent Members. with 3 new members joining the Board during the year. One Independent member has left to take up the Chair role in Cwm Taf Morgannwg LHB. Our Independent Members bring a wealth of experience and energy to the Board.

We have continued to build and develop our partnerships with a wide range of stakeholders across the NHS, social care, education, regulators, professional bodies and most importantly our trainees and students. Our Stakeholder Reference Group continues to mature and is well attended, engaged and involved. The relationship with Welsh Government is key to effective work, and new relationships with the NHS Executive and The National Workforce Implementation Plan are key enablers for delivering on the Strategic Workforce Plan for Health and Social Care to support A Healthier Wales.

Our focus is always on improving care and bettering outcomes through education, training and workforce development, underpinned by the ambition of the Workforce Strategy for Health and Social Care. Our system leadership role in compassionate and collective leadership has matured significantly. The development of our Integrated Medium Term Plan sets out what we will be delivering across our functions, including workforce planning and intelligence, careers and widening access, workforce transformation, and education and training. Our transformation of education and our focus on the digital opportunities in partnership with Digital Health Care Wales (DHCW) are fundamental to meeting the needs of the service whilst widening access and opportunity to train, work, and live in Wales, serving the Welsh population. Through our educational commissioning budgets, the organisation supports the socioeconomic duty, and our work on addressing access, diversity and inclusion is maturing with a particular focus on differential attainment for our trainees and students. From September 2022, Nursing Studies commenced at Aberystwyth University. More courses are available through the medium of Welsh. We are actively pursuing the Mwy Na Geiriau agenda.

The pipeline and sustainability of our NHS workforce are key determinants for the future NHS. During the year a key highlight was the development, launch of the Strategic Mental Health Workforce Plan – and securing full funding for 2023/2024. There is a key focus for 2023/24 on the development of the Strategic Workforce Plan for Pharmacy, the Strategic Primary Care Workforce Plan and the Strategic Nursing Workforce Plan. The Nurse Retention Plan will be a key component of the ongoing work.

No doubt 2023/2024 will bring its own challenges – however we believe the organisation can contribute positively to ensuring the workforce is well trained and well supported through compassionate leadership to meet the needs of the service

Dr Chris Jones

Alex Howells

Chair

Chief Executive Officer

27 July 2023

27 July 2023

Chief Executive's Foreword

In 2022/23, NHS Wales has experienced unprecedented demand, the focus has been on recovery from the pandemic and supporting strategic programmes of work that will deliver long term benefits for the health and care workforce.

The aims and objectives of the IMTP 2022-25 were delivered in conjunction with emerging priorities, adjusting where necessary to support the needs of the service.

Overall, HEIW has made good progress on delivering 56 strategic objectives across our six strategic aims, thanks to the professionalism and dedication of our staff and ongoing cooperation of our partners

Many of these are core to the implementation of the Workforce Strategy for Health and Social Care and include:

- The development and approval of the 2023/24 Education Commissioning and Training Plan, which is the vehicle for agreeing the numbers of staff we train in Wales.
- The launch of the Strategic Mental Health Workforce Plan, which also developed a methodology which is now being applied in other critical areas including nursing and pharmacy.
- Deployment of a range of new health professional undergraduate education provisions in Welsh Universities (Phase 1 of the Strategic Review of Health Professional Education).
- New education and training provision through the multi professional primary and community education and training framework.
- Support for the workforce solutions needed for many national programmes, including peri-natal, primary care, urgent and emergency care, planned care, nursing, imaging and endoscopy.
- Talent pipeline development through dedicated leadership and succession programmes.
- Development of Careersville, the digital platform created to enable users to explore different health and care careers. This now has eight dedicated "buildings" and a skills library to support the 350 NHS roles on offer.
- Continued implementation of new education and training standards for pharmacists.
- Implementation of a new digital learning platform Y Ty Dysgu.

HEIW's Multi-professional Quality Framework has been adopted as a system underpinning high quality multi-professional education and training across all sections of HEIW - integrating Quality Planning, Quality Management and educational governance of education and training, Quality Assurance and Quality Improvement.

The Framework aims to harmonise critical quality activity across healthcare professions, embedding consistency of standards, language and approach and facilitating sharing of information across the organisation to manage and assure the experiences and outcomes of learners.

HEIW strives for continuous improvement, and this is not limited to education and training delivery. Our enabling functions continue to mature including finance where our in-year financial monitoring continues to be of a high standard, and through working closely with Welsh Government finance colleagues, we have managed our financial position transparently and once again achieved all financial targets for the fifth year.

Proportionate and robust governance are key to enabling delivery of priorities and we have once again this year been able to maintain our effective governance arrangements, reflected by the findings of the internal and external audit reports and the organisation's ability to deliver on its key commitments for 2022/23.

HEIW continues to work in a hybrid model which enables staff to maintain work life balance in pursuit of delivering the organisational goals. We have also continued to deliver our internal priorities including embedding the Welsh language in all we do, delivering the decarbonisation agenda and ensuring our Strategic Equality Plan has a positive impact on equality and diversity in our organisation and across all of our functions.

We are proud of the work we have achieved in collaboration with the system this year, driving quality improvement throughout NHS Wales and working to improve citizen outcomes both now and for the future.

Alex Howells

Chief Executive

27 July 2023

Key Facts

HEIW – Special Health Authority

All Wales remit

£289.361m annual budget 87% on education and training

Over 600 directly employed staff

3,155 medical and dental trainers and supervisors

Promotes

350 + careers in Wales

27 health libraries

NHS Wales e-library for health managed by Digital Health & Care Wales

2,300 + subscription e-journals

22+ databases, e-learning and guidelines

At any time we are supporting the education, training and CPD of:



c. 4,010
training grade doctors
and staff and associate
specialist doctors across:

58
specialist medical training
programmes

11
district GP training
schemes

19
dental training schemes



2,778
pharmacists

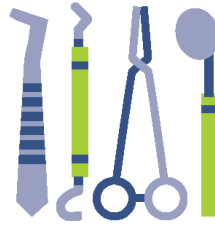
1,650
pharmacy technicians

220+
pharmacy trainees

39
diploma pharmacists



1,000+
trainee community nurses

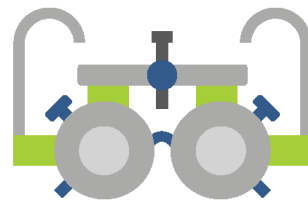


1,689
dentists

3,5746
dental care professionals

148
dental trainees

6
dental therapist trainees



800+
optometrists including
c.100 studying in Wales

50
contact lens opticians

278
dispensing opticians



c.700
NHS employee advanced
practitioners



480+
midwifery students



2,800
allied health professional
students



5,500+
nursing students



300+
scientist students

c.70
healthcare scientist trainees



c.830
independent prescribers
trainees

Who are we?

HEIW is the statutory education body and strategic workforce organisation for NHS Wales.

Vision and Purpose

Our vision is **“To develop a workforce that improves care and population health”**.

Our purpose is as part of the NHS, to work with partners to plan, develop, educate and train the current and future workforce.

As a Special Health Authority, our unique contribution or “added value” is to address strategic and specialist workforce opportunities and risks that affect workforce demand and supply through our statutory functions.

Our role in developing a sustainable workforce makes a fundamental contribution to the implementation of the Wellbeing of Future Generations (Wales) Act 2015 and the five ways of working. We see this as part of our core purpose, creating the conditions for a sustainable workforce for the future and widening access to health careers and opportunities. HEIW engages with partners and stakeholders to shape education and training opportunities making them more accessible regardless of background or geography.

What we do – our functions

The organisation undertakes a wide range of functions, as outlined below, which together help us to achieve and deliver our vision and purpose.

Functions



- **Leadership Development:** we are responsible for setting the strategy, principles and frameworks for leadership development across Wales, based on compassionate and collective leadership, together with the commissioning and

delivery of leadership development activity for key groups. We lead on succession planning and talent management for aspiring Directors and Chief Executives.

- **Workforce Strategy, Planning and Intelligence:** as well as providing strategic leadership for the development of workforce planning capacity across the NHS, we have a lead role in the development of strategic workforce plans and the provision of analytical insight and intelligence to support the development of the current and future shape of the workforce.
- **Workforce Development and Transformation:** we support workforce transformation and improvement to respond to significant service challenges, including skills development, role design, prudent approaches, CPD and career pathway development.
- **Education and Training, Planning Commissioning and Delivery:** we plan, commission, deliver, and quality manage undergraduate and postgraduate education and training for a wide range of health professions and lead on apprenticeship frameworks in Wales.
- **Careers and Widening Access:** we promote health careers and the widening access agenda to ensure that opportunities to work in the health and care system are available to all. We are aiming to include people in our communities that have valuable skills and experience that are currently under-represented in our workforce.

How we do it

Our Culture, Values and Behaviours

As a workforce focused organisation, our culture and the way we do business are very important to us. Our aspiration continues to be an exemplar employer and a great place to work, recognising that our workforce is not only distributed across Wales but has successfully embraced a hybrid model of home working and office-based working.

We continue to develop our people, inclusion, and organisational development practices to enable us to reach our aspirations. It is critical that we have a motivated, engaged, and sustainable workforce that is competent, confident and with the appropriate capacity to help us deliver our priorities. We are keen to support the development of our existing staff, as well as being attractive to new staff as our organisation continues to mature.

In line with our aim to be an exemplar employer, we want our own workforce to be happy, healthy, and engaged, and we promote wellbeing, equality, diversity, inclusion

and bilingualism within HEIW, in line with the national *Workforce Strategy for Health and Social Care*. Together with our staff we have developed our organisational values:

Respect for all: in every contact we have with others

Together as a Team: we will work with colleagues across NHS Wales and with partner organisations

Ideas that Improve: harnessing creativity, and continuously innovating and evaluating

Our Values and Behaviour Framework is on our website at <https://heiw.nhs.wales/about-us/values-and-behaviours/>

We continue to embed the values and behaviours into our policies, practices, and processes and take all opportunities to be a role model for the national work we are leading on compassionate and collective leadership.

Effective communication and engagement, including with staff, is critical and has been a top priority since the organisation was established. Our communication and engagement strategy describes how we communicate and engage effectively with staff to create an inclusive and respectful work environment.

We are committed to eliminating discrimination and promoting diversity and inclusion through equality of opportunity and through everything that we do. As such, we are fully committed to meeting the general and specific duties set out in the Public Sector Equality Duties Act (2011), the Anti-Racist Wales Action Plan 2022 and the LGBTQ+ Action Plan 2023. It is also essential that these duties are reflected in the roles of the organisation, which affect students, trainees, and staff across the wider NHS.

We have continued to embed our diversity, quality and inclusion agenda which is informed by strong leadership, co-production, collaboration, and direct engagement with those who are affected by the decisions we make.

HEIW ensures equality of opportunity and access for all by building upon the foundation of Equality and Human Rights Legislation and strives not only to comply with legal requirements but also to use these to ensure that the organisation exemplifies best practices. HEIW acknowledges that our ability to recruit and retain the best people depends upon creating a positive, compassionate, and inclusive culture.

Our revised Strategic Plan (SEP) which, set out our direction of travel to promote equality, eliminate discrimination and foster good relations between those who share a protected characteristic and those who do not, was approved at March Board. We have also this year published our third Annual Equality Report for 2021/22 and our Gender Pay Gap Report for 2021/22.

We have an established Equality Diversity and Inclusion (EDI) steering group to support the executive leads for EDI and race equality in the discharge of their responsibilities. Our staff EDI network provides a variety of internal and external speakers whilst enabling us to share and highlight best practices, and opportunities for learning and development. Two of our Independent Board Members have observer status at the network meetings. Our Inclusion Network continues to champion equity, equality and well-being within the organisation and hosts several virtual and in-person events that raise the profile of and celebrate diversity.

We have attended and supported several events and activities with the Grange Pavilion community centre, Diverse Cymru, iLeads Youth Programme, Race Council Cymru, and Black History 365 amongst others. This has enabled us to engage with our local community groups, celebrate the diversity of our service users and provide opportunities for engagement in the planning and delivery of our service users. Our ambition is to build on this work and not only ensure these existing relationships flourish but to develop new relationships across Wales.

We continue to engage with the following external partners to provide an impartial review of our policies and practices to ensure alignment with national standards in respect of equality, diversity and inclusion:

- Stonewall Diversity Champion – tackling barriers and inequalities faced by lesbian, gay, bisexual, and transgender staff.
- Disability Confident – supporting HEIW to make the most of the talents that disabled people can bring to your workplace.
- Dying to Work TUC – additional employment protection for terminally ill workers.
- Anti-Violence Collaboration – sets out the responsibilities of the partners when dealing with violent or aggressive incidents relating to NHS staff.

Shape of our Workforce

Our workforce is made of over 600 staff who have come from a range of backgrounds including frontline NHS services, various education settings as well as other public sector services or professional sectors such as finance and information technology. Full details of the shape and composition of our workforce can be found in the Remuneration and Staff Report 2022/23 on pages 96 to 101.

When HEIW was established in 2018, it brought together staff from three former organisations:

- Workforce Education and Development Services
- Wales Deanery and

- Wales Centre for Pharmacy Professional Education.

HEIW continues to have a strong focus on organisational development. In addition to the staff who have transferred to the organisation from predecessor organisations, we have recruited a significant number of new staff over the last five years from both NHS and non-NHS backgrounds.

Attraction, Recruitment and Selection

We use a variety of methods to advertise our vacancies and use values-based recruitment across all areas supported by appropriate training for managers including on unconscious bias.

We know that around 80% of our future workforce are already with us today. As an organisation with the primary purpose of current and future workforce development for NHS Wales, it is vital that our own staff have excellent experience in this area.

Key to this is our personal and development review (PADR) policy procedure. During the PADR, staff have the opportunity to discuss their progress against their agreed objectives with their line manager, develop ongoing objectives and create and agree a personal development plan to enable ongoing personal and professional development. Our current performance is 64.7% and we are still working hard with our managers to ensure that PADRs are completed and recorded to achieve the expected target of 85%.

All our staff are required to complete the all-Wales statutory and mandatory training in line with NHS Wales Health Boards and Trusts. We have worked hard with managers to meet the 85% tier one performance target rate and are currently just short of this target with a performance rate of 84%.

Communicating Effectively with People, Stakeholders, Partners and the Public

We work closely with a wide and diverse range of partners and stakeholders in various sectors to continuously evaluate, reimagine and transform how we need to work to meet the needs of an ever-changing world. Further details can be found in the Annual Governance Statement on pages 81 to 82.

Our Local Partnership Forum meets bi-monthly; further details can be found in our Annual Governance Statement on page 73.

Data Analytics and Intelligence

The Data and Analytics Team provide analytical support both internally to HEIW and externally across NHS Wales and more widely. Internally, the team is responsible for maintaining and reporting on the local Electronic Staff Record (ESR) system and works collaboratively to ensure accuracy on reporting. The team supports HEIW directorates in the production and reporting of key performance indicators across the organisation. Externally, the team produces national workforce reports, undertakes

pay modelling, respond to national requests for workforce information, influence data quality standards and provide high level workforce modelling. The information and analysis provided by the team supports the development of workforce plans and enables data driven decision to be undertaken on the workforce.

The Data and Analytics Team are also responsible for the creation and maintenance of the HEIW data warehouse. This provides HEIW with a rich source of information from multiple data areas that enable the team to create insight through complex modelling and business information reporting. The team aims to provide reliable evidence and analytics using the efficiency of data science to support national-level decisions and policymakers in their projects. Advanced analytics are utilised such as data mining, neural language processing, predictive analysis and forecasting modelling to provide insight.

Digital and Information Systems

The Digital Team design, develop, run, and support the digital technology systems and applications that support HEIW, ensuring that these are fit for purpose and provide enabling capability to the organisation. Digital is much more than just the technology. It is about delivering positive change to the way services are delivered, by using the power of information and technology to improve the delivery of the functions of HEIW and the workforce. In addition, the Digital Team leads the improvement of digital skills across NHS Wales to ensure the workforce is ready for a digital future and consider and plan for how technology will change the shape of the workforce and training and education.

Staff health, Safety and Wellbeing

The well-being of staff is of paramount importance, and we strive to ensure that our working environments and practises, both within our homes and in our headquarters, support us in achieving this aim.

We have a strong wellbeing network across the organisation, and as the system leader in staff wellbeing within NHS Wales, we are able to test and promote a wide range of initiatives and resources within HEIW prior to further rollout.

Planning

The Board approved the Integrated Medium-Term Plan (IMTP) for 2022/25 for submission to Welsh Government in March 2022.

The IMTP is HEIW's operational plan and sets out HEIW's vision, purpose, and functions in the context of our Workforce Strategy for Health and Social Care, the Ministerial Priorities, and the Wellbeing Goals through the delivery of our 6 strategic aims. The IMTP supported the delivery of the seven themes of the Workforce strategy. The implementation of the IMTP was reviewed on a regular basis by the Board through the quarterly performance reporting.

Further details on our Planning can be found in our Annual Governance Statement on pages 84 to 85.

Student and Trainee Voice

We have a number of methods in place to ensure we are hearing what is being said by our students and trainees and that this contributes to our health care agenda. These are detailed below.

The 'trainee think tank', a group of 12 to 15 medical and dental trainees from a variety of specialties, directly engages with the senior medical deanery team in HEIW, to influence the education and training agenda. A virtual trainee engagement conference was held on 13 April 2022. The main aims of the conference were to provide updates on education and training, share ideas and provide development opportunities for trainees in their representative role. A trainee information page has been created which enables seamless access to trainee information and resources. The inaugural annual "Improving Medical Training in Wales" publication was launched in May 2022, with the aim of communicating directly to trainees and other stakeholders about a range of developments in education and training in Wales.

Trainee feedback is an important component of our processes for quality management of education and training, collected via sources including the General Medical Council national training survey.

The Wales Health Student Forum (WHSF) is an innovative group of over 100 healthcare students from across all healthcare courses who are passionate about shaping the learning experience of healthcare students within Wales. There have been two successful student forum events to date:

- A setting the scene meeting clarifying the role of HEIW and the role of the forum going forward where the programme for the year was agreed.
- A student wellbeing conference with speakers from Professional Support Unit, workforce, student alumni and members of the HEIW Board.

Governance

As a statutory body, HEIW has a Board consisting of a Chair, Chief Executive, six independent members and four executive directors. Further information about the Board, their roles and responsibilities can be found in the Annual Governance Statement on pages 66 to 72.

Declarations of interest: details of company directorships and other significant interests held by members of the Board which may conflict with our responsibilities are maintained and updated on a regular basis. A register of interest is available in the Board meetings section of our website at <https://heiw.nhs.wales/about-us/key-documents/>. A hard copy can be obtained from the Board Secretary on request.

Organisational Risk and Governance

As an organisation, we adhere to the HEIW Risk Management Policy. We maintain a risk management system which enables and empowers staff to identify, assess and manage risks to HEIW. Strategic and corporate risks are monitored by the Board and managed by the Executive Team and operational risks are managed by teams at the most appropriate level.

Annual Education and Training Commissioning Meetings

Every year we hold meetings with Health Boards and Trusts to review the provision of postgraduate medical education to ensure that this complies with General Medical Council (GMC) standards. Commissioning forms the cornerstone of HEIW's Quality Planning activity for high quality education and training in clinical learning environments in line with HEIW's Multi-professional Quality Framework. Meetings are held annually with Health Boards and Trusts to consider whether education and training is meeting provisions of HEIW's Expectations Agreement with Local Education Providers. Ongoing development of the multi-professional approach to activity will underpin processes, systems, and governance around co-ordinated commissioning activity. This provides a mechanism to deliver a whole workforce perspective and develop system-wide responses to concerns and identification, sharing and adoption of best practice.

Such meetings provide valuable insights and opportunities to consult with executive directors and education teams across Wales. This year a key focus area has been the implementation of contracts for Phase One of the Strategic Review of Health Professional Education and the commissioning exercises under Phase Two of the Strategic Framework including the level four Health Care Supporter Worker contract and a phased approach to the tender of a series of contracts for Health Care specific Postgraduate Education.

Further details on governance, assurance, and risk management can be found in the corporate governance report.

Wellbeing of Future Generations (Wales) Act 2015

It is anticipated that the Wellbeing of Future Generations Act will be extended next year to include HEIW.

The application of the act to HEIW would be welcomed by the organisation. Our role in education and training places us in an excellent position to contribute to the implementation of the act. The five ways of working are already aligned with our strategic objectives and deliverables within our IMTP 2023-26.

As an organisation we do not have a population health responsibility. However, we collaborate across the system to scenario plan and forecast the workforce demand

which informs the commissioning in the annual Education and Training Plan, pivotal to widen access to NHS careers. This significantly contributes to preventing social deprivation, poverty, long-term health, and socio-economic issues in Wales.

We are instrumental in developing the current workforce in NHS Wales, as well as developing an attractive and accessible pipeline for our future workforce through widening access to all types of roles across all ages, backgrounds and interests, contributing to long term improvement across our remit.

The act's five ways of working are also reflected in the inclusive approach to collaboration and co-production with our stakeholders including underrepresented and marginalised groups in our society and in the way we carry out our business reflecting our culture and core values. Our recognition of the Disability Confident Scheme, Dying to Work Charter and the Anti-Violence Collaborative is evidence of this.

Legal and Policy Context for NHS Wales

As well as the Wellbeing of Future Generations Act, there are a number of other legislative and high-level policy drivers which underpin our objectives and work. These include:

The Social Services and Wellbeing (Wales) Act 2014

This act imposes duties on local authorities and health boards to promote the wellbeing of those who need care and support, or carers who need support and to put in place measures that support a preventative approach and reduce the need to escalate care.

A Healthier Wales

The long-term plan for Health and Social Care embraces the prudent healthcare principles and sets out an ambitious plan for a whole system revolution and provides essential context for all NHS plans going forward. In addition to the Workforce Strategy referred to above, it challenges HEIW, along with other NHS organisations, to develop sustainable plans and actions to deliver care close to home, through strengthening primary and community services, and refocusing on prevention.

Nurse Staffing Act 2016

The Nurse Staffing Act requires organisations to demonstrate that they are providing safe levels of nursing care within adult acute medical and surgical inpatient wards. Although we do not deliver patient care, we took on responsibility for the Nurse Staffing Levels Act Team in 2020.

Duty of Quality

The duty of quality came into legal force on 1st April 2023 in line with the Health and Social Care (Quality and Engagement) (Wales) Act 2020 and applies to all of HEIW's statutory functions. These new legal requirements will be captured through processes

that will be introduced in 2023/24. HEIW's Quality Framework will be important in ensuring the continuous improvement of quality in HEIW. During the year, senior leaders have been identifying quality indicators that will best represent the unique nature of HEIW, these will be a mix of measurement and narrative to give a rounded picture of HEIW's quality approach which will culminate in an Annual Quality Report due in April 2024. Quality reporting is embedded throughout the performance section and governance section of this Annual Report.

Performance summary

Our 2022-25 IMTP was developed to deliver the organisation's six Strategic Aims, and some of the highlights of the past year are detailed below.

Our Strategic Aims were tested on partners through our stakeholder engagement and aligned to the functions set out within the legislation. The six HEIW Strategic Aims for 2022-25 were as follows:

Strategic aim 1	To lead the planning, development and wellbeing of a competent, sustainable and flexible workforce to support the delivery of 'A Healthier Wales'.
Strategic aim 2	To transform healthcare education and training to improve opportunity, access and population health.
Strategic aim 3	To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity.
Strategic aim 4	To develop national workforce solutions to support the delivery of national service priorities and high-quality patient care.
Strategic aim 5	To be an exemplar employer and a great place to work.
Strategic aim 6	To be recognised as an excellent partner, influencer and leader.

Performance outcomes and highlights for 2022-23

Some of the key highlights, in respect of the delivery of our IMTP, are outlined below.

The New Advanced Clinical Leadership Programme was launched in the Autumn and developed in collaboration with clinical stakeholders across NHS Wales. The development of a national clinical leadership programme for senior clinical leaders was a direct response to a commitment in the Health and Social Care Workforce Strategy for NHS Wales 2020 which set the ambition that 'by 2030, leaders in the health and social care system will display collective and compassionate leadership.' This programme represents a considerable investment in our senior clinical staff. Its

aim is to create a cohort of leaders with the right values, behaviour, knowledge, skills and confidence to build a culture of compassionate and inclusive leadership. This in turn will attract, continuously support and develop a flexible and agile workforce who feel valued and are valued. Following an exceptional level of interest, we will be running several cohorts again this year.

The Strategic Mental Health Workforce Plan for health and social care was formally launched by the Deputy Minister for Mental Health and Wellbeing, Lynn Neagle in November at Cardiff City Stadium. This ambitious Workforce Plan was developed jointly by HEIW and Social Care Wales to respond to the demands of mental health services in the future. At its heart is a clear vision for a strong, sustainable multidisciplinary workforce offering compassionate care to people in Wales. The vision will support the Welsh Government's Together for Mental Health Delivery Plan 2019-22 and future sector developments. It is the first Workforce Plan of its kind in Wales and recognises that a wide range of staff, carers and volunteers engage with people experiencing mental health problems. The Workforce Plan aims to develop skills and capacity across health and social care to increase support for those in need. It looks to improve prevention and early intervention services, as well as addressing challenges and pressures on services for people with severe mental health needs. Areas of focus within the Workforce Plan include improving recruitment by providing attractive and innovative career opportunities, staff retention through enabling access to Continuing Professional Development, and widening access through non-traditional career paths such as apprenticeships.

HEIW's new infection prevention and control workforce framework won a Gold Infection Prevention Society (IPS) Impact Award in November. The All-Wales Education, Learning and Development Framework was developed for the Wales Specialist Infection Prevention and Control (IPC) workforce. It was published by HEIW as a part of the International Infection Prevention Week. Multi-professional IPC experts from health, social care and educational organisations across Wales developed the new framework and a digital interactive tool. The resource assists IPC specialists to reflect on their current level of practice and identify areas where they can benefit from further learning to enhance or develop skills. The programme highlights specific areas of training, learning and development that will enable the IPC workforce to build on identified and relevant competencies and meet essential IPC workforce needs, support health and care colleagues and improve patient care.

HEIW has developed a new workforce model to ensure sustainable access to future critical care services. The workforce model outlines solutions that will help to alleviate workforce pressures experienced by critical care teams and improve timely patient access to critical care services across NHS Wales. These include the development and introduction of new job roles to support existing critical care team structures, as well as ensuring a standardised approach to education and training for all critical care nurses across Wales. The development of the workforce model was led by two experienced critical care nurses seconded from Cardiff and Vale University Health

Board (CAVUHB). HEIW has ensured that this new resource is available to all critical care service leaders to support future service development, education and career opportunities for our critical care workforce.

HEIW's All Wales Simulation Strategy was approved at November Board. This is an exciting strategy which aspires towards excellent interprofessional simulation-based education and training which is accessible across Wales. The strategy will advance healthcare simulation, not only as an education tool, but also as a means of improving quality and translational science to enhance safety and experience of the patient. This is because simulation training provides an opportunity for students and trainees to apply theory and gain experience in skills or procedures that would otherwise be difficult without potentially putting patients at risk, such as managing emergency situations and resuscitation.

HEIW has entered into an innovative partnership with all health boards across Wales to empower the Primary and Community Care workforce to deliver outstanding health services through developing excellence in education and training. HEIW has funded each health board to set up a Primary and Community Care Academy. These Academies are working with Health Boards and HEIW to develop coherent, consistent and high quality training and development opportunities for Primary Care. The aim is to Improve access to clinical placements and work-based learning of primary and community care training and to also improve the recruitment and retention of staff. This includes training and education programmes being commissioned that are consistently fit for purpose and appropriate to the need. One such example is the General Practice Nursing (GPN) Foundation Programme which has been set up to equip nurses, new to general practice, with all the essential skills they need to improve care for their patients. The first group of learners are in post and supporting the delivery of high quality primary care. For these nurses, it is the first step on a career journey which may lead to career progression through enhanced or advanced practice.

HEIW's national Education and Training Plan for 2023/24, was approved by the Minister for Health and Social Care in January 2023. The plan represents an investment of over £280m, resulting in further increases and record investment in healthcare professional training in Wales. This will be a vital part of the training and workforce pipeline in Wales. Our recommendations in the plan were informed by health board and trust plans, wider workforce intelligence, national service challenges and priorities, needs of individual professions and occupations, and capacity within the system to support students and trainees. Investing in education and training will bring a valuable return in a short space of time on graduation. The plan not only includes record investment but will increase training places by 15%, including in the following areas: Nursing and Paramedicine, Acute Care, Anaesthetics and Intensive Care, Cancer Care and Mental Health. A copy of the plan is available on our website.

Y Tŷ Dysgu' - our new online learning and course/event management system was launched in December. This will transform our online learning offer, as well as providing our external users with a single standardised approach to HEIW online learning, an improved user experience and opportunities for multi-professional learning. The site is bilingual and enables users to create events and networks. We will continue to develop Ty Dysgu next year.

Further detail relating to our performance in implementing our 2022-25 IMTP through the six strategic aims can be found in the performance analysis section of our end of year performance report (Q4 Performance) 2022-23, which can be found in the May Board papers on our website here:

<https://heiw.nhs.wales/about-us/board-meetings-agendas-and-standing-orders/> .

Performance Against the NHS Wales Delivery Framework 2022/23 and the Six Domains

As noted above, we are a unique NHS Organisation in Wales and very few of the NHS Wales Delivery Framework measures apply to us. Those that do apply to HEIW are shown below.

