



Hywel Dda University Health Board

Annual Report and Accounts 2019/2020

What will this Annual Report tell you?

Our Annual Report is part of a suite of documents that tell you about our organisation, the care we provide and what we do to plan, deliver and improve healthcare for you, in order to meet changing demands and future challenges. It provides information about our performance, what we have achieved in 2019/20 and how we will improve next year. It also explains how important it is to work with you and listen to you to help you to take the best care of yourselves and to deliver better services that meet your needs and are provided as close to you as possible.

Our priorities were shaped by the 2019/20 Annual Plan, which sets out our objectives and plans. You can read this and find out more about us at <https://hduhb.nhs.wales/>.

Our Annual Report for 2019/20 includes:

- Our **Performance Report** which details how we have performed against our targets and actions planned to maintain or improve our performance.
- Our **Accountability Report** which details our key accountability requirements under the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008; including our Annual Governance Statement (AGS) which provides information about how we manage and control our resources and risks, and comply with governance arrangements.

Our summarised **Financial Statements** which detail how we have spent our money and met our obligations under The National Health Service Finance (Wales) Act 2014.

Our Annual Quality Statement

Published at the same time as the Annual Report, our Annual Quality Statement (AQS) provides details on actions we have taken to improve the quality of our services, see:

www.wales.nhs.uk/sitesplus/862/page/75118

Our Public Health Report

In October 2019 our Director of Public Health published her first Annual Report. The report focuses on the Health Board's commitment to a change in direction towards prevention and a social model of health. The Director of Public Health Annual Report 2018/2019 can be accessed:

www.wales.nhs.uk/sitesplus/862/page/62040

COVID-19

At the time of writing a COVID-19 pandemic has been declared by the World Health Organisation (see page 7 for details). As a result, this report is not as comprehensive as we had planned and our March 2020 performance data is not available. However, it is important to recognise the real progress we made before the COVID-19 pandemic and the challenges we now face.

How to contact us

If you require any of these publications in printed or alternative formats / languages please contact us using the details below:

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* Hywel Dda University Health Board is the operational name of Hywel Dda University Local Health Board.

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Chapter 1

Performance Report

Welcome from our Chair and Chief Executive

Our Annual Report for 2019/20 has been prepared at a time that all of us are contending with the impact of the COVID-19 pandemic. It has already had a massive impact on our staff and services and we expect that this will continue well into 2020/21. As an organisation we are rising to the challenge of COVID-19 and we will do so for as long as is needed. Based on guidance from Welsh Government, our response to the COVID-19 pandemic can be summarised into seven key areas:

- Suspension of all non-urgent elective activity across the Health Board.
- From Board level down, many internal processes for assurance, performance management and financial turnaround have been scaled down or suspended.
- External performance review processes, reviews by inspectorates/regulators and external audits have similarly been scaled back or suspended.
- A number of workforce procedures have been changed, suspended or significantly scaled back to rapidly recruit the staff needed to support our response.
- Reconfiguring each of our hospitals to respond to COVID-19. Each has divided itself into COVID and non-COVID areas with separate Emergency Department entrances.
- Establishing field hospital provision in nine locations (two co-located) across the three counties to accommodate the 900+ additional beds that may be required based on planning assumptions.
- All staff have been categorised according to their roles into front line (including front line support functions) and those who can work from home to avoid unnecessary travel wherever possible.

However, through 2019/20 we have continued to make significant progress in delivering our health and care strategy (A Healthier Mid and West Wales), our vision for services that are safe, sustainable, accessible and kind.

In the next year, and as described in our Annual Plan for 2020/21, we have committed to make a shift from a system focused almost exclusively on treatment and diagnosis to one where preventing ill health is a core activity and that embraces consideration of people's wellbeing. We believe we should see and treat you in the context of your lives and ask what matters to you rather than 'what's the matter with you'.

Beyond this, we have recognised our important role in partnership working with neighbouring health boards, our three local authorities – Carmarthenshire, Ceredigion and Pembrokeshire, public service partners, the third sector and local community organisations, local businesses and local communities to improve, not only the services we deliver, but the conditions we grow up in, live in, work, play and age within. Indeed, this has only been strengthened during the current health crisis we face, and we will learn from the situation to improve our services and their provision as we move forward.

Maria Battle
Chair

Steve Moore
Chief Executive

About us

Hywel Dda University Health Board plans and provides NHS healthcare services for Carmarthenshire, Ceredigion, Pembrokeshire and its bordering counties. Our 11,200 members of staff provide primary, community, in-hospital, mental health and learning disabilities services for a quarter of the landmass of Wales. We do this in partnership with our three local authorities and public, private and third sector colleagues, including our volunteers, through:

- **Four** main hospitals: Bronglais General in Aberystwyth, Glangwili General in Carmarthen, Prince Philip in Llanelli and Withybush General in Haverfordwest;
- **Five** community hospitals: Amman Valley and Llandovery in Carmarthenshire; Tregaron in Ceredigion; and Tenby and South Pembrokeshire Hospital Health and Social Care Resource Centre in Pembrokeshire;
- **Two** integrated care centres, Aberaeron and Cardigan in Ceredigion;
- **48** general practices (**four** of which are Health Board managed practices), **49** dental practices (including **three** orthodontic), **99** community pharmacies, **44** general ophthalmic practices (**44** providing Eye Health Examination Wales and **23** low vision services), domiciliary only providers and health centres;
- Numerous locations providing mental health and learning disabilities services;
- Highly specialised services commissioned by Welsh Health Specialised Services Committee.

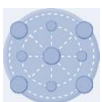
The population we serve



Population growth: The total population of Hywel Dda is estimated at 385,600 and is predicted to rise to 425,000 by 2033.



Ageing population: The average age of people in Hywel Dda is increasing steadily. The current number of over 65 year olds is predicted to increase from 88,200 (2013) to 127,700 in 2033. Currently, 3.2% are aged 85+ (second highest in Wales). The number of people providing unpaid care for family members is also increasing.



Changing patterns of disease: As our population ages there are an increasing number of people in our area with diabetes and dementia. The number of people with more than one long-term illness is also increasing. Cancer, cardiovascular disease, musculoskeletal conditions, mental health and substance misuse are the main causes of death in Wales.



Tobacco: Almost one in 5 adults (18.7%) in our area smoke. While this number continues to fall, tobacco use remains a significant risk factor for many diseases, including cardiovascular disease and lung cancer, and early death.



Food: Two in every three people in our area do not eat enough fruit and vegetables, and more than 3 in 5 people are overweight or obese.



Physical activity: Over 40% of adults in our area do not take enough regular physical activity to benefit their health. Almost one third of our population are inactive.



Social isolation and loneliness: 16.2% of our population report feeling lonely.



Welsh language: The proportion of Hywel Dda residents of all ages who can speak Welsh is 46.6%.



health inequalities: Variation in healthy behaviours leads to variation in health outcomes, this is also influenced by levels of deprivation. For example, whilst smoking prevalence in Hywel Dda has declined, there are some deprived communities where smoking rates have not changed.

COVID-19

The COVID-19 pandemic has already had a massive impact on our staff and services which will continue well into 2020/21, and as such fundamentally impacts what was set out in our 2020/21 Annual Plan. As an organisation we are rising to the challenge and will do so for as long as is needed.

Rapid recruitment

At the end of March we, along with other NHS organisations, launched an extensive recruitment campaign to hire more nurses, porters, health care support workers, cleaners, semi-skilled technicians and catering assistants. Our aim was to employ more than 1,000 staff members in 2 weeks to help care for the additional patients expected over the coming weeks and months. We achieved this.

Reorganising our services A huge amount of planning has taken place across the health board to rapidly reorganise our existing sites and to create additional beds for Coronavirus patients.

- Our hospitals have blocked off wards to create designated areas for coronavirus patients whilst keeping other wards separate for patients who are free of the

virus but need hospital care for other conditions e.g. heart attack, stroke, diabetes.

- Across Carmarthenshire, Ceredigion and Pembrokeshire we have worked with our local authorities and other partners to identify buildings that can be converted into temporary coronavirus wards to collectively provide more than 1,000 extra beds for our patients.

Our staff

Despite being worried and anxious, our staff members have shown extreme commitment, flexibility, compassion and kindness to work together to serve our population, reconfigure services, employ new staff and provide training. Our priority is to ensure staff and patients stay as protected and safe as possible during this pandemic.

Learning from others We have been fortunate to have time to prepare. Every time the virus has hit a new country or healthcare system, health professionals have been sharing their learning via emails,

video links and phone calls. We have acted upon this and will continue to do so to help us provide the best care we can for patients across Hywel Dda.

Leading the way

Hywel Dda staff have been working with academia, industry and Government agencies to rapidly develop novel medical devices and initiate research aimed at gaining important scientific insights into COVID-19. Two of the most advanced examples of this work are the on-going clinical trial of a new MHRA approved CPAP machine in COVID-19

patients across south and west Wales and a collaboration between Hywel Dda and government scientists to better understand the immune response to COVID-19.

Moving forward

The impact COVID-19 will have on our services and patients into 2020/21 is unknown. However, we are committed to working together across the organisation and with our partners to provide the best care we can whilst planning how we will reconfigure services to support and treat patients when the pandemic has subsided.

Our Mission Statement

Our objectives remain at our core and drive what we do and, at a time when the NHS faces significant challenges related to workforce, demographic change and tight financial settlements our mission through 2019/20 remained as:

- Prevention and early years intervention is the key to our long term mission to provide the best healthcare to our population;
- We will be proactive in our support for our local population, particularly those living with health issues, and carers who support them;
- If you think you have a health problem, rapid diagnosis will be in place so that you can get the treatment you need, if you need it or move on with your day-to-day life;
- We will be an efficient organisation that does not expect you to travel unduly or wait unreasonably; is consistent, safe and of high quality, and, has a culture of transparency and learning when things go wrong.

For further details see our [2020/23 Three Year Plan 2020/21 \(incorporating the Annual Plan 2020/21\)](#); which is currently paused due to the COVID19 pandemic.