STAFF, TRAINING AND DEVELOPMENT	
<p>Delivery measure 67</p> <p>Agency spend as a percentage of the total pay bill.</p> <p>Outcome:</p> <p>HEIW: 2.1%</p>	<p>Delivery measure 68</p> <p>Percentage of sickness absence rate of staff (12 month rolling).</p> <p>Outcome:</p> <p>**HEIW: 2.48%.</p> <p>NHS Wales: 7.06% (Feb – Jan 23)</p>
<p>Delivery measure 69</p> <p>Percentage of staff who have recorded their Welsh language skills on ESR who have Welsh language listening/speaking skills level 2 (foundational level) and above.</p> <p>Target: 85%</p> <p>Outcome:</p> <p>**All HEIW staff 28.71%</p> <p>*Core HEIW staff 24.44</p> <p>NHS Wales: 23.18</p>	<p>Delivery measure 70</p> <p>Percentage compliance for all completed level one competencies within the core skills and training framework by organisation.</p> <p>Target 85%</p> <p>Outcome:</p> <p>**All HEIW staff 68.3%</p> <p>*Core HEIW staff 84%</p> <p>NHS Wales: 82.60% (Jan-Dec 21)</p>
<p>Delivery measure 71</p> <p>Percentage of headcount by organisation who have had a PADR/ medical appraisal in the previous 12 months (excluding doctors and dentists in training).</p> <p>Target – 85% ESR and medical appraisal and revalidation system (MARS).</p> <p>Outcome:</p> <p>**HEIW – all Staff: 55.1%</p> <p>*HEIW – core Staff: 64.7%</p> <p>NHS Wales: 66.97% (Jan 2023)</p>	<p>Delivery measure 72</p> <p>Overall staff engagement score – scale score method.</p> <p>Target – Improvement</p> <p>Outcome:</p> <p>**HEIW NHS staff survey 2020: 81%</p> <p>HEIW local survey: 79% (HNA)</p> <p>NHS Wales staff survey: 7</p> <p>Awaiting revised staff survey to be agreed.</p>
<p>Delivery measure 73</p>	<p>Delivery measure 74</p>

<p>Percentage of staff who report that their line manager takes a positive interest in their health and well-being.</p> <p>Target – Improvement</p> <p>Outcome: Will be provided from new Staff Survey due in 2023.</p>	<p>Emissions reported in line with the Welsh Public Sector Net Zero Carbon Reporting Approach.</p> <p>Target: Reduction</p> <p>Outcome: 2% increase per person FTE</p>
<p>Delivery measure 75</p> <p>Qualitative report detailing the progress of NHS Wales’ contribution to de-carbonisation as outlined in the organisation’s plan.</p> <p>Target: 16% reduction by 2030</p> <p>Outcome: Amber</p>	<p>Delivery measure 76</p> <p>Qualitative report detailing evidence of NHS Wales advancing its understanding and role within the foundational economy via the delivery of the Foundational Economy in Health and Social Services 2021/22 Programme.</p> <p>Outcome: Reporting provided covering the four areas.</p>

* HEIW core staff = staff who work more than 0.3 FTE

** HEIW all staff = core staff + staff who work 0.3 FTE or less

All data in relation to HEIW (except where it relates to the Staff Survey) is based on the detail held at March 23 or where it is based on a rolling 12 month period, it relates to Apr 22 – Mar 23. The Staff Survey data results for 2020 are quoted as these are the most up to date figures.

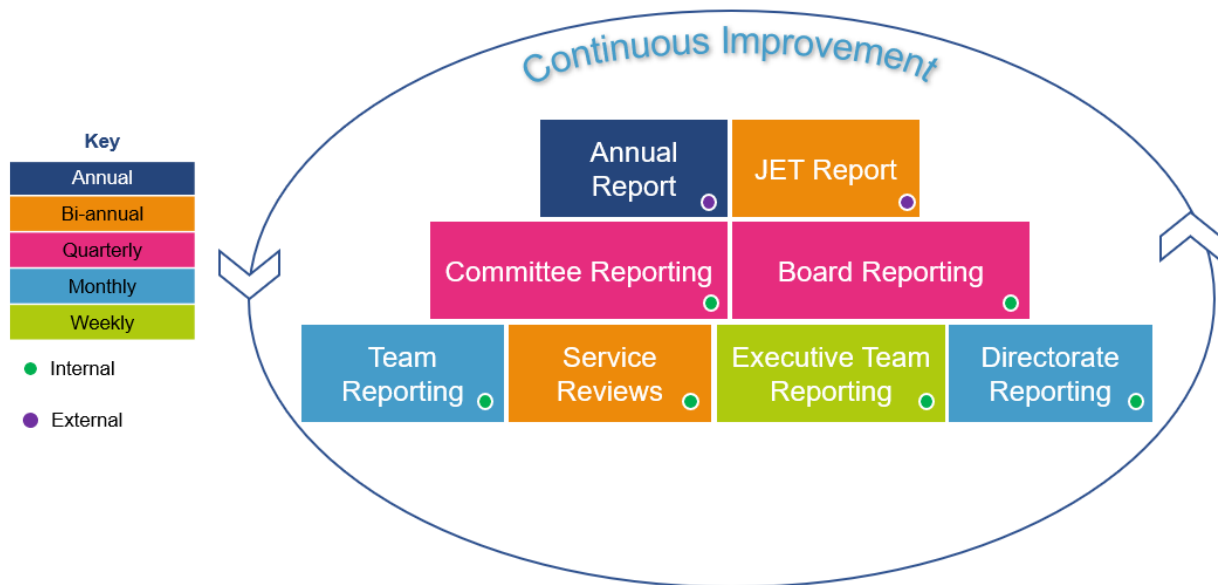
Annual Report Performance Analysis

Performance Framework

The Performance Framework describes the organisation’s system for making continuous improvements to achieve our Strategic Aims and Objectives and to deliver our ‘Business as Usual’ activities. We are committed to developing a compassionate and collective culture that is underpinned by effective performance management and a focus on improvement. Given the specific nature of our role as a strategic organisation and the demands placed on us by the UK regulators, we are taking a proportionate approach and we largely measure and monitor a different set of performance indicators to the rest of NHS Wales. Our reporting cycle is also different, with a greater focus on academic cycles, annual and quarterly timescales rather than

the daily, weekly, and monthly beat of other NHS organisations. The integrated performance report and dashboard reflects the Ministerial Priority Measures.

Our performance cycle provides the opportunity to review the progress of key projects or programmes of work through bi-annual Joint Executive Team (JET) Meetings and quality and delivery meetings with Welsh Government. Internally this is achieved through bi-annual service reviews and ongoing quarterly updates via the digital planning system launched in July 2022.



Developing our IMTP 2023-26

In March 2023, the Board approved the refresh of our Strategic Framework for the next three years through reflection on our vision, purpose, and the strategic context. The Board agreed that simplifying and consolidating our aims to 3 would provide a clearer vision for the organisation and our stakeholders. Below you can see that our foundations for success are key to ensuring we delivery our plans with quality at the heart of everything we do.



This year we are pleased that we have been able to have conversations with all NHS organisations on our emerging IMTP 2023-26. We have also engaged with over 40 different organisations on our draft IMTP through the Stakeholder Reference Group.

We have also discussed the development of our plans regularly with Welsh Government planning colleagues to update on progress, build relationships and share information about key risks and incorporated the feedback into our plan as part of this process. We have consulted with our staff on the development of the plan through ongoing engagement at our Deputies and Deans group, our Local Partnership Forum and dedicated IMTP development sessions. We have also discussed our plan with all our staff through our wider engagement mechanisms.

As a strategic body it is essential that we focus on longer term planning as well as short term solutions to support current pressures and recovery from the pandemic. We aim to balance the short and more medium term, sustainable actions. These will support the implementation of the Workforce Strategy which forms such an important part of our strategic context, as well as providing flexibility to respond to emerging priorities from the recovery programme.

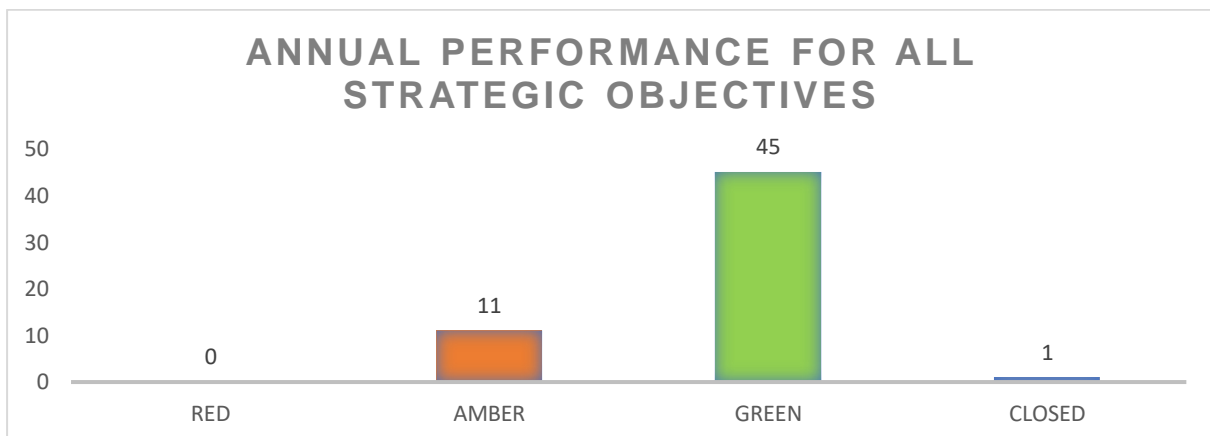
Our plan reflects the multi-dimensional nature of our work, including profession-specific objectives, multi-professional objectives and objectives that relate to national programmes. We value our strategic agility and have responded as required to emerging issues in-year, including support for the response to transformation calls of peri-natal services and the development of a reservist workforce solution. Our planning process and our performance management arrangements focus on ensuring that

these are clearly connected and that stakeholders can see our work through these different lenses.

A large component of our plan is already agreed in the form of the Education and Training Commissioning Plan. This is produced on an annual basis, linked to academic cycles. This is a critical foundation for the IMTP and requires us to understand our financial profiles on at least a 5-year timescale given the duration of the programmes we commission.

Delivery of our IMTP 2022-25

In our 2022/25 IMTP, we agreed to progress, in 2022/23, 56 Strategic Objectives across our 6 Strategic Aims. In addition to the delivery of our Strategic Objectives and business as usual activities, we supported Welsh Government and NHS partners in the pandemic recovery work. The below graphs summarise our 2022/23 performance demonstrating 80% of our strategic objectives successfully completed their key plans for the year. We closed one strategic objective in year which related to the establishment of the office of the Chief Digital Officer and added one strategic objective in response to reports regarding the peri-natal workforce.



2022/23 PERFORMANCE OVERVIEW BY STRATEGIC AIM

Strategic Aim 1: To lead the planning, development, and wellbeing of a competent, sustainable, and flexible workforce to support the delivery of ‘A Healthier Wales’

- The work to implement the vision in the [Workforce Strategy for Health and Social Care](#) continued across the year. Collaboration arrangements with Social Care Wales are in place and Phase 1 actions will conclude in September 2023. Phase 2 will consist of the actions identified in the National Workforce Implementation Plan recently published by Welsh Government.
- The national Nursing Workforce Plan Programme has focused on establishing effective system programme governance to deliver on the strategic imperatives emerging from the Programme. Early priority work has included, expanding the

routes into nursing, including 50 Open University places funded for the part time programme in March 2023, standardising the approach to retention through the creation of a multi-professional retention guide and data and insights to drive workforce modelling to inform the plan priorities.

- Dental workforce development has focused on increasing professionals, supporting leadership development, and increasing service accessibility. This includes, increasing training places; 12 additional specialty training places (100% increase), a dedicated dental nurse training programme and increasing dental hygiene and therapy undergraduate training. The development of dental leadership through Gwella and investment in long-term recruitment strategies including the Train Work Live campaign officially launched in March 2023 with an introduction by the Health Minister and the Chief Dental Officer for Wales. We have launched an incentivised local recruitment scheme to recruit Foundation Dentists to practices in rural high need areas that have traditionally not recruited via National Recruitment. This has been well received and we are expanding the offer due to its success.
- Throughout the year we have been preparing and consulting on the Pharmacy workforce plan through extensive stakeholder engagement. The plan will be presented to the HEIW Board for approval in Q1 2023/24.
- The Continuous Professional Development (CPD) Strategy has been in production throughout the year and will deliver action 24 of the [Workforce Strategy for Health and Social Care](#) after stakeholder engagement and feedback.
- We launched the Y Ty Dysgu Minimum Viable Product in December 2022, with additional functionality being continuously delivered since then. Training and migration began in December and will continue across 2023/24. The system will provide a centralised standard approach to training and education provided by HEIW which aids quality and drives efficiency.
- HEIW continues to lead the NHS Wales Staff Health and Wellbeing Network with priority resources identified through the group covering subjects that are affecting the workforce including menopause, financial support, dealing with stress and resources to support staff experience burnout.
- We have developed Careersville with dedicated buildings for eye care and dental introduced this year and development of the existing buildings to represent the 350 NHS careers on offer including those in social care.
- This year saw the approval of the Digital and Data Strategy by the HEIW Board, a key milestone in the development of workforce data, planning and modelling for NHS Wales which in turn supports our ambitions to develop workforce planning expertise and capabilities across the system. We have launched an All-Wales Workforce Planning Development Programme, a national conference, resources to support teams and standard training for deployment via Y Ty Dysgu.

Strategic Aim 2: To improve the quality and accessibility of education and training for all healthcare staff ensuring that it meets future needs

- The Education and Training Plan 2023/24 was approved by Welsh Government, with funding secured. Representing an investment over £280m a record investment in healthcare professional training in Wales.
- The implementation of Phase 1 of the Strategic Review of Health Professional Education commenced in September 2022, with an overall recruitment rate of 94.5%, with all programmes except adult nursing and operating department practitioners achieving above 90%. 12 of the 23 programmes achieved 100% or oversubscription. Due to the large numbers in nursing, there was a financial impact to HEIW which was managed with Welsh Government.
- An integral part of the education and training experience is placements. During the year, work has focused on supporting profession specific issues within rural locales, the introduction of Care Home Education Facilitators to expand the provision within care, agreements of core role elements for Practice Education Facilitators (PEF) and a pilot for multi-professional PEF roles. This also aligns to inter-professional training ambitions with workstreams established to advance work in this area.
- Commissioning programmes for phase 2 of the Strategic Review of Health Professional Education have been progressed including priority areas including genomics, critical care, and community nursing.
- HEIW has signed a Work-Based Learning Qualifications Development Framework with Agored Cymru which is key to consistency and quality for work-based learning. We have also worked across the system to establish multiple apprenticeship frameworks and support.
- HEIW began implementation of the Multi-Professional Quality Framework to drive improvements in education and training and in turn patient experience and outcomes.
- Work to support Staff Grade, Associate Specialist and Specialty Doctors, and Locally Employed (LE) Doctors to access education and training continues, including a suite of generic modules to cover a range of topics to ensure well-rounded knowledge to support their breadth of responsibilities.
- The All-Wales Simulation Strategy was published and launched. The implementation of the Strategy has begun with a number of tools and forums to embed new approaches, including a Simulation Scenario Template to support and promote the implementation of standards in simulation-based education and training (SBET).
- HEIW led multi-professional stakeholder engagement for the Future Doctor Programme to establish requirements for a 'Future Health Professional' model to deliver sustainable excellence in health and care over the next 10 years.
- We have continued to make good progress on the implementation of the Initial Education and Training Standards for Pharmacy, including placement of 207

students into clinical settings for a total of 1050 days through the undergraduate placement programme. Cohort two of the pre-registration pharmacy technician programme was also recruited successfully.

Strategic Aim 3: To work with partners to influence cultural change within NHS Wales through building compassionate and collective leadership capacity at all levels

- Over the last 12 months, the Gwella platform has developed across a range of disciplines. User figures show an increase of 275% with views of resources increasing from 404k to 1.2 million.
- An Aspiring CEO Leadership Development Programme was developed to aid in executive level talent management and aid succession planning.
- Two cohorts of the Advanced Clinical Leadership programme began with overwhelmingly positive feedback.
- Preparatory work for the launch of the Aspiring Executive Talent Pool recruitment.
- Recruitment and selection to the 2023-25 NHS Wales Graduate Management Programme has successfully been undertaken with final interviews in April 2023.
- The development of the Workforce and Organisational Development has progressed with a Workforce and Organisational Development (OD) Opportunity Bureau launched on Gwella, in conjunction with the strategic and business partner OD Programme and the Story telling OD and Leadership Programme.

Strategic Aim 4: To develop the workforce to support the delivery of safe, high quality care levels.

- Throughout the year we have been developing and implementing multi-professional workforce models for Primary and Community Care through the establishment of a Primary and Community Care Education and Training Unit, deployment of the first cohort of the Community General Practice Nursing training and launched [GatewayC](#) across all Primary Care Contractors in Wales.
- The Strategic Mental Health Workforce Plan for Health and Social Care was submitted to Welsh Government in June 2022 which identifies workforce models including increasing professionals in the system. Funding for the educational elements through the commissioning process was approved, which will provide 50% increase in clinical psychology and 20% overall increase in mental health nursing by 2025-26. Early implementation actions include training for 800 frontline staff to support psychologically informed practice delivered in Q4.
- HEIW are supporting planned care through the existing national programmes. This year a strategic forum has been established to co-ordinate the HEIW input to national programmes for planned care, cancer and diagnostics including profession specific issues for ophthalmology, gynaecology, urology and general surgery. This is supported by training provision, resources creation and in the case of genomics, identification of a requirement for a strategic workforce plan.

- All outcomes for the National Endoscopy Programme for the 3-year programme period April 2019 – March 2023 have been completed which focused on increasing workforce capacity and capability. This has been supported with the delivery of training for clinical endoscopists, specialism training and supporting Bowel Screening Wales applications. This will facilitate greater diagnostic list capacity, a reduction in health board waiting lists and greater efficiency in service delivery, with the introduction of the extended workforce structure.
- We have delivered the first cohort of the Professional nurse Advocate training for critical care which is focused on supporting the wellbeing of critical care unit staff. Each health board has a funded place. We have also been developing a post graduate certificate in critical care to expand the training opportunities and retain skills.
- HEIW have been supporting the delivery of the Six Goals for Urgent and Emergency care workforce deliverables through Discharge to Recover then Assess e-learning, facilitating the Urgent Care Practitioner Task and Finish Group and support for the launch of the new Optimising Patient Hospital Flow Framework.
- We have been supporting the development of the eye care profession through cluster leads with resources and education, commissioning modules to upskill eye care professionals to deliver enhanced clinical services to patients in practice, developing access to quality improvement training for the whole workforce and made available mentoring and peer review for optometrists which will be expanded to newly qualified independent prescribers.
- The Allied Health Professional (AHP) Programme launched the AHP Dementia Framework, and the revised Person-centred Rehabilitation Framework designed to support the breadth of professions within the AHP umbrella in treatment of dementia and rehabilitation. Numerous events were delivered to develop the profession including a spotlight event on reducing health inequalities, a leadership at every level virtual session and the first of the AHP Roadshows to influence the AHP Framework action plan being refreshed by Welsh Government in collaboration with the service.
- This year has seen a number of national workforce planning tools deployed for use within mental health in patient wards, health visiting and district nursing. They will support effective identification of service supply and demand.
- The Healthcare Science Programme continued to focus on increasing professionals in the system, supporting the routes to registration and developing capabilities including leadership and quality improvement. This includes work to baseline an accurate picture of professionals in the system to ensure succession planning and opportunities can be taken to embrace innovation and technology.
- We continue to have success with the all-Wales Physicians Associate Recruitment Group, the workforce in Wales is now 171, an increase of 62 across the year, and more expected.

- The role of Anaesthetics Associates is in its infancy, but we have seen success in embedding this in NHS Wales within Hywel Dda and Swansea Bay, with options for the future expansion of the role in development.
- The advanced practice framework was refreshed, and a Consultant Practice Framework developed in collaboration with service leads. An e-portfolio was developed and piloted in year which will standardise the appraisal and revalidation process.
- As part of the support for the development of social prescribing, HEIW led the development of the National Skills and Competency Framework.
- Work has begun on a Peri-natal Workforce Plan as a result of the strategic reviews into maternity and neo-natal services.

Strategic Aim 5: To be an exemplar employer and a great place to work

- Throughout the year consultation on a new People and Organisational Development Strategy was undertaken. The Strategy reflects our new ways of working and refreshed approaches, including values-based recruitment and selection policy and toolkit. We have been contributing to the national work to transform the NHS job descriptions, which HEIW piloted, and the streamlined application process has seen an increase of between 10% – 40% applications per post. We continue to attend jobs fairs and have been awarded the Armed Forces Covenant Bronze which has seen an increase of 10% ex-military individuals applying for roles.
- The organisation continues to embed the actions from the Strategic Equality Plan and the elements of the Welsh Government Anti Racist Wales Action Plan. Work this year has focused on how we can better align our equality and inclusion activity, this includes utilising our governance processes such as the Equality Impact Assessments to embed equality and inclusion into everyday action.
- This year has been a great year for Welsh Language at HEIW, the organisation was recognised as the Welsh Language Employer of the year at the Annual Apprenticeship Awards and one of our apprentices won Translation Apprentice of the year, Welsh Language Apprentice of the year and was made the Apprenticeships Ambassador of the Coleg Cenedlaethol Cymraeg. The learner pool grew to 75 registered learners with four passing their mynediad exams which is the first time HEIW employees have undertaken Welsh Language exams. The organisational task and finish group continue to embed the More Than Just Word Framework Action plan and related actions in the National Workforce Implementation Plan.
- HEIW is committed to contributing to the Welsh Government ambition of net zero by 2030. This year we have delivered training to 62 health and care professionals across NHS Wales with over 130 further training places available for the coming year. We are working to embed climate smart thinking into our education and training pathways to ensure the workforce is skilled in recognising opportunities to reduce our carbon emissions and collaborate to drive action.

- We continue to embed multi-disciplinary quality improvement capacity and capability which is a key aspect of the Multiprofessional Quality Framework. Training has been delivered to the NHS Wales Graduates, the Advanced Clinical Leadership Programme participants and we also offer the training to professionals across the breadth of NHS Wales on an ongoing basis.
- Educational research and evaluation are key enablers for us to ensure that we continuously improve quality, enhance our processes for investment in the NHS Wales workforce and provide the evidence base for the decisions we make in planning for our workforce. It is also key to providing sustainable high-quality training programmes that represent value for money and adapt to changing educational environments, as well as determining the impact that our activity has on the healthcare workforce, practise and ultimately, patient care and safety. HEIW has developed organisational infrastructure (comprising the HEIW Research Governance Framework, Research Governance Group and Evaluation, Research, Improvement, and Innovation Collaborative) to underpin delivery of this agenda.

Strategic Aim 6: To be recognised as an excellent partner, influencer & leader

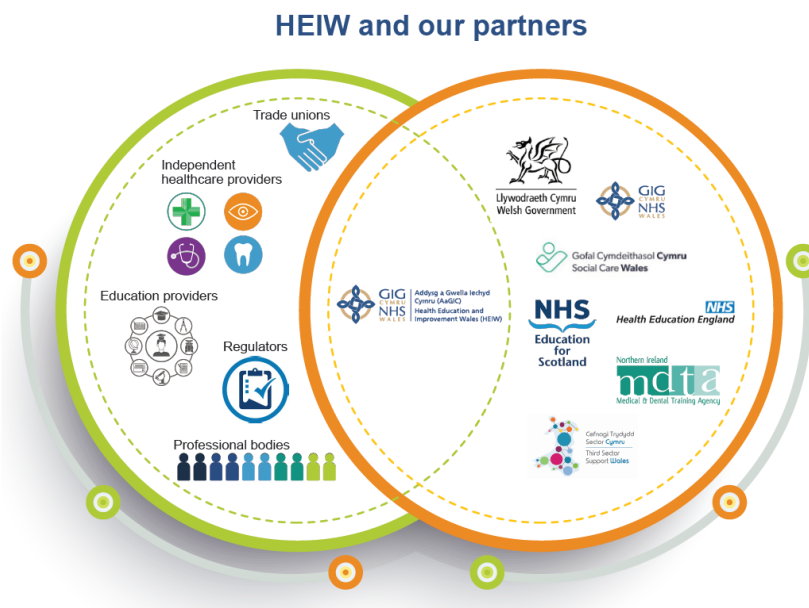
- The work to refresh the Communications and Engagement Strategy has delivered a number of benefits. We have refined our message and increased the membership and reach of our Stakeholder Reference Group. We have introduced additional marketing and engagement channels and developed our partnerships with a new approach to strategic education meetings. We have also welcomed new relationships with local communities as part of our equality, diversity and inclusion work.
- We continue to finalise plans for the single digital platform with key foundation actions taking place this year, including the re-procurement of the Intrepid system the current home of medical training, education and career progression opportunities for NHS Wales.
- The Board approved our Digital and Data Strategy which sets the vision for the next five years to "transform the workforce for a healthier Wales" through the use of digital technologies and data intelligence.
- HEIW has continued to build strategic relationships with education partners to ensure the strategic workforce supply has the right skills and the education and training they receive is of the highest quality. A new terms of reference for the education and partnership forum has been agreed by the Council of Deans which is a positive step for the system.

Areas of Challenge

HEIW's key areas of challenge over the year are considered under the HEIW's Risks section in the Annual Governance Statement on page 77.

Delivering in Partnership

As an All-Wales organisation, with several strategic functions, the importance of communicating and engaging with our partners and stakeholders cannot be over emphasised.



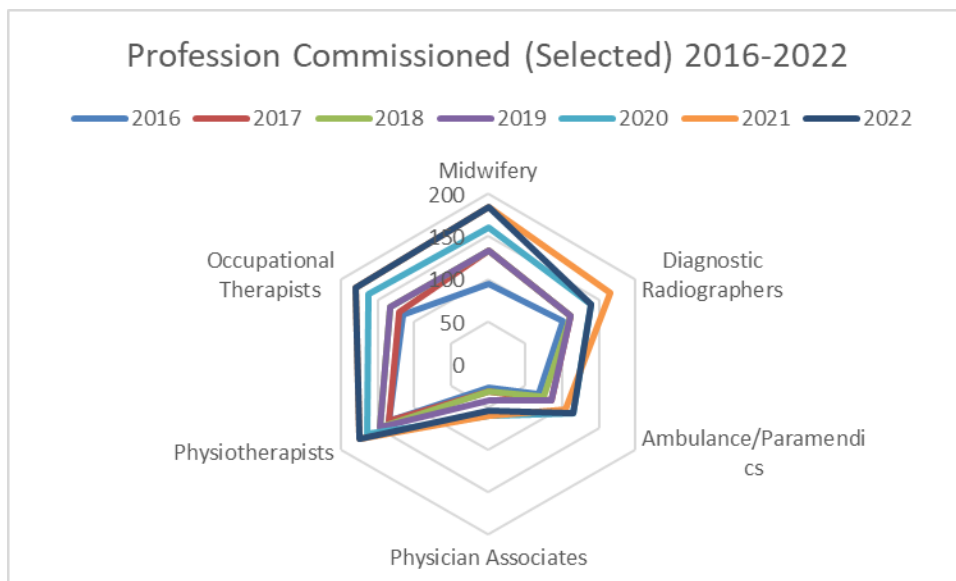
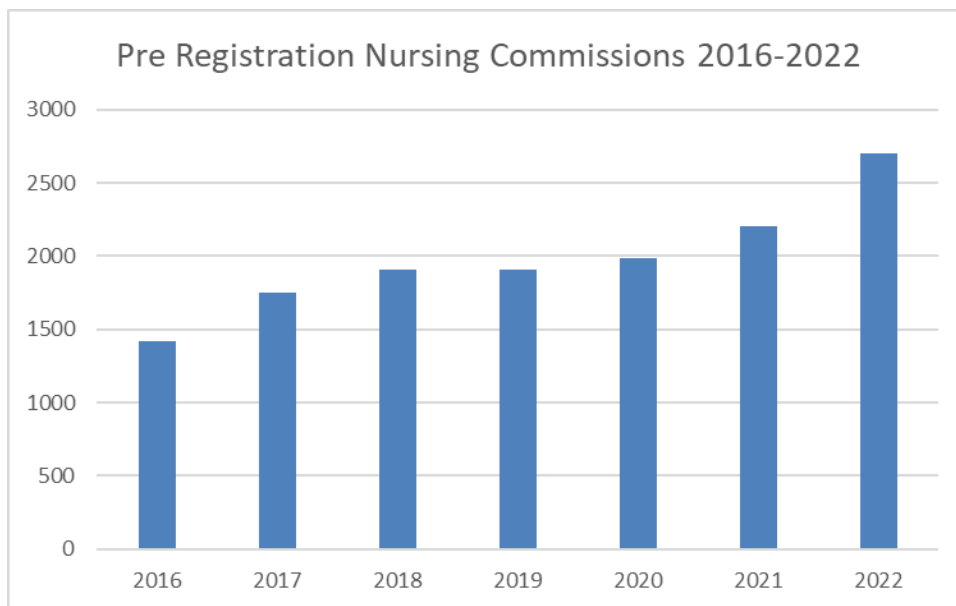
As the national workforce body for NHS Wales, we recognise how critical engagement with stakeholders and partnership working is to our work. It is through effective engagement and partnership working that we are able to clearly understand the challenges facing health care in Wales, build workforce solutions and support the delivery of excellent patient care.

HEIW's approach to engaging partners and stakeholders is more fully outlined in our Annual Governance Statement on pages 81 to 82.

Highlights from Education and Training Commissioning

The majority of our annual budget 87% is invested in education and training. In 2022/23, we continued to commission an increasing number of training and student places across a range of health professions, in line with continued investment and commitment from Welsh Government and our Education, Training and Commissioning Plans. The infographic on page 9 provides an overview of the education and training which is commissioned and supported by HEIW.

The trends in commissioning and training numbers for Wales are shown in Appendix 1.1 and 1.2 on pages 56 to 61 at the end of this Performance Report. A number of professions are highlighted below.



Health Professional Education

Of the 2,653 commissioned places for Autumn 2022, the contracted educational providers managed to fill 2,474 places. This achieved an overall fill rate of 93.3%. In the main, all Allied Health Professional Courses filled their commission places for Autumn 2022, as did midwifery.

The challenge across the UK is in filling pre-registration places for adult and learning disability nursing. For Wales, the number of applicants and applications for Nursing had been increasing incrementally since 2019, however applications to pre-

registration nursing fell across the UK in 2022, with 159 of 1,459 places not filled. Data and analytics provided by UCAS (2022) and the Higher Education Institutions (HEIs) on the nursing application cycle across the UK, shows applicants in 2022 dropped by 6% and applications dropped by 5% on the 2021/22 cycle. In 2023, the most recent census data shows application numbers down by 10% on 2022. The fall in application and applicant numbers for Autumn 2022, along with economic challenges for prospective students has resulted in the Higher Education Institutions not being able to recruit to the commission targets.

The demand for health professionals from the health boards via their IMTP's continues to show an upward trend, hence there is a requirement to commission and fill more nursing courses. The last four years have demonstrated an upward curve in commissioned places by circa 51%, with under recruitment being more prevalent in the Spring intake.

In response to the this, HEIW has set up a number of initiatives to investigate and converge strategies with partners to increase applications into Wales through a national campaign, look at how we can increase the fill rates in the spring cohort and scope the possibility of ethical international recruitment and opportunities to widen access from underrepresented groups.