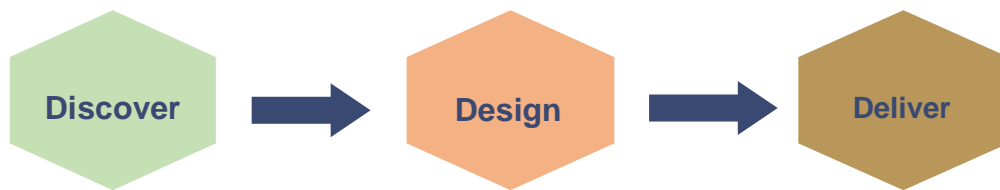
How we will do this

The [2020/23 Three Year Plan 2020/21 \(incorporating the Annual Plan 2020/21\)](#) describes the next three years of our strategic transformation journey. It describes our key operational actions and performance targets for the year ahead, setting out expectations in line with the Welsh Government bespoke Annual Plan guidance. As noted previously, what as a Health Board we had articulated within our 2020/21 Annual Plan will be significantly impacted by the COVID-19 pandemic. However, we will still use the 2020/21 Plan as a baseline for the development of our future plans; and will also ensure we learn the lessons from the pandemic and understand / capture the scale, scope and nature of changes happening across the Health Board as a result of it.

It is important not to lose sight of what the Three Year Plan set out with regards to our clear strategic vision for the delivery of our strategy as the longer term solution to the long standing sustainability challenges, particularly relating to workforce and financial sustainability, irrespective of the impact of COVID-19. This does however mean that for the immediate future the very challenging operational context for our finances, workforce sustainability, and, performance remain. This is set out in more detail in our annual plan which sits within the Three

Year Plan and satisfies the requirements of our bespoke guidance with Welsh Government. The financial plan for the year ahead projects a year-end deficit of £25m and a significant cost improvement programme will need to be delivered to achieve this target.

Variable, or expensive premium pay for locum and agency staff is running at £55m, and demonstrates the continued workforce sustainability pressures, and, there are plans to invest in our infrastructure to deliver significant improvements to this over the next 3 years. Workforce pressures impact directly on our service performance and particularly unscheduled care where the plan describes the key challenges and the integrated way in which improvements are being planned. 2020/21 will see further clinical discussions relating to the on-going pressures on urgent emergency care services and the planning of any interim operational measures to ensure the delivery of safe and sustainable patient care. The plan does not assume funding is available to maintain waiting times at 2019/20 levels.



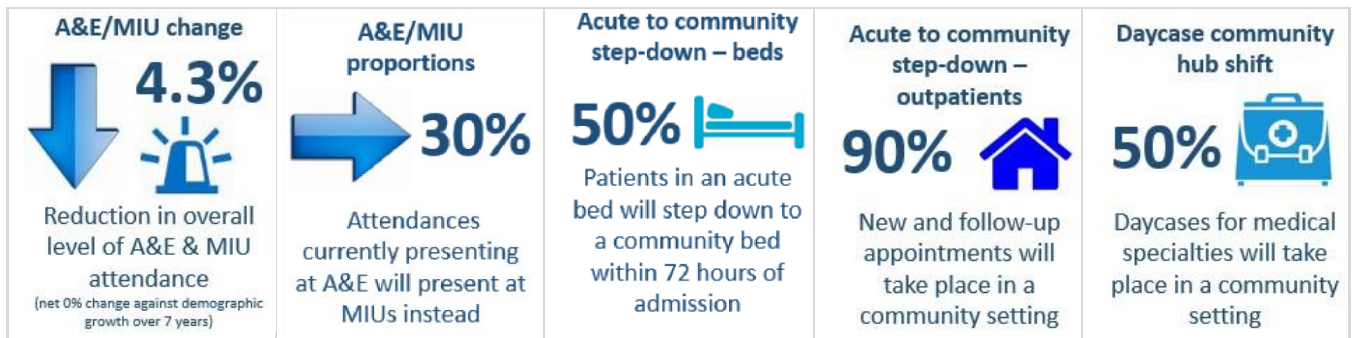
As part of the wider unscheduled care pathway redesign we will re-design our Emergency Department model. This will be achieved using the ‘Discover, Design and Deliver’ approach adopted during our Transforming Clinical Services programme work. It is recognised that there are significant pressures in unscheduled care, which impacts on our elective services, and causes unacceptable cancellations for our patients. We will examine what service changes are required in the shorter term, whilst we plan for our longer-term reconfiguration of our unscheduled care services.

A Healthier Mid and West Wales: Our Future Generations Living Well

Our strategic design assumptions

The future model of care set out in our 10-year clinical strategy, [A Healthier Mid and West Wales: Our Generations Living Well](#), is underpinned by the following strategic design assumptions:

<p>Population</p>  <p>Impact of increase in the population over 7 years (to 2024/25)</p>	<p>Site changes</p>  <p>Flow of patients to nearest site providing required service*</p>	<p>Admission avoidance</p>  <p>40%</p> <p>Reduction to existing levels of emergency admissions for ACS conditions</p>	<p>Bed discharge</p>  <p>Reduction in lengths of stay to the median of the peer group</p>	<p>Outpatient change</p>  <p>25%</p> <p>Reduction in follow-up outpatient appointments</p>
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Re-introducing Teulu Jones

Teulu Jones, the Jones Family, is our mid and west Wales family that we created during an early stage of our work on the strategy to test and challenge our ideas and models of health and care. It is not a real family, but we had real people living in our communities in mind when they were created. They have been designed using information about health and well-being across the Hywel Dda area and they are typical of many people in our population. In a way, we are all Teulu Jones. There are seven family members, spanning each of the key life phases. We developed Teulu Jones to test what different changes to our health and care system could mean for families living in our area.

Considerable progress has been made in 2019/20 to make improvements for Teulu Jones (see below).

Progress in Transforming our Communities for Teulu Jones

Roll-out the Choose Pharmacy platform as part of the national campaign to promote and inform people what community pharmacy can offer

Extend the Community Resource Team in Ceredigion to prevent unnecessary admissions and support timely discharge



**WE SAID
WE WOULD.....**



Develop plans for health and well-being centres in South Pembrokeshire; a coastal community network in North Pembrokeshire and same day & urgent care in East Pembrokeshire

Develop and offer a range of preventative services in Carmarthenshire including Carmarthenshire's United Support Project

WE DID.....

- Community Triage and Treat in 25 practices with 111 staff trained
- Created a series of videos demonstrating the services and support offered by community pharmacies
- Multi-disciplinary working in 11 out of 13 GP practices in Pembrokeshire to provide an integrated approach to care
- Community Resources Team in South Ceredigion extended to North Ceredigion
- Development of a joint prevention strategy for Carmarthenshire focused on early intervention & independence
- Successful recruitment of community connectors from the Transformation Fund to support moving from 5 to 6 Integrated Community Networks
- NOSDA (No One Should Die Alone) project successfully piloted in 3 care homes, Withybush Hospital, Sunderland Ward and Cleddau River Day Unit - 114 hours of emotional support provided to 39 people
- Delta Well-being expansion to deliver CONNECT prevention programme Health Board wide
- Successful amalgamation of Goodwick and Fishguard surgeries to provide a health & wellbeing centre

Progress in Transforming Mental Health & Learning Disabilities for Teulu Jones

Provide accessible services 24 hours a day to enable people and their supporters to “walk-in” to a community mental health centre to discuss their needs

Move away from hospital admission and treatment to hospitality and “time-out” in a supportive environment



**WE SAID
WE WOULD.....**



Support older people with a mental health presentation and co-existing acute medical issues in a joined up way in our general hospital environments

Redesign our model for Learning Disability care and support responding what matters most to people with a learning disability, including community, hospital and residential experiences

WE DID.....

- 24/7 drop-in service commenced at the Gorwelion Community Mental Health Centre in Aberystwyth including a designated Section 136 place of safety
- Opening of the Llanelli Twilight Sanctuary providing a safe and supportive environment for support and advice. Opening hours are 6pm till 2am Thursday to Sunday. We have continued to operate during COVID, providing a phone and Facebook/Messenger service as opposed to a drop in.
- Launch of a collaborative care pilot model in Bronglais Hospital to bring together the acute and mental health teams for older people with a mental health and acute medical presentation
- Development of a mental health practitioner for 2 GP practices in Pembrokeshire to improve earlier access to assessment
- Intensive Learning Disability support team pilot underway as part of the Bevan Exemplar programme to test the provision of increased level of support for at risk individuals in the community

Progress in Transforming our Hospitals for Teulu Jones

Work with staff and partners to develop a vision for the future of Bronglais General Hospital as a centre of excellence for rural acute care

Invest in our Cancer care, Coronary Care and Ambulatory care services in Wyllybush General Hospital to improve facilities and patient experience



**WE SAID
WE WOULD.....**



Facilitate rapid assessment at our emergency departments to prevent inappropriate admission for our frail, older patients

Progress our whole-system stroke pathway redesign considering short, medium and long term opportunities to improve stroke care

WE DID.....

- £3 million refurbishment of Wards 9 and 10 in Wyllybush Hospital for cancer care and frailty
- Improvements to the coronary care unit and Ward 3 (surgical) completed in Wyllybush Hospital including development of an ambulatory care unit
- New MRI scanner provided for Bronglais Hospital to improve access to diagnostics
- Health Board sign off of the Bronglais Strategy and delivery planning started
- Implementation of frailty support workers on Cadog, Clinical Decision Unit and Teifi wards in Glangwili Hospital to ensure mobilisation
- Evidence based stroke pathway designed for check and challenge, and signed off by the Health Board
- Provision of Same Day Emergency Care model in Glangwili Hospital as an initial pilot for evaluation
- Provision of ring-fenced "treat and repatriation" cardiology beds (Acute Coronary Syndrome Unit) to improve patient pathway with Swansea Bay UHB

Key achievements and developments

My Health Passport

In January 2020 we launched the 'My Health Passport'. This is a new way for children and young people with learning disabilities or complex health needs to share important information about themselves when accessing care in our Health Board. My Health Passport is a simple but important document that empowers children and young people and their families to communicate their needs, wishes and values to those caring for them.

Sunday pharmacy support for Out of Hours Service

Three pharmacies in Llandeilo and Cross Hands opened their doors to the public on Sundays to support the Out of Hours Service. The pharmacies involved already offered a triage and treat programme for common and minor ailments.

Day case hip replacement surgery In December 2019, a Pembrokeshire resident became the first patient in Hywel Dda University Health Board to undergo day case hip replacement surgery. This was followed by a second and third patient in February 2020. With the introduction of day case hip replacement surgeries, it means eligible patients are able to return home much sooner and begin recovery with the support of the Acute Response Team.

Your well-being matters

A trial survey of 'Your Well-being Matters' was launched in January 2020 for all our nurses, midwives and healthcare support workers to take part in, with the intention of rolling this out to other staff groups.

Off duty Porter and Infection Control Nurse saved neighbour's life

In December 2019 Arfon Rees a Porter in Glangwili Hospital and Rachel Baxter an Intensive Care Nurse saved the life of their neighbour by using CPR and a community based defibrillator in Cwmdwyfran.

"Midwife calling"

We received a special delivery of new standardised homebirth bags. We were the only Health Board in Wales taking part in a trial of these standardised equipment bags for homebirths thanks to charity Baby Lifeline.

Senior doctors praise medical leadership approach

Senior doctors at the Health Board commended the approach to medical leadership within the organisation, highlighting its commitment to developing the leadership capability of medics across Carmarthenshire, Ceredigion and Pembrokeshire. The Health Board's approach is focused on engaging and enabling the workforce to improve the quality of its services. Using a whole system approach to quality improvement the collaborative programme features activities that give staff knowledge, skills and confidence to recognise and make changes which add value to the care received by patients, service users, their families and their carers.

Nyrsys - New S4C series celebrating nursing

A new S4C six part series, featuring some of our wonderful nurses was broadcast in January 2020. The series celebrates the profession, following nursing staff and the next generation of students in a variety of specialisms, dealing with every level of healthcare in hospitals, clinics and patients' homes across Wales.

Nursing apprentices

Hywel Dda's first healthcare apprentices began their journey into becoming fully qualified nurses. As at 31st March 2020 there were 45 apprentices in Hywel Dda.

Two new Integrated Care Centres opened

In October 2019, Aberaeron's flagship new Integrated Care Centre opened to the public, bringing joined-up health and social care to local communities for the first time. The project was funded with the support of over £3m of capital funding from the Welsh Government as part of the first phase of projects included in the Primary Care Pipeline, launched by the Health & Social Services Minister in December 2017. Following on from this, in December a new Integrated Care Centre in Cardigan was opened providing a modern, fit for purpose healthcare service including a GP practice, dental service and pharmacy that host a range of other clinics and services.

Health information QR code hubs

Community pharmacies across Carmarthenshire, Ceredigion and Pembrokeshire are using QR codes on 'Health Information Hubs' to share the most up to date health advice and information with their patients. The hubs allow patients with smart phones to download information leaflets directly to their devices using QR code technology and view health related information such as the Common Ailments Scheme as well as links to self-help leaflets for chronic diseases.

Dyma Fi/This Is Me conference We co-hosted our first Dyma Fi/This Is Me conference in partnership with Swansea

Bay UHB to celebrate and raise awareness of diversity and inclusion within the NHS workforce.

Mental Health Twilight Sanctuary launched in Llanelli

The Twilight Sanctuary, the first of its kind in Wales, was launched in Llanelli in October 2019. This is an out of hours service open Thursday to Sunday from 6pm to 2am, to offer a place of sanctuary for adults at risk of deteriorating mental health when other support based services are closed.

Outpatients direct booking system We adopted a new direct booking process as part of our quality improvement work. This new approach will help ensure outpatient clinics are efficiently utilised by patients.

Sore throat 'Test and Treat' scheme A new service to determine if a patient requires antibiotics for sore throat symptoms was made available at 18 of our pharmacies. The Sore Throat Test and Treat scheme allows patients to call into their local pharmacy and be tested by a trained pharmacist using a quick and pain free test. Following a consultation and assessment, antibiotics are supplied where required.

Nurses go digital to improve patient experience

Withybush Hospital's Ward 11 has been chosen to pilot the first phase of a national project established to transform nursing documentation and create a digital way of working.

15

Our award winning staff and services

Research Impact Awards 2019 There was nationally recognised success for our Research team at the Support and Delivery Service Research Impact Awards 2019. The team were joint winners of the public award which acknowledges the valuable research

delivery achievements made by teams and individuals to increase opportunities for patients and the public to participate in and benefit from, safe ethical research, regardless of geographical locations.

BEST Awards for Education General Practitioner (GP), Dr Jenny Boyce was declared joint winner at the BEST Awards for Education, Supervision and Training ceremony.

Health Board staff receive a Royal invitation

Lee Waters AM nominated Sister Marlene Thomas and Dr Helen Fielding from Ty Bryngwyn to attend a Royal Garden Party at Buckingham Palace in recognition of their work at the hospice. Welsh Language Services Manager, Enfys Williams was also invited to attend in honour of her contribution to Welsh Language.

Patient Safety Awards 2019 The Health Board's patient safety team attended the Health Service Journal – Patient Safety Awards 2019 as finalists in Patient Safety Team of the Year category.

Iolanthe Midwifery Trust award

Lisa-Jayne Rose, Midwife at Bronglais General Hospital won an Iolanthe Midwifery Trust award in September 2019. Her award will be used to fund an 'Appropriate Skills and Appropriate Places' workshop to improve home birth services for herself and colleagues working in the North Ceredigion Community Midwifery Team.

Advancing Healthcare Awards 2019

Primary Care Antibiotic Pharmacist, Meryl Davies was awarded Pharmacist of the Year award sponsored by the Welsh Pharmaceutical Committee.

Investors in Carers Awards - Mental Health

- South Pembrokeshire Community Mental Health Team were awarded a Gold

Investors in Carers Award – our first Gold Award

- Cwm Seren/PICU achieved their Silver Investors in Carers Award
- Community Mental Health Team Swyn Y Gwynt received their Bronze Award
- Our Electroconvulsive Therapy (ECT) team achieved their Bronze Award.

NHS Wales Awards 2019

We won three NHS Wales Awards in 2019:

- Delivering higher value health and care - Implementing Healthy Footsteps a Partnership Approach with Podiatry and the Education Programme for Patients (EPP) in Hywel Dda
- Empowering people to co-produce their care - The Learning Disabilities Dream Team
- Working seamlessly across the public and third sector - Working Collaboratively to Improve Vocational Outcomes for Individuals
Accessing The Early Intervention in Psychosis Service (with MIND Cymru and the Department of Work and Pensions)

New Year's honours

Nigel Miller, Head of Therapies and Learning Disabilities was honoured with an MBE in the Queen's New Year's honour for services to people with learning disabilities.

Shortlisting for RCM awards

Jane Whalley and Cate Langley have been shortlisted in Excellence in Perinatal Mental Health Award category. Becky Westbury has been shortlisted in the RCM Leadership Award category. Winners will be announced in May 2020.

Involving local people, partners and communities

Siarad Iechyd/Talking Health involvement and engagement scheme

We continue to provide members with up-to-date information and opportunities to shape health services through this scheme. We have almost 1,100 members and are keen to recruit more.

For further information, or to join us, please visit www.siaradiechyd.wales.nhs.uk, telephone 01554 899056 or write to FREEPOST Hywel Dda Health Board.

Continuous engagement

The Health Board has continued its continuous engagement across the Hywel Dda area, on a range of different themes and services including engagement around Major Trauma, and the patient experience charter in addition to ongoing support on capital projects such as Cross Hands, Bronglais CDU and Ward 10 and the Patient Experience Charter. A regional community of practice for continuous engagement, including all the public sector partners and third sector will agree a strategic approach to continuous engagement so we engage smartly with existing resources and avoid duplication has been developed. The community of practice identified the need for a digital tools to improve stakeholder management and online engagement and these have been commissioned to support our traditional methods of engagement. We have been seeking to improve how we hear and act on the voice of children and young people and this work has included working with our partners to make sure we do this effectively. We have been working closely with the Office of Police and Crime Commissioner for Dyfed Powys Police and Hafan Cymru to gather the views of a cross section of young people including the quieter voices around the themes of crime, health and wellbeing to inform and influence our future work.

Our strategic partnerships

We are committed to developing strong partnerships with our patients, public, stakeholders and partner organisations from the statutory, voluntary and independent sector. Partnership working, whether internally amongst our own directorates and teams or externally with other agencies, can play a vital role in maximising health and well-being outcomes for our population.

Our strategic partnership focus is to facilitate and support collaboration and integration of services, both internally and externally, by:

- Nurturing relationships with key strategic partnerships to drive needs-led, outcome focussed planning, activity and participation.
- Ensuring alignment between well-being plans and strategies between the health board and partners.
- Leading corporate planning and commissioning of information, advice and assistance for unpaid Carers to meet their needs in an equitable way across our area.
- Leading and supporting and contributing to a range of multi-agency projects for vulnerable groups in order to create a pace of change and support service improvement.
- Delivering publication of the UHBs Well-being Objectives and Annual Report
- Providing a range of awareness raising opportunities and targeted training to increase staff knowledge, understanding and competency in key legislative responsibilities and how to provide equitable services and inclusive working environment.

Our key strategic partnerships which drive joint working and integration of services include:

The West Wales Regional Partnership Board (RPB)

The RPB was established to implement the Social Services and Well-being (Wales) Act 2014. Its membership includes the Health Board, Carmarthenshire, Ceredigion and Pembrokeshire County Councils as well as third sector care providers, carers and people with care needs. The RPB has strategic responsibility for delivering health and social care integration across the region. Partners have been working together to establish an ambitious programme for transformation of health and care in West Wales in response to A Healthier Wales. This work compliments a range of initiatives across the region that are supported from sources including Integrated Care Fund (ICF), Cluster Funding, Mental Health Transformation funding, Supporting People, Carers' funding, Dementia funding, Children and Communities Grant, Families First and Flying Start, alongside core budgets of partner agencies.

Key achievements over the past year have included:

- Launch of three strategic change programmes under the banner of 'A Healthier West Wales', supported through £12m from the Welsh Government's Transformation Fund:
 - The national flagship Connect programme, delivered in partnership with Llesiant Delta Wellbeing, which provides a proactive call service to some of our most vulnerable residents and a rapid response to any problems before they need a more acute intervention.
 - Crisis response provision across the region providing medical and social support to people with short-term medical needs within their own homes.
 - The Connecting People, Kind Communities programme promoting active citizenship and delivering a 'Connecting to Kindness' initiative approach across West Wales which encourages and supports communities to look after each other.
- Continued delivery of a wide range of initiatives through the Integrated Care Fund including front of hospital services helping avoid unnecessary admissions to hospital, third-sector led schemes aimed at helping people leave hospital sooner and return to their homes with intermediate support and the roll-out of the ground-breaking Learning Disability Charter, developed by people with learning disabilities and setting out what people want in relation to their rights, community, relationships, social life, support, health, independence and communication.
- Agreement of a professional development framework and programme of learning for commissioners across partner agencies.