A number of short term and long-term proposals have been set out in relation to building Learning Disability (LD) student nurse recruitment including enabling students in different fields changing to LD nursing, commissioning more flexible routes into programmes and post-graduate options.

This rate remains provisional until there is confirmation of the actual rate via data validation processes. To fill the additional places, HEIW will further invest in the newly commissioned CertHE Healthcare Nursing Support Worker Qualification, due for its first intake in Autumn 2023. This investment will offer more students the opportunity to progress onto year two of the Pre-registration Nursing Degree programme, thereby ensuring there are additional newly qualified nurses, to meet service need, exiting programmes in Spring 2024/25.

Secondary care medical training

Following recruitment Rounds 1 and 2 for posts commencing in August 2022, we achieved a final recruitment rate of 90.9% (408 of 449 posts advertised). Of the 408 doctors accepting posts, 390 commenced on the programme.

This is a reduction of 2.5% when compared to last year, when the recruitment rate was 93.4% (401 of 429 posts advertised). Despite this, overall, there has been a slight increase in the numbers of doctors appointed.

Some specialties (Stroke Medicine, Acute Internal Medicine, Higher Psychiatry Specialties, GU Medicine, and Rehabilitation Medicine) remain challenging to fill and

this is reflected across the UK. In this recruitment round we also saw Palliative Medicine take a dip across the UK. It is thought that this is because of recent curriculum changes and a requirement for these trainees to dual accredit with General Internal Medicine. Further work across the UK will review this in detail.

The 2022 Education and Training Plan recommended an increase in training posts for Child and Adolescent Psychiatry, Intensive Care Medicine, Clinical Oncology and Palliative Medicine and, whilst there are clear workforce requirements for these expansions, these posts were not filled through these recruitment rounds. We will attempt to recruit to these vacancies at the next recruitment opportunity.

Foundation Training

400 of the 411 trainees recruited (97%) started the F1 training year in July 2022 and at 17 January 2023, there were 11 vacancies. There are 24 F1 trainees requiring an extension to their training commencing July 2022.

GP Training

Over the two recruitment rounds for General Practitioner (GP) training programmes starting August 2022 and February 2023 there were a total of 175 trainees recruited.

Two programmes to support trainees who may encounter difficulties during their training have been developed for the 2022/23 training year. The 'Welcome to Wales' programme is a cultural induction open to all new recruits who graduated overseas. This programme was therefore offered to 63 of the new recruits for this training year. The 'Programme of Additional and Specialised Support' was also established during this training year and provides an additional two educational sessions per month on an individual and small group basis to those trainees at most risk of experiencing a complicated training journey, extrapolated from evidence related to recruitment assessment scores. Currently 138 trainees who are most at risk, and those already experiencing complicated training journeys are benefiting from these additional sessions, intended to improve trainee outcomes and increase trainee throughput.

Dentistry

Dental Foundation Training:

In the 2022/23 cohort, 64 posts were filled via National Recruitment, and there are 3 extensions to training from the 2021/22 cohort, giving a total of 67 Dental Foundation trainees for the 2022/23 training year in training posts.

Dental Core Training (DCT):

- The fill rate across years 1-3 is 93% (63 of 68 posts filled).
- There are 50 official DCTs, 11 locally appointed trainees (LATs), 2 locum appointments for service (LAS), and 5 vacancies.

- In DCT1, there are 22 of 27 posts filled with official DCTs, 2 LATs, 1 LAS, and 2 vacant posts.
- In DCT2, there are 25 of 36 posts filled with official DCTs, 5 LATs, 1 LAS, and 3 vacant posts. Two posts have been occupied as DCT3 for 2022/23.
- In DCT3, 1 of 5 posts is filled with an official DCTs, 4 are LATs. There are no vacancies.

Dental Specialty Training (DST):

- The fill rate is 96% (23 of 24 posts filled).
- There were 2 DST trainees in a Period of Grace at the end of Q3 and one vacant post in Paediatric Dentistry (which has recently been recruited to locally).

All of the training programmes for dental continue to fill via either national or local recruitment and where vacancies exist, we work with local providers to fill these as quickly as we are able to.

Quality of Education and Training

HEIW is responsible for ensuring there are high quality learning environments for all healthcare learners in Wales including the quality of education and training of our future and current NHS Wales workforce, in line with regulatory standards and requirements. This remains one of HEIW's core functions and top priorities. HEIW has adopted a Quality Framework integrating Quality Planning, Quality Management, Quality Assurance and Quality Improvement as a system for underpinning high quality multi-professional education and training across professional groups. The organisation also has a statutory duty to secure continuous improvements in the quality of education and training. Excellent communication with all our partners, stakeholders, students and trainees continues to be essential in this work.

Health Professional Education

Universities are a key partner of the NHS as they provide routes into education and training for all health professionals at undergraduate and postgraduate level. The quality aspects of the contract management process with universities assures HEIW, Welsh Government and health boards that the health professional education commissioned and delivered in Wales adheres to the highest academic and vocational standards. This process also supports initiatives to widen access, promote the use of the Welsh Language and to provide a local route to education, amongst other themes.

As part of this contract assurance process, HEIW provides its education partners with an individual annual quality review. This review is only possible due to the open, collaborative approach undertaken by all parties. The aim of each individual review is to guide the continuous improvement of education programmes and, as such,

improvement plans set out in the individual quality report for each University are incorporated into their own improvement processes. This is all encapsulated within our Quality Performance Framework.

The Performance Quality Framework also sets out the principles and practices deployed to manage concerns via a staged escalation process facilitating a risk-based approach to managing concerns.

HEIW draws on several data and mechanisms for assurance that Education Providers meet their responsibilities for provision of placement quality. These measures link with all elements of a quality cycle (planning, management, improvement, and assurance).

Concerns and Challenges

Application rates to Learning Disability, Adult and Mental Health Nursing and Bio-medical Science remain areas of concern. There are still improvements that need to be made in these areas and progress against plans will continue to be monitored.

Postgraduate Medical Training

HEIW ensures high-quality postgraduate medical education and training in Wales whilst meeting regulatory standards through the application of our Quality Framework. This comprehensive framework includes routine and responsive practices which enable us to work in collaboration with Local Education Providers (LEPs) across Wales to ensure the delivery of quality education and training in a manner which appropriately prioritises patient safety. In setting out LEP's obligations to HEIW, the Expectations Agreement reflects the fundamental elements of Postgraduate Medical and Dental provision. A proportionate approach to Quality Management is taken where concerns arise thereby encouraging transparency and effective working relationships in the delivery of solutions.

HEIW secured General Medical Council (GMC) approval to adapt its standards for medical education and training (as published in 'Promoting Excellence', 2015) for use across healthcare programmes supported by HEIW to provide a common starting point for Quality Management (and local Quality Control) activity. These standards are themed around the learning environment and culture, educational governance, and leadership, supporting learners, supporting educator, and curricular and assessment, so are universal to training. The Agreement underpins the annual commissioning process by which HEIW seeks assurance that provider obligations, as set out in the Agreement, are being met. This forms the foundation of HEIW's Quality Planning activity. The operation of the Quality Framework also provides an important basis for identification of areas of Quality Improvement on a continuous basis, based upon Quality Management and Quality Assurance Information.

HEIW undertook a significant programme of work in 2022 considering themes from Health Education England's 'The Future Doctor Programme' in the context of multidisciplinary working, ensuring a cohesive approach to training and workforce modernisation across healthcare professions. HEIW's objective was to identify projects aimed at enhancing postgraduate medical training and 'future proofing' medical roles in the context of multidisciplinary training and working, aiming to equip the medical workforce with the skills to manage complex care, understand the communities they serve and work across healthcare with a broad skillset.

Quality Management activity continued throughout the pandemic, albeit in a modified way. There was still an important requirement to ensure patient safety and effective learning environments. We therefore adapted and changed our systems and took proactive action and overall, the quality of training and education was maintained. In 2022/23, more training concerns were identified than in previous years, with a clear impact of increasing trainee fatigue, and challenges in delivering service catch up to the population leading to increased service demand.

Enhanced Monitoring

'Enhanced Monitoring' status is applied by the GMC to those sites which they consider require an additional level of support.

As at March 2023, 5 Local Education Provider's (LEPs) remain under enhanced monitoring, and improvement action plans remain on track. Obstetrics and Gynaecology at Prince Charles Hospital was de-escalated from enhanced monitoring with the GMC due to evidence of sustained improvement. Emergency Medicine at Wrexham Maelor Hospital was escalated to enhanced monitoring status in October 2022 due to concerns over progress. HEIW has taken steps to ensure an appropriate action plan is in place and a further visit to monitor progress has been scheduled.

Local Education Provider (Health Board)	Site(s)	Specialty
1. Betsi Cadwaladr University Health Board	Wrexham Maelor Hospital	Emergency Medicine
2. Betsi Cadwaladr UHB	Wrexham Maelor Hospital	Medicine
3. Swansea Bay UHB	Morrison Hospital	Emergency Medicine
4. Swansea Bay UHB	Morrison Hospital	Trauma & Orthopaedics
5. Aneurin Bevan University Health Board	The Grange University Hospital, Ysbyty Ystrad Fawr, Royal Gwent and Nevill Hall Hospitals	Medicine

Annual Training Survey

HEIW's response rates to the GMC National Training Surveys were high at 87% against a UK average of 76% for the trainee survey and a 58% response rate for the

40

trainer survey against a UK average of 34%. These results have been published on the GMC's online reporting tool with a key themes report for Wales being produced within HEIW. Details of some of the key messages within this report are provided below:

Overall, the survey results were broadly in line with the rest of the UK. Trainees in Wales continue to report high levels of satisfaction with good levels of clinical supervision.

The results for Surgery highlight an improvement in some areas as elective activity started to resume following the pandemic albeit with some challenges for core trainees in specific areas. General Medicine and related subspecialties continue to be a priority area for quality activity.

In recent years Obstetrics and Gynaecology has been an area of focus for Quality Management activity. However, the 2022 results report that improvement in this area continues. In addition, there is evidence of improvement in Emergency Medicine in some individual sites. The programme level results report several areas which are suggestive of good practice with several above outliers being reported. These include Chemical Pathology, Child and Adolescent Psychiatry, Old Age Psychiatry, Histopathology and Palliative Medicine.

Whilst the Wales score for induction is in line with the rest of the UK, the results suggest that there is scope for improvement in this area with a particular focus upon induction quality and departmental induction given the link with patient safety.

The majority of trainees report that their training is providing them with sufficient experience to support their continued progression.

Generally, trainers reported that they feel supported in their training role. However, the ability to use the time allocated for the role is an area for which ongoing work will be required to sustain or improve the feedback.

Wellbeing has been a particular theme in both the trainee and trainer survey in recent years with reported increases in burnout levels. The trainee results suggest that the most significant impact has been upon foundation trainees and trainers in Primary Care and some medical specialties.

The GMC continue to express confidence in the ability of HEIW to meet its training standards outlined in Promoting Excellence.

Medical Appraisal Process

HEIW supports and improves professional standards through revalidation and appraisal in line with the requirements of the regulators. Over the course of the year, the Revalidation Support Unit (RSU) has worked closely with the Chief Medical Officer, Medical Directors, GMC and appraisal leads across the four nations to ensure that the future model of medical appraisal is robust and remains wellbeing focussed. We have reviewed the latest recommendations released by the Academy of Royal Colleges (Fit for the future: the Medical Appraisal Guide) for beyond the pandemic, which has incorporated a number of principles that have been embedded in Wales for many years.

The Chief Medical Officer as Chair of the Wales Revalidation Oversight Group (WROG) tasked the RSU with developing and maintaining a Revalidation Action Plan for Wales and undertaking a programme of Revalidation Quality Assurance Review Visits to all Designated Bodies (DBs) in Wales. Working with the RSU's revalidation and appraisal stakeholders, the unit produced a focused action plan highlighting key areas for improvement.

The Review Visits explore the quality and robustness of appraisal and revalidation systems within each organisation and provide assurances to the CMO as Higher-Level Responsible Officer in Wales. The second cycle of these visits commenced in May 2022 and each visit report sent to the CMO for information. The data collated throughout the visiting process is fed into the action plan noted above to ensure good practice is shared and areas for improvement are addressed.

Trainee Support

Our Professional Support Unit (PSU) for medical, dental and pharmacy trainees, continues to provide a range of support interventions for trainees that are having challenges progressing through training. The PSU has seen an increase in referrals over recent years. In the year 2022/23 we received a total of 412 referrals with an average caseload through the year of 460 trainees (in comparison, total referrals for 2021/22 were 390, with an average caseload of 360). In addition to this, in 2022/23 we have referred 229 trainees for enhanced psychological support, a slight reduction from the previous year. The drivers for the increased referrals are complex and multi-factorial and include increasing recognition of differential attainment and the impact on complicated training journeys, higher proportion of international medical graduates (there is a link between location of primary medical qualification and level of differential attainment), and impact of the pandemic on psychological wellbeing. The PSU offer a range of interventions including one to one interventions, and wellbeing development seminars and webinars for trainees and the wider training faculty. It is reassuring that now just over half of all trainees supported by the PSU self-refer.

During 2023/24, it has been agreed that trainee pharmacists are included in the PSU offering. There has been a soft launch of this offering during Q3 and Q4 which included trainees utilising referral pathways as appropriate. Collaborative work has commenced with the PSU to develop a plan for a full offering launch for the 2023/24 trainee intake in July 2023.

Dental Quality Management

All trainees are monitored via an online portfolio. For Dental Foundation Trainees and Dental Core Trainees this is an Axia portfolio managed through NHS England (previously Health Education England) and for Dental Specialty Training, this is via Intercollegiate Surgical Curriculum Programme, with the exception of Dental Public Health which has a standalone portfolio.

Dental Foundation Training (DFT)

An Early-Stage Review (ESR) for all Dental Foundation Trainees took place in December 2022 to gain insight into progression and identify any major issues prior to the Interim Reviews of Competency Progression (RCPs) in February 2023. The review confirmed that 41 trainees were progressing as anticipated and 23 requiring some targeted development. Final review panels (RCPs) will take place in July 2023 to determine whether any trainees require extensions to training beyond the end of the programme in August.

Dental Foundation Trainees have continued to have the opportunity to provide feedback on their training through interim and end of training surveys at 6 or 12 month intervals.

Dental Core Training (DCT)

DCT Trainees were monitored through a Review of Competency Progression (RCP) in February 2023 and 45 trainees progressed satisfactorily with less than five requiring some targeted development. A final RCP will take place in July 2023 at the end of their training year.

DCT Trainees have continued to have the opportunity to provide feedback on their training through end of placement questionnaires either at 6 or 12 months.

Dental Specialty Training (DST)

The General Dental Council undertook a Quality Assurance review of the dental specialty training delivered via HEIW, and the final report published on their website reported that all actions had been satisfactorily met.

Interim Review of Competency Progressions and Annual Review of Competency Progressions were held for all trainees. The lay and external Specialty Advisory Committee (SAC) representatives provided complimentary feedback about the well-

structured and clearly managed processes undertaken and the approach to quality assurance.

Dental Specialty Trainees had the opportunity to feedback on their training through questionnaires at their Annual Review of Competency Progression or interim meetings and through an on-line survey on completion of training. All trainee feedback for their experiences in HEIW has been favourable and positive.

Dental Trainee Support

The Dental Trainee Forum continues into its second year led by the Dental Welsh Clinical Leadership Trainee Fellow. This has representatives from all dental training programmes and years. The forum meets quarterly and ensures trainees have the opportunity to feed back their experiences and concerns. This is essential to ensuring we offer the best training experience possible.

Trainees continue to be supported through the Professional Support Unit if required and are encouraged to self-refer if they identify a need. Pastoral support is provided to all trainees through their Educational Supervisors and Training Programme Directors.

Welsh Dental Therapists Foundation Training (WDTFT)

This programme has continued to run with 7 dental therapists successfully completing and exiting in August 2022. An additional 6 therapists were recruited in September 2022 and will be completed in August 2023. Plans to increase the number of dental therapist foundation training places to 20, for September 2023, to expand this workforce in the NHS dental services in Wales is aligned to Welsh Government Policy direction for dentistry.

Dental Nurse Training

HEIW has established a National Examining Board for Dental Nursing (NEBDN) Diploma Course in response to the current shortage of this dental workforce in Wales. Accreditation has been awarded with NEBDN to allow HEIW to become an approved centre for training. 30 places are available, and the course will begin in June 2023.

Pharmacy Quality Management

The Pharmacy Deanery has mapped all activities to the HEIW Quality Framework. In addition, the Pharmacist Foundation Programme have met the General Pharmaceutical Council (GPhC) accreditation requirements. The Pre-Registration Pharmacy Technician programme meet the quality standards of GPhC and Welsh Government Modern Apprenticeship Framework.

Pre-Registration Pharmacy Technicians

35 pre-registration pharmacy technicians were recruited to the September 2022 cohort. 20 NHS employed commissioned posts and 15 employed in community pharmacy. 3 trainees have since withdrawn from the training programme.

37 pre-registration pharmacy technicians training places were offered for February 2023 intake and 34 accepted. The sector split is 22 of NHS employed commissioned posts and 12 in community pharmacy.

Community employed pre-registration pharmacy technicians now account for 42% of the training cohort compared to 27% for the 2020 intake.

A community pharmacy pre-registration pharmacy technician trainee was awarded the significant accolade of Apprentice of the Year at the Apprenticeship Awards Cymru 2022.

Trainee Pharmacists - Foundation

The planned recruitment for trainee pharmacists in August 2022 started with the Oriel declarations in April 2021. The Oriel process concluded in December 2021 with confirmation of 100% fill rate for the 111 multi-sector places advertised. The number commencing in August 2022 was 105 due to programme withdrawals and MPharm exam failures.

The 2023 cycle started with Oriel submissions in April 2022. A total of 121 training posts were offered within Oriel which is an increase of 10 posts compared with 2022/23. The final number of posts offered were 117 due to capacity issues in two health boards.

The Oriel recruitment process and National Selection Centre was completed in September 2022 for the new intake of trainees starting in August 2023.

As in previous years, there were 2 bursts of the TrainWorkLive campaign coinciding with the opening and closing of the application window. The first burst was run by HEIW and the second by Jam Jar. This featured a new split creative of a community pharmacist to complement earlier hospital and general practice images.

HEIW filled 116 (99%) places compared to an overall average fill rate for English regions of 60%. This is exceptional in a year with 3,644 training posts on offer to 2,446 eligible students. Two students have since withdrawn from the offers due to personal circumstances taking the current fill to 114.

Most trainees on the 2021/22 programme have completed their training. We currently have 13 trainees on programme extensions ranging between 1 month and a whole year.

Wales had again the best UK pass rate for the GPhC registration assessment. In June 2022, Wales had a 96.4% pass rate versus a UK average of 80% and in November 2022 Wales had a 75% pass rate versus a UK average of 56%.

The HEIW Foundation team successfully completed step 1 of the GPhC accreditation process for the Foundation training programme during Q2 and submitted the step 2 accreditation document to GPhC for review in Q4.

MPharm Funded Clinical Placements

The regulatory changes to the initial education and training of pharmacists requires the four-year MPharm degree to include a significant increase to undergraduate clinical placements. HEIW was successful in securing Welsh Government funding for pharmacy undergraduate clinical placements in July 2023.

During 2022/23, HEIW worked closely with Cardiff School of Pharmacy and Pharmaceutical Sciences to establish a programme of funded undergraduate clinical placements for year 3 and year 4 MPharm students. HEIW worked in partnership with Cardiff University to develop the educational framework for the clinical placements.

Evaluation of the educational framework to meet the learning outcomes has been commissioned from Cardiff Unit for Research and Evaluation of Medical and Dental Education (CUREMeDe).

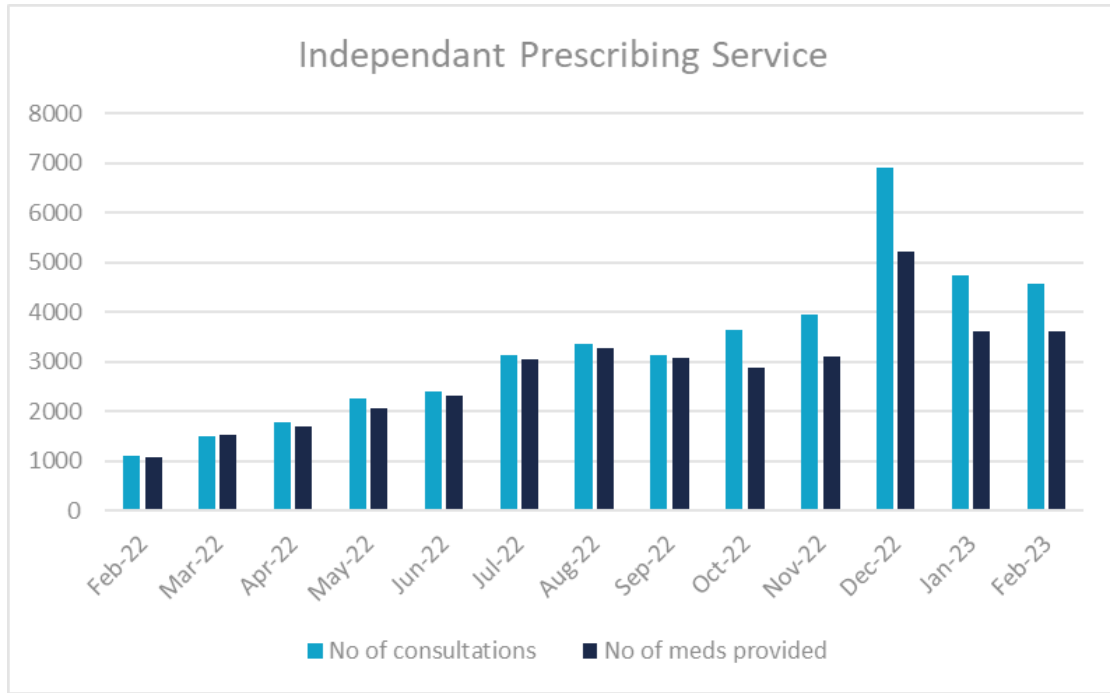
During 2023/24, Swansea University MPharm undergraduates will be included in the next phase of increasing the number of funded clinical placements across year 2,3, and 4.

HEIW has commenced exploring other alternative modules of undergraduate delivery within the acute sector to support managing capacity issues.

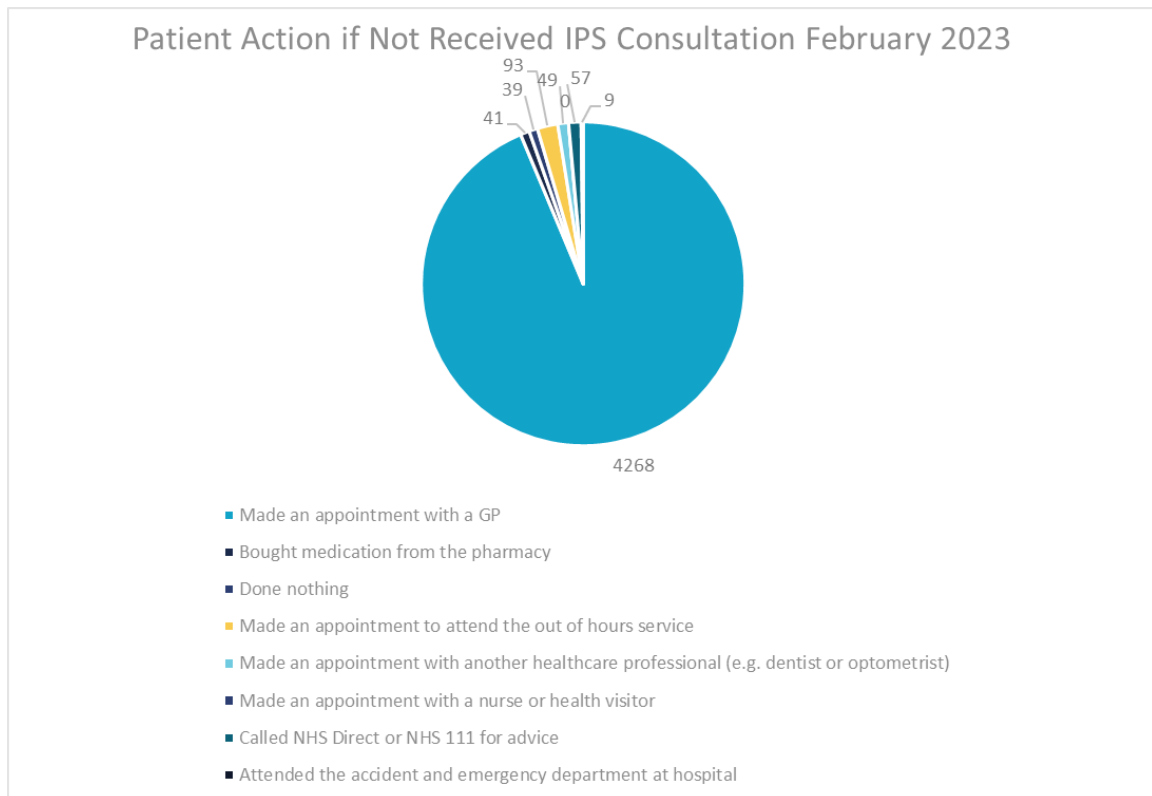
Existing Pharmacy Workforce

HEIW has invested in developing the skills and competence of the existing pharmacy workforce to meet the changing landscape of pharmacy service delivery.

A particular focus is upskilling the existing workforce with the enhanced skills of Independent Prescribing and the skills of the community pharmacy workforce to deliver the requirements of Presgripsiwn Newydd-New Prescription. The impact of HEIW investment can be seen in the data below:



As the number of community pharmacist are trained as Independent Prescribers there is clear evidence of the skills being utilised for the benefit of patients and the NHS system. Of those patients that accessed the service 98.2% said they would have visited another healthcare provider had the service not been available in pharmacy.



Complaints handling

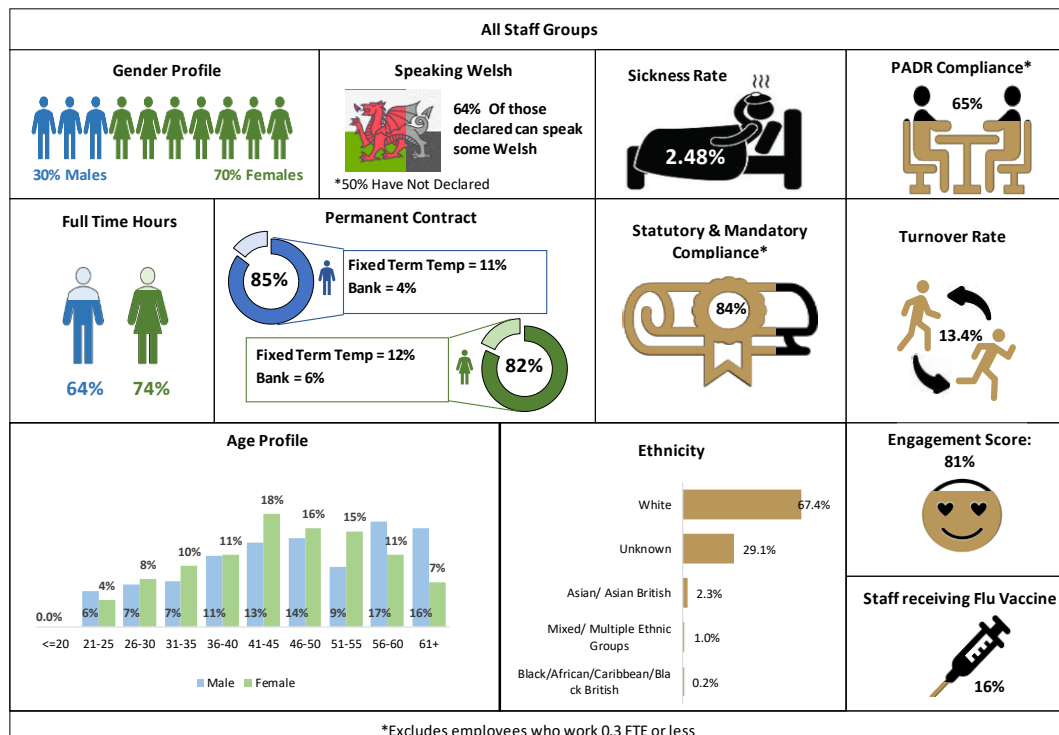
HEIW's bespoke Complaints Handling Policy reflects our unique role within NHS Wales as a training and education provider. This Policy was reviewed and amended this year to confirm that any Duty of Candour issue would be dealt with by HEIW under the Putting Things Right regulations, while all other complaints and issues would be handled in accordance with HEIW's Complaints Handling Policy. The amended policy was approved at March Board. Our Complaints Handling Policy outlines the process for dealing with concerns and complaints, emphasises a swift resolution of issues where possible and outlines how the implementation of the policy will be monitored. The Policy also supports organisation learning and seeks to identify and share lessons learned from complaints. HEIW received less than 5 complaints under the Complaints Handling Policy during the reporting period.

Our Workforce

Our staff group make up has continued to change over the last year with growth in core staff in Directorates including Medical, Digital and Nursing. There has been little change in the numbers of sessional staff and therefore this group has become a smaller proportion of the overall total, but no less key and fundamental to the ongoing success of HEIW.

Our commitment to all staff with people being our single most precious asset, is reflected in the People and Organisational Development Strategy which is in the final stages of approval. This strategy will focus and guide our approach in how we value and develop our staff, ensuring the workplace is one where staff are proud and happy to work and where we are seen as an exemplar employer.

Workforce Infographic as at March 2023



Workforce Movement

The HEIW headcount had increased to 602 by the end of March 2023, which is an increase of 56 over the 12-month period. The increase reflects HEIW's continued growth as an organisation during 2022/23 during which there has been expansion in a number of areas with several new posts being agreed. The Digital Directorate has seen further growth representing the continued importance of this field and of strong digital governance. In addition, the Medical Directorate has seen growth particularly with the establishment of a team associated with Primary Care education and development. There has also been growth in other areas to meet increasing service and Welsh Government demand.

The post Covid operating model of 3 days in the office and 2 days at home has been further modified and now involves 2 days in the office and 3 days at home. This model is popular and effective although is kept under review.