Public Services Boards (PSBs)

The Well-being of Future Generations (Wales) Act 2015 establishes a statutory board, known as a Public Services Board (PSB), in each local authority area in Wales. The PSB is a collection of public bodies working together to improve the well-being of our county. We are a statutory member of each of PSB within Carmarthenshire, Ceredigion and Pembrokeshire, working with PSB partners to improve the economic, social, environmental and cultural well-being of our area. The health board has worked collaboratively on a range of projects including:

- The development of a digital information system project, working across all three PSBs in the Hywel Dda area, together with the Regional Partnership Board. The work commissioned will support the development of local well-being assessments, project plans and annual reports enhancing data sharing and providing live data and information;
- The Foundational Economy Challenge Fund which seeks to take forward the

Carmarthenshire Public Sector Food Procurement project work. The project was formally launched on 7th November 2019 and part of this work there will include a new procurement methodology focused on supporting local and community wealth from public sector spending;

- A regional Strategic Asset Review was undertaken to inform collaboration and partnership working in the use of public sector estates, promoting integration and partnership working;
- Several projects which address the green health agenda. For example, a regional Social and Green Solutions for Health Summit lead by the Health Board's Director of Public Health on behalf of the three PSBs and the Regional Partnership Board took place in January 2020 involving over 100 participants across public sector, third sector, community and not-for-profit organisations. This work builds on the Health Board's Framework for Well-being and move towards a population health and well-being approach. With PSB partners in Pembrokeshire, the Health Board supported NHS Sustainability Day 2020 which included the launch of 10 Sustainable Parenting Actions by the Maternity Service, and the planting of 1,200 trees (representing a tree for each Pembrokeshire child born during the year).

University Partnership Board (UPB)

Comprises membership from the Health Board, Aberystwyth University, Swansea University and the University of Wales Trinity St David. The UPB has been pooling resources and ideas in areas of mutual benefit to achieve the highest possible standards of care, innovation, education and training. In November 2019 the UPB agreed revised governance arrangements under the auspices of a University Partnership Group (UPG) to meet on a bi-annual basis with each University and Pembrokeshire College to scope areas of mutually beneficial activities, building on their unique strengths to improve services for our population. These areas of work will culminate in an annual meeting bringing together the products of the joint work throughout the year.

Mid Wales Healthcare Collaborative

Formed to implement the 12 recommendations of the Mid Wales Healthcare Study and deliver high quality and sustainable services for people in mid Wales. Membership includes our health board, Betsi Cadwaladr University Health Board, Powys Teaching Health Board and the Welsh Ambulance Services NHS Trust. In 2018/19, the Collaborative transitioned into the Mid Wales Joint Committee for Health and Care, the vision of which is to ensure our population 'is provided with equitable access to high level, safe, sustainable, bilingual and high quality integrated health and care services'.

Rural Health and Care Wales

Established by the Mid Wales Healthcare Collaborative, the Rural Health and Care Wales (previously Centre for Excellence in Rural Health and Social Care) is a focal point for the development and collation of high quality research into rural health and well-being; improving the training, recruitment and retention of professional workforces in rural communities and being an exemplar in rural health and well-being on an international stage.

NHS Wales Health Collaborative

Hosted by Public Health Wales and aims to improve joint working between NHS Wales bodies, NHS Wales and its stakeholders and manage defined clinical networks operating across NHS Wales. Its governance group is the NHS Wales Collaborative Leadership Forum comprising the chairs and chief executives from all NHS Wales organisations. We are working, with partners where appropriate, to implement the priorities of the NHS Wales Collaborative including the trauma network; participating in the national endoscopy programme; and working towards the Sexual Assault Referral Centre for south-west Wales.

A Regional Collaboration for Health (ARCH)

Health, education and science working together to improve the health, wealth, skills and wellbeing of the people of south west Wales. It is a partnership with Swansea Bay University Health Board and Swansea University covering six local authority areas and working with social care, voluntary and other public bodies. There have been significant developments and progress relating to regional research and innovation endeavours, including the UHB's active involvement with the multi-million Accelerate Programme, overseen by the Life Science Hub, which is translating innovative ideas into new technology, products, and service for the health and care sector quickly. Local companies and the health board are benefitting. COVID-19 has also resulted in a significant increase in research and innovation activity within the region, including the rapid development and testing of breathing devices, participation in drug trials that have led to international breakthroughs, and complex and unique studies looking at the immune response to the disease. Finally, several steps forward have been made in developing new research and innovation capabilities, aligned to the regional partnership board agenda and transformation fund projects.

We aim to improve healthcare through research, innovation and skills and have so far achieved:

- Cardiology work programme signed off by Regional Cardiology Working group;
 - Repatriation of routine Bradycardia to HDdUHB implementation plan and timeline agreed;
 - Functional Neurological Disorder (FND) Business Case development is underway;
 - Work is underway to develop an Interventional Radiology (IR) Regional Services model;
 - We are developing a case for a Regional Hyper Acute Stroke Unit (HASU);
 - We have submitted to Welsh Government a Strategic Outline Case for a Regional Pathology Centre;
 - Assessment of the regional footprint for informatics services and the alignment of work programmes.

Joint Regional Planning and Delivery Committee (JRPDC),

To build on the good relationships and foundations of joint working already agreed through the ARCH programme, the JRPDC is a partnership with Swansea Bay University Health Board to ensure there is alignment with the longer term transformational plans being progressed through the ARCH Service Transformation programme and short term deliverables, with a specific aim to drive forward a rolling programme of work to support planning, delivery and service improvement. Progress has been made in the development of work programmes in the following clinical areas: orthopaedics, cardiac catheterisation, endoscopy, vascular, pathology and dermatology.

Hywel Dda Community Health Council (CHC)

Through our Executive team we contribute to the CHC Strategy and Planning Committee.

Hywel Dda Health Charities

Hywel Dda Health Charities is the official charity of Hywel Dda University Health Board. Our charity's aim is to make a positive difference to our local NHS services across Carmarthenshire, Ceredigion and Pembrokeshire. The continued generosity of our patients, their families and our local communities enables us to support a wide range of services and activities, above and beyond what NHS funding allows, for the benefit of our local population. Examples of

expenditure include purchasing the latest medical equipment or items for additional patient comforts, creating more welcoming surroundings and investing in our staff through learning and development opportunities.

Full details of the charity's activities during 2019/20 will be available in the Hywel Dda Health Charities Annual Report and Accounts for 2019/20, following audit during autumn 2020. The report will be published at www.hywelddahealthcharities.org.uk/publications. Details of the donations received in response to the COVID pandemic can be accessed <https://hduhb.nhs.wales/about-us/your-health-board/board-meetings-2020/board-agenda-andpapers-23rd-june-2020/> (item 4.1).

Equality, diversity and human rights

During 2019/20, we have continued to work collaboratively with our staff, service users, their carers and families, and other key stakeholders, aiming to ensure that no-one may be disadvantaged when accessing our services or in our employment.

Ensuring that our population has equitable access to services and information to improve health and well-being has remained one of our main priorities. Our work towards changing the way we deliver our services illustrates where the voices of our communities have influenced the way in which service models are developing

We established a collaborative multi-agency approach to engaging on the review of our Strategic Objectives 2020-2024. Our Strategic Equality Plan, Objectives and Annual Report can be found at: <http://www.wales.nhs.uk/sitesplus/862/page/61233>.

Research and Development (R&D)

The R&D department has undergone an organisational change in 2019/20 which has resulted in a better established Delivery Team at all four hospitals in the Health Board, with new leadership and a better skill mix of different grades of staff at each site. Despite the changes, the Delivery Team have maintained a good level of recruitment of patients into research studies, but not quite meeting the targets set by Health and Care Research Wales (HCRW). Commercial research has increased the number of studies open on the portfolio and has met the target number. The teams have different staff responsible for teaching nursing students at Trinity St David's in Carmarthen, sitting on the Wales REC 7 Ethics Committee and teaching health professionals participating in the research internship. The Delivery Team lead research within the Health Board and continually strive to engage with new clinical teams, thereby increasing the diversity of the research portfolio and encouraging new Principal Investigators to participate in research. The Delivery Team has been at the top of the recruitment leader board for an inflammatory bowel disease study for a large part of the year. The teams at each site have engaged with the public during global celebrations, such as International Clinical Trials Day and other Cancer Research UK public events to raise the profile of research.

Research Management

Nationally, research management has developed in a number of ways in which Hywel Dda is actively involved. Key developments include:

- The implementation of a new national R&D information system to facilitate the management of research studies and to ensure accurate data.
- The implementation of a new research approvals process ensuring parity throughout the UK.
- Increased financial scrutiny and oversight of investigators' research accounts.

Researcher Development

To help develop a culture of research both within the Health Board and with external partners, key achievements are listed below:

- The West Wales Academic Health Collaborative (WWAHC) has continued to support researchers and academics and is actively promoting Value Based Health Care
- The team helps staff to develop their research skills and facilitates external research grant applications, with over £3,500,000 of grants applied for in 2019/20.
- An introduction to research course has been run across the Health Board to promote research and provide training on research methods. In addition 50 licences for BMJ Research to Publication course have been awarded to support researchers to develop high quality publications.
- New secondments have been arranged with AgorIP to promote Intellectual Property and patenting and the team have been working with Bevan Commission to facilitate 'Adopt and Spread' Programme
- The team have been working with patients and public to develop new research and innovations and are ensuring patients are involved in the development of new studies

Research Quality Assurance

The Health Board has a responsibility to ensure all research is conducted in accordance with the relevant legislation and guidelines. Oversight of research activities is achieved by the Research Quality Management System, which includes the following:

- The Quality Assurance Officer (Research) has oversight of staff training on Good Clinical Practice (GCP), the international ethical, scientific and practical standard to which all clinical research is conducted;
- The Quality Assurance (QA) team is producing and updating a suite of R&D Standard Operating Procedures (SOPs), Guidelines and Templates to help govern key research activities;
- The QA team conducts routine and triggered audits and monitors research studies to ensure GCP compliance, provides oversight of study progress and facilitates appropriate reporting e.g. safety reporting;
- The new Research Quality Management Group, chaired by the Deputy R&D Director, provides an independent process for reviewing and addressing research quality assurance issues.