Turnover

The 12-month rolling turnover rate for HEIW for the period to March 2023 was 13.4%, this is an increase on the previous year's figure of 10.4% but remains at a reasonable level which continues to be healthy enough to continue to support business continuity and organisational memory whilst also bringing in new thinking and new ideas. We routinely send all staff leaving an exit questionnaire, enabling us to learn from and explore reasons for leaving.

Sickness

HEIW's rolling 12-month sickness rate was 2.48% and although marginally up from the previous rate of 1.8% it remains substantially below the NHS Wales target of 4.1%. Long term absence makes up 73% of our total sickness absence and this ratio has been relatively consistent in this and previous years. The sickness absence levels have remained at significantly low levels throughout the year.

Mandatory and Statutory Training

The Welsh Government KPI requires 85% compliance at a minimum level in the 10 UK Core Skills Framework for NHS Staff, hosted on the Electronic Staff Record system. The majority of these learning modules require a 3-year refresher period, although specific modules may differ in this. New starters are excluded from this report for the first 3 months in post.

The HEIW compliance rate for core staff at the end of March 2023 was 84% which is 1% short of the Welsh Government target figure. This figure has been consistently around 85% over the last 12 months. It remains the responsibility of individual staff and managers to ensure that they achieve compliance in statutory/mandatory training requirements whilst the People Team and the wider Workforce and OD teams continue to support and encourage staff in this process.

The sessional clinical staff who work for 3 sessions or less are not included in the above figures as their primary employment is predominantly with other employers. They are however still required to undertake a lighter version of appraisal with HEIW to both monitor performance and objectives and to identify relevant training needs. Similarly with Statutory and Mandatory training, where their prime employment is elsewhere, they can provide confirmation of having undertaken the relevant training with their prime employer.

Engagement and Wellbeing

We have had less than five formal grievances and disciplinary cases. This indicates a good level of engagement with our workforce as our workforce continues to grow. We undertook a culture re-measure survey during 2021 which was a re-run of the survey undertaken when HEIW was created in 2018, the return rate was 44% which is a reasonable response for this type of survey and enabled results to be produced.

Equality, Diversity and Inclusion

We remain broadly representative of the overall NHS workforce in terms of the gender profile of the organisation, with nearly 70% of the workforce being female, and this includes our senior leaders as represented by the HEIW Board.

Across Wales, 5% of the population identify themselves as from a minority ethnic background, within our local areas of Cardiff and Rhondda Cynon Taff this is 16% and 4% respectively. Currently, from those who have declared their ethnicity, those from a minority ethnic background make up 3% of our workforce which is less than the overall NHS Wales profile of 8%. In respect of our ethnicity profile, we have more work to do to ensure we reflect our communities and the population of Wales.

Our age profile is more in keeping with NHS Wales workforce overall, with the majority of the workforce being between 36 and 60. However, we recognise that those in the 21 to 25 age bracket make up 4% of our workforce, compared to the average of 6% in the same age bracket across NHS Wales.

Financial Performance

The HEIW Board approved its draft Annual Plan at its meeting on 31st March 2022. The plan set a revenue funding requirement for the year of £307.514m and Board received confirmation that the initial core funding allocation from Welsh Government totalled £304.246m. This has subsequently been revised to an in-year funding requirement of £289.361m at year-end. HEIW reported an underspend of £1.141m for the year, meeting its financial duty to break-even against the Revenue Resource Limit (RRL).

The underspend is split between pay costs, where there are various vacant posts within the establishment and non-pay costs which relate to travel, training, and conference activity where activity is lower than budgeted. Commissioning expenditure was under budget due to the under-recruitment of students on some nursing and other health professional courses in spring 2023 and also Clinical Fellows. This is offset against some approved grant expenditure and a small number of overspends within the commissioning category.

The draft annual accounts were submitted to Welsh Government by the deadline of 5th May 2023. Expenditure on the two main commissioning areas is shown in the table below. Operating costs of £36.9m relate to non-commissioning expenditure including staff and director costs (£25.6m), premises and related items (£2.9m), establishment costs (£3.1m), supplies and services (£3.7m) and other expenditure (£1.6m). Capital expenditure during the year totalled £226k against the Capital Resource Limit (CRL) of £226k.

Non-Medical Training & Education	£'m
Student Training Fees (Universities)	65,543
Funding for Healthcare Education Fees (Health Boards & Trusts)	3,897
Student Bursaries Reimbursement (Universities)	22,182
Student Salaries Reimbursement (Health Boards & Trusts)	20,829
Advanced Practice Training fees	1,702
Healthcare Support Working Training	2,685
Non-Medical Prescribing	288
Training related Travel and Subsistence	4,634
Disability Support Allowance	682
Other	2
TOTAL	122,444

Postgraduate Medical, Dental & Pharmacy Education	£'m
Training Grade Salaries	60,149
Postgraduate Centre and Study Leave	4,857
GP Registrars	37,755
Dental Foundation Trainees	9,073
Pharmacy Training	11,420
Induction & Refresher	20
Welsh Clinical Academic Training	1,500
GP CPD and Appraisal Costs	1,088
Trainee Relocation Expenses	2,016
Primary Care Grants	785
Other	906
TOTAL	129,569

Welsh Language

HEIW comes under the original (1993) Welsh Language Act therefore have published Welsh Language Scheme which has been approved by the Welsh Language Commissioner.

We have focussed on the implementation of the Welsh Language Scheme, and on increasing the services provided by HEIW through the medium of Welsh and improving the language skills of our staff.

HEIW's role in respect of the Welsh language was strengthened over the latter half of 2022/23, firstly by the publication of the More than just Words Action (MTJW) Plan in

August 2022, and then the NHS Workforce Implementation Plan which was published in February 2023. Both Welsh Government plans allocated a number of actions to HEIW relating to the Welsh language and the NHS workforce at a national level.

As such, we have set up a MTJW working group within HEIW. This includes representatives from across the organisation, from all the departments which are involved in the delivery of these actions.

In order to further support our work, we have undertaken a number of events (virtually) over the course of the year. These have included the creation and delivery of a “Raising Confidence” course which has now been delivered to over 75 colleagues across the NHS in Wales and is proven to have considerable positive impact.

The continued successful implementation of our Welsh Language Scheme over the past year is demonstrated in part by the number of staff learning Welsh which continues to increase, with over 15% of our staff now registered as learners. Demand for translation continues to be high, with the team translating well over 4 million words last year. Our Apprenticeship scheme continues to flourish, with HEIW winning the Welsh Language Employer of the year award at the Swansea Gower College Awards night.

Externally, we continue to engage regularly with a wide range of stakeholders, including the Welsh Language Commissioner, our HEI’s and Social Care Wales, and local health boards, with the aim of creating a continuum of language awareness and learning opportunities at all stages of a health worker’s career.

Sustainability

Annual Report Biodiversity and Decarbonisation

In 2022/23, we have not only built on and expanded our proactive approach to the biodiversity and decarbonisation agenda but have begun baselining how sustainable healthcare is embedded throughout education and training. The Sustainability Steering group and Green Group continue to deliver the priorities in the HEIW Biodiversity and Decarbonisation Strategy. Our strategy continues to be delivered via an action plan, in line with Welsh Government’s Decarbonisation Strategy, that will support wider plans and ambitions through our functions and activities.

We have undertaken further work throughout the year to increase the biodiversity with an increasing range of flora at Ty Dysgu that will support different species across the year. We launched a monthly litter pick in the autumn of 2022 which has already seen 8 full bags of rubbish and three hub caps removed from the area within and surrounding the Ty Dysgu estate.

With funding from the Health & Social Care Climate Emergency National Programme Funding Scheme in year, HEIW procured 198 training places for climate-smart and

carbon literacy training for NHS Wales staff from two providers, in line with Initiative 39 of the NHS Wales Decarbonisation Plan. There have been 133 expressions of interest from across the system and 62 individuals have completed the training, with a further 18 enrolled.

In March 2023, HEIW successfully inducted three Sustainability Fellows (0.2 FTE fixed term for two years), to focus on specific sustainability projects across Leadership and Policy, Quality Improvement and Education and Training which will drive sustainable healthcare as a key consideration of integrated health and care.

Emissions and Waste

We monitor emissions and waste creation on an ongoing basis, taking account of the impact of our hybrid ways of working and our commitment under the Environment (Wales) Act 2016. As a Strategic Health Authority of NHS Wales, our emissions differ considerably to other NHS Wales organisations.

Throughout 2022/23 HEIW staff worked to a hybrid model of 2 to 3 days in the office and 2 to 3 days at home. This return to the office although in a limited capacity has had an impact on utilities usage and waste. 100% of the organisations waste is diverted from landfill and 48% was recycled. This equates to 1000kgs of CO2 saved which is the equivalent of powering 1 domestic house for a year.

Table 1 shows emissions for the whole of 2022/23, with table 2 providing a comparison between 2021/22 and 2022/23. Costs increased across all areas due to the fuel crisis and rising inflation (costs include discount Energy Bill Relief Scheme discounts). Water usage increased significantly over the year due to the water requirements to support increasing biodiversity in the estate. We also saw an increase in shower usage after lockdown which also suggest more people are cycling/walking/running to work. The gas usage increase was minimal even though Winter 2022 was much colder than the previous year, increasing the heating requirements. Electric car charging increased this year which also contributed to higher utilities usage. Waste has increased by 40%, but this was expected as more people are back using the building, but we have also seen an increase in recycling which is a hugely positive behavioural change.

Table 1: Utilities (Units and Costs) 2022/23

22/23	Electricity kWh	Gas kWh	Water & Sewerage m3	Waste (Tonnes)
Q1	81913	75171	1006	1.4
Q2	93752	59438	987	1.5
Q3	86027	131583	1100	1.8
Q4	84650	162879	1137	2.1
Total units	346342	429071	4230	6.8
Total Cost Exc VAT (£)	£93,265	£40,635	£7,287	£2,887

Table 2 Utilities and Waste Comparison 2021/22 & 2022/23

	Electricity (KWh) 21/22	Electricity (KWh) 22/23	Gas (KWh) 21/22	Gas (KWh) 22/23	Water & sewerage (m3) 21/22	Water & sewerage (m3) 22/23	Waste (Tonnes) 21/22	Waste (Tonnes) 22/23
Total Units	310095	346342	428,261	429071	3157	4320	3.8	6.8
Cost (£)	£67,665	£93,265	£17,195	£40,635	£6,010	£7,287	£2,057	£2,887
Difference in units	36247		810		1163		3	
Difference (%)	12%		0.2%		37%		79%	
Difference (£)	£25,600.00		£23,440		£1,277		£830	
Difference £ (%)	38%		136%		21%		40%	

Appendix 1.1 Trends in Education & Training Commissioning

Specialty	<i>August 2022 post numbers</i>	Changes August 2022	Changes August 2021	Changes August 2020	Changes August 2019	Changes August 2018	Changes August 2017
Anaesthetics/ICM							
Core Anaesthetics Training/ACCS Anaesthetics	131	+10					
Higher Anaesthetics	143	+3	+3	+3			
ACCS Intensive Care	14						
Higher Intensive Care Medicine	35	+4	+4	+4	+2		+4
Emergency Medicine							
Acute Care Common Stem - Emergency Medicine	27	+4	+2				+4
Emergency Medicine (includes PEM & PHEM)	54		+5	+7	+4		+2
Medicine							
Internal Medicine Training/ACCS Acute Medicine	271	+12	+15	+13			
Acute Internal Medicine	14		+2				
Audio vestibular medicine	1						
Cardiology	38						
Clinical Genetics	7	+2					
Clinical Neurophysiology	1						
Clinical Oncology	24	+4	+4				
Clinical Pharmacology and Therapeutics	2						
Dermatology	16			+3			
Endocrinology & Diabetes	23						
Gastroenterology	27	+1	+2				

Genito-urinary Medicine	4						
Geriatric medicine	52						+3
Haematology	18						
Immunology	1						
Medical Oncology	12	+3	+3				
Neurology	17						
Palliative Medicine	15	+2					
Rehabilitation Medicine	2			+1			
Renal medicine	17						
Respiratory Medicine	31		+2				
Rheumatology	12	+2					
Surgery							
Core Surgical Training	100						
Cardio-thoracic surgery	7						
General surgery	58		+4				
Neurosurgery	7		-1				
Ophthalmology	40					+4	
Oral and Maxillo-facial Surgery	11	+2					
Otolaryngology	18						
Paediatric Surgery	2						
Plastic surgery	15		+2				
Trauma & Orthopaedic surgery	45				+4		
Urology	20		+4				
Vascular surgery	10		+1				
Pathology							
Chemical pathology	4						

Histopathology	21	+1					+2
Infectious diseases	2						
Medical Microbiology and Infectious Diseases	19	+3	+3	+3			
Paediatric & Perinatal pathology	1	-1					+1
Psychiatry							
Core Psychiatry Training	93	+8					
Child and Adolescent Psychiatry	16	+4					
Forensic Psychiatry	6						
Old Age Psychiatry	13	+2		+2	+2		
General Psychiatry	29						
Psychiatry of Learning Disability	5						
Imaging and Radiology							
Clinical Radiology	107	+15	+10	+10	+4	+7	+11
Interventional Neuro Radiology	1	+1					
Nuclear medicine	1						
Women's Health							
Obstetrics and gynaecology	95		+2				
Community Sexual & Reproductive Health	4	+2					
Paediatrics	153	+4	+6	+4			
Public Health Medicine	23	+2					
	1935	+90	+73	+50	+14		
Foundation Training							
Foundation Year 1	411	+30	+30	+12			
Foundation Year 2	381	+30	+12				

Appendix 1.2 Health Professional Commissioning Trends

Staff Group	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Pre Registration Nursing	2396	2202	1,987	1,911	1,911	1,750	1,418	1,283	1,053	1,011	919	1,035	1,070	1,179	1,095	1,079	1,271	1,265	1,247	1,387	1,291	990	1,113	976	905
Midwifery	185	185	161	134	134	134	94	94	94	109	107	102	123	110	95	90	100	97	97	100	120	96	86	70	72
District Nurses	80	80	80	80	80	80	41	41	24	31	20	26	30	26	28	45	71	68	71	65	57	62	69	50	52
DN (Modules)	123	123	123	123	123	123	123	123	163	172	100	50	40	40	98										
Health Visitors	92	92	92	92	90	82	71	66	49	39	31	31	36	46	36	36	37	47	53	62	55	48	36	44	44
Health Visitors (Modules)	30	30	30	30	30	40																			
CPNs	30	30	30	30	30	39	21	27	23	13	26	20	21	21	21	13	23	15	17	34	34	30	40	16	35
CPN (Modules)	60	60	60	60	60	40	48	48	40	40	30	20	20	20	20										
CLDNs	0	0	0	0	0	0	12	12	0	0	5	0	2	3	2	3	6	5	10	10	14	10	13	7	15
CLDNs (Modules)	10	10	0	10	10	10	12	12	7	8	0	4	10	6	4										
School nurse	30	30	19	19	19	19	18	18	18	18	27	22	24	24	24	22	21	21	24	20	17	13	6	0	0
School nurse (modules)	0	0	3	3	3	3	2	2	6	10	0	25													
Practice nurses	30	30	20	20	20	20	1	1	14	12	39	16	16	18	16	20	23	17	11	15	15	23	0	0	0
PN (Modules)	50	50	29	29	29	29	29	34	18	8	10	12	16	16	16										
CCN (p/t)	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Paediatric nurses	0	0	7	0	0	16	12	12	11	13	10	8	6	9	7	2	15	10	7	13	15	0	0	0	0

Paed. nurses (Modules)	24	24	10	24	24	24	3	3	13	8	3	8	8	8	8											
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Staff Group	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Occupational Therapists	179	179	163	133	133	121	116	111	88	79	71	69	102	100	93	81	98	91	106	112	79	65	45	40	37
Physiotherapists	174	174	164	147	147	134	134	121	96	89	103	90	90	95	85	82	86	101	126	140	115	91	77	73	67
Speech & Language Therapy	49	49	49	44	44	0	44	44	37	30	25	36	43	35	35	54	44	40	39	40	38	33	33	33	27
Dietetics	40	40	40	30	30	30	42	38	30	33	28	30	36	40	34	22	24	24	30	31	28	28	28	28	27
Post grad. Dietetics	20	20	20	12	12	12									12	11	12	12	14	15	15	15	15	15	30
Podiatry	27	27	24	24	24	24	20	20	26	15	24	24	31	30	26	28	26	26	26	27	28	28	28	28	21
Orthoptics	0	0	5	5	5	5	5	5	5	3	2	0	0	0	0	0									
Medical Photography	0	7	5	5	5	5	4	4	4	3	3	2	2	2	2	2	3	3	3	3	3	3	3	3	3
ODPs	49	49	49	49	49	49	39	39	46	44	28	32	29	30	25	23	32	32	39	41	36	33	32	14	14
Surgical Care Pracs	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8										
Physicians Associate	54	61	60	42	32	32	27																		
Clinical Psychologists	36	32	29	27	27	27	27	27	26	25	21	16	18	19	18	18	21	21	21	20	19	18	15	15	15
Pharmacists - Pre Reg.		160	40	50	41	41	38	38	40	40	39	43	45	43	38	36	40	40	40	40	36	34	4	30	30
Pharmacists Dip & Techs		77	99	85	75	75	60	60	62	63	63	41	54	66	54	51	66	64	50	53	21	20	19	14	12
Dental Hygienists	33	18	18	18	18	18	18	18	10	12	10	7	9	11	9	9	9	9	9	9	8	8	7	7	6

Dental Therapists	13	13	13	13	13	13	13	13	12	11	11	6	8	11	8	8	8	8	8	8	7	7	6	6	0
Ambulance Paramedics	116	105	115	85	76	86	69	94	36	25	24	40	57	75	101	70	90	85	85	70	57	48	48	40	48



GIG
CYMRU
NHS
WALES

Addysg a Gwella Iechyd
Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

Accountability Report 2022/23



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Addysg a Gwella Iechyd
Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

Corporate Governance Report

Governance Statement for the Period Ended 31 March 2023

1. Scope of Responsibility

The Board of Health Education and Improvement Wales (HEIW) is accountable for governance, risk management, and internal control. The Chief Executive Officer (CEO) 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 CEO is personally responsible. These are carried out in accordance with the responsibilities assigned to the CEO as Accountable Officer by the Chief Executive of NHS Wales.

The Annual Report outlines the different ways the organisation has worked both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains the arrangements for ensuring standards of governance are maintained, risks are identified and mitigated, and assurance has been sought and provided. Where necessary additional information is provided in the Governance Statement, however, the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Governance Statement.

The background to HEIW, its functions and the Integrated Medium Term Plan (IMTP) 2022/25 is set out in the Performance Report.

This Governance Statement explains the composition and organisation of HEIW's governance structures and how they support the achievement of our objectives.

During 2022/23 we have continued to further develop our system of governance and assurance. During the year we have reviewed HEIW's Strategic and Corporate Risks. Our Board Assurance Framework is outlined on pages 73 to 75 and it will continue to evolve in 2023/24.

The Board sits at the top of our governance and assurance system. It sets strategic aims, monitors progress, agrees actions to achieve these objectives and ensures appropriate controls are in place and working properly. The Board also takes assurance from its committees, assessments, against professional standards and regulatory frameworks.

Impact of COVID on governance

The impact of COVID-19 on HEIW's governance in 2022/23 has been limited. Where relevant HEIW's actions taken in response to COVID-19 have been explained within this Governance Statement.

Suspension of Board and committee meetings being held in public due to COVID-19

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. On 31 March 2022 a phased return to in-person meetings commenced with a hybrid model meeting of the March Board where members could attend virtually or in-person. Since September 2022 all Board and Committee meetings have been held face-to-face at Ty Dysgu. Since live streaming of Board and Committee meetings were introduced a significantly higher number of members of the public have viewed these meetings.

Reporting period

The reporting period for this Governance Statement is primarily focussed on the financial year from 1 April 2022 to 31 March 2023. However, it also includes reporting on material issues that have taken place between 31 March 2023 and the date that the Governance Statement is approved by the HEIW Board on 27 July 2023.

1.1 Our System of Governance and Assurance

Our vision is “To develop a workforce that improves care and population health” which was developed through extensive engagement with our staff, stakeholders and partners.

Our purpose is as part of the NHS, to work with partners to plan, develop, educate and train the current and future workforce.

As a Special Health Authority our unique contribution or “added value” is to address strategic and specialist workforce opportunities and risks that affect workforce demand and supply through our statutory functions.

HEIW’s statutory functions are detailed below:



With our staff we also developed and agreed our values which are:

- **Respect for all:** in every contact we have with others;
- **Together as a Team:** we will work with colleagues across NHS Wales and with partner organisations; and
- **Ideas that Improve:** harnessing creativity, and continuously innovating and evaluating.

These values are supported by a Values and Behaviours Framework and together these set out clearly the expectations on all staff and the way we work. Our Values and Behaviour Framework is on our website at <https://heiw.nhs.wales/about-us/values-and-behaviours/>.

HEIW, in line with all Health Boards and Trusts in Wales, has agreed standing orders for the regulation of proceedings and business of the organisation. These are designed to translate the statutory requirements set out in the HEIW (Establishment and Constitution) Order 2017

into day-to-day operating practice. Together with the adoption of a scheme of matters reserved to the Board; a scheme of delegation to officers and others; and standing financial instructions, they provide the regulatory framework for the business conduct of HEIW and define its 'ways of working'. These documents, together with the range of corporate policies set by the Board, make up the Governance and Assurance Framework.

HEIW's Declarations of Interest and Standards of Behaviour Policy was rolled out across the organisation in 2018/19. Work has continued during 2022/23 in respect of communication and to ensure that declarations are up to date to proactively manage any conflicts of interest that might arise for our Board members and staff.

1.2 The Role of the Board

The Board has been constituted to comply with the Health Education and Improvement Wales Regulations 2017. In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Independent Members also fulfil a number of Champion roles where they act as ambassadors (see Table [1 on pages 69 to 71]).

On 1 August 2022, John Gammon took up his position as an Independent Member for a term of four years having been appointed as a part of the public recruitment process undertaken in December 2021. Given the delay in his appointment, attendance at Board and Committee meetings were carefully managed. On 31 March 2023, Jonathan Morgan resigned as an Independent Member to take up the role of Chair of Cwm Taf Morgannwg University Health Board.

In March 2023 HEIW concluded a successful public recruitment process for two new Independent Members. On 24 April 2023, Donna MacArthur took up her position as an Independent Member for a term of four years. Jayne Sadgrove will take up her position as an Independent Member on 1 September 2023 also for a term of four years.

The Board is made up of independent members and executive directors. Pushpinder Mangat was appointed as Medical Director on 2 July 2022 having previously undertaken the role on secondment from Swansea Bay University Health Board. Rhiannon Beckett stood down as Interim Director of Finance on 30 April and Glyn Jones commenced as Director of Finance Planning and Performance on 2 May 2023.

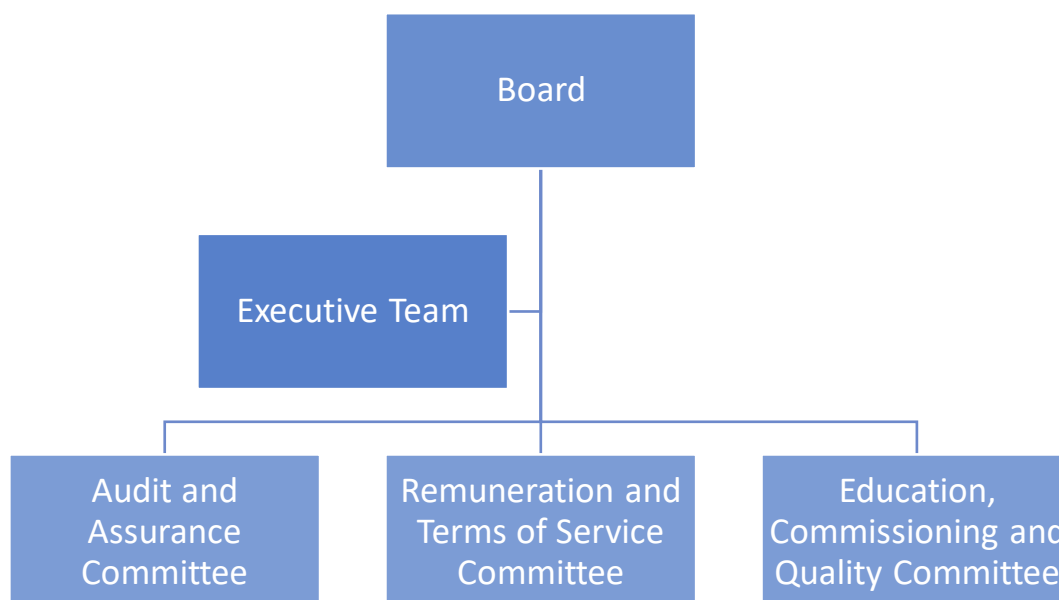
In addition to the executive directors, HEIW has one director positions, the Director of Digital Development. Sian Richards was appointed as Director of Digital Development on 2 July 2022 having previously undertaken the role on secondment from Swansea Bay University Health Board. The Director of Digital Development, together with the executive directors and the Board Secretary, are members of the Executive Team. In addition, the Director of Digital Development has a standing invitation to Board meetings where she can contribute to discussions, but without voting rights as she is not an executive director.

During 2022/23 several Board Development Sessions were undertaken which included a focus on the following elements of governance:

- Developing a Quality Framework.
- Risk Appetite and Risk Tolerance.
- Strategic Risks.
- Compassionate and Collective Leadership.
- Board's self-assessment of its own effectiveness

In addition, in March 2023 a briefing meeting was convened for the Board to consider the findings of the Audit Wales report on the review of Board effectiveness at Betsi Cadwaladr University Health Board and identified any relevant actions for the HEIW Board.

The full membership of the Board, their lead roles and committee responsibilities are outlined in Table 1. Below is a summary of the Board and committee structure:



The Board provides leadership and direction to the organisation and has a key role in ensuring the organisation has sound governance arrangements in place. The Board also seeks to ensure the organisation has an open culture and high standards when conducting its work. Together, Board members share corporate responsibility for all decisions and play a key role in monitoring the performance of the organisation. All the meetings of the Board during 2022/23 were deemed when held to be appropriately constituted with a quorum. The key business and risk matters considered by the Board during 2022/23 are outlined in this statement and further information can be obtained from meeting papers available on our website: <https://heiw.nhs.wales/about-us/board-meetings-agendas-and-standing-orders/>

1.3 Committees of the Board

The Board has established three committees, the Audit and Assurance Committee, Remuneration and Terms of Service Committee, and the Education Commissioning and Quality Committee. These committees are chaired by the Chair of the Board or independent members and have key roles in relation to the system of governance and assurance, supporting decision making, scrutiny and in assessing current risks. The committees provide assurance and key issue reports to the Board to contribute to the Board's assessment of assurance and to provide scrutiny on the delivery of objectives.

The Board is responsible for keeping the committee structure under review and reviews its standing orders on an annual basis. The Board will consider whether any changes are needed during 2023/24 in line with the Board's governance framework and priorities of the IMTP 2023/26.

HEIW is committed to openness and transparency with regard to the way in which it conducts its committee business. The HEIW Board and its committees aim to undertake the minimum

of its business in closed sessions and ensure business wherever possible is considered in public with open session papers published on HEIW's website. <https://heiw.nhs.wales/corporate/board-meetings-agendas-and-papers/>

The closed session elements of Board and committee meetings are undertaken because of the confidential nature of the business. Such confidential issues may include commercially sensitive issues, personal issues or discussing plans in their formative stages.

An important committee of the Board in relation to this Governance Statement is the Audit and Assurance Committee. The Committee keeps under review the design and adequacy of HEIW's governance and assurance arrangements and its system of internal control. During 2022/23, key issues considered by the Audit and Assurance Committee relating to the overall governance of the organisation included:

- Reviewing the draft Annual Accounts for 2021-22.
- Reviewing procurement compliance and monitoring progress against the Procurement Compliance Action Plan.
- Revisiting its terms of reference, which will be kept under regular review.
- Approving the Internal Audit Plan for 2022/23 and keeping under review the resulting Internal Audit Reports. Noting key areas of risk and tracking the management responses made to improve systems and organisational policies.
- Approving the Counter Fraud Plan 2022/23 and keeping under review the resultant counter fraud work.
- Ensuring effective financial systems and controls procedures are in place.
- Further developing the Board's risk management systems and processes and monitoring the same.
- Considering, the 2022 Structured Assessment and Audit Wales' 2023 Audit Plan.
- Providing assurance to the Board in respect of Information Management and Information Governance.

The committee provides an Annual Report of its work to the Board and undertook a self-assessment for 2022/23 at its meetings in April and May 2023. A questionnaire based on the National Audit Office Audit and Risk Committee Checklist was developed and circulated to committee members and attendees. An action plan in response to the self-assessment will be developed in response to the findings of the self-assessment process.

The Remuneration and Terms of Service Committee considers and recommends to the Board salaries, pay awards and terms and conditions of employment for the Executive Team and other staff. During 2022/23 key issues considered by the Remuneration and Terms of Service Committee included:

- Performance of executive directors against individual objectives
- National pay awards for members of staff
- Recruitment, Retirement and Return of senior staff
- Consideration of casework updates and actions in line with employment policies
- Preparation for strike action.

The Education, Commissioning and Quality Committee enables the Board to undertake greater scrutiny in respect of commissioning, monitoring and quality assessing of education and training. The committee considered the following key matters in 2022/23:

- Reviewed its own terms of reference

- Reviewed the draft NHS Wales Education, Commissioning and Training Plan for 2023/24 and recommended the Plan for approval at the HEIW Board in July 2022
- Received assurance reports on the tender processes for Phase 2 of Health Professional Education Contracts
- Considered and made recommendations of approval to the Board in respect of Phase 2 Health Professional Contracts
- Ensured the effective management and improvement of the quality of HEIW's education and related research activities
- Ensured the effective performance, monitoring, management and value of education and training programmes and contracts
- Monitored compliance of education and training activities with education providers including a focus on commissioned numbers
- Received updates in respect of the work undertaken by the Stakeholder Reference Group.

The committee provides an Annual Report of its work to the Board and undertakes a self-assessment on an annual basis . A number of areas of focus were identified by the self-assessment process last year and progressed during 2022/23.

The Multi-Professional Quality and Education Group (MPQEG) , which existed as an internal advisory sub-committee for the Education Commissioning and Quality Committee was de-commissioned by the Board in July. This followed a review of the MPQEG which found that there were other robust mechanisms for providing such advice on monitoring and assurance.

Our Stakeholder Reference Group continued to support the Board with advice and discussion across the range of its functions.

1.4 Membership of the Board and its Committees

In Table 1, the membership of the Board and its committees is outlined for the year ended 31 March 2023, along with attendance at Board and committee meetings for this year. Members are involved in a range of other activities on behalf of the Board, such as regular development and briefing meetings, and a range of other internal and external meetings.

Any proposed changes to the structure and membership of Board committees requires Board approval. Both the Audit and Assurance Committee and the Education Commissioning and Quality Committee, have considered their own terms of reference. The Board will ensure that terms of reference for each committee are reviewed annually to ensure the work of committees clearly reflects any governance requirements, changes to delegation arrangements or areas of responsibility. The Audit and Assurance Committee and the Education Commissioning and Quality Committee are also required to develop annual reports of their business and activities.

Table 1 - Board and committee membership and attendance since 1 April 2022 to 31 March 2023:

Name	Position	Area of Expertise/Representation Role	Board/Committee Membership	Meeting Attendance 2022/23	Independent Member Champion Roles
<i>Chris Jones</i>	<i>Chair</i>	<ul style="list-style-type: none"> • <i>Primary Care</i> • <i>Widening Access</i> 	<ul style="list-style-type: none"> • <i>Board (Chair)</i> 	6/7 5/5	<i>Welsh Language</i>

Name	Position	Area of Expertise/Representation Role	Board/Committee Membership	Meeting Attendance 2022/23	Independent Member Champion Roles
		<ul style="list-style-type: none"> Prevention 	<ul style="list-style-type: none"> RATS Committee (Chair) 		
<i>Tina Donnelly</i>	<i>Independent Member</i>	<ul style="list-style-type: none"> Leadership Students Workforce Education/Training 	<ul style="list-style-type: none"> Board Education, Commissioning and Quality Committee Audit and Assurance Committee RATS Committee 	7/7 4/4 3/4* 5/5	<i>Student/Trainee</i> <i>Equality & Diversity</i>
<i>Ruth Hall</i>	<i>Independent Member</i>	<ul style="list-style-type: none"> Rural Education Quality and Improvement 	<ul style="list-style-type: none"> Board Education, Commissioning and Quality Committee RATS Committee 	7/7 4/4 4/5	<i>Rural Research North Wales</i>
<i>Gill Lewis</i>	<i>Independent Member</i>	<i>Health & Social Care Workforce</i>	<ul style="list-style-type: none"> Board Audit and Assurance Committee Education, Commissioning and Quality Committee RATS Committee 	6/6 6/6 3/4 5/5	<i>Health & Social Care Integration</i>
** <i>Heidi Phillips</i>	<i>Independent Member</i>	<ul style="list-style-type: none"> Integrated Care Improvement Widening Access Education/Training 	<ul style="list-style-type: none"> Board 	n/a	
<i>Jonathan Morgan***</i>	<i>Independent Member</i>	<ul style="list-style-type: none"> Health and Social Services Audit Public accounts 	<ul style="list-style-type: none"> Board Audit and Assurance Committee RATS Committee 	7/7 6/6 5/5	

Name	Position	Area of Expertise/Representation Role	Board/Committee Membership	Meeting Attendance 2022/23	Independent Member Champion Roles
		<ul style="list-style-type: none"> • Future Generations 			
<i>John Gammon***</i>	<i>Independent Member</i>	<ul style="list-style-type: none"> • Education/ Training 	<ul style="list-style-type: none"> • Board • Education, Commissioning and Quality Committee • RATS Committee 	4/4 2/2 4/4	<i>Digital</i>
<i>Alex Howells</i>	<i>Chief Executive</i>	<i>n/a</i>	<i>Board</i>	<i>7/7</i>	<i>n/a</i>
<i>Julie Rogers</i>	<i>Director of Workforce and OD/ Deputy CEO</i>	<i>n/a</i>	<i>Board</i>	<i>4/7</i>	<i>n/a</i>
<i>Lisa Llewelyn</i>	<i>Director of Nurse and Health Professional Education</i>	<i>n/a</i>	<i>Board</i>	<i>7/7</i>	<i>n/a</i>
<i>Pushpinder Mangat</i>	<i>Medical Director</i>	<i>n/a</i>	<i>Board</i>	<i>6/7</i>	<i>n/a</i>
<i>Rhiannon Beckett</i>	<i>Interim Director of Finance</i>	<i>n/a</i>	<i>Board</i>	<i>7/7</i>	<i>n/a</i>

Please note:

The Director of Finance is the lead officer for the Audit and Assurance Committee. The Director of Workforce & Organisational Development is the lead officer for the Remuneration and Terms of Service Committee. The Medical Director and the Director of Nurse and Health Professional Education are the lead officers for the Education Commissioning and Quality Committee.

(*) Tina Donnelly was appointed as a member of the Audit and Assurance Committee on 26 May, 2023. Attendance for the Committee therefore reflect number of meetings since appointment.

(**) Heidi Philips stood down as an Independent Member on 9 May 2022.

(***) – Jonathan Morgan resigned as an Independent Member on 31 March to enable him to take up his new role as Chair of Cwm Taf Morgannwg University Health Board on 1 April 2023.

(****) – John Gammon was appointed as a member of the Board on 1 August 2022 and as a member of the Education, Commissioning and Quality Committee on 29 September 2022. Attendance therefore reflects the number of meetings since appointment.

The Board and its committees are fully established and (other than in respect of the suspension of holding Board and committee meetings in public due to COVID 19 as outlined above) operated in line with the Board’s standing orders. Table 2 outlines the dates of Board, Board development and committee meetings held during the period 1 April 2022 – 31 March 2023, with all meetings being deemed quorate when held.

Table 2 - Dates of board and committee meetings held during the period 1 April 2022 to 31 March 2023.

Board/ Committee	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022
Board	n/a	26/05/22	13/06/22	28/07/22	n/a	29/09/22
Board Development	28/04/22	n/a	n/a	n/a	25/08/22	n/a
Audit and Assurance Committee	12/04/22	05/05/22	10/06/22	12/07/22	n/a	n/a
Education Commissioning & Quality Committee	n/a	n/a	n/a	15/07/22	n/a	06/09/22
Remuneration and Terms of Service Committee	n/a	26/05/22	n/a	n/a	25/08/22	n/a

Board/ Committee	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
Board	n/a	24/11/22	n/a	26/01/23	n/a	30/03/23
Board Development	27/10/22	n/a	15/12/22	n/a	16/02/23	n/a
Audit and Assurance Committee	17/10/22	n/a	n/a	n/a	06/02/23	
Education Commissioning and Quality Committee	n/a	n/a	06/12/23	n/a	n/a	23/03/23
Remuneration and Terms of Services Committee	27/10/22	n/a	n/a	26/01/23	n/a	30/03/23

Local Partnership Forum

The HEIW Local Partnership Forum (LPF) provides the formal mechanism for social partnership within HEIW. It is the formal method for engagement, consultation, negotiation and communication between the trade unions and HEIW management and ensures continued partnership working. During 2022/23 the LPF met bi-monthly and dealt with a range of operational and strategic issues. These covered agile working, well-being, organisational culture, organisational development and equality and diversity. Discussions were also held on the implementation of pay awards and industrial action. The LPF forms a key part of the approval process for workforce policies and supports the work of the Policy Review Group. The LPF has been part of the consultation process for the development of the People & OD Strategy.

2. The Purpose of The System of Internal Control

HEIW's Board 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 assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of HEIW 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 Annual Report and Accounts. We use the Board Assurance Framework system and process to monitor, seek assurance and ensure that shortfalls are addressed through the scrutiny of the Board and its committees. Oversight of our Corporate Risk Register system is provided through scrutiny and monitoring by the Board and its committees.

The effectiveness of the system of internal control is assessed by our internal and external auditors.

A diagram of the Board Control Framework is set out overleaf.

Levels of Assurance

First Line Operational

- Organisational structures – evidence of delegation of responsibility through line Management arrangements.
- Compliance with appraisal process
- Compliance with Policies and Procedures
- Incident reporting and thematic reviews
- Compliance with Risk Management processes and systems
- Performance Reports, Complaints and Trainee Experience Reports, Finance Reports



Second Line

Risk and Compliance

Reports to Assurance and Oversight Committees

- Audit and Assurance Committee
- Education Commissioning and Quality Committee
- Remuneration Committee
- Health and Safety Groups etc

Findings and/or reports from inspections, Annual Reporting, Performance report through to committees



Third Line Independent

- Internal Audit
- Audit Wales
- Counter Fraud
- Regulators
- Reviews and Reports by Royal Colleges
- External visits and accreditations
- Independent Reviews

3. Capacity to Handle Risk

We have continued to develop and embed our approaches to risk management and emergency preparedness throughout 2022/23. Our Risk Management Policy is reviewed on an annual basis and was reviewed and approved by the Board in July 2022.

HEIW's risk appetite statement set out below describes the risks it is prepared to accept or tolerate in the pursuit of its strategic aims:

'HEIW recognises that, as an improvement based organisation, it is impossible for it to deliver its services and achieve positive outcomes for its stakeholders without a high appetite for risk. Indeed, only by taking risks can HEIW realise its aims.'

HEIW nevertheless recognises that its appetite for risk will differ depending on the activity undertaken. Its acceptance of risk will be based on ensuring that potential benefits and risks are fully understood before decisions on funding are made, and that appropriate actions are taken.

HEIW's risk appetite takes into account its capacity for risk, which is the amount of risk it is able to bear (or loss we can endure) having regard to its financial and other resources, before a breach in statutory obligations and duties occurs.'

Consideration of Strategic Risks and Corporate Risk both form part of the Board Assurance Framework. While they are complimentary, they do not cover the same areas. Strategic Risks are fundamental risks to an organisation's Strategic Aims. These risks are embedded and do not change much in the course of a year. Corporate Risks identify more precise day-to-day activities and are more likely to change over the course of the year.

HEIW's risk tolerance in respect of each of its statutory function is incorporated within the Corporate Risk Register. This will ensure a consistent, integrated approach whereby all risks are clearly linked to organisational objectives with a line of sight to the Board Assurance Framework.

HEIW's strategic risks are reviewed by the Board on an annual basis to ensure they continue to align with our IMTP. Table 3 outlines the key strategic risks for HEIW.

Table 3 HEIW Strategic Risks 2022/23

1	Workforce skills and expertise given specialist nature of organisation. There is a risk that HEIW may find itself without the workforce with the requisite skills it requires to deliver on its Strategic Objectives. This could be caused by a lack of staff with relevant skills in the external market or education system or internally due to a lack of staff skills, career mobility, succession planning and skills management, or due to undesirable employee attrition and sickness absence of key individuals. The continued impact on staff wellbeing due to the COVID pandemic renders this risk to be particularly serious.
2	Capacity to deliver a growing range of functions and responsibilities. The risk of lack of capacity may be caused by a lack of sufficient workforce capacity to deliver the growing functions of the organisation, which could be a result of insufficient planning and an over reliance on existing ways of

	working, not embracing innovation, new ways of working and not investing in appropriate technology.
3	Cultural change required to deliver an integrated, multi professional approach. There is a risk that HEIW could fail to maintain and continue to develop a positive organisational culture which enables, encourages and develops staff engagement in embracing the multi professional approach. This could be caused by an over reliance on existing ways of working or a lack of time and attention focused on Organisational Development and a failure to embed Compassionate Leadership principles.
4	Effective engagement to ensure that we are influencing and shaping the agenda as system leader and can deliver our plans. Acting as a system leader will require effective horizon scanning and insight into the NHS system and workforce trends and clear communication and engagement for coalition building to encourage system change. The risk of failing to influence the agenda as system leader could be caused by a failure to communicate and engage effectively with stakeholders within health and social care including our newly established Stakeholder Reference Group.
5	Effective engagement with our partners to ensure the delivery of shared objectives and aims. The successful implementation of HEIW's aims and objectives in several areas will rely on engagement and co-operation with our partners in health, social care and education. The risk of failing to deliver in these areas could be caused by insufficient capacity, not effectively maintaining engagement with partners or a failure to achieve buy in from our partners.
6	Volatility of HEIW's financial position including the reliance on commissioning plans, student choices and associated budgets. This could be exacerbated by the increasing financial challenges faced by government and our education providers particularly post COVID-19, leading to a reduction in our flexibility to respond to developments.
7	Workforce intelligence and Data. The risk that the quality of workforce intelligence captured and reported within the NHS does not support accurate decision making and planning for the NHS's future workforce requirements. This could lead to both overcapacity and under capacity within the workforce.

The organisation has a Strategic Risks Control Framework, which identifies and maps the controls and key sources of assurance against HEIW's Strategic Risks.

Risk Management

The Board sees active and integrated risk management as key elements of all aspects of our functions and responsibilities, especially to support the successful delivery of our business.

The Chief Executive / Accountable Officer has overall responsibility for the management of risk for HEIW. The Board and its committees identify and monitor risks within the organisation. Specifically, Executive Team meetings present an opportunity for the executive function to consider and address risk, and actively engage with and report to the Board and its committees on the organisation's risk profile. The Corporate Risk Register is reviewed monthly by the Executive Team, and quarterly by the Audit and Assurance Committee. The Board receives a copy of the Corporate Risk Register for noting at every meeting and undertakes a review of the Corporate Risk Register twice a year. Risks are escalated to the Board as appropriate.

At an operational level executive directors are responsible for regularly reviewing their Directorate Risk Registers and for ensuring that effective controls and action plans are in place for monitoring progress.

HEIW's Risks

The Corporate Risk Register is continuously updated to capture HEIW's risks as they are identified. key risks that have been managed during 2022/23 are outlined below:

- Cybersecurity remained a high priority risk and work focused on reducing HEIW's cyber security risk profile while improving cyber security resilience. The Cybersecurity threat was also felt to be heightened as a result of the pandemic due to fraudsters increasingly targeting health organisations. To mitigate this risk HEIW continued to roll out the Cyber Security Implementation Plan.
- The merger of Health Education England (HEE) with NHS Digital England and the potential impact on a number of UK wider roles undertaken by HEE such as national recruitment. To mitigate the risk regular four nation meetings were held of the Statutory Education Body Medical Directors/GMC and Academy of Medical Royal Colleges.
- The merger of Health Education England (HEE) with NHS Digital England also impacting on HEIW trainees who access opportunities in HEE in particular in the North West of England. To mitigate the risk the regular four nation meetings were held of the Statutory Education Body Medical Directors/GMC and Academy of Medical Royal Colleges.
- The delay in the approval of the Education and Training Plan for additional commissioned numbers of students and trainees could impact our ability to recruit into certain specialities in Wales. To mitigate the risk the matter was escalated to a national level and risk assessments undertaken on commissioning programmes.
- Where HEIW does not achieve all of its commissioned levels within its education and training contracts then we will not meet our commitments within the annual Education and Training Plan for the NHS's workforce supply. To mitigate this risk both the Medical Directorate and the Nursing and Health Professional Directorate are implementing measures to increase applications and to support students and trainees.
- Should the current Bursary package become less attractive due to the cost of living crisis it may discourage students from applying for health professional course or lead to the loss of existing students. To mitigate HEIW is a member of the Welsh Government's Bursary Oversight Board and providing expertise and input to shape the future policy direction.

Further information can be found in the Board papers on our website: [Board meetings, agendas and standing orders - HEIW \(nhs.wales\)](#)

The Board is also committed to ensuring staff throughout the organisation are trained and equipped to appropriately assess, manage, escalate and report risk. HEIW managers have continued to receive internal training on risk during 2022-23.

Crisis Management and Business Continuity

HEIW has a Crisis Management and Business Continuity Policy and plan.

The HEIW Crisis Management and Business Continuity Policy and plan has been in operation throughout 2022/23 and was deployed as required in response to the COVID-19 situation and more recently in late 2022 and early 2023, in relation to our preparedness around industrial action.

In line with the Crisis Management and Business Continuity Policy and plan during the COVID-19 crisis, the Crisis Management Team (CMT) in HEIW, has had the role of monitoring the impact and co-ordinating the management of the risks arising. The CMT has also ensured the Executive Team and Board are regularly briefed and have assessed if any risks should be escalated and included within the corporate risk register.

The CMT has met as required throughout 2022-23 to manage the impact of the pandemic. A lessons learned exercise was undertaken which informed a review of our Business Continuity Plan. The plan now includes a section dealing with our IT systems should they become unavailable for any reason particularly a cyber-attack. The revised Crisis management and Business Continuity Policy and Plan were shared across the organisation in September 2022. The CMT was reactivated in late November 2022 in relation to industrial action. This ended in early February 2023 when strike action was called off and negotiations were held.

An annual exercise will be held to test scenarios. We are keen to ensure that all departments have plans in place later this year that would, in the event of a cyber incident, enable HEIW to continue to run operations.

HEIW continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response and planning into the recovery phase. It will be necessary to ensure this is underpinned by robust risk management arrangements and the ability to identify, assess, and mitigate risks which may impact on the ability of the organisation to achieve its strategic aims

HEIW has continued to contribute to the national response through the Director of Workforce and OD's role as joint chair of the Workforce Deployment and Wellbeing Planning and Response Group (Workforce Cell).

Our operating model was adjusted in response to the pandemic in line with Government Guidelines and to safeguard the health of staff. Ty Dysgu reopened to staff on the 17 March 2022 when HEIW moved to our agile 3:2 working model. The 3:2 model was based on full time office-based staff working from Ty Dysgu three days a week and from home two days week. In response to the impact of the cost of living crisis and in particular the substantial increase in fuel costs the model was reversed to a 2:3 model where staff were required to work in the office for a minimum of two days. Following two years of lockdown it was recognised that returning to the office would be difficult for some members of staff. Given this, we set up a small steering group to facilitate the gradual transition to return to the office and have actively put in place measures to support staff wellbeing.

4. The Control Framework

NHS Wales organisations are not required to comply with all elements of the corporate governance code for central government departments. However, an assessment was undertaken against the main principles as they relate to NHS public sector organisations in Wales and of the Governance, Leadership and Accountability Standard. In response to last year's self-assessment the Board has focussed on the following areas:

- Further development of the induction processes for Independent Members
- Engagement with stakeholders
- Clarification on the information required by the Board as a collective to discharge its duties.

The information provided in this governance statement also provides an assessment of how we comply with the main principles of the Code as they relate to HEIW as an NHS public

sector organisation. The Board recognises that not all reporting elements of the Code are outlined in this governance statement but are reported more fully in the organisation's wider Annual Report. The Board is satisfied that it is complying with the main principles of the Code, and is conducting its business in an open and transparent manner in line with, the code. There have been no reported departures from the Corporate Governance Code.

The corporate governance code for central government departments can be found at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220645/corporate_governance_good_practice_july2011.pdf

HEIW's risk management framework complies materially with the Orange Book, the public sector guide outlining the major principles on the Management of Risk, taking into account the organisation's size, structure and needs.

There have been no reported departures from the Orange Book.

The Orange Book can be accessed at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/815635/Orange_Book_Management_of_Risk.pdf

The Health and Care Standards set out the requirement for the delivery of health care in Wales. As an education and training body with no direct contact to patients our focus in respect of the Health and Care Standards relate to staff and resources. Improvements to these areas are captured in our Performance Report.

4.1 Other Control Framework Elements

Control measures are in place to ensure compliance with all of the organisation's obligations under equality, diversity and human rights legislation.

HEIW's aspiration is to be an excellent employer and a great place to work. As such we are fully committed to meeting the general and specific duties set out in the Public Sector Equality Duties Act (2011) and the Anti-Racist Wales Action plan 2022 and the LGBTQ+ Action Plan 2023 . It is also essential that these duties are reflected in the functions of the organisation, which affect students, trainees and staff across the wider NHS.

At HEIW we are committed to eliminating discrimination and promoting diversity and inclusion through equality of opportunity and through everything that we do. We have continued to embed our diversity, quality and inclusion agenda which is informed by strong leadership co production, collaboration and direct engagement with those who are affected by the decisions we make.

HEIW ensures equality of opportunity and access for all by building upon the foundation of Equality and Human Rights Legislation and strive not only to comply with legal requirements, but also to use these to ensure that the organisation exemplifies best practice. HEIW acknowledges that our ability to recruit and retain the best people depends upon creating a positive, compassionate and inclusive culture.

In October 2020, we published our first Strategic Equality Plan (SEP) which sets out our direction of travel for the next four years to promote equality, eliminate discrimination and foster good relations between those who share a protected characteristic and those who do not. Since we published our first SEP, world events, societal changes and new legislation has enabled us to review our objectives to ensure they remain current, relevant, and future-focused. As a result, a new SEP will be launched in early April 2023.

We have an established Equality Diversity and Inclusion (EDI) steering group to support the executive leads for EDI and Race Equality in the discharge of their responsibilities, as well as a staff EDI network to share and highlight best practice, learning and delivery. Two of our independent board members have observer status at the network meetings.

Our Inclusion Network continues to champion equity, equality and wellbeing within the organisation and hosts a number of both virtual and in person events that raise the profile of and celebrate diversity.

In this last year, we have published our third Annual Equality Report for 2021/22 and our Gender Pay Gap Report for 2021/22.

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 into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Welsh Risk Pool - The Welsh Risk Pool Services (WRPS) is a risk sharing mechanism, akin to an insurance arrangement which provides indemnity to NHS Wales's organisations against negligence claims and losses. Individual NHS organisations must meet the first £25,000 of a claim or loss which is similar to an insurance policy excess charge.

Quality and Quality Improvement. – HEIW has a structure in place for quality governance in respect of post graduate medical education which is being expanded to across other health professions. Quality Governance is the values, behaviours, structures and processes that are in place to enable the Board to discharge its responsibilities for quality. In line with Standing Orders, the Board has established a committee to cover the quality of the education and training provided by HEIW – the Education Commissioning and Quality Committee. This committee holds executive directors to account and seeks assurance, on behalf of the Board, that it is meeting its responsibilities in respect of the quality of education and training services. Quality and Quality Improvement is further considered below.

During 2022/23 HEIW has implemented or continued to implement the measures detailed below to secure quality and quality improvement in relation to its functions:

- The Education Commissioning and Quality Committee's (ECQC) remit includes; assuring the Board on whether effective arrangements are in place to quality manage education systems and; to make recommendations in respect of the quality of education and monitoring education quality.
- There has been significant progress in developing a HEIW Multi-professional Quality Framework with reporting to ECQC across the Medical and Nursing Directorates aligned to the principles of the framework. The Quality Framework ensures high-quality education and training is commissioned and delivered through a system of quality planning, quality management, quality assurance and quality improvement.
- The mid and end-of-year service reviews with each sub-directorate team focuses on quality and quality improvement. In addition, the Quality Framework has encouraged cross directorate working on quality activities.
- Quality Activity continues to be undertaken in collaboration with training programme structures as well as local education providers responsible for the education and training delivered within a supportive learning environment. HEIW works closely with regulators to ensure high quality training environments.

- HEIW gathers information on student and trainee experiences. This information is used to inform improvements within the education and training provision.
- Quality Improvement is embedded in the functions of HEIW, both in terms of internal sharing of good practice as well as through learning from NHS and other healthcare partners. We deliver Quality Improvement training to ensure that staff are equipped with the skills to deliver improvement. We also provide these skills to trainees and their trainers to utilise within the clinical arena.
- We are also actively responding to the new legal requirements associated with the duties of Quality and Candour which were introduced in Wales on 1 April, 2023.

Welsh Language- As HEIW was established in 2018 it has not been named as an organisation that comes under the Welsh Language Measure 2011. Given this HEIW has a Welsh Language Scheme, based on the Welsh Language Standards, which has been approved by the Welsh Language Commissioner's Office under the original (1993) Welsh Language Act.

A plethora of activities to support the Welsh Language Scheme has taken place in 2022-23. These have included a number of new training activities, specifically in the field of language awareness in a healthcare setting and raising confidence amongst speakers, as well as a regular programme of communications regarding a broad range of activities which have been undertaken by staff to ensure compliance. The number of staff learning Welsh continues to grow – now to around 20% of our substantive staff. HEIW's internal translation demand appears to have steadied at 4 to 5 million words per year.

Welsh Government's More Than Just Words (MTJW) five year plan, published in August 2022, to strengthen the provision of Welsh language services for health and social care, included several actions requiring HEIW to take the lead at a national level. This was reinforced by the National Workforce Implementation Plan. A MTJW steering group has been established within HEIW which seeks to support the implementation of the actions allocated to HEIW within the two Welsh Government plans.

Significant internal progress has been made in the latter part of the year since the steering group was established, and concrete progress against these actions will ensue over the coming year.

Stakeholders and Partners

As the national workforce body for NHS Wales, we recognise how critical engagement with stakeholders and partnership working is to our work. It is through effective engagement and partnership working that we are able to clearly understand the challenges facing health care in Wales, build workforce solutions and support the delivery of excellent patient care.

At the beginning of 2022-23 we completed our research into the engagement reach of HEIW with our stakeholders. This has enabled us to benchmark and further develop our communication and engagement activities which are key enablers to our partnership working. As a result, we have extensive mechanisms in place to maximise our stakeholder engagement and partnership working.

Our approach in 2022-23 included:

- High profile virtual and in-person engagement events across Wales on key pieces of national work such as the Education and Training Plan 2023-24, Strategic Pharmacy Workforce Plan, apprenticeship frameworks, all-Wales Simulation Strategy, Workforce Strategy for Health and Social Care phase 2 and the HEIW IMTP.

- Launch events for critical national programmes of work such as the Strategic Mental Health Workforce Plan for Health and Social Care.
- In-person and virtual events such as Physician Associate Stakeholder event, STEME, QIST conference, Healthcare Science Cymru Conference, Simulation Conference, workforce planning conference.
- Exhibiting, promoting and engaging at third party events such as the Welsh NHS Confederation Conference.
- HEIW Stakeholder Reference Group to facilitate engagement, dialogue and advice from stakeholders to inform our strategic planning and decision making.
- Bilingual public Board and committee meetings as well as our AGM and showcase event spotlighting achievements and developments of interest to our audience.
- Regular joint Board and Executive Team meetings with NHS partners and Social Care Wales.
- Regional Partnership Board for the development of regional work and solutions.
- Strategic meetings with HEIs to build opportunities for joint working and linking the education and workforce agendas.
- Membership of national groups and networks contributing to key national programmes of work.
- Virtual bilingual briefing sessions with MSs and MPs enabling discussion with political representatives from across Wales.
- Twice yearly joint meeting with 26 Welsh royal colleges and professional bodies which is a part of bringing the clinical voice to the conversation.
- Promoting how HEIW is making a difference in NHS Wales and opportunities for partnership working through regular bilingual news and social media posts plus newsletters including our Primary Care Newsletter, Stakeholder Bulletin, Mental Health Newsletter.
- Highlighting achievement and recognition through news articles and social media promotion of award wins.
- Supporting and awareness raising through sponsorship including Betsi Cadwaladr Health Board staff awards, UK HPMA awards and Womenspire awards.
- Introducing all generations to the many careers and employment opportunities in HEIW and NHS Wales through Careersville, TrainWorkLive, videos, events, blogs and social media campaigns.

As we look forward to 2023-24 we will continue to build and maintain our partnerships through effective communications and engagement. Based on our engagement reach research and feedback from partners and stakeholders, we are revising our communications and engagement strategy which will focus on building and maintaining excellent partnerships through high quality:

- Communications
- Engagement
- Marketing
- Events

Carbon Reduction - HEIW has a Board approved Biodiversity and Decarbonisation Strategy 2021-24 intended to help reduce the impact of climate change and improve biodiversity. The strategy sets out the organisation's high-level aspirations and intentions to meet requirements, to call its staff, stakeholders, partners and suppliers to action, and to make positive changes now to achieve longer-term goals for Wales. It focuses on four key areas for action. These are:

1. Engaging and supporting our staff
2. Sustainable procurement
3. Developing our office, Ty Dysgu, and supporting our local communities
4. Environmental sustainability

HEIW has developed a Sustainability Action Plan to deliver the strategy and reports progress to Welsh Government on a bi-annual basis, in line with National Climate Emergency Programme requirements.

In 2022/23, we have:

- Undertaken a detailed carbon footprinting exercise, which will enable us to determine the organisation's carbon hotspots and develop targets and initiatives to reduce emissions; the work will also inform the Public Sector Net Zero reporting for 2022/23
- Continued to develop the green spaces in the grounds of Ty Dysgu, with additional planting and preparing for the inclusion of a bird sanctuary
- Established monthly staff litter picks for Ty Dysgu and the surrounding areas, with staff ensuring they meet the minimum target set for bags collected on each pick
- Built on the work already done towards implementing staff incentives for active travel choices by initiating the development of a healthy travel charter for HEIW
- Run and contributed to a number of staff events to promote and support sustainability across the organisation, including a Spring planting event, a summer party to celebrate the Queen's Platinum Jubilee, 'Let's Go Green for Halloween' and 'Fairtrade Fortnight'.

HEIW is responsible for a key action in the NHS Wales Decarbonisation Strategic Delivery Plan (March 2021) which relates to the education of the workforce. As well our efforts to reduce our impact on climate change, we have an external role to play in promoting sustainable healthcare through education, training and leadership.

This is considered further within the sustainability section within the Performance Report part of the Annual Report (page 53).

Ministerial Directions

Whilst Ministerial Directions are received by NHS Wales organisations, these are not always applicable to HEIW. Ministerial Directions issued throughout the year are listed on the Welsh Government website [Health and social care | Topic | GOV.WALES](#) .

The following ministerial direction received as at year end 31 March 2023 was applicable to HEIW.

Ministerial Direction/ Date of Compliance	Date/Year of Adoption	Action to demonstrate implementation/response
n/a		

Data Breaches

Incidents resulting in a data breach are reported in accordance with HEIW’s statutory requirements and documented confidentiality breach protocol. Under the Data Protection Act 2018 (DPA) personal data breaches (as defined by the act) are considered a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data.

Personal data breaches (as defined in the DPA) are required to be risk assessed to determine the risk to living individuals and the risks to the rights and freedoms of living individuals. Personal data breaches resulting in likely risk to living individuals and a high risk to individuals rights and freedoms must be reported to the Information Commissioners Office (ICO), and to data subjects where the breach is likely to result in a high risk to the rights and freedoms of individuals.

All data breaches are appropriately investigated and are reported to the Audit and Assurance Committee. Where appropriate or mandated, data breaches are reported to Welsh Government.