Valuing our staff

Our [Values Framework](#) has been in place for over 3 years. It sets out our organisational values and provides the design principles for all that we do:

- Putting people at the heart of everything we do; □ Working together to be the best we can be;
- Striving to deliver and develop excellent service.

Our values are the driving change of organisational culture and bring a consistent level of leadership to the Health Board. This shift in cultural change and leadership capabilities has impacted positively in employee experience and increased staff engagement. It is recognised that higher levels of staff engagement impacts positively on quality, financial, performance and patients' outcomes. In 2019/20 we continued to concentrate efforts in developing a culture that is compassionate and aligned to these values.

Leadership programmes

The behaviour of leaders is integral to the values. Our leaders should not only be ensuring team members are behaving to expectations but should be role models within the organisation. The need for further skills regarding effective appropriate leadership styles have led to our Organisation Development (OD) team designing and facilitating modules on Living the Values; Effective Communication; Conflict Management; Hubris; Psychological Safety; and Compassionate Leadership. The feedback from the new programmes has been excellent and will further enhance the excellence standards of behaviours outlined in the values framework and build compassionate leaders throughout the Health Board.

Empowering our clinicians

Our clinical strategy commits us not only to continuous engagement with the public, but also that the organisation is clinically-led. The best functioning organisations have the most empowered clinicians working for them and with them. We are starting to take steps to empower our clinicians as follows:

- Information about practice of clinicians routinely shared at specialty/Directorate Level (e.g. Length of Stay, new/follow-up rates and volumes). Clinicians utilising performance related outcome measures (PROMs), and, benchmarked information about their own practice, to change practice in line with improved performance/patient outcome and activity data;
- To further develop and build on the successes of leadership programmes and scale to all clinical disciplines;
- Established and tested clinical leadership structures. Local ownership and decision making to improve patient and service outcomes;
- A review of working arrangements for clinicians that allow for staff attendance and involvement within the core work-streams of our clinical strategy in 2020/21.
- Clinical leadership of quality improvement (QI) projects to improve outcomes for patients and staff. To promote a 'spread & scale' culture for our clinicians and to work closely with QI colleagues to ensure ownership and potential benefits of service improvement are enabled. This includes alignment with the Enabling Quality Improvement in Practice/Value Based HealthCare programmes and supporting change projects.

Volunteering

Volunteering for Health is the Health Board's volunteer service which has continued to help improve the health care experience of our patients through recruiting and supporting local people to volunteer in all of our acute and community hospitals.

The majority of our volunteers act as Volunteer Patient Befrienders on our wards bringing a social aspect to the patients stay. However, there is a suite of other volunteer roles local people can get involved in including; Meet and Greet at hospital receptions, Children Ward Volunteers, Maternity volunteers, A&E, Pharmacy volunteers, Shop Trolley Volunteers, Library Trolley Volunteers and Volunteer Gardeners.

At the end of March 2020, due to COVID-19 pandemic, we suspended all of our volunteers who were active. At that point, we were preparing to process 567 offers from the community and were working on new COVID-19 volunteer roles for them. However, before we suspended our volunteers we had 302 active and 80 going through induction

In October 2019, NHS volunteers past and present attended a special event to celebrate a decade of volunteering in Hywel Dda. Our Chair, Maria Battle, thanked every volunteer for their dedication and commitment: "Volunteers bring so much to our NHS and make a real difference to the experience of our patients and visitors. It has been truly wonderful to celebrate those who have given their time freely to Volunteering for Health over the last decade and hope our volunteers continue to receive an enriching, rewarding and inspiring experience at Hywel Dda".

The future role of our volunteers is very much focused on helping wards and departments across our hospitals to support our patients. This may involve continuing to recruit for areas where volunteers are established or developing new roles if appropriate. We are also very keen to see our volunteers develop personally and/or professionally through their involvement and to ensure that they have a rewarding time with us; so our work in addition to improving patient experience will continue to be to improve the experiences for our volunteers.

Investing in our estates and services

Our capital investment plans will prioritise both capital developments and backlog maintenance. This investment strategy covers projects that address both business continuity, risk and service development drivers. A summary of these projects are included within this Estate plan and where in many cases aligned with our Transforming Clinical Service themes.

Business continuity needs (risk driven)

Whilst we are currently developing many longer term strategic investments in our estate, the current challenges we face will require action at differing levels of urgency in order to maintain business continuity. In order to facilitate this, the Health Board is working to structure investment plans into short, medium and long term needs. This approach is as follows:

- Short term investment needs to relate to a focused in house maintenance approach where possible with low level discretionary capital. This may be simply making the situation safe or undertaking some targeted work to enable clinical services to continue in the short term.

- Medium term investments will require investment in capital/resources which is beyond that possible by our in house teams. This will involve predominately bids to the Discretionary Capital Programme which will be supported by operational services priorities. If the required investment is in excess of that possible from discretionary capital funding, the work will need to move to the long term plan. Mitigating plans will be put in place to manage any residual risk.
- Long term plans will be linked to the Transforming Clinical Service plans and Major Infrastructure/Ward Refurbishment Plan referred to below.

Discretionary Capital Programme

We continued to invest in our estate, with a total capital investment in 2019/20 of £40.942 million. Key investments from Welsh Government central funding included:

- Completion of building the new Cardigan Integrated Care Centre (£23.8 million);
- Completion of refurbishment work to Aberaeron Integrated Care Centre (£3.0m);
- Completion of refurbishment to Wards 9 & 10 at Wthybush General Hospital (£3.5m);
- Continuation of the Women & Children Phase 2 Project at GGH (£25.3m);
- Completion of the project to replace the MRI scanner at BGH (£4.9m);
- Commencement of Replacement Radiology Equipment at Glangwili General Hospital, Prince Philip Hospital and Wthybush General Hospital (£4.5m);
- Investment in Information and Communications Technology to improve areas including Wi-Fi provision and cyber security projects (£1.3 million);
- Additional funding for Statutory Compliance and Medical Equipment Replacement £2.8m.

The key elements of the expenditure from our Discretionary Capital Programme are set out below:

Carmarthenshire

GGH: Replacement Autoclaves	£900,000
PPH: Replacement Orthopaedic Theatre Instruments	£95,000
GGH: Endoscopy Equipment	£156,00

Ceredigion

BGH: Replacement Orthopaedic Theatre instruments	£78,000
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Pembrokeshire

WGH: Replacement Ventilators ICU	£212,600
WGH: Replacement Orthopaedic Theatre Instruments	£152,000

Capital Projects

Community and Primary Care Pipeline Developments

There are significant infrastructure issues and concerns around the current community and primary care estate in terms of providing modern, fit for purpose accommodation with the capacity to serve as an enabler to the provision of future health needs outlined in the Health Board's Three Year Plan and Clinical Strategy. The condition and functional suitability of many existing premises to meet a growing population with changing clinical needs is hampering service developments across primary, community and secondary care.

In addition to issues relating to the existing infrastructure, sustainability concerns around the future of a number of GP practices within the Health Board. To address the significant shortfalls in the community and primary care sectors the Welsh Government have allocated a pipeline of funding to address the much needed investment in refurbishment, redevelopment and new build schemes across Wales. Work continues to be progressed within the health board to secure funding to develop the community and primary care estate with the development of a prioritised list of schemes to address the current shortfalls. The primary care investments to date include:

Cardigan Integrated Care Centre, Cardigan

The completion of a new integrated care centre, located in Cardigan, provides a modern, fit for purpose healthcare service for the local population, bringing care closer to home and in the community. A wide range of integrated health and social care services are now being delivered by the Health Board, GPs, the third sector, local authority and partner organisations. The new facility replaces the former Cardigan Hospital and Cardigan Health Centre and became operational in December 2019.

Aberaeron Integrated Care Centre – Refurbishment

Now fully operational the Aberaeron Integrated Care Centre provides community, social and primary care services within a modern environment and has replaced the former Aberaeron Hospital.

Fishguard Health Centre/Integrated Care Centre – Refurbishment (Phase I) and New Build (Phase II)

The project has addressed immediate pressures around service sustainability and the merger of two GP practices. A two room extension has been completed along with minor refurbishment works to the existing premises to accommodate the needs of the population served.

Cross Hands Integrated Care Centre – New Build

An outline business case has been submitted to Welsh Government for scrutiny as part of the All Wales Pipeline for community and primary care projects. The project offers the opportunity to develop true integration and co-location of community and primary care services in Cross Hands and the surrounding area. A multi-agency, partnership approach to the project is being developed led by the Health Board including GPs, Carmarthenshire County Council, Dyfed Powys Police and third sector organisations. The project provides the opportunity to provide a range of services to improve the health and well-being of the locality. The new facility will replace Cross hands Health Centre and two GP surgeries and is due for completion in 2022/23.

Cylch Caron Integrated Resource Centre, Tregaron

The full business case is in progress. The project is a joint project between Ceredigion County Council (project lead), the Health Board and Mid and West Wales Housing Association. It brings together primary and community health care services, social care and housing services in a

very rural part of Ceredigion. The new facility will replace Tregaron Hospital and the Tregaron GP surgery.

Pond Street Clinic and Penlan Redevelopment Carmarthen

Planning is ongoing to relocate services from the Pond Street clinic due to immediate concerns relating to the existing poor physical condition, functionality and the sustainability of community services. The property has been identified for disposal and plans are being progressed to relocate services to Penlan, a freehold Health Board facility located near the existing facility. As part of the redevelopment of the Penlan site to improve service delivery for Community Services, phase I of the project to address deficiencies in the external envelope of the building has now been completed. The second phase of works will enable the internal reconfiguration of the existing premises to provide improved Learning & Disabilities accommodation as well as the development of suitable accommodation for Sexual Health, Podiatry and Community Dental Services.

Acute and other Project Developments

Major Infrastructure and Ward Refurbishment Programme Business Case

The development of the Healthier Mid and West Wales process and the emergence of a clear direction for the future of our Estate has allowed the Health Board to develop a structured Programme Business Case to set out the investment necessary to align with future estate changes particularly at Glangwili General Hospital and Withybush General Hospital.