During 2022/23, HEIW reported no data breaches which were notifiable to Welsh Government or the Information Commissioner. Lower-level data breaches were recorded appropriately with the Data Protection Officer informed. Initial mitigations were implemented, and the incidents were discussed at meetings of the Information Governance and Information Management Group so lessons learned can be shared.

4.2 Planning

During 2022-23 HEIW has implemented its IMTP for 2022-25. On 30 March 2023 we submitted a Board-approved IMTP (2023-26) to Welsh Government in accordance with the NHS Planning Framework and our statutory duty to produce a financially balanced three-year integrated plan. The Board is responsible for setting the organisation’s strategy and as such has played a central role in developing the IMTP (2023-26). HEIW’s strategic aims see page 19 of the Performance Report and strategic objectives are central to the planning and performance practices in place to give the Board assurance on our ability to deliver as an organisation.

As the strategic workforce body for NHS Wales our IMTP is shaped heavily by the Workforce Strategy for Health and Care [<https://heiw.nhs.wales/files/workforce-strategy/>], alongside a focus on supporting and addressing the significant workforce challenges linked with service and Ministerial Priorities. Our IMTP for 2023-26 also includes a number of strategic objectives relating to the National Workforce Implementation Plan published by Welsh Government on 1 February, 2023. The plan was developed through engagement with our Board, NHS Wales and Welsh Government colleagues, our wider stakeholders and our staff. This year we are pleased that we have been able to have conversations with all NHS organisations on our emerging IMTP 2023-26. Through our established Stakeholder Reference Group, we have also engaged with over 40 different organisations and sought feedback on the draft Plan.

In January 2020, the Board approved our Performance Framework which describes the organisation's system for making continuous improvements to achieve our Strategic Aims and Objectives and to deliver our 'Business As Usual' activities. During 2022/23 the Board has regularly assured and scrutinised our progress with the delivery of the IMTP 2022-25. In March 2023 the Board approved a refreshed approach to the Performance Framework in 2023-24. The new approach is based on key business questions enabling a clear focus on data driven insights that will measure is important and clearly show the impact and added value of the work undertaken by HEIW.

The Board will continue to receive quarterly Integrated Performance Reports which outline the progress against delivery of the IMTP highlighting the achievements, areas we have experienced challenges and the mitigating actions in place.

Throughout this year we have continued to embed our service review process in which the Executive Team holds biannual service review meetings with senior leaders and their teams to review the progress of key projects or programmes of work. Following each round of service reviews the planning and performance team ensure the learning is shared within HEIW and the themes and learning is presented to the Board to provide further assurance on the performance of the organisation.

5. Review of Effectiveness

As Accountable Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. The review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports.

The Board and its committees rely on several sources of internal and external assurances which demonstrate the effectiveness of HEIW's' system of internal control and advise where there are areas of improvement. These elements are detailed above in the diagram on page 74 of this Governance Statement.

The processes in place to maintain and review the effectiveness of the system of internal control include:

- Board and committee oversight of internal and external sources of assurance and holding to account executive directors and senior managers.
- Executive directors and senior managers who have responsibility for development, implementation and maintenance of the internal control framework and the continuing improvement in effectiveness within the organisation.
- The review and oversight of the principal risks on the Corporate Risk Register and the Board Assurance Framework by the Board and committees.
- The oversight of operational risk through the Board and its committees.
- Oversight of fraud risk through the Counter Fraud team.
- The monitoring of the implementation of recommendations through the audit tracker overseen by the Audit and Assurance Committee and
- Audit and Assurance Committee oversight of audit, risk management and assurance arrangements.

HEIW's Board received the Audit and Assurance Committee's 2022/23 Annual Report at its meeting in May. The Committee Chair's reflections within the Committee's Annual Report were as follows:

Committee Chair's Reflection

'This year, we have begun to enter into a period of recovery from the COVID-19 pandemic. Seeing the end to a constantly changing environment, with different rules and regulations to a move towards business as usual.

Digital capability has enhanced, and the hybrid approach to working is now embedded with a mixture of working from home, working in the office, remote and in person meetings. Work has continued throughout this period and the Committee, including Independent Members who sit on the Committee, External Audit, Internal Audit, Local Counter Fraud Services and others, have continued to deliver all the business expected.

There has been good engagement and attendance at Committee meetings of all parties, and thanks must go to everyone for playing their part. The support for the meetings has been excellent and ensures that the business runs smoothly. Many thanks to Dafydd and the team for this.

We continue to receive high-quality reports from all participants, and the challenge and interest in the subject matter is good. The Committee has received reports detailing internal issues relating to HEIW and external issues of interest to HEIW. These reports have contained sufficient detail to allow for lessons to be learnt and for HEIW to strive for best practice. Many of the risks relating to the organisation have been signed off and closed down during the year.

We will continue to focus going forward on clear lines of responsibility between the Audit and Assurance Committee, the Education, Commissioning and Quality Committee and the Board. We will also be continuing to monitor our governance of the organisation through the Board Assurance Framework.

The Audit and Assurance Committee will continue to receive regular performance reports from Audit Wales and Internal Audit, indicating areas which could merit more detailed examination, and we will continue to focus on those recommendations where attention is needed. Thanks must go to the Internal Audit team, with the majority of the Internal Audits completed within year.

I would also like to thank my fellow Independent Members for their fantastic support and engagement during the year. Heidi Phillips stood down as Independent Member in May 2022. Jonathan Morgan, my Vice-Chair, resigned as Independent Member in March 2023 to enable him to take up the role as Chair of Cwm Taff University Health Board. I would like to thank Jonathan for all his support as Vice Chair. Tina Donnelly, who was appointed as a member of the Committee in May 2022, has provided valuable insight and experience to the Committee. It is a credit to all involved in supporting the work of the Audit and Assurance Committee that, during a period where there has been a turnover in the membership of the Committee, the Committee has continued to be able to provide the Board with assurance.

It has been pleasing to see many of the executive team at the Audit and Assurance Committee, both as presenters and observers, and we hope that this will continue next year.'

5.1 Internal Audit

Internal Audit provides the CEO, as Accountable Officer and the Board through the Audit and Assurance Committee, with a flow of assurance on the system of internal control. The

CEO commissioned a programme of audit work which has been delivered in accordance with public sector internal audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit and Assurance Committee and is focussed on significant risk areas and local improvement priorities.

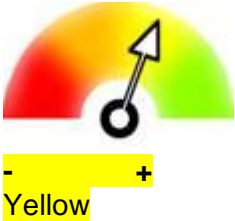
The overall opinion by the Head of Internal Audit (HoIA) on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

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 fully completed.

5.2 The Head of Internal Audit Conclusion:

The scope of the opinion of the HoIA is confined to those areas examined in the risk based audit plan, which has been agreed with senior management and approved, by the Audit and Assurance Committee. The HoIA assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and should be seen as an internal driver for continuous improvement. The HoIA opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management, and control is set out below.

Assurance rating

	<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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The audit work undertaken during 2022/23, has been reported to the Audit and Assurance Committee.

The evidence base upon which the overall opinion is formed is as follows:

- An assessment of the range of individual opinions arising from the work undertaken in respect of the individual risk-based audit reports contained within the Internal Audit plan which have been reported to the Audit and Assurance Committee throughout 2022/23. This assessment has taken account of the relative materiality of these areas.
- Other assurance reviews, which impact on the Head of Internal Audit Opinion including audit work performed at other organisations. While undertaken formally as part of a particular health organisation’s audit programme, the work covers activities relating to other health bodies. For example, NHS Wales Shared Services Partnership. Other knowledge and information that the Head of Internal Audit has obtained during the year including: cumulative information and knowledge over time; observation of Board and other key committee meetings; meetings with Executive Directors, senior managers and Independent Members; the results of *ad hoc* work and support provided; liaison

with other assurance providers and regulators; and research. Cumulative audit knowledge of the organisation that the Head of Internal Audit considers relevant to the Opinion for this year.

Internal audit report assurance ratings

A summary of the reviews and associated assurance ratings in each of the domains is set out below. It is confirmed that during the reporting period HEIW did receive one limited assurance report and no assurance reports.

Corporate governance, risk management and regulatory compliance

- **Dental Professional Support Unit** - Overall Internal Audit issued a **reasonable** assurance report for our review of risk management.

Strategic planning, performance management & reporting

- **Performance Management Framework** - Overall Internal Audit issued a **reasonable** assurance report for our review of Project/Programme Management.
- **Quality Monitoring of Commissioned Services** - Overall Internal Audit issued a **substantial** assurance report for our review of Project/Programme Management.

Financial governance and management

- **Finance – delegated budgetary control** - Overall Internal Audit issued **substantial** assurance for this review.

Information governance & security

- **IT Migration of systems** – Overall Internal Audit issued **substantial** assurance for this review.
- **IT – Software system development** - Overall Internal Audit issued limited assurance for this review.

Operational service and functional management

- **Partnership working** - - Overall Internal Audit issued **reasonable** assurance for this review.
- **Phase 2 of strategic review of commissioning of health professional education** - Overall Internal Audit issued **reasonable** assurance for this review.
- **SLA arrangements** - Overall Internal Audit issued reasonable assurance for this review.

Workforce management

- **Workforce training and development** – Overall Internal Audit issued substantial assurance for this review.

5.3 External Audit – Audit Wales (AW)

The Auditor General for Wales is the statutory external auditor for the NHS in Wales. AW undertakes the external auditor role for HEIW on behalf of the Auditor General.

AW's structured assessment for 2022 was designed in the context of the ongoing response to the pandemic where HEIW was also supporting the recovery of and transformation of the NHS workforce in the context of significant numbers of people waiting for treatment.

The assessment found that: *'HEIW has good governance arrangements in place, key systems of assurance continue to mature, and the Board is setting a clear strategic direction for the organisation. Financial resources are managed well, and staff wellbeing is a clear priority. We have identified a small number of improvements to further enhance public transparency of Board business, strengthen financial reporting and improve compliance with PADR targets'*.

Audit Wales made the following recommendations based on the 2022 Structured Assessment work.

- Public Transparency of Board Business. That HEIW should ensure confirmed minutes and/or meeting recordings are published on HEIW's website within 14 days of a meeting taking place.
- Board and Committee effectiveness reviews. The Organisation should ensure all effectiveness reviews are completed in time to feed into annual reporting cycle such as the annual governance statement.
- Financial Reporting. The Organisation should enhance financial reporting by including the explanation of the short and medium-term consequences of any underspends.
- PADR compliance. That HEIW should report specific actions it is taking to improve this target in its integrated performance report, with a view to achieving 85% by March 2023.

5.4 Data Quality

The quality and effectiveness of the information and data provided to the Board is continually reviewed at each meeting of the Board. The Performance Report and Dashboard has been subject to development and revision throughout the year to provide further clarity for the Board.

5.5 Regulators

HEIW works with all professional regulators in the development of our education and training programmes. Over the past year, we have continued to work closely with regulators when adjusting our courses to respond to the workforce demands created by the pandemic. We have a specific role supporting the GMC in relation to quality of postgraduate medical education.

6. Conclusion – Corporate Governance Report

During the period 1 April 2022 –31 March 2023 there have been no significant internal control or governance issues identified. This is due to the establishment of sound systems of internal control in place to ensure HEIW met its objectives. It is recognised that further work will be necessary in 2023/24 to further develop these arrangements. It will be important to communicate widely with staff to further embed these arrangements.

Signed by: Alex Howells
Chief Executive:

Date: 27 July 2023

Statement of the Chief Executive's Responsibilities as Accountable Officer

The Welsh ministers have directed that the Chief Executive should be the Accountable Officer to the Special Health Authority.

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 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 judgements 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.

Chief Executive: Alex Howells

Date: 27 July 2023

Directors' Report

The information required for this report can be found in the tables and pages of the Annual Report detailed below.

Composition of Board: Table 1 pages 69 to 71 of the Governance Statement – detailed information in relation to the composition of the Board including executive directors and independent members, who have authority or responsibility for directing or controlling the major activities of HEIW during the financial year 2022–2023. This includes the names of the Chair and Chief Executive. Table 1 also includes the names of the directors forming the Audit and Assurance Committee.

Board and board level committee meeting dates for the period ending 31 March 2023: Table 2 page 72 of the Governance Statement.

Declaration of interest: details of company directorships and other significant interests held by members of the Board which may conflict with the responsibilities as Board members [page 16] of the Performance Report.

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

Information Governance. During 2022/23, no data breaches met the assessment criteria for reporting to the Information Commissioners Office. (page 84 of the Governance Statement). Environmental, social and community issues: HEIW is cognisant of the impact it has on the environment and takes steps to minimise this, where possible. Details of the Board approved HEIW Decarbonisation Strategy and approach to sustainability are outlined in page 53 of the Governance Statement.

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 special health authority and of the income and expenditure of the special health authority for that period.

In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh ministers with the approval of the Treasury
- make judgements and estimates which are responsible and prudent
- state whether 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 Welsh ministers. By order of the Board, signed:

Chair

Dr Chris Jones

Date: 27 July 2023

Chief Executive

Alex Howells

Date: 27 July 2023

Director of Finance, Planning & Performance

Glyn Jones

Date: 27 July 2023



GIG
CYMRU
NHS
WALES

Addysg a Gwella Iechyd
Cymru (AaGIC)
Health Education and
Improvement Wales (HEIW)

Remuneration And Staff Report 2022/23

REMUNERATION AND STAFF REPORT

The information contained in this report relates to the remuneration of the senior managers employed by Health Education & Improvement Wales (HEIW).

The Pay Policy Statement set out in Annex 3 relates to HEIW's strategic stance on senior manager remuneration and to provide a clear statement of the principles underpinning decisions on the use of public funds.

The definition of "Senior Manager" is: 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.' For HEIW, the senior managers are considered to be the regular attendees of Board meetings, i.e. Members of the Executive Team and the independent members.

Remuneration & Terms of Service Committee

The terms of reference and operating arrangements for the Remuneration and Terms of Service Committee are set out in HEIW's standing orders which were reviewed and updated in July 2022. The purpose of the Committee is to provide advice to the Board on the remuneration and terms of service and performance for the Chief Executive, Executive Directors and other senior staff. It also provides assurance to the Board in relation to HEIW's arrangements for the remuneration and terms of service, including contractual arrangements, for all staff. Further details of the membership and role of the Remuneration and Terms of Service Committee is provided in the Annual Governance Statement.

Salary and Pension Disclosures

Details of salaries and pension benefits for senior managers captured within this report are given in Annexes 1 and 2. The single figure of remuneration (Annex 1) is intended to be a comprehensive figure that includes all types of reward received by senior managers in the period being reported on, including fixed and variable elements as well as pension provision.

The single figure of remuneration includes the following:

- Salary and fees both pensionable and non-pensionable elements;
- benefits in kind (taxable, total to the nearest £100);
- pension related benefits - those benefits accruing to senior managers from membership of a participating defined benefit pension scheme.

HEIW has paid no annual or long-term performance related bonuses. Annual salary figures are shown prior to any reduction as a result of any salary sacrifice scheme.

During 2022/23 NHS Wales staff received pay awards at various rates, which included a one off non-consolidated payment of 1.5% of salary in March 2023. This additional payment is included within the reported remuneration figures.

The value of pension related benefits accrued during the year is calculated as the real increase in pension multiplied by 20 less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

The pension benefit figure is calculated on the basis of an increase in the value over the financial year. Where an individual has become a 'Senior Manager' during the year any increase or decrease in benefits are pro-rated over the period they were in that post.

Annex 2 gives the total pension benefits for all senior managers. The inflationary rate applied to the 2020/21 figure is 3.1% as set out in the 'Disclosure of Senior Managers' Remuneration (Greenbury) 2023' guidance document.

Cash Equivalent Transfer Value (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.

Remuneration Relationship

NHS Bodies in Wales bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and 25th percentile, median and 75th percentile remuneration of the organisation's workforce. This information is provided within note 9.6 (Fair Pay Disclosures) in the annual accounts.

2022/23 Staff Report

Number of senior staff

As of 31 March 2023, there were 7 senior staff that made up the Executive Team; they were also members of the Board or regular attendees. The Chief Executive, the Director of Workforce & OD/Deputy Chief Executive the Medical Director, the Director of Nurse and Health Professional Education, the Director of Finance and Planning the Director of Digital Development and Board Secretary make up the Executive Team. All senior staff are directly employed by HEIW.

Their pay bands are broken down as follows:

Numbers of Senior Staff @ 31 March 2023

Executive and Senior Pay scale	7
Agenda for Change Pay scale	1

Staff Numbers

The following table shows the average number of staff employed (FTE) by Health Education & Improvement Wales, by group from 1 April 2022 to 31 March 2023:

Staff Group	Permanently Employed (Inc. Fixed Term)	Agency Staff	Staff on Inward Secondment	2022/23 Total
	(Ave FTE)	(Ave FTE)	(Ave FTE)	(Ave FTE)
Administrative and Clerical and Board Members	274.89	8.88	10.05	293.82
Medical & Dental	48.10	0	3.33	51.43
Professional Scientific and Technical Staff	29.50	0	0	29.50
Additional Clinical Services	1.92	0	0	1.92
Nursing & Midwifery	6.67	0	4.68	11.35
Allied Health Professionals	4.12	0	0.88	5.00
Healthcare Scientists	0.42	0	0	0.42
Totals	365.62	8.88	18.94	393.44

The table above does not include the Chair or Independent Members.

Staff Composition

The gender breakdown of the Executive Team and other employees as of 31 March 2023 was as follows:

Staff Composition @ 31 Mar 2023 (headcount)	Male	Female
Senior Staff (Executive Team)	2	5
Other Employees	192	424
All Staff	194	429
% All Staff	31.1%	68.9%

The table above includes all staff on secondment and excludes staff employed via an agency.

Due to the nature of its work, HEIW employs a number of individuals on a sessional basis. This results in the headcount of staff for the organisation being significantly higher than the full time equivalent.

Sickness Absence data

The following table provides information on the number of days lost due to sickness:

	From 1 April 2022 to 31 March 2023	From 1 April 2021 to 31 March 2022
	Number	Number
Days lost (long term)	2,332.57	1,940.95
Days lost (short term)	887.77	673.54
Total FTE days lost	3,220.34	2,614.49
Total staff years	370	315
Average working days lost	8.69	8.29
Total staff employed in period (headcount)	595	495
Total staff employed in period with no absence (headcount)	449	388
Percentage staff with no sick leave	75.5%	78.4%

The table above is prepared using data recorded in the Electronic Staff Records (ESR) system, which only includes staff substantively employed by HEIW.

The staff numbers in the tables above are calculated on different bases depending on the requirements of the individual disclosures (e.g. full time equivalents, headcount, average for the year, total at a specific point).

HEIW's rolling 12-month sickness rate was 2.48%. This is marginally higher than for 21/22 when it was at 1.8% but it still remains substantially below the NHS Wales target of 4.1%. The ratio between short and long-term sickness remains relatively constant at around 28%:72% respectively. This means that most days lost due to sickness are related to long-term episodes for a small number of staff. The largest number of days lost continue to be for reasons of anxiety and stress but again these relate to a very small number of cases and can be reasons which are home or work related. All such cases are fully supported by the relevant managers and members of the People Team.

Staff Policies Applied During the Financial Year

HEIW is now in its fifth year following its establishment in October 2018. The establishment of HEIW as a new organisation involved the Transfer of Undertaking Protection of Employment (TUPE) transfer of staff including staff from Cardiff University into the new organisation and the NHS. In addition there have been a number of much smaller TUPE transfers in the intervening years both from within the NHS and from Cardiff University. Those that transferred from Cardiff University retained their University contract terms and conditions and at the time of transfer in 2018 these amounted to the majority of the total staff. However, by the end of 2021/22 the figure was 44% and at the end of 2022/23 the percentage of staff who still retain Cardiff University contracts is now 27%. The change is attributable to voluntary movement of staff into new roles on NHS contracts, turnover where all new staff enter on NHS contracts and renewal of fixed term contracts under NHS terms and conditions.

The HEIW Local Partnership Forum (LPF) provides the formal mechanism for social partnership within HEIW. It is the formal method for engagement, consultation, negotiation and communication between the trade unions and HEIW management and ensures continued partnership working. During 2022/23 the LPF met bi-monthly and dealt with a range of operational and strategic issues. The LPF forms a key part of the approval process for workforce policies and supports the work of the Policy Review Group. We continue to work with staff side through the Local Partnership Forum to rationalise the number of workforce policies by extending NHS policies to cover the former Cardiff University staff covered by TUPE where there is no detriment and by agreement. During 2022/23 the following policies were either introduced or were reviews of existing policies:

Policy name	New /Review	Applicable to
Annual leave	Review	NHS contract staff
Retirement	New	All staff
PADR	Review	All staff
Carers	Review	All staff
Agile Working	Review	All staff
Values Based Recruitment	New	All staff
Voluntary Early Release	New	All staff
Parental Leave	New	All staff
Interim Retire and Return (Procedure)	Review	All staff

All newly appointed staff are employed on NHS terms and conditions of service either Agenda for Change of Medical & Dental. Former Cardiff University staff may choose to transfer to NHS terms and conditions of service at any time. Where former Cardiff University staff covered by TUPE accept a new post within HEIW either permanently or temporarily that results in a contractual change they will transfer to NHS terms and conditions of service.

We have continued to recruit to new and vacant posts during 2022/23 and the People Team Dashboard showed a headcount of 549 on 1st April 2022 rising to 602 on 31st March 2023. ESR recorded 135 new starters and 78 leavers during 2022/23, this doesn't include internal movements within HEIW.

The recruitment volumes within TRAC recorded 226 posts advertised. This included the substantive recruitment of one Executive Directors, the Director of Finance Planning and Performance replacing the interim arrangements with effect from May 2023.

We have reviewed our Access to Learning and Performance Appraisal Development Review Policies, simplifying the process of accessing funding and leave for development, and focussing on contribution and regular and meaningful conversations.

We have strengthened our coaching and project management skills through commissioning training and development, including PRINCE II, PRINCE II Agile, Coaching for Impact and the Institute of Leadership and Management (ILM).

We continue to engage and collaborate through our Local Partnership Forum and staff networks, developing an annual calendar of events to promote awareness of staff health and wellbeing and inclusion. We held a Health Needs Assessment, the fourth consecutive year, the response rate was 23% and the overall staff engagement was 82%.

We hold fortnightly staff forums and quarterly staff conferences, two virtual and two in person. At the last staff conference, we held staff focus groups to gain feedback and engagement on the developing People and Organisational Development Strategy.

Our Corporate Induction has been relaunched with the experience of the individual at its heart, with aim of engaging and introducing our culture and values.

During 2022/23 staff returned to work from Ty Dysgu under a hybrid operating model. Initially this entailed working 3 days in the office and 2 days at home (pro rata for part time staff). However it was subsequently modified to 2 days in the office and 3 days at home. This model continues with staff operating flexibly within those parameters. The return to office based working has enabled staff to reconnect with their colleagues in person and also to benefit from the incidental connections that have been lost with homeworking.

Our focus this year has been on raising awareness of all the staff health and wellbeing resources available across NHS Wales. We have done this through the hosting of the national resources on the HEIW website, and on our Gwella Leadership Portal. We continue to provide leadership and programme management to the NHS Wales Staff Health and Wellbeing Network, meeting every six weeks to share best practice, collaborate on all Wales initiatives and providing peer review to new and emerging work. We contributed significantly to the review of the Managing Attendance at Work Policy and accompanying training.

Equality, Diversity and Inclusion

HEIW's aspiration is to be an excellent employer and a great place to work. As such we are fully committed to meeting the general and specific duties set out in the Public Sector Equality Duties Act (2011), the Anti-Racist Wales Action Plan 2022 and the LGBTQ+ Action Plan 2023. It is also essential that these duties are reflected in the functions of the organisation, which affect students, trainees, and staff across the wider NHS.

At HEIW we are committed to eliminating discrimination and promoting diversity and inclusion through equality of opportunity and through everything that we do. We have continued to embed our diversity, quality and inclusion agenda which is informed by strong leadership, co-production, collaboration, and direct engagement with those who are affected by the decisions we make.

HEIW ensures equality of opportunity and access for all by building upon the foundation of Equality and Human Rights Legislation and strives not only to comply with legal requirements but also to use these to ensure that the organisation exemplifies best practices. HEIW acknowledges that our ability to recruit and retain the best people depends upon creating a positive, compassionate, and inclusive culture.

In October 2020, we published our first Strategic Equality Plan (SEP) which set out our direction of travel for the next four years to promote equality, eliminate discrimination and foster good relations between those who share a protected characteristic and those who do not. Since we published our first SEP, world events, societal changes and new legislation has enabled us to review our objectives to ensure they remain current, relevant, and future-focused. As a result, a new SEP will be launched in early April 2023. We have also published our third Annual Equality Report for 2021/22 and our Gender Pay Gap Report for 2021/22.

We have an established Equality Diversity and Inclusion (EDI) steering group to support the executive leads for EDI and Race Equality in the discharge of their responsibilities. Our staff EDI network provides a variety of internal and external speakers whilst enabling us to share and highlight best practices, and opportunities for learning and development. Two of our independent board members have observer status at the network meetings. Our Inclusion Network continues to champion equity, equality and well-being within the organisation and hosts several virtual and in-person events that raise the profile of and celebrate diversity.

We have attended and supported several events and activities with the Grange Pavilion community centre, Diverse Cymru, iLeads youth programme, Race Council Cymru, and Black History 365 amongst others. This has enabled us to engage with our local community groups, celebrate the diversity of our service users and provide opportunities for engagement in the planning and delivery of our service users. Our ambition is to build on this work and not only ensure these existing relationships flourish but to develop new relationships across Wales.

We continue to engage with the following external partners to provide an impartial review of our policies and practices to ensure alignment with national standards in respect of equality, diversity and inclusion:

- Stonewall Diversity Champion – tackling barriers and inequalities faced by lesbian, gay, bisexual and transgender staff
- Disability Confident – supporting HEIW to make the most of the talents that disabled people can bring to your workplace
- Dying to Work TUC – additional employment protection for terminally ill workers
- Anti-Violence Collaboration – sets out the responsibilities of the partners when dealing with violent or aggressive incidents relating to NHS staff

Expenditure on Consultancy

For the purpose of the statutory accounts, consultancy is defined as time limited/ad-hoc assignments that are not related to the day-to-day activities of HEIW.

During 2022/23, HEIW's expenditure on consultancy was £35k.

Tax Assurance for Off-Payroll Engagements

HEIW is required to disclose any arrangements it has whereby individuals are paid through their own companies or off payroll.

There were none during this period.

Exit Packages

Details of all exit packages are included within note 9.5 of the Annual Accounts. During 2022/23 no exit packages were paid by HEIW.

Statement of Assurance

I confirm that there is no relevant audit information in the Annual Report of which the Audit Wales is unaware. As Chief Executive, I have taken all the steps in order to make myself aware of any relevant information and ensure the Audit Wales is aware of that information.

Alex Howells
Chief Executive and Accountable Officer, Health Education & Improvement Wales
27 July 2023

Annex 1a: Single Figure of Remuneration 2022/23

Single Figure of Remuneration					
Name	Title	Salary (Bands of £5k)	Benefits in Kind (taxable) to nearest £100	Pension Benefit to nearest £1,000	Total to nearest (Bands of £5k)
Alex Howells	Chief Executive	165 – 170	-	29	190 – 195
Julie Rogers	Director of WOD / Deputy CEO	125 – 130	-	18	140 – 145
Dafydd Bebb ¹	Board Secretary	101 – 105	-	12	110 – 115
Push Mangat ²	Medical Director	150 – 155	-	-	150 – 155
Sian Richards ³	Director of Digital Development	95 – 100	-	21	115 – 120
Lisa Llewelyn	Director of Nursing & Health Professional Education	110 – 115	-	21	135 – 140
Rhiannon Beckett	Interim Director of Finance	110 – 115	-	70	180 – 185
Chris Jones	Chair	40 – 45	-	-	40 – 45
Tina Donnelly	Non-Executive Director	5 – 10	-	-	5 – 10
Ruth Hall	Non-Executive Director	10 – 15	-	-	10 – 15
Gill Lewis	Non-Executive Director	5 – 10	-	-	5 – 10
Heidi Phillips ⁴	Non-Executive Director	0 – 5	-	-	0 – 5
Jonathan Morgan ⁵	Non-Executive Director	5 – 10	-	-	5 – 10
John Gammon ⁶	Non-Executive Director	5 – 10	-	-	5 – 10

The value of 'Pension Benefit' in the table above is calculated as follows:

$(\text{real increase in pension} * X 20) + (\text{real increase in any lump sum}^*) - (\text{contributions made by the employee})$

*excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This is not an amount that has been paid to an individual during the year. These figures can be influenced by many factors e.g. changes in a persons salary, any additional contributions made by the employee, the and other valuation factors affecting the pension scheme as a whole.

¹ The salary value for Dafydd Bebb includes a payment for the sale of annual leave in the range £0 - £5k.

² Pushpinder Mangat joined HEIW substantively from 2nd July 2022 having previously been seconded from Swansea Bay UHB. His full year equivalent salary in HEIW is in the range £140k - £145k. Pushpinder chose not to be covered by the NHS pension scheme for the period employed by HEIW and therefore no pension benefits accrued.

³ Sian Richards joined HEIW substantively from 1st July 2022 having previously been seconded from Swansea Bay UHB. The salary figure reported in the table above does not include the one-off non-consolidated 'recovery payment' relating to 2022/23 the pay offer was not agreed until after the balance sheet date. This payment will be included within the 2023/24 salary.

⁴ Heidi Phillips stood down as an Independent Member on 9th May 2022

⁵ Jonathan Morgan resigned as an Independent Member on 31st March 2023.

⁶ John Gammon was appointed as an Independent Member on 1st August 2022.

Annex 1b: Single Figure of Remuneration 2021/22

Single Figure of Remuneration					
Name	Title	Salary (Bands of £5k)	Benefits in Kind (taxable) to nearest £100	Pension Benefit to nearest £1,000	Total to nearest (Bands of £5k)
Alex Howells	Chief Executive	155 - 160	-	69	225 - 230
Julie Rogers ¹	Director of WOD / Deputy CEO	115 - 120	-	6 ¹	120 - 125 ¹
Dafydd Bebb	Board Secretary	90 – 95	-	24	110 – 115
Push Mangat ²	Medical Director	165 – 170	-	49	215 - 220
Eifion Williams ³	Director of Finance	45 – 50	-	-	45 - 50
Angela Parry ⁴	Interim Director of Nursing	15 – 20	-	1	15 - 20
Nicola Johnson ⁵	Director of Planning, Performance & Corporate Services	90 – 95	-	73	165 – 170
Sian Richards ⁶	Director of Digital Development	90 - 95	-	72	160 - 165
Lisa Llewelyn ⁷	Director of Nursing & Health Professional Education	90 – 95	-	40	130 - 135
Rhiannon Beckett ⁸	Interim Director of Finance	25 – 30	-	11	35 - 40
Non-Executive Directors					
Chris Jones	Chair	40 – 45	-	-	40 – 45
Tina Donnelly	Non-Executive Director	5 – 10	-	-	5 – 10
Ruth Hall	Non-Executive Director	5 – 10	-	-	5 – 10
John Hill-Tout ⁹	Vice Chair	5 – 10	-	-	5 - 10
Gill Lewis	Non-Executive Director	5 – 10	-	-	5 – 10
Heidi Phillips	Non-Executive Director	5 – 10	-	-	5 – 10
Jonathan Morgan ¹⁰	Non-Executive Director	0 – 5	-	-	0 - 5

The value of 'Pension Benefit' in the table above is calculated as follows:

$(\text{real increase in pension}^* \times 20) + (\text{real increase in any lump sum}^*) - (\text{contributions made by the employee})$

*excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This is not an amount that has been paid to an individual during the year. These figures can be influenced by many factors e.g. changes in a persons salary, any additional contributions made by the employee, the and other valuation factors affecting the pension scheme as a whole.

¹ Julie Rogers was seconded from Welsh Government until joining as a HEIW employee on 1 March 2022. The Civil Service Pension scheme were not able to provide the required information to calculate the pension benefit in time for the publication of the 2021/22 accounts. Figures have subsequently been provided and have been included in the table above.

² Push Mangat is seconded from Swansea Bay UHB.

³ Eifion Williams retired on 31 December 2021 and chose not to be covered by the NHS Pension Scheme during his employment in HEIW. The full year equivalent salary is in the range £60,000 - £65,000.

⁴ Angela Parry's appointment as Interim Director of Nursing ended on 30 June 2021. The full year equivalent salary is in the range £70,000 - £75,000.

⁵ Nicola Johnson was seconded from Swansea Bay UHB. She returned to her substantive role on 31 March 2022.

⁶ Sian Richards is seconded from Swansea Bay UHB.

⁷ Lisa Llewelyn commenced as Director of Nursing & Health Professional Education on 1 June 2021. The full year equivalent salary is in the range £105,000 - £110,000.

⁸ Rhiannon Beckett commenced as Interim Director of Finance on 1 January 2022.

⁹ John Hill Tout's term as Independent Member ended on 31 January 2022. The full year equivalent salary is in the range £10,000 - £15,000.

¹⁰ Jonathan Morgan was appointed as an Independent Member on 4 January 2022. The full year equivalent salary is in the range £5,000 - £10,000.

Annex 2: Pension Benefits – 2022/23

Name	Title	Real increase in pension at pension age (bands of £2,500) £'000	Real increase in pension lump sum at pension age (bands of £2,500) £'000	Total accrued pension at pension age at 31 March 2023 (bands of £5,000) £'000	Lump sum at pension age related to accrued pension at 31 st March 2022 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 31 March 2023 £'000	Cash Equivalent Transfer Value at 31 March 2022 £'000	Real increase in Cash Equivalent Transfer Value £'000	Employer's contribution to stakeholder pension £'000
Alex Howells	Chief Executive	0 – 2.5	(2.5) – (5.0)	75 – 80	145 – 150	1,433	1,340	30	-
Julie Rogers	Director of WOD / Deputy CEO	0 – 2.5	-	0 – 5	-	35	-	18	-
Dafydd Bebb	Board Secretary	0 – 2.5	-	5 – 10	-	115	87	12	-
Push Mangat ¹	Medical Director	-	-	-	-	-	-	-	-
Sian Richards	Director of Digital Development	2.5 - 5	0 – (2.5)	25 – 30	40 – 45	390	345	21	-
Lisa Llewelyn ²	Director of Nursing & Health Professional Education	0 – 2.5	(2.5) – (5.0)	55 – 60	160 – 165	36	-	21	-
Rhiannon Beckett	Interim Director of Finance	2.5 – 5	5 – 7.5	20 - 25	35 – 40	414	320	70	-

¹ Pushpinder Mangat joined HEIW substantively from 2nd July 2022 having previously been seconded from Swansea Bay UHB. Pushpinder chose not to be covered by the NHS pension scheme for the period employed by HEIW and therefore no pension benefits were accrued.

² Lisa Llewelyn has no CETV as at 31/03/2022 as she is over the normal pension age for the relevant pension scheme. The CETV value at 31/03/23 relates to the 2015 NHS Pension Scheme.

Annex 3: Pay Policy Statement

Salary and pension entitlements of senior managers 2022-23

The pay and Terms and Conditions of Employment for the executive team and senior managers have been, and will be determined by the HEIW Board, based on the recommendations of the Remuneration and Terms of Service Committee, within the framework set by Welsh Government. The Remuneration and Terms of Service Committee also considers applications relating to the Voluntary Release Scheme. The Remuneration and Terms of Service Committee members are all Independent Members of the Board and the committee is chaired by HEIW's chairperson. The Terms of Reference for the Committee are regularly being reviewed.

Auditors

The auditors have reviewed this report for consistency with other information in the financial statements and will provide an opinion on the following disclosures:

- Single total figure of remuneration for each director;
- CETV disclosures for each director;
- Payments to past directors, if relevant;
- Payments for loss of office, if relevant;
- Fair pay disclosures (included in annual accounts);
- Exit packages (included in annual accounts) if relevant, and;
- Analysis of staff numbers.



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Health Education and
Improvement Wales (HEIW)

The Welsh Parliament Accountability and Audit Report

The Welsh Parliament Accountability and Audit Report For the Year ended 31 March 2023

Regularity of Expenditure

Regularity is the requirement for all items of expenditure and receipts to be dealt with in accordance with the legislation authorising them, any applicable delegated authority and the rules of Government Accounting.

The Health Education and Improvement Wales (HEIW) Board ensures the funding provided by Welsh Ministers has been expended for the purposes intended by Welsh Ministers and that the resources authorised by Welsh Ministers to be used have been used for the purposes for which the use was authorised.

The Chief Executive is the Accountable Officer and ensures that the financial statements are prepared in accordance with legislative requirements and the Treasury's Financial Reporting Manual. In preparing the financial statements, the Chief Executive is required to:

- observe the accounts directions issued by Welsh Ministers, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures from them; and
- prepare them on a going concern basis on the presumption that the services of the Special Health Authority will continue in operation.

Fees and Charges

Where HEIW undertakes an activity which is not funded directly by the Welsh Government, HEIW receives income to cover its costs. Further detail of income received is published in the annual accounts.

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

Remote Contingent Liabilities

Remote contingent liabilities are those liabilities that due to the unlikelihood of a resultant charge against HEIW are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31st March 2023.

	2022-23
Guarantees	nil
Indemnities	nil

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

Opinion on financial statements

I certify that I have audited the financial statements of Health Education and Improvement Wales for the year ended 31 March 2023 under Section 61 of the Public Audit (Wales) Act 2004.

These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers' Equity and related notes, including a summary of 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 Health Education and Improvement Wales as at 31 March 2023 and of its net operating costs for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on regularity

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

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for Health Education and Improvement Wales 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 is 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 is in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Health Education and Improvement Wales 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 Authority'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 Authority 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 head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Health Education and Improvement Wales policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition and posting of unusual journals;
- Obtaining an understanding of Health Education and Improvement Wales framework of authority as well as other legal and regulatory frameworks that the Health Education and Improvement Wales 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 Health Education and Improvement Wales; and
- Obtaining an understanding of related party relationships.

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Health Education and Improvement Wales 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
27th July 2023

1 Capital Quarter
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Annual Accounts

(Note – Page numbering on the following section restarts at page 1)

Health Education and Improvement Wales (HEIW) SHA

FOREWORD

These accounts have been prepared by Health Education and Improvement Wales, a Welsh Special Health Authority under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

These accounts cover the period 1st April 2022 to 31st March 2023.

Statutory background

HEIW was established as a Special Health Authority by establishment order 2017 No. 913 (W. 224), which was made 11th September 2017 and came into force on the 5th October 2017.

HEIW operated in a shadow form until 1st October 2018 with all establishment and set up costs being borne by the Welsh Government, and with the predecessor bodies of NHS Wales Shared Services Partnership (NWSSP) hosted by Velindre University NHS Trust and Cardiff University delivering operational activity to 30th September 2018.

On 1st October 2018 staff were transferred into HEIW and the organisation became fully operational.

HEIW has a leading role in the education, training, development and shaping of the healthcare workforce, supporting high-quality care for the people of Wales.

Performance Management and Financial Results

HEIW must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result, the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by HEIW which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

HEIW has an annual requirement to achieve a balanced year end position against the Resource and Capital limits set for the year.

Performance against these limits is reported in Note 2 to the financial statements.

Statement of Comprehensive Net Expenditure for the period ended 31 March 2023

	Note	2022-23 £000	2021-22 £000 Restated
Non Medical Education And Training	3.1	122,444	119,078
Postgraduate Medical, Dental & Pharmacy Education	3.2	129,569	114,724
Other Operating Expenditure	3.3	36,882	33,752
		288,895	267,554
Less: Miscellaneous Income	4	(692)	(528)
Net operating costs before interest and other gains and losses		288,203	267,026
Investment Revenue	5	0	0
Other (Gains) / Losses	6	0	0
Finance costs	7	17	0
Net operating costs for the financial period		288,220	267,026

See note 2 on page 22 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 65 form part of these accounts.

Other Comprehensive Net Expenditure

	2022-23		2021-22
	£000		£000
		Restated	
Net (gain) / loss on revaluation of property, plant and equipment	0		0
Net (gain)/loss on revaluation of right of use assets	0		0
Net (gain) / loss on revaluation of intangibles	0		0
(Gain) / loss on other reserves	0		0
Net (gain) / loss on revaluation of available for sale financial assets	0		0
Impairment and reversals	0		0
Other comprehensive net expenditure for the period	0		0
	<hr/>		<hr/>
Total comprehensive net expenditure for the period	288,220		267,026
	<hr/> <hr/>		<hr/> <hr/>

The notes on pages 8 to 65 form part of these accounts.

Statement of Financial Position as at 31 March 2023

	31 March 2023	31 March 2022
Notes	£000	£000 Restated
Non-current assets		
Property, plant and equipment	11 1,578	1,940
Right of Use Assets	11.3 1,483	0
Intangible assets	12 0	0
Trade and other receivables	15 0	0
Other financial assets	16 0	0
Total non-current assets	3,061	1,940
Current assets		
Inventories	14 0	0
Trade and other receivables	15 9,733	9,132
Other financial assets	16 0	0
Cash and cash equivalents	17 4,103	5,955
	13,836	15,087
Non-current assets classified as "Held for Sale"	11 0	0
Total current assets	13,836	15,087
Total assets	16,897	17,027
Current liabilities		
Trade and other payables	18 (12,734)	(8,418)
Other financial liabilities	19 0	0
Provisions	20 0	0
Total current liabilities	(12,734)	(8,418)
Net current assets/ (liabilities)	1,102	6,669
Non-current liabilities		
Trade and other payables	18 (1,304)	(125)
Other financial liabilities	19 0	0
Provisions	20 0	0
Total non-current liabilities	(1,304)	(125)
Total assets employed	2,859	8,484
Financed by :		
Taxpayers' equity		
General Fund	2,859	8,484
Revaluation reserve	0	0
Total taxpayers' equity	2,859	8,484

The financial statements on pages 2 to 7 were approved by the Board on 27.07.2023.

Chief Executive and Accountable Officer: Alex Howells

Date: 27/07/2023

The notes on pages 8 to 65 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the period ended 31 March 2023

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Changes in taxpayers' equity			
Balance b/f as at 31 March	8,484	0	8,484
NHS Wales Transfer	0	0	0
RoU Asset Transitioning Adjustment	0	0	0
Balance at 1 April 2022	8,484	0	8,484
Net operating cost for the period	(288,220)	0	(288,220)
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0
Net gain/(loss) on revaluation of right of use assets	0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from (please specify)	0	0	0
Total recognised income and expense for period	(288,220)	0	(288,220)
Net Welsh Government funding	280,304	0	280,304
Welsh Government notional funding	2,291	0	2,291
Balance at 31 March 2023	2,859	0	2,859

The notes on pages 8 to 65 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2022

	General Fund £000 Restated	Revaluation Reserve £000 Restated	Total Reserves £000 Restated
Changes in taxpayers' equity			
Balance b/f as at 31 March	8,472	0	8,472
Balance at 1 April 2021	8,472	0	8,472
Net operating cost for the year	(267,026)		(267,026)
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0
Net gain/(loss) on revaluation of right of use assets			
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Other reserve movement	0	0	0
Transfers between reserves	0	0	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for period	(267,026)	0	(267,026)
Net Welsh Government funding	265,015		265,015
Welsh Government notional funding	2,023		2,023
Balance at 31 March 2022	8,484	0	8,484

The notes on pages 8 to 65 form part of these accounts.

Statement of Cash Flows for period ended 31 March 2023

		2022-23 £000	2021-22 £000 Restated
Cash Flows from operating activities	notes		
Net operating cost for the financial period		(288,220)	(267,026)
Movements in Working Capital	27	4,894	(437)
Other cash flow adjustments	28	1,396	2,542
Provisions utilised	20	0	(7)
Net cash outflow from operating activities		(281,930)	(264,928)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(226)	(280)
Proceeds from disposal of property, plant and equipment		0	0
Purchase of intangible assets		0	0
Proceeds from disposal of intangible assets		0	0
Payment for other financial assets		0	0
Proceeds from disposal of other financial assets		0	0
Payment for other assets		0	0
Proceeds from disposal of other assets		0	0
Net cash inflow/(outflow) from investing activities		(226)	(280)
Net cash inflow/(outflow) before financing		(282,156)	(265,208)
Cash Flows from financing activities			
Welsh Government funding (including capital)		280,304	265,015
Capital receipts surrendered		0	0
Capital grants received		0	0
Capital element of payments in respect of finance leases and on-SoFP		0	0
Capital element of payments in respect of on-SoFP PFI		0	0
Capital element of payments in respect of Right of Use Assets		0	0
Cash transferred (to)/ from other NHS bodies		0	0
Net financing		280,304	265,015
Net increase/(decrease) in cash and cash equivalents		(1,852)	(193)
Cash and cash equivalents (and bank overdrafts) at 1 April 2022		5,955	6,148
Cash and cash equivalents (and bank overdrafts) at 31 March 2023		4,103	5,955

The notes on pages 8 to 65 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 Special Health Authorities (SHAs) 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 2022-23 Manual for Accounts. The accounting policies contained in that manual follow the 2022-23 Financial Reporting Manual (FReM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the 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 SHA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the SHA are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2. Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3. Income and funding

The main source of funding for the SHA are allocations (Welsh Government funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the SHA. Welsh Government funding is recognised in the financial period in which the cash is received.

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the General Fund.

Miscellaneous income is income which relates directly to the operating activities of the SHA and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the SHA for the Welsh Government. Income received from LHBs transacting with the SHA is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FReM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

Only non-NHS income may be deferred.

1.4. Employee benefits

1.4.1. Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. 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.

1.4.2. Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019-20 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, in Wales the additional 6.3% being funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA the NHS Pensions Agency).

However, NHS Wales' organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Note 34.1 within these accounts.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS Wales organisation commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the NHS Wales organisation's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

1.4.3. NEST Pension Scheme

An alternative pensions scheme for employees not eligible to join the NHS Pensions scheme has to be offered. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

1.5. Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.6.2. Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

At the Statement of Financial Position date the building asset held by HEIW relates solely to expenditure on leasehold improvements, which is carried at depreciated cost.

Future asset purchases that are not leasehold improvements will be carried on the following basis:

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.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Net Expenditure (SoCNE).

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FReM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the

current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

1.6.3. Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCNE. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This dictates that to ensure that asset carrying values are not materially overstated. For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7. Intangible assets

1.7.1. Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Wales organisation; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8. Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS Wales Organisation expects to obtain economic benefits or service potential from the asset. This is specific to the NHS Wales organisation and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the NHS Wales organisation checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

1.9. Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale.

within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCNE. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 leases is effective across public sector from 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 entity has applied the practical expedient offered in the standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 leases and IFRIC 4 determining whether an arrangement contains a lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application HEIW 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 HEIW 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 entity will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.7 instead.

HEIW 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. There are currently no such arrangements in place.

HEIW 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. There are currently no such arrangements in place.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.11.1 The entity as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The 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.

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 HEIW applies a revised rate to the remaining lease liability.

Where existing leases are modified HEIW 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 HEIW.

1.11.2 HEIW as lessor

HEIW does not lease out any of its assets and is therefore not a lessor.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

HEIW does not currently hold any inventory.

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) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in both 2022-23 and 2021-22, although no costs were apportioned to the SHA during the year. The WRP is hosted by Velindre NHS Trust.

1.15 Discount Rates

Where discount is applied, a disclosure detailing the impact of the discounting on liabilities to 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 to be included.

1.16. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments has applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales' organisations, was to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM recognised the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that included the date of initial application in the opening general fund within Taxpayer's equity.

1.17. 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.

1.17.1. Financial assets are initially recognised at fair value

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.17.2. Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.17.3 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.

1.17.4. Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

1.17.5. 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 SoCNE and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SoCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.18. 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.

1.18.1. Financial liabilities are initially recognised at fair value

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

1.18.2. Financial liabilities at fair value through the SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.18.3. 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.

1.19. Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.20. Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCNE. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.21. 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.

1.22. Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCNE on an accruals basis, including losses which would have been made good through insurance cover had the 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 WRP).

The NHS Wales organisation accrues or provides for the best estimate of future pay-outs for certain liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the WRP are included in debtors. For those claims where the probability of settlement is between 5- 50%, the liability is disclosed as a contingent liability.

1.23. Pooled budget

In accordance with section 33 of the NHS (Wales) Act 2006, NHS Wales organisations are able to operate pooled budgets with Local Authorities for specific activities defined in the Pooled budget Note.

HEIW SHA has not entered into any pooled budget arrangements,

1.24. 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.

1.25. Key sources of estimation uncertainty

Non Medical Education and Training expenditure and current assets include estimates of the numbers of students recruited and their funding choices for university courses starting in the spring of each year. Estimates of the training fees payable are based on the information available at the Statement of Financial Position date. Any changes to these estimates are adjusted in the following reporting period.

1.26 Private Finance Initiative (PFI) transactions

The NHS Wales organisation has no PFI arrangements.

1.27. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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.

1.28. Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

Where there is a transfer of function the gain or loss resulting from the assets and liabilities transferring is recognised in the SoCNE and is disclosed separately from the operating costs.

1.29. Accounting standards that have been issued but not yet been adopted

The following accounting standards have been issued and or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM

IFRS14 Regulatory Deferral Accounts.

Applies to first time adopters of IFRS after 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.

1.30. 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.

1.31. Charities

The NHS Organisation has no NHS Charitable Fund.

2. Financial Duties Performance

The statutory financial duties of Special Health Authorities are set out in section 172 of the National Health Service (Wales) Act 2006.

Section 172(1) sets out what is referred to as the 'First Financial Duty' - a duty to secure that SHA expenditure does not exceed the aggregate of the funding allotted to it for a financial year. Under the powers of direction in the National Health Service (Wales) Act section 172(6) WHC/2019/004 clarified that the annual statutory financial duty is set separately for revenue and capital resource allocations.

2.1 Revenue Resource Performance

	Financial performance 2022-23
	£000
Net operating costs for the period	288,220
Less general ophthalmic services expenditure and other non-cash limited expenditure	0
Less revenue consequences of bringing PFI schemes onto SoFP	0
Less unfunded revenue consequences of bringing RoU Leases onto SoFP	0
Total operating expenses	<u>288,220</u>
Revenue Resource Allocation	<u>289,361</u>
Under /(over) spend against Allocation	<u>1,141</u>

HEIW SHA has met its financial duty to break-even against its Revenue Resource Limit over the period.

2.2 Capital Resource Performance

	2022-23
	£000
Gross capital expenditure	226
Add: Losses on disposal of donated assets	0
Less: NBV of property, plant and equipment and intangible assets disposed	0
Less: capital grants received	0
Less: donations received	0
Less IFRS16 Peppercorn income	0
Less initial recognition of RoU Asset Dilapidations	0
Add: recognition of RoU Assets Dilapidations on crystallisation	<u>0</u>
Charge against Capital Resource Allocation	<u>226</u>
Capital Resource Allocation	<u>226</u>
(Over) / Underspend against Capital Resource Allocation	<u>0</u>

HEIW SHA has met its financial duty to break-even against its Capital Resource Limit over the period.

2.3 Integrated Medium Term Plan

HEIW has submitted an Integrated Medium Term Plan for the period 2022-25 in accordance with NHS Wales Planning Framework 2022-25. However, as this was not a statutory requirement for SHAs under the NHS Finance (Wales) Act 2014 the plan did not require Ministerial approval.

2.4 Creditor payment

The SHA 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 SHA has achieved the following results:

	2022-23	2021-22
Total number of non-NHS bills paid	6,576	5,462
Total number of non-NHS bills paid within target	6,176	5,287
Percentage of non-NHS bills paid within target	93.9%	96.8%

HEIW SHA has not met the target.

3. Analysis of gross operating costs

3.1 Non Medical Education and Training

	2022-23	2021-22
	£000	£000
		Restated
Student Training Fees (Universities)	65,543	64,318
Additional Training Costs (Universities)	0	1,693
Funding for Healthcare Education Fees (Health Boards & Trusts)	3,897	2,007
Student Bursaries Reimbursement (Universities)	22,182	24,681
Student Salaries Reimbursement (Health Boards & Trusts)	20,829	17,395
Advanced Practice Training fees	1,702	1,569
Healthcare Support Working Training	2,685	2,256
Non-Medical Prescribing	288	278
Training related Travel and Subsistence	4,634	3,843
Disability Support Allowance	682	907
Other	2	131
Total	122,444	119,078

3.2 Postgraduate Medical, Dental & Pharmacy Education

	2022-23	2021-22
	£000	£000
Training Grade Salaries	60,149	55,994
Postgraduate Centre and Study Leave	4,857	4,804
GP Registrars	37,755	31,526
Dental Foundation Trainees	9,073	8,333
Pharmacy Training	11,420	9,042
Induction & Refresher	20	61
Welsh Clinical Academic Training	1,500	1,606
GP CPD and Appraisal Costs	1,088	1,017
Trainee Relocation Expenses	2,016	1,410
Primary Care Grants	785	0
Other	906	931
Total	129,569	114,724

3.3 Other Operating Expenditure	2022-23	2021-22
	£000	£000
Local Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Goods and services from other NHS bodies	0	0
WHSSC/EASC	0	0
Local Authorities	0	0
Purchase of healthcare from non-NHS bodies	0	0
Welsh Government	0	0
Other NHS Trusts	0	0
Directors' costs	1,228	1,098
Operational Staff costs	24,335	20,202
Supplies and services - clinical	104	112
Supplies and services - general	3,560	2,916
Consultancy Services	35	268
Establishment	3,082	2,425
Transport	0	0
Premises	2,877	5,349
External Contractors	415	345
Depreciation	581	519
Depreciation RoU Asset)	287	
Amortisation	0	0
Fixed asset impairments and reversals (Property, plant & equipment)	7	0
Fixed asset impairments and reversals (RoU Assets)	0	
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	0	0
Audit fees	184	146
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	50	170
Research and Development	0	0
Expense related to short-term leases	0	
Expense related to low-value asset leases (excluding short-term leases)	0	
Other operating costs	137	202
Total	36,882	33,752

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

Increase/(decrease) in provision for future payments:	2022-23	2021-22
	£000	£000
Clinical negligence;		
Secondary care	0	0
Primary care	0	0
Redress Secondary care	0	0
Redress Primary care	0	0
Personal injury	0	0
All other losses and special payments	0	0
Defence legal fees and other administrative costs	0	0
Gross increase/(decrease) in provision for future payments	0	0
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	50	170
Less: income received/due from Welsh Risk Pool	0	0
Total	50	170

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

4. Miscellaneous Income

	2022-23	2021-22
	£000	£000
Local Health Boards	2	2
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
NHS trusts	85	0
Welsh Special Health Authorities	0	2
Foundation Trusts	0	0
Other NHS England bodies	0	0
Other NHS Bodies	0	0
Local authorities	0	0
Welsh Government	239	112
Welsh Government Hosted Bodies	0	0
Non NHS:		
Private patient income	0	0
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	0	0
Other income from activities	0	0
Patient transport services	0	0
Education, training and research	366	412
Charitable and other contributions to expenditure	0	0
Receipt of NWSSP Covid centrally purchased assets	0	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donated assets	0	0
Receipt of Government granted assets	0	0
Right of Use Grant (Peppercorn Lease)	0	0
Non-patient care income generation schemes	0	0
NWSSP	0	0
Deferred income released to revenue	0	0
Right of Use Asset Sub-leasing rental income	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	0	0
Other income		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	0	0
Business units	0	0
Scheme Pays Reimbursement Notional	0	0
Other	0	0
Total	692	528

Injury Cost Recovery (ICR) Scheme income is subject to a provision for impairment re personal injury claims

	2022-23	2021-22
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	23.76	23.76

5. Investment Revenue

	2022-23	2021-22
	£000	£000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	0	0

6. Other gains and losses

	2022-23	2021-22
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	0	0

7. Finance costs

	2022-23	2021-22
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under Right of Use Leases	17	0
Interest on obligations under PFI contracts		
main finance cost	0	0
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	17	0
Provisions unwinding of discount	0	0
Other finance costs	0	0
Total	17	0

8. Future change to SoCNE/Operating Leases

SHA as lessee

As at 31st March 2023 HEIW SHA had 2 lease arrangements that have not been accounted for under IFRS 16 as they are considered low value assets. Both of these leases relate to equipment. 0 leases expired during the year.

	Post Implementation of IFRS 16		Pre implementation of IFRS 16
	Low Value & Short Term	Other	
	2022-23	2022-23	2021-22
Payments recognised as an expense	£000	£000	£000
Minimum lease payments	6	0	372
Contingent rents	0	0	0
Sub-lease payments	0	0	0
Total	6	0	372
Total future minimum lease payments			
Payable	£000	£000	£000
Not later than one year	5	0	370
Between one and five years	5	0	1,462
After 5 years	0	0	410
Total	10	0	2,242

As a result of the implementation of IFRS 16 the current year operating lease figures relate to low value and short term leases only. In year expenditure of £363k and Minimum lease Payments £2,227k previously reported in the 2021-22 financial year transitioned to the balance sheet as right of use assets.

	Post Implementation of IFRS 16	Pre implementation of IFRS 16
	2022-23	2021-22
	£000	£000
SHA as lessor		
Rental revenue		
Rent	0	0
Contingent rents	0	0
Total revenue rental	0	0
Total future minimum lease payments		
Receivable	£000	£000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	0	0

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total	Total
	£000	£000	£000	£000	£000	2022-23	2021-22
Salaries and wages	18,286	1,541	536	0	0	20,363	17,014
Social security costs	1,955	0	0	0	0	1,955	1,543
Employer contributions to NHS Pension Scheme	3,144	0	0	0	0	3,144	2,630
Other pension costs	6	0	0	0	0	6	10
Other employment benefits	0	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0	0
Total Employee costs	23,391	1,541	536	0	0	25,468	21,197

Charged to capital	0	0
Charged to revenue	25,468	21,197
	25,468	21,197

Net movement in accrued employee benefits (untaken staff leave)	(218)	141
Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		141
Non Covid 19 - Net movement in accrued employee benefits (untaken staff leave)		0

9.2 Average number of employees

9.2 Average number of employees	Permanent Staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total	Total
	Number	Number	Number	Number	Number	2022-23	2021-22
Administrative, clerical and board members	275	10	9	0	0	294	254
Medical and dental	48	3	0	0	0	51	46
Nursing, midwifery registered	7	5	0	0	0	12	9
Professional, Scientific, and technical staff	30	0	0	0	0	30	24
Additional Clinical Services	2	0	0	0	0	2	2
Allied Health Professions	4	1	0	0	0	5	3
Healthcare Scientists	0	0	0	0	0	0	0
Estates and Ancillary	0	0	0	0	0	0	0
Students	0	0	0	0	0	0	0
Total	366	19	9	0	0	394	338

9.3. Retirements due to ill-health

	2022-23	2021-22
Number	1	0
Estimated additional pension costs £	310,287	0

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

9.4 Employee benefits

HEIW SHA has four employee benefit schemes. There are three salary sacrifice schemes for childcare vouchers, bikes and lease cars. There is also an employee loans and savings scheme offered through an external financial wellbeing provider.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2022-23	2022-23	2022-23	2022-23	2021-22
	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£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	0	0	0	0	0

Exit packages cost band (including any special payment element)	2022-23	2022-23	2022-23	2022-23	2021-22
	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	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	0
£50,000 to £100,000	0	0	0	0	0
£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	0	0	0	0	0

Exit costs paid in year of departure	Total paid in year	
	2022-23	2021-22
	£	£
Exit costs paid in year	0	0
Total	0	0

Redundancy costs are paid in accordance with the NHS Redundancy provisions, other departure costs are paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the SHA has agreed early retirements, the additional costs are met by the SHA and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

9.6 Fair Pay disclosures**9.6.1 Remuneration Relationship**

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

	2022-23 £000 Chief	2022-23 £000 Employee	2022-23 Ratio	2021-22 £000 Chief	2021-22 £000 Employee	2021-22 Ratio
Total pay and benefits	Executive	Employee	Ratio	Executive	Employee	Ratio
25th percentile pay ratio	168	34	4.94:1	158	32	4.88:1
Median pay	168	50	3.35:1	158	50	3.17:1
75th percentile pay ratio	168	104	1.62:1	158	96	1.64:1
Salary component of total pay and benefits						
25th percentile pay ratio	168	34		158	32	
Median pay	168	50		158	50	
75th percentile pay ratio	168	103		158	96	
	Highest Paid Director	Employee	Ratio	Highest Paid Director	Employee	Ratio
Total pay and benefits						
25th percentile pay ratio	168	34	4.94:1	168	32	5.18:1
Median pay	168	50	3.35:1	168	50	3.37:1
75th percentile pay ratio	168	104	1.62:1	168	96	1.74:1
Salary component of total pay and benefits						
25th percentile pay ratio	168	34		108	32	
Median pay	168	50		108	50	
75th percentile pay ratio	168	103		108	96	

In 2022-23, 1 (2021-22, 0) employees received remuneration in excess of the Chief Executive, who is also the highest paid director.