The Programme Business Case will be submitted to Welsh Government to seek endorsement. This will allow the Health Board to draw down the necessary resources to support the technical work needed to develop a portfolio of more detailed Business Cases to support prioritised investment plans.

Withybush Hospital Wards 9 & 10

Completion of the Ward 9 & 10 refurbishments which included a 14 bedded decant ward and Specialist Palliative Care, Haematology and Oncology Ward comprising

of 16 inpatient beds and a Discharge Lounge opening in April 2020.

MRI Unit at Bronglais General Hospital

Completion of the Magnetic Resonance Imaging (MRI) Scanner New Build Development at Bronglais General Hospital which was fully operational in January 2020.

Other planned/proposed projects include:

- MRI Scanner at Withybush;
- Fire Code Improvement Works at Withybush;
- Pathology Services Refurbishment at Glangwili;
- Proposed Fluoroscopy Room at Glangwili;
- HSDU Refurbishment at Prince Philip;
- Refurbishment & Alteration Works at South Pembrokeshire Hospital;

- Chemotherapy Day Unit at Bronglais.

Mental Health and Learning Disabilities (MHLD)

The Transforming Mental Health (TMH) Programme is now firmly established in the implementation stage. Following Board approval in January 2018 a Mental Health Implementation Group (MHIG) has been set up. The estate requirements to support in the delivery of the programme are as follows:

- A Central Assessment Unit to be built on existing Morlais site (Carmarthen);
- A Central Treatment Unit in Llanelli to be developed on Bryngofal site (Llanelli);
- A 24/7 Pembrokeshire Community Mental Health Centre (CMHC) to be developed on Bro Cerwyn site, with hospitality beds;
- A 24/7 Ceredigion CMHC to be developed in Aberystwyth town, with hospitality beds;
- A 24/7 Llanelli CMHC to be developed in Llanelli town, with hospitality beds;
- A 12 hr CMHC to be developed in Carmarthen town, with no beds;
- Alignment with Transforming Clinical Services Programme e.g. potential of CMHC in Glangwili hub, the co-located assessment and treatment unit on site of new hospital.

The Health Board will be discussing the programme and funding envelope with Welsh Government. A Programme Business Case (PBC) has been developed and submitted to Welsh Government for scrutiny to support the delivery of each project in line with the service brief requirements.

The Learning Disability (LD) service is currently reviewing a number of strategic plans across the Health Board that will require estate development. As part of this review the service are developing plans to develop a south Pembrokeshire base for LD services. Llanion House located in Pembroke Dock will become the new base for an integrated wellbeing centre for people with learning disabilities. This will be led by people who use services in terms of unmet need around, health, socialising, housing, training and work opportunities etc. It is an innovative project that meets strategy aims and puts people with Learning Disabilities and carers at the centre of shaping future services. It will provide a unique provision in Pembrokeshire that provides an integrated hub for the existing range of services and allows opportunities to develop new facilities and services.

Llanelli – Wellness Village

The proposal is that Health and Care Services delivered within the Llanelli Wellness and Life Science Village will form part of the integrated service network both in Carmarthenshire and more widely through neighbouring counties and Health Boards and with national networks. The ethos will be to change life chances by improving health at as early an age as possible. The clinical services to be delivered on site are those which are evidenced to provide best outcomes when delivered in a community setting through a multidisciplinary team approach. It is envisaged that the clinical services will include links across health, social care, business and the third sector as appropriate. The option to develop Community Mental Health Centre (CMHC) in the Wellness Centre is also being explored as part of the Transforming Mental Health Programme.

Endoscopy, Prince Philip Hospital

A review of endoscopy services across the Health Board as part of Joint Advisory Group Accreditation (JAG) has identified a requirement for improved facilities at Prince Philip Hospital. The business case is currently being developed.

Aseptic & Radio Therapy Suite

An informal Strategic Outline Case (SOC) has been submitted to Welsh Government to develop a new Aseptic Unit costing in the region of £10m for the preparation of key medicines for Hywel Dda University Health Board patients. The SOC aligns with the Transforming Access to Medicines (TRAM's) review of Specialist Aseptics Services across Wales. An option appraisal has been undertaken which generated a preferred option of a new build on the Withybush Hospital site. Initial timelines have been prepared which estimate just over 2 years is required from formal SOC submission to build completion/operational opening.

Other Discretionary capital projects

- Refurbishment Works at Gorwelion, Aberystwyth – MHLD Project
- Enlli Ward Alterations & Refurbishment Work at Bronglais
- Junior Doctors Residential Refurbishment at Glangwili
- X-Ray Replacement Projects at Prince Philip & Withybush
- Remedial Works at Llanion House – MHLD Project
- Post Graduate Alteration Works at Prince Philip
- Pharmacy Improvement Works at Withybush
- Aseptic Unit Refurbishment at Bronglais
- Radiology Department Improvement Works at Bronglais
- Pathology Services Upgrade at Prince Philip
- HSDU Refurbishment at Glangwili
- Improvement Works at Amman Valley Hospital

Infrastructure/statutory projects

- Fire Review & Advanced Improvement Works at Withybush
- Fire Code Improvement, Phase 2 at Withybush
- Heavy Oil Infrastructure Project at Glangwili

Charitable funded schemes

- Planned Project: Mynydd Mawr Garden Project at Prince Philip Hospital.

Health Board Estate Performance

Our estate

Our Health Board estate continues to evolve and adapt to the changes in healthcare requirements ensuring that we keep pace with the changing face of current healthcare needs. As it stands the current estate covers circa 52 hectares across Carmarthenshire, Ceredigion and Pembrokeshire, equating to a land mass of approximately a quarter of Wales. Healthcare services at present are provided via 57 freehold and leasehold properties with a total gross internal floor area equivalent to 187,977m².

Key facts

- Current backlog within the estate is £59.4 million (high & significant backlog totals £40.2 million)
- 57% of our estate is over 35 years old
- Average running cost for facilities management services is circa £173/m² per annum

Estate acquisitions and disposals To ensure the evolution of our estate continues to adapt and evolve to meet current healthcare requirements, a proactive approach has been adopted to develop the estate accordingly. This approach also attempts to address some of the concerns highlighted as a consequence of the overall age profile of the estate.

Future Disposals As a consequence of considerable investment within community type facilities as well as the impact of the Transforming Clinical Services agenda it is likely that further disposals/acquisitions will be necessary over the intermediate years. This investment programme will result in the disposal of some of the Health Boards older estate and will provide a significant reduction in the Health Boards overall backlog total.

The premises identified for disposal include:

- Tregaron Hospital - linked to the development of the Cylch Caron scheme
- Pond Street Clinic - linked to the redevelopment of Penlan
- Cross Hands Health Centre - linked to the proposed Cross Hands Integrated Care Resource Centre

Pending Disposals (April 2020)

- Cardigan Memorial Hospital
- Cardigan Health Centre
- Neyland Health Centre

Completed Disposal

- Aberaeron Hospital – Linked to the development of the Minaeron site.

Acquisitions

Leasehold Acquisitions – 2019/20:

- Blk.01 St David's Park Carmarthen - procured to accommodate the Integrated Autism Service.
- Llanion House, Pembroke Dock - procured to accommodate the Pembrokeshire Adult Mental Health & Learning Disabilities team.

Planned Leasehold Acquisitions – 2020/21:

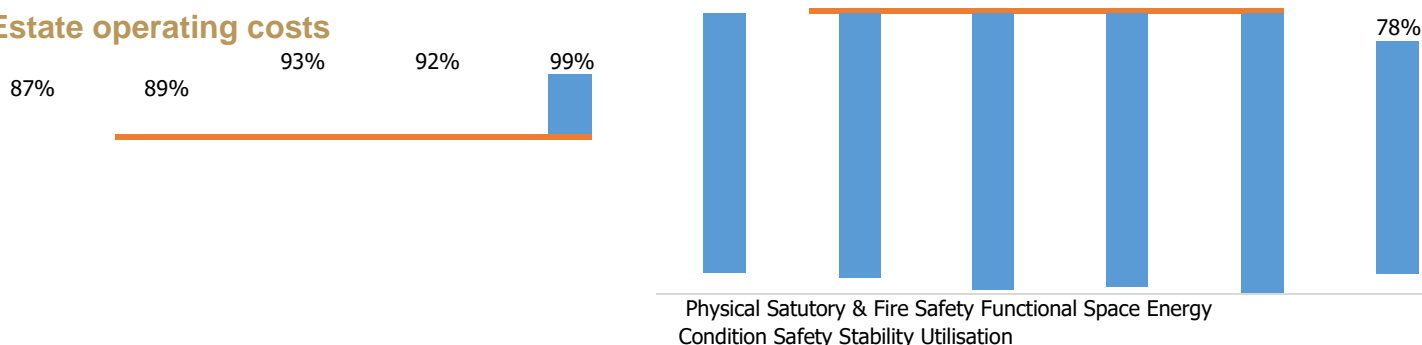
- Blk.08 St David's Park Carmarthen - accommodation required for the Healthier Mid & West Wales team

Estate performance indicators

Estates performance is measured against the All Wales average on six national performance indicators, as reported via the Estates, Facilities and Performance

Measurement System. Overall, the Health Board is closely aligned to the All Wales average position, although as noted previously, energy performance and fire safety remains a challenge (see graph).

Estate operating costs



Comprehensive and accurate information is vital for an organisation to monitor and manage the performance of its estate. Cleaning, catering and energy management represent the most significant spend. The overall facilities average premise running cost across the estate translates to £173/m² (£171/m² in 2017/18, £159/m² in 2016/17, £151/m² in 2015/16, £153m² in 2014/15, £156m² in 2013/14) although costs per location will vary depending on occupancy and activity.

Operational facilities management and compliance

The current approach to estate and facilities management is locally based operational teams at each acute hospital supported by centrally based corporate teams that deliver on wider strategic aims such as property and environmental management, capital project delivery and Compliance. The Health Board recognises its legal obligations in the provision of effective soft and hard FM services and adheres to best practice guidance in the form of:

- Health Technical Memoranda – guidance for the design, management and maintenance of healthcare engineering systems e.g. decontamination, medical gases, heating, electrical, fire safety, asbestos;
- Health Building Notes – design guidance on healthcare environments including best practice design principles for all functions, resilience planning, Estatecode, infection control etc;
- Soft facilities management (Hotel Services) documents linked to cleaning standards, waste management, security, nutrition and catering etc.

In summary this framework of support will ensure compliance with statutory requirements and standards for better health, compliance with the Health Act 2006, provision of a safe and appropriate patient environment, reduction of hospital acquired infection and an effective operational service to support frontline delivery.

The duty of care necessary in operational performance contributes to the overall efficiency and safety of a healthcare organisation. These requirements are managed through a network of standards and audits and are most effective when working collaboratively with key stakeholders within the patient environment. In order to demonstrate that investment is prioritised to areas of greatest risk a well-developed risk register/prioritisation process in line with corporate processes and a comprehensive backlog database has been developed to manage risk and support bids from the discretionary capital programme and central funded capital.

Work continues to enhance the working partnership between soft and hard Facilities Management teams to continue to improve the patient experience by:

- Continuing our efforts to ensure the built environment is fit for purpose;

- Continually improving the standards of cleanliness monitoring and scoring across the Health Board in line with the national Standards for cleaning in NHS Wales;

The service continues to develop a number of initiatives to support nursing teams to deliver an improved patient experience. The Credits for cleaning (C4C) software is continually utilised to establish scores for the stakeholders. The system provides accurate and timely information regarding the cleanliness of the environments in all in patient areas.

The facilities managers continue to be represented on the national framework group for C4C and are also part of the group looking at the National Standards of cleanliness for Wales. This will ensure the Health Board continues to work to best practice guidelines.

The integration of operational staff on both hard and soft Facilities Management functions is proving to be successful in enhancing the standard of ward cleanliness. The facilities teams work closely with the senior ward staff to ensure access is granted at the most suitable time for the wards. Rapid response teams continue to ensure bed turnaround is kept to a minimum; to assist in ensuring patient flow is maintained.

The facilities function will continue to focus attention in the very high risk and high risk clinical and patient areas to ensure that standards of environmental cleanliness are maintained in order to minimise the risk of health care acquired infections.

Specialist services

Food Hygiene Inspections ratings

All of the Health Board's main premises have been awarded the highest score rating of 5 except two which were awarded a 4. Pembrokeshire County Council remains the Unitary Authority for the Health Board providing support and advice to the Health Board

All Wales Menu Framework (AWMF)

Compliance in relation to the AWMF has continued to progress incrementally with three out of the four acute hospital sites being fully compliant with the in-house patient menus. Witybush Hospital still remains not fully compliant due to ongoing recruitment issues

Catering Services

The Health Board continues to produce in excess of 23,000 patient meals per week and over 1million patient meals per annum Health Board wide. Catering services are responsible for meeting the diverse needs of patients, staff and visitors while meeting a range of national standards. Operationally catering services continue to work towards the All Wales Nutrition and Catering Standards for Food and Fluid Provision for Hospital Inpatients and the All Wales Menu Framework, the latter underpinning ongoing improvement in catering across NHS Wales, while supporting best value. The patient experience and quality of meals in Hywel Dda are usually rated highly. Recent patient feedback was 95% either good/very good or excellent

Laundry Services

The 'In House' Laundry based on the Glangwili Site provides a comprehensive linen service across the whole of the Health Board and to external Health organisations. In the financial year 2019- 2020 in excess of 4.4 million pieces were processed including 45,000 items to the private sector. In addition to this the Laundry department provides a staff uniform and curtain

manufacturing service within the 'Carmarthenshire' locality and free ad hoc deliveries across the Health Board of large and bulky items.

Security Management

Prevent strategy

In relation to the Government's strategy on Counter Terrorism the Health Board's Security Manager continues to represent the Health Board at the three Local Authority CONTEST and Channel Panel meetings. In addition to the Local Authority Governance arrangements, a Regional CONTEST Board has been established since 2017 of which the Health Board is an active member and is represented by the Director of Public Health. The Board is also represented at the NHS Wales Prevent Forum Chaired by WG/NHS by our Security Manager Reporting internal concerns and potential formal referrals to the Local Authority Channel Panels are now embedded within the Health Boards existing safeguarding arrangements and the Safeguarding Team continue to contribute to the Channel Panel meetings throughout 2019/20. Both the Local and Regional CONTEST Board discusses serious and organised crime matters. As part of this extended agenda, the Health Board has been requested to provide data linked to Serious Organised Crime topics including, gangs or drug networks, child sexual exploitation, child criminal exploitation and human trafficking or modern slavery. The data sharing will aid and improve Serious Organised Crime Profiles held for each county.

Manual handling training

During 2019/20, the Manual Handling Team continued with the Workplace Assessor model to improve training compliance rates and to provide improved support and supervision to the workplace assessors and clinical staff. The compliance in level 1 manual handling training across the Health Board has risen to 80%, level 2 manual handling training compliance reached 60% in March 2020. The team are working closely with senior nurses and ward managers to ensure that access to workplace assessments for substantive staff is increased. The annual work plan for 2020/21 identifies the areas to be targeted to improve compliance to achieve the 85% compliance in both level 1 and level 2 training.

Health & Safety Executive (HSE) Inspection Report

Manual handling was identified as one of the key themes in the HSE report, the team have been part of the working groups who are in the process of developing evidence to assure the Health Board and the HSE that action is being taken to resolve the matters identified including:

- Trolleys to Transport Medical Records;
- Bespoke training for patient handling in theatres;
- Specific risk assessments

Key achievements 2019/2020

- Increase in numbers of active workplace assessors;
- Provision of three, one day courses in care of the bariatric patient for Health Board staff;
- Delivered training model at national IOSH conference;
- Improved working relationships with Social Care colleagues to share knowledge and experience when working with patients with complex handling needs;
- Delivering bespoke training for community staff;
- Provision of advice and guidance in the development of the business case to support the purchase of low beds across the HB to reduce severity of injury from falls from bed in conjunction with the falls policy.

Emergency preparedness/civil contingencies

We have a well-established Major Incident Plan which is reviewed and ratified by our Board on an annual basis. The Major Incident Plan meets the requirements of all relevant guidance and has been consulted upon by partner agencies and assurance reviewed by the WG's Health Emergency Planning Unit. This plan, together with our other associated emergency plans, detail our response to a variety of situations and how we meet the statutory duties and compliance with the Civil Contingencies Act 2004. Within the Act, the Health Board is classified as a Category One responder to emergencies. This means that in partnership with the Local Authorities, Emergency Services, Natural Resources Wales and other NHS bodies, including Public Health Wales, we are the first line of response in any emergency affecting our population. In order to prepare for such events, local risks are assessed and used to inform emergency planning.

We continue to ensure that our Executive Directors are appropriately skilled to lead the strategic level response to any major incident via Gold Command Training with additional senior managers/nurses trained in tactical and operational major incident response.

The Health Board is also represented on the multi-agency Dyfed Powys Local Resilience Forum, (LRF) which sits at the apex of Dyfed Powys's local civil protection arrangements. Its overall purpose is to ensure that there is an appropriate level of preparedness to enable an effective multi-agency response to emergencies which may have a significant impact on the communities of Dyfed Powys. A number of working groups and standing sub groups have been formed to assist the LRF to meet its requirements under the Civil Contingencies Act.

The Risk is one such example, which has undertaken a robust risk assessment process based on the UK National Risk & Threat Assessment which identifies risks and threats across our community and rates them according to a number of factors to give a risk score (low, medium, high, very high) and a preparedness rating.

The Severe Weather Group focuses on responses to Flooding, Severe Winter Weather, Heat Wave and Drought events and the effects of climate change underpins this work. The Dyfed Powys LRF Severe Weather Arrangements Plan was first developed in 2011 and is now reviewed on a biennial basis.

The LRF also publishes a Community Risk Register (<http://bitly.ws/8ulc>) which highlights the effects of climate change and informs the public about the potential risks we face such as pandemic influenza, transport & industrial incidents and flooding/severe weather events and encourages them to be better prepared. As part of the LRF we also work as a core partner to train and exercise staff to ensure preparedness for emergency situations.

During 2019/20, key achievements include:

- Annual review of our Major Incident response arrangements, referencing the Mass Casualty Incident Arrangements for NHS Wales;

- Ongoing progress on Business Continuity development and review across the HB, including significant planning for the consequences of no-deal Brexit; - Preparations for COVID-19 pandemic.

Members also noted the approach taken by the organisation in terms of the use of business continuity planning for all contingency arrangements in the event of a no-deal Brexit scenario.

COVID-19

Towards the end of the reporting period, we started to work with local, regional and national partners to prepare for the COVID-19 pandemic. The welfare and well-being of our patients and staff are our top priority and all resources are being targeted towards dealing with this pandemic challenge. Based on Welsh Government guidance, our response to the COVID-19 pandemic can be summarised:

1. Suspension of all non-urgent elective activity across the Health Board.
2. From Board level down, many internal processes for assurance, performance management and financial turnaround have been scaled down or suspended.
3. External performance review processes, reviews by inspectorates/regulators and external audits have similarly been scaled back or suspended.
4. A number of workforce procedures have been changed, suspended or significantly scaled back to rapidly recruit the staff needed to support our response.
5. Establishing field hospital provision in 9 locations (2 co-located) across the 3 counties to accommodate the additional beds that may be required based on planning assumptions.
6. Each of the existing hospitals has undertaken significant work over the last month to reconfigure themselves in order to respond to COVID-19. Each has divided itself into COVID and nonCOVID areas with separate Emergency Department entrances.
7. Staff have been categorised according to their roles into Front Line (including front line support functions) and those who can work from home to avoid unnecessary travel wherever possible.

Although decisions on the clinical model will in practice need to be made rapidly by the newly established command and control structure, there are decisions that cannot be formally delegated. Therefore, the Board will need to be kept informed of changes that are being made and either approve these, or ratify them, and therefore will meet on a monthly basis during the pandemic to aid this process. The command and control structure must at all times continue to work within the Board approved Standing Orders and Standing Financial Instructions and refer appropriate decisions to the Board for approval and ratification.

Brexit

In 2019/20, there was a high level of uncertainty about the future of the relationship between the UK and the European Union (EU). We spent much of the year continuing to prepare for a no-deal Brexit situation with the UK and Welsh Governments, the LRFs and other health and social care organisations across Wales, to ensure patients and services would not be affected. Whilst the UK formally left the EU on 31 January 2020, there remains uncertainty about what the future relationship will look like, which will need to be worked out during the transition period that comes to an end on 31 December 2020. Therefore planning and continuity arrangements will continue through the Health Board's Brexit Steering Group, to ensure services are protected, as much as possible, from any disruption. Areas of work will include medicines management, procurement and workforce, amongst others. Prior to COVID-19, the Health Board planned to undertake a review of

the political situation, including trade deals, and whether the implementation period will be extended beyond 31 December 2020, to ensure the highest level of preparedness.