Remuneration for all staff ranged from £16,469 to £165,618 (2021-22, £14,939 to £168,592).

The all staff range includes directors (including the highest paid director) and excludes pension benefits of all employees.

Financial year summary

Between 2021/22 and 2022/23 the ratio of the median remuneration of the workforce and the Chief Executive increased from 3.17:1 to 3.35:1. The median for total pay and benefits is £49,972 (£49,729 2021-22), which equates to the entry step point of the 8a Agenda for Change payscale.

Of the 105 staff members who started in HEIW during the year (either through replacing staff who had left the organisation or for new posts), 11 were above the median and 94 were below. Of the staff above the median the average FTE is 0.48 and for staff below the median the average FTE is 0.92. This reflects the nature of the work in HEIW, where medical staff on Consultant or Medical and Dental educator pay scales will be employed for a small number of sessions.

Pay rates for all employees of HEIW are set nationally, predominately through the Executive and Senior Pay Terms and conditions of service, the Agenda for Change agreement or the Medical & Dental Terms and Conditions of Service. Where employees remain on the Cardiff University terms following TUPE into HEIW these are amended in line with any Agenda for Change pay awards during the year. The final pay awards for 2022/23 have not been agreed by 31st March 2023. The above figures reflect the known awards at that date and include a non-consolidated payment of 1.5% made to all staff. Different awards have been applied to Medical and Agenda for Change pay scales, and also between bands within each sets of terms and conditions, which has had an impact on the change in the median pay for staff.

	2021-22 to 2022-23	2020-21 to 2021-22
9.6.2 Percentage Changes		
% Change from previous financial year in respect of Chief Executive	%	%
Salary and allowances	4	3
Performance pay and bonuses	4	3
% Change from previous financial year in respect of highest paid director		
Salary and allowances	4	3
Performance pay and bonuses	4	2

9.7 Pension Costs

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 £50,270).

Restrictions on the annual contribution limits were removed on 1st April 2017.

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that the SHA 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 SHA financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery. HEIW did not meet the target in 2022-23.

	2022-23	2022-23	2021-22	2021-22
NHS	Number	£000	Number	£000
Total bills paid	2,472	120,059	2,004	102,270
Total bills paid within target	2,256	115,979	1,700	99,385
Percentage of bills paid within target	91.3%	96.6%	84.8%	97.2%
Non-NHS				
Total bills paid	6,576	112,911	5,462	114,126
Total bills paid within target	6,176	110,879	5,287	113,674
Percentage of bills paid within target	93.9%	98.2%	96.8%	99.6%
Total				
Total bills paid	9,048	232,970	7,466	216,396
Total bills paid within target	8,432	226,858	6,987	213,059
Percentage of bills paid within target	93.2%	97.4%	93.6%	98.5%

10.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2022-23	2021-22
	£	£
Amounts included within finance costs (note 7) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

11. Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost at 31 March bf	0	1,431	0	0	623	0	1,695	482	4,231
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Prepayments	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Cost or valuation at 1 April 2022	0	1,431	0	0	623	0	1,695	482	4,231
Revaluation/Indexation	0	0	0	0	0	0	0	0	0
Additions									
- purchased	0	0	0	0	0	0	226	0	226
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other organisations	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	(42)	0	(42)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(57)	0	(58)	(12)	(127)
At 31 March 2023	0	1,431	0	0	566	0	1,821	470	4,288
Depreciation at 31 March bf	0	478	0	0	563	0	920	330	2,291
NHS Wales Transfers	0	0	0	0	0	0	0	0	0
Transfer of Finance Leases to ROU Asset Note	0	0	0	0	0	0	0	0	0
Depreciation at 1 April 2022	0	478	0	0	563	0	920	330	2,291
Revaluation/Indexation	0	0	0	0	0	0	0	0	0
Transfer from/into other organisations	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	(35)	0	(35)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(57)	0	(58)	(12)	(127)
Provided during the period	0	146	0	0	13	0	340	82	581
At 31 March 2023	0	624	0	0	519	0	1,167	400	2,710
Net book value at 1 April 2022	0	953	0	0	60	0	775	152	1,940
Net book value at 31 March 2023	0	807	0	0	47	0	654	70	1,578
Net book value at 31 March 2023 comprises :									
Purchased	0	807	0	0	47	0	654	70	1,578
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	807	0	0	47	0	654	70	1,578
Asset financing :									
Owned	0	807	0	0	47	0	654	70	1,578
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2023	0	807	0	0	47	0	654	70	1,578

The net book value of land, buildings and dwellings at 31 March 2023 comprises :

	£000
Freehold	0
Long Leasehold	807
Short Leasehold	0
	807

Building Assets' held by HEIW relate to leasehold improvements and are depreciated over the shorter of the remainder of the lease or the assessed life of the asset.

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2021	0	1,431	0	0	587	0	1,464	482	3,964
Indexation	0	0	0	0	0	0	0	0	0
Additions									
- purchased	0	0	0	0	49	0	231	0	280
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(13)	0	0	0	(13)
At 31 March 2022	0	1,431	0	0	623	0	1,695	482	4,231
Depreciation at 1 April 2021	0	331	0	0	573	0	633	248	1,785
Indexation	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(13)	0	0	0	(13)
Provided during the year	0	147	0	0	3	0	287	82	519
At 31 March 2022	0	478	0	0	563	0	920	330	2,291
Net book value at 1 April 2021	0	1,100	0	0	14	0	831	234	2,179
Net book value at 31 March 2022	0	953	0	0	60	0	775	152	1,940
Net book value at 31 March 2022 comprises :									
Purchased	0	953	0	0	60	0	775	152	1,940
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	953	0	0	60	0	775	152	1,940
Asset financing :									
Owned	0	953	0	0	60	0	775	152	1,940
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2022	0	953	0	0	60	0	775	152	1,940

The net book value of land, buildings and dwellings at 31 March 2022 comprises :

	£000
Freehold	0
Long Leasehold	953
Short Leasehold	0
	953

Building Assets' held by HEIW relate to leasehold improvements and are depreciated over the shorter of the remainder of the lease or the assessed life of the asset.

11. Property, plant and equipment (continued)

Additional disclosures re Property, Plant and Equipment

Disclosures:

i) Donated Assets

HEIW SHA has not received any donated assets during the year.

ii) Valuations

The SHA is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

iii) Asset Lives

Depreciated as follows:

- Land is not depreciated.
- Buildings as determined by the Valuation Office Agency.
- Equipment 5-15 years.

iv) Compensation

No compensation has been received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

IT assets with a net book value of £9k were written down to zero during the year as their useful life was shorter than originally forecast. An impairment of £7k was charged to reflect the removal of from the asset register following completion of the asset verification process for the year. WG funding was provided for these write downs.

vi) The SHA 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.

There are no assets held for sale or sold in the period.

11. Property, plant and equipment**11.2 Non-current assets held for sale**

	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2022	0	0	0	0	0	0
Plus assets classified as held for sale in the period	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the period	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2023	0	0	0	0	0	0
Balance brought forward 1 April 2021	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Add reversal of impairment of assets held for sale	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2022	0	0	0	0	0	0

Assets sold in the period

There were no assets sold in the period.

Assets classified as held for sale during the period

No assets were classified as held for sale during 2022-23.

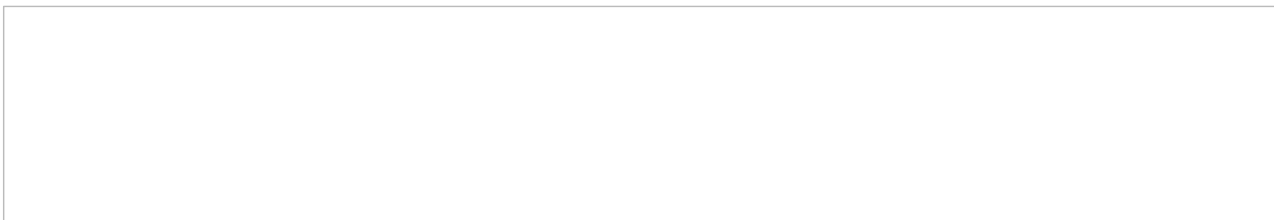
11.3 Right of Use Assets - continued
Quantitative disclosures

Maturity analysis	
Contractual undiscounted cash flows relating to lease liabilities	£000
Less than 1 year	322
2-5 years	1,288
> 5 years	41
Total	<u>1,651</u>
Lease Liabilities (net of irrecoverable VAT)	£000
Current	308
Non-Current	1,304
Total	<u>1,612</u>
Amounts Recognised in Statement of Comprehensive Net Expenditure	£000
Depreciation	287
Impairment	0
Variable lease payments not included in lease liabilities - Interest expense	17
Sub-leasing income	0
Expense related to short-term leases	0
Expense related to low-value asset leases (excluding short-term leases)	0
Amounts Recognised in Statement of Cashflows (net of irrecoverable VAT)	£000
Interest expense	17
Repayments of principal on leases	305
Total	<u>322</u>

The values disclosed in note 11.3 relate to the lease of one building, which is the only lease that HEIW holds that falls under the requirements of IFRS16. The lease is held on commercial terms and HEIW is the sole occupier. The lease has one rent review date, being on the sixth anniversary of the start of the contract. As this review has not yet taken place the disclosures above do not include the impact of any potential changes. There are no restrictions or covenants in place that need to be disclosed.

12. Intangible non-current assets 2022-23

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2023	0	0	0	0	0	0	0
Amortisation at 1 April 2022	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the period	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2023	0	0	0	0	0	0	0
Net book value at 1 April 2022	0	0	0	0	0	0	0
Net book value at 31 March 2023	0	0	0	0	0	0	0
At 31 March 2023							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2023	0	0	0	0	0	0	0



12.1 Intangible non-current assets

2021-22

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Gross cost at 31 March 2022	0	0	0	0	0	0	0
Amortisation at 1 April 2021	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Amortisation at 31 March 2022	0	0	0	0	0	0	0
Net book value at 1 April 2021	0	0	0	0	0	0	0
Net book value at 31 March 2022	0	0	0	0	0	0	0
At 31 March 2022							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2022	0	0	0	0	0	0	0

13 . Impairments

	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
Impairments arising from :						
Loss or damage from normal operations	7	0	0	0		0
Abandonment in the course of construction	0	0	0	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	0	0	0	0		0
Others (specify)	0	0	0	0		0
Reversal of impairments	0	0	0	0		0
Total of all impairments	7	0	0	0		0
Analysis of impairments charged to reserves in period :						
Charged to the Statement of Comprehensive Net Expenditure	7	0	0	0		0
Charged to Revaluation Reserve	0	0	0	0		0
	7	0	0	0		0

14.1 Inventories

	31 March	31 March
	2023	2022
	£000	£000
Drugs	0	0
Consumables	0	0
Energy	0	0
Work in progress	0	0
Other	0	0
Total	0	0
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2023	2022
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

15. Trade and other Receivables

Current	31 March	31 March
	2023	2022
	£000	£000
		Restated
Welsh Government	54	135
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	1	0
Welsh Health Boards	84	39
Welsh NHS Trusts	30	95
Welsh Special Health Authorities	3	0
Non - Welsh Trusts	0	0
Other NHS	27	21
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim Reimbursement;		
NHS Wales Secondary Health Sector	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangibles	0	0
Capital debtors - Intangibles	0	0
Other debtors	3,858	2,330
Provision for irrecoverable debts	(271)	(221)
Pension Prepayments NHS Pensions	0	0
Other prepayments	5,947	6,733
Other accrued income	0	0
Sub total	9,733	9,132
Non-current		
Welsh Government	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim Reimbursement;		
NHS Wales Secondary Health Sector	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangibles	0	0
Capital debtors - Intangibles	0	0
Other debtors	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Pension Prepayments NEST	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	0	0
Total	9,733	9,132

15. Trade and other Receivables

	31 March	31 March
	2023	2022
	£000	£000
Receivables past their due date but not impaired		
By up to three months	15	0
By three to six months	15	0
By more than six months	3	0
	<u>33</u>	<u>0</u>

Expected Credit Losses (ECL) previously Allowance for bad and doubtful debts

Balance at 1 April	(221)	(51)
Transfer to other NHS Wales body	0	0
Amount written off during the period	60	51
Amount recovered during the period	0	0
(Increase) / decrease in receivables impaired	(110)	(221)
ECL/Bad debts recovered during period	0	0
Balance at 31 March	<u>(271)</u>	<u>(221)</u>

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

Receivables VAT

Trade receivables	251	258
Other	0	0
Total	<u>251</u>	<u>258</u>

16. Other Financial Assets

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial assets				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Right of Use Asset Finance Sublease	0	0	0	
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

17. Cash and cash equivalents

	31 March	31 March
	2023	2022
	£000	£000
Opening Balance	5,955	6,148
Net change in cash and cash equivalent balances	(1,852)	(193)
Balance at 31 March	4,103	5,955
Made up of:		
Cash held at Government Banking Service (GBS)	4,103	5,955
Commercial banks	0	0
Cash in hand	0	0
Cash and cash equivalents as in Statement of Financial Position	4,103	5,955
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	4,103	5,955

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are;

Lease Liabilities £0k
PFI liabilities £0k

The movement relates to cash, no comparative information is required by IAS 7 in 2022-23.

18. Trade and other payables

Current	31 March 2023	31 March 2022
	£000	£000
Welsh Government	1	36
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	11	0
Welsh Health Boards	4,327	1,300
Welsh NHS Trusts	2,244	2,848
Welsh Special Health Authorities	0	5
Other NHS	10	56
Taxation and social security payable / refunds	19	9
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	6	3
Non-NHS trade payables - revenue	1,959	1,578
Local Authorities	97	0
Capital payables-Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	23
RoU Lease Liability	309	
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	327	298
Non NHS Accruals	3,424	2,258
Deferred Income:		
Deferred Income brought forward	4	12
Deferred Income Additions	0	4
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(4)	(12)
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub total	12,734	8,418
Non-current		
Welsh Government	0	0
Welsh Health Specialised Services Committee (WHSSC) / Emergency Ambulance Services Committee (EASC)	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Welsh Special Health Authorities	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS trade payables - revenue	0	0
Local Authorities	0	0
Capital Creditors- Tangible	0	0
Capital Creditors- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	125
RoU Lease Liability	1,304	
Obligations under finance leases, HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Non NHS Accruals	0	0
Deferred Income :		
Deferred Income brought forward	0	0
Deferred Income Additions	0	0
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	0	0
Other creditors	0	0
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub total	1,304	125
Total	14,038	8543

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

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	1,918
RoU Lease liability as at 1 April 2022	1,918

18. Trade and other payables (continued)

Amounts falling due more than one year are expected to be settled as follows:	2022-23	2021-22
	£000	£000
Between one and two years	311	23
Between two and five years	952	69
In five years or more	41	33
Sub-total	1,304	125

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial Guarantees:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Derivatives at fair value through SoCNE	0	0	0	0
Other:				
At amortised cost	0	0	0	0
At fair value through SoCNE	0	0	0	0
Total	0	0	0	0

20. Provisions

	At 1 April 2022	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the period	Utilised during the period	Reversed unused	Unwinding of discount	At 31 March 2023
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Non Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
TOTAL									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
RoU Asset Dilapidations CAME	0			0	0	0	0	0	0
Other Capital Provisions	0			0	0	0	0	0	0
Other	0		0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

Expected timing of cash flows:

	in year to 31 March 2024	Between 1 April 2024 31 March 2028	Thereafter	Total
	£000	£000	£000	£000
Clinical negligence:-				
Secondary care	0	0	0	0
Primary care	0	0	0	0
Redress Secondary care	0	0	0	0
Redress Primary care	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	0	0	0	0
Pensions relating to former directors	0	0	0	0
Pensions relating to 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	0	0	0	0

20. Provisions (continued)

	At 1 April 2021	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the period	Utilised during the period	Reversed unused	Unwinding of discount	At 31 March 2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	7		0	0	0	(7)	0		0
Total	7	0	0	0	0	(7)	0	0	0
Non Current									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	0	0	0	0	0	0	0	0	0
TOTAL									
Clinical negligence:-									
Secondary care	0	0	0	0	0	0	0	0	0
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	0	0	0	0	0
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0		0
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
2019-20 Scheme Pays - Reimbursement	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	7		0	0	0	(7)	0		0
Total	7	0	0	0	0	(7)	0	0	0

21. Contingencies**21.1 Contingent liabilities**

	31 March 2023 £000	31 March 2022 £000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence		
Secondary Care	0	0
Primary Care	0	0
Secondary Care Redress	0	0
Primary Care Redress	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	0	0
Continuing Health Care costs	0	0
Other	0	0
Total value of disputed claims	<u>0</u>	<u>0</u>
Amounts recovered in the event of claims being successful	0	0
Net contingent liability	<u><u>0</u></u>	<u><u>0</u></u>

21.2 Remote Contingent liabilities	31 March 2023 £000	31 March 2022 £000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	0	0
Letters of Comfort	0	0
Total	0	0

21.3 Contingent assets	31 March 2023 £000	31 March 2022 £000
	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments

The disclosure of future capital commitments not already disclosed as liabilities in the accounts.

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	0	0
Right of Use Assets	0	0
Intangible assets	0	0
Total	0	0

23. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore 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 period to 31 March 2023	
	Number	£
Clinical negligence	0	0
Personal injury	0	0
All other losses and special payments	0	0
Total	0	0

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:				
Sub-total	0	0	0	0
All other cases	0	0	0	0
Total cases	0	0	0	0

24. Right of Use / Finance leases obligations

24.1 Obligations (as lessee)

HEIW SHA has one lease obligation as lessee for a building, which transitioned onto the balance sheet as at 1st April 2022 following the adoption of IFRS16. HEIW did not hold any finance leases prior to the implementation of IFRS16.

Amounts payable under right of use asset / finance leases:

Land	Post Implementation of IFRS 16 (RoU) 31 March 2023 £000	Pre implementation of IFRS 16 (FL) 31 March 2022 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

24.1 Right of Use / Finance leases obligations continued

	Post Implementation of IFRS 16 (RoU)	Pre implementation of IFRS 16 (FL)
	31 March 2023	31 March 2022
Amounts payable under right of use asset / finance leases:		
Buildings		
Minimum lease payments	£000	£000
Within one year	322	0
Between one and five years	1,288	0
After five years	41	0
Less finance charges allocated to future periods	(39)	0
Minimum lease payments	<u>1,612</u>	<u>0</u>
Included in:		
Current borrowings	308	0
Non-current borrowings	<u>1,304</u>	<u>0</u>
	<u>1,612</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	308	0
Between one and five years	1,263	0
After five years	41	0
Present value of minimum lease payments	<u>1,612</u>	<u>0</u>
Included in:		
Current borrowings	308	0
Non-current borrowings	<u>1,304</u>	<u>0</u>
	<u>1,612</u>	<u>0</u>
Other - Non Property		
Minimum lease payments	£000	£000
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

24.2 Right of Use Assets / Finance lease receivables (as lessor)

The SHA has no finance leases receivable as a lessor.

Amounts receivable under right of use assets / finance leases:	Post Implementation of IFRS 16 (RoU) 31 March 2023 £000	Pre implementation of IFRS 16 (FL) 31 March 2022 £000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts**25.1 PFI schemes off-Statement of Financial Position**

The SHA has no PFI schemes which are deemed to be on or off the statement of financial position.

26. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The SHA is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The SHA has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the SHA in undertaking its activities.

Currency risk

The SHA is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The SHA has no overseas operations and therefore has low exposure to currency rate fluctuations.

Interest rate risk

The SHA is not permitted to borrow. The SHA therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the SHA funding derives from funds voted by the Welsh Government the SHA has low exposure to credit risk.

Liquidity risk

The SHA is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The SHA is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2022-23 £000	2021-22 £000 Restated
(Increase)/decrease in inventories	0	0
(Increase)/decrease in trade and other receivables - non-current	0	0
(Increase)/decrease in trade and other receivables - current	(601)	(1,171)
Increase/(decrease) in trade and other payables - non-current	1,179	(23)
Increase/(decrease) in trade and other payables - current	4,316	757
Total	4,894	(437)
Adjustment for accrual movements in fixed assets - creditors	0	0
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments	0	0
	4,894	(437)

28. Other cash flow adjustments

	2022-23 £000	2021-22 £000
Depreciation	868	519
Amortisation	0	0
(Gains)/Loss on Disposal	0	0
Impairments and reversals	7	0
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Right of Use Grant (Peppercorn Lease) credited to revenue but non cash	0	0
Non-cash movements in provisions	0	0
Other movements	521	2,023
Total	1,396	2,542

29. Events after the Reporting Period

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on 27 July 2023.

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 £326k.

30. Related Party Transactions

The Welsh Government is regarded as a related party. During the accounting period SHA 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. These are set out on the table below along with details of the transactions with other organisations in which senior members of the organisation have an interest.

Related Party	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Please list all related party transactions to include;				
Welsh Government	1	280,590	1	54
Welsh LHBS	96,936	314	4,326	84
Welsh NHS Trusts	58,565	202	2,244	30
Welsh Special Health Authorities	685	3	0	3
WHSSC	11	36	11	1
Local Authorities	526			
Cardiff University	28,320	659	1,295	8
General Pharmaceutical Council	1			
Gladstone's Library	3		1	
Hafod Housing Association	88		14	
Pembrokeshire College	2			
Royal College of Nursing	122		16	
Royal College of Paediatric and Child Health	3			
Royal College of Physicians (RCP)	0			
Royal Pharmaceutical Society	5			
Swansea University	26,286	746	1,114	
University of South Wales	18,342	1,145	374	
University of West of England	157		10	
	230,053	283,696	9,406	180

During the year, other than the individuals set out below, there were no other material related party transactions involving other board members or key senior management staff.

Tina Donnelly is a Fellow of the University of South Wales and Royal College of Nursing and Non Executive Director of Hafod Housing Association.

Ruth Hall is a visiting Chair of the University of West of England and an advisory Board Member, Centre for Public Policy Wales at Cardiff University. Member/Fellow of Royal College of Physicians (RCP), Member/Fellow of Royal College of Paediatric and Child Health.

Pushpinder Mangat is an Honorary Professor Swansea Medical School.

Jonathan Morgan is Chair of Hafod Housing Association, Welsh Government Lawyer and Advisor to Paul Davies MS and Altaf Hussain MS.

Pushpinder Mangat was seconded from Swansea Bay University Health Board until 1st July 2022.

Sian Richards was seconded from Swansea Bay University Health Board until 30th June 2022.

John Gammon is a Board Member of Pembrokeshire College, Professor at Swansea University and is employed as Bank/Consultant at Hywel dda Health Board.

Heidi Phillips is Associate Professor Primary Care, Swansea University and Spouse/Partner is a Workplace Learning Practitioner (IT) at Gower College Swansea.

31. Third Party assets

The SHA does not hold cash on behalf of third parties.

32. Pooled budgets

The SHA does not does not operate any pooled budgets.

33. Operating segments

IFRS 8 requires bodies to report information about each of its operating segments.

The SHA is deemed to operate as one segment.

34. Other Information**34.1. 6.3% Staff Employer Pension Contributions - Notional Element**

The notional transactions are based on estimated costs for the twelve month period, calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions as at month eleven and the actual employer staff payments for month 12.

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:

Statement of Comprehensive Net Expenditure for the period ended 31 March 2023	2022-23 £000	2021-22 £000
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3.2 Postgraduate Medical, Dental & Pharmacy Education	1,329	1221
3.3 Other Operating Expenditure	962	801

Statement of Changes in Taxpayers' Equity For the period ended 31 March 2023		
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Net operating cost for the year	-2,291	-2,023
Notional Welsh Government Funding	2,291	2,023

Statement of Cash Flows for period ended 31 March 2023	31 March 2023	31 March 2022
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Net operating cost for the financial year	0	0
Other cash flow adjustments	2,291	2,023

2.1 Revenue Resource Performance

Revenue Resource Allocation	2,291	2,023
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3. Analysis of gross operating costs	2022-23 £000	2021-22 £000
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3.2 Postgraduate Medical, Dental & Pharmacy Training

GP Registrars	1,017	913
Dental Foundation Trainees	136	134
Pharmacy Training	167	174
Induction & Refresher	1	0
Training Grade Salaries	6	0
Other	2	0

3.3 Other Operating Expenditure

Directors' costs	42	29
Staff costs	920	772

9.1 Employee costs**Permanent Staff**

Employer contributions to NHS Pension Scheme	962	801
Charged to capital	0	0
Charged to revenue	962	801

18. Trade and other payables**Current**

Pensions: staff	0	0
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28. Other cash flow adjustments

Other movements	2,291	2,023
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34.2 Other Information**Welsh Government Covid 19 Funding**

Details of Covid 19 Pandemic Welsh Government funding amounts provided to NHS Wales bodies:

	2022-23	2021-22
	£000	£000
Capital		
Capital Funding Field Hospitals and Equipment		0
Capital Funding Equipment		0
Capital Funding other (Specify)		0
Welsh Government Covid 19 Capital Funding	0	0
Revenue		
Stability Funding	0	-24
Covid Recovery	0	0
Cleaning Standards	0	0
PPE (including All Wales Equipment via NWSSP)	0	0
Testing / TTP- Testing & Sampling - Pay & Non Pay	0	0
Tracing / TTP - NHS & LA Tracing - Pay & Non Pay	0	0
Extended Flu Vaccination / Vaccination - Extended Flu Programme	0	0
Mass Covid-19 Vaccination / Vaccination - COVID-19	0	0
Annual Leave Accrual - Increase due to Covid	0	0
Urgent & Emergency Care	0	0
Private Providers Adult Care / Support for Adult Social Care Providers	0	0
Hospices	0	0
Other Mental Health / Mental Health	0	0
Other Primary Care	0	0
Social Care	0	0
Other	0	0
Welsh Government Covid 19 Revenue Funding	0	-24

34.3 Prior Period Adjustment

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error in the accounts. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Due to the payment terms set out in the contracts and the delays in agreeing the recruited student numbers for the spring intake, HEIW has historically accounted for the costs of some nursing and other health professional courses in the year in which the payments were made. In doing so, the accounts did not reflect the value of the debtor and prepayment applicable to each University at the balance sheet date nor the impact on the Statement of Comprehensive Net Expenditure of varying recruitment numbers. Prior Period Adjustments have been incorporated into the annual accounts to correct these material misstatements as follows:

Statement of Comprehensive Net Expenditure

	As Previously stated in 2021-22 Accounts 2021-22 £'000	Prior Period Adjustment 2021-22 £'000	As stated in 2022-23 Accounts 2021-22 £'000
Non-Medical Education & Training**	119,889	(811)	119,078
Postgraduate Medical, Dental & Pharmacy Training	114,724	-	114,724
Other Operating Expenditure	33,752	-	33,752
	268,365	(811)	267,554
Less: Miscellaneous Income	(528)	-	(528)
Net operating costs before interest and other gains and losses	267,837	(811)	267,026

** Adjustment within 'Student Training Fees (Universities)' of note 3.1

Note 2.1 Revenue Resource Performance

	As Previously stated in 2021-22 Accounts 2021-22 £'000	Prior Period Adjustment 2021-22 £'000	Amended 2021-22 £'000
Net Operating Costs for the period	267,837	(811)	267,026
Total operating expenses	267,837	(811)	267,026
Revenue Resource Allocation	268,180	-	268,180
Under / (over) spend against Allocation	343	811	1,154

34.3 Prior Period Adjustment

Statement of Financial Position

	As Previously stated in 2021-22 Accounts 31-Mar-22 £'000	Prior Period Adjustment £'000	As stated in 2022-23 Accounts 31-Mar-22 £'000
Total Non-current assets	1,940	-	1,940
Current assets			
Trade and other receivables			
- Other debtors	623	1,707	2,330
- Other Prepayments	1,433	5,300	6,733
- Balance of Trade and other receivables	69	-	69
Cash and cash equivalents	5,955	-	5,955
	8,080	7,007	15,087
Total assets	10,020	7,007	17,027
Current liabilities	(8,418)	-	(8,418)
Non-current liabilities	(125)	-	(125)
Total assets employed	1,477	7,007	8,484
Financed by:			
General Fund	1,477	7,007	8,484

Statement of Changes in Taxpayers' Equity

For the period ended 31 March 2022

	As Previously stated in 2021-22 Accounts Total Reserves £'000	Prior Period Adjustment Total Reserves £'000	As stated in 2022-23 Accounts Total Reserves £'000
Balance at 01 April 2021	2,276	6,196	8,472
Net Operating cost for the period	(267,837)	811	(267,026)
Total recognised income and expense for the period	(267,837)	811	(267,026)
Net Welsh Government funding	265,015	-	265,015
Welsh Government notional funding	2,023	-	2,023
Balance at 31 March 2022	1,477	7,007	8,484

**THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY
WELSH MINISTERS IN ACCORDANCE WITH PARAGRAPH 3(1) OF SCHEDULE 9 TO
THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE
APPROVAL OF TREASURY**

HEALTH EDUCATION AND IMPROVEMENT WALES

1. Health Education and Improvement Wales (HEIW), a special health authority, shall prepare accounts for the financial period 5th October 2017 to 31 March 2019 and subsequent financial years in the form specified in paragraphs 2 to 4 below.

BASIS OF PREPARATION

2. The accounts of HEIW shall comply with:

(a) the accounting principles and disclosure requirements of the Government Financial Reporting Manual ('the FReM') issued by HM Treasury which is in force for that financial year, as detailed in the NHS Wales Manual for Accounts; and

(b) any other specific guidance or disclosures required by the Welsh Government.

3. The accounts shall be prepared so as to:

(a) give a true and fair view of the state of affairs as at the year-end and of the net expenditure, financial position, cash flows and changes in taxpayers' equity for the financial year then ended; and

(b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Senedd Cymru - Welsh Parliament or material transactions that have not conformed to the authorities which govern them.

4. Compliance with the requirements of the FReM as detailed in the NHS Wales Manual for Accounts will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM as detailed in the NHS Wales Manual for Accounts is inconsistent with the requirement to give a true and fair view, the requirements of the FReM as detailed in the NHS Wales Manual for Accounts should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgment should be used to devise an appropriate alternative treatment which should be consistent both with the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Welsh Government.

Signed by the authority of the Welsh Ministers

Signed:

Dated:

Alan Brace, Director of Finance HSSG