Tuberculosis (TB) Outbreak

During 2019/20, the Health Board also continued to manage a localised outbreak of Tuberculosis in the community. This involved a screening programme to identify any current active TB and latent TB cases in the local population in order that affected individuals could be treated. The Health Board's response plan included dedicated TB clinics being held for patients that required further investigation and the treatment of patients identified with latent TB, a BCG vaccination programme for individuals under the age of 35 with negative results, and a phase 2 targeted screening exercise. The Health Board established an operational group, chaired by the Executive Director of Public Health, engaged with the Outbreak Control Team, to direct and manage the delivery of the management programme and use of resources.

Performance review

The NHS Finance (Wales) Act 2014 requires us to prepare a plan which sets out our strategy for complying with the three year financial duty to breakeven. Our Annual Plan 2019/20 was unable to evidence financial balance and should therefore be considered as strategic direction for the Health Board. Further work has continued locally and with Welsh Government to bridge the financial gap through our Turnaround programme and our health and care strategy – *A Healthier Mid and West Wales* - to ensure sustainable high quality services. This work is core to our Three Year Plan 2020/23, incorporating the Annual Plan for 2020/21. Our plan for 2019/20 represented the continuation of our transformation journey to becoming a population health organisation focused on keeping people well, developing services in local communities and ensuring our hospital services are safe, of high quality and efficient in their running. We also remained committed to our mission (see page 8 for details).

Key areas for improvement

Some of the key things we concentrated on in 2019/20 included:

- Pursuing in-year improvements in waiting times for treatment experienced by our residents.
 - We aimed to ensure no patient waited over 36 weeks from referral to treatment, over 8 weeks for a diagnostic test or more than 14 weeks for a therapy. We were on track to achieve these improvements by 31st March 2020. However, due to the COVID-19 pandemic, in March 2020 this priority had to be put on hold to free up beds and services to treat people affected by the Coronavirus.
 - We also made a commitment to reduce the number of delayed follow up outpatient appointments and made considerable progress with the total number of delayed appointments reducing from 37,403 in April 2019 to 33,402 in February 2020 (more than a 10% reduction).
- Turning around our financial position through a comprehensive Turnaround programme.
- Reducing healthcare acquired infections.
 - The number of patients acquiring healthcare related clostridium difficile infection reduced from 19 in April 2019 to 12 in February 2020. ○ Similarly, the number of healthcare acquired cases of S.aureus infections reduced from 13 in April 2019 to 9 in February 2020.
 - However, the number of cases of healthcare acquired E.coli infections increased from 23 in April 2019 to 28 in February 2020.
- Looking forward, securing clinical services in the medium to longer term that are safe, sustainable, accessible and kind.

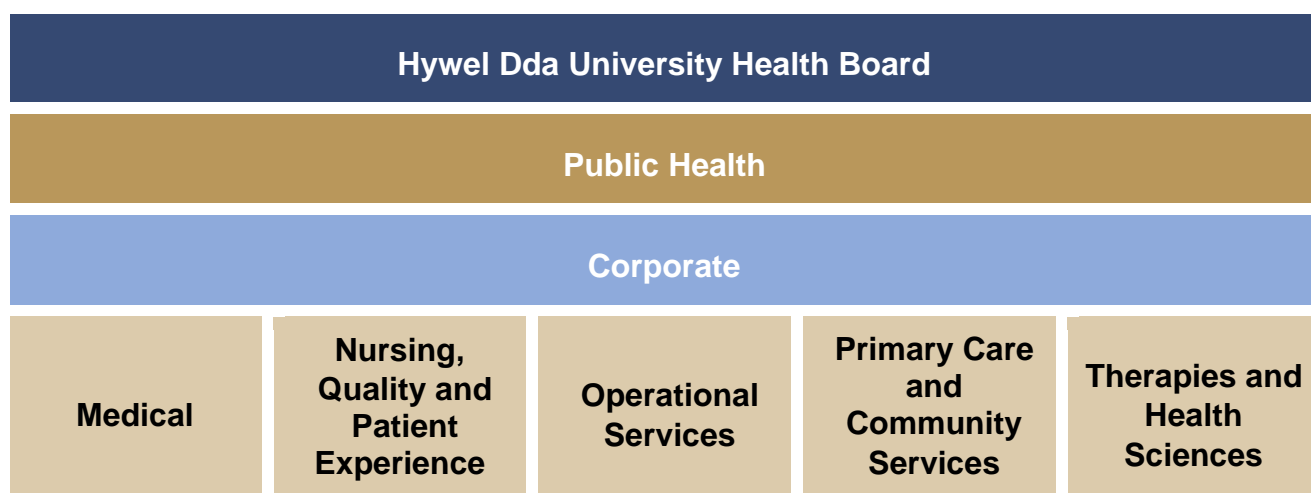
Joint working

Regional working with partner organisations and Health Boards is of increasing importance in the planning and delivery of our services and this has been strengthened through the year and reflected in work programmes and joint statements in both Integrated Medium Term Plans and Annual Plans.

Our continued focus during 2019/20 has been to work jointly with our staff, service users, carers and other key stakeholders, ensuring a process of continuous engagement, appropriate consultation and monitoring. We aim to ensure that no-one is disadvantaged when accessing our services or in our employment and one of our main priorities is to ensure that our population has equitable access to services and information to improve their health and wellbeing. Our Transforming Mental Health Services and Transforming Clinical Services programmes illustrate where the voices of our communities have influenced the way in which service model options have been developed, and will continue to influence the path of future developments.

How we operate our business

The diagram below illustrates the key components of our structure. Our aim is to be an organisation that is clinically led and that ensures our services always aspire to be safe, sustainable, accessible and kind.



Our Board's role and responsibilities

All our Board members share corporate responsibility for formulating strategy, ensuring accountability, monitoring performance and shaping culture, together with ensuring that the Board operates as effectively as possible. The Board, which comprises individuals from a range of backgrounds, disciplines and areas of expertise, has during the year provided leadership and direction, ensuring that sound governance arrangements are in place. The principal role of the Board is described in more details in our Annual Governance Statement (see chapter 2).

Capacity to handle risk

Delivering healthcare through our current clinical model in a large, rural geographical area presents significant challenges to the Health Board. The majority of the Health Board's risks relate to fragile services, poor patient flows, poor environments and aging equipment mainly as a result of staffing and funding (capital and revenue) challenges. The effective management of our risks helps to ensure our healthcare services provide safe, quality care for patients.

The achievement of our strategy 'A Healthier Mid and West Wales' will help the Health Board to address these risks, and therefore we need to ensure we manage the risks that impact on the achievement of our objectives and take action to increase our likelihood of success.

More information on how we manage risk is available in our Annual Governance Statement within the Accountability Report (see chapter 2).

Our delivery against finance and workforce plans

The Health Board ended the 2019/20 financial year with a deficit of £34.9million (2018/19 – deficit £35.4m). This excludes the costs for COVID-19 that were incurred in March 2020 which totalled £2.6m that was fully funded by Welsh Government (WG).

At its meeting in March 2019, the Board agreed to submit a 'draft interim' Annual Plan for 2019/20, which concentrated on finance, performance, service change and quality, noting the WG expectation that the UHB should submit an annual plan for 2019/20 as opposed to a 3 year Integrated Medium Term Plan (IMTP) for 2019/22. The Annual Plan for 2019/20 outlined an initial forecast deficit of £29.8m. However, WG subsequently provided some conditional additional funding of £10 million and set a control total of £15m. The control total was not met with a revised end of year forecast deficit of £25m, £10m higher than the control total requirement.

Consequently the £10m contingent funding was withdrawn resulting in the Health Board's outturn position of £34.9m. The deterioration in the position was due to operational cost pressures mainly within unscheduled care, especially in the latter part of the year; primary care prescribing also caused significant pressures common with the rest of Wales and failure to deliver the savings required of £25.2m to meet the control total, the actual savings delivery in year being £18.3m.

During the year the turnaround programme continued with 'Holding to Account' meetings chaired by the Chief Executive for directorates at an escalated status due to the assessed risk of them delivering their financial plans with Turnaround Director Holding to Account meetings for those directorates assessed as being on track with delivery. Executive Director led delivery programmes were also established.

WG commissioned KPMG to undertake an external review of finances during the year. The work looked at 4 areas within the Health Board namely – Financial grip & control; Review of the 2019/20 Financial Plan; Validation and identification of the drivers of the underlying deficit; and Opportunities to improve the deficit and achieve financial stability. The UHB has progressed outputs from the KPMG review, which have placed it in a better position to enter the planning round for 2020/21 and strengthen the governance and oversight arrangements.

The Annual Accounts for 2019/20 have been qualified as the Health Board did not meet the statutory requirement to achieve break even against its Revenue Resource Limit over the three year period ending 2019/20.

Capital spend totalled £41.7m during the year. The main projects were the Cardigan and Aberaeron Integrated Care Centres, Bronglais MRI and Women and Children Phase II Scheme, Glangwili, which represented 60% of the in-year total. Other significant areas were information technology and medical equipment. Some schemes were unable to be delivered due to COVID19 with capital of £1.0m handed back to WG which will be re-provided in 2020/21. Additionally, £0.4m of capital costs were incurred on COVID-19 that were funded by WG.

During 2019/20, the Health Board acknowledged that whilst it would not be in a position to submit an IMTP for 2020/23 given the current financial position and three year forecast, it still intended to submit a 3 year plan for 2020/23, which outlined the first 3 years of the Health and Care strategy, incorporating a robust and detailed Annual Plan focusing on 2020/21 actions.

In March 2020, the WG took the decision to pause the IMTP and annual plan process to enable NHS Wales' organisations to focus their attention on the immediate planning and preparations to deal with the COVID-19 pandemic. However, the Health Board Three Year Plan for 2020/23 incorporating the Annual Plan 2020/21 was approved for submission at the Public Board on 26th March 2020. It was recognised that the Annual Plan was developed prior to the pandemic and that in light of COVID-19, the plan will change and will be resubmitted once WG planning guidance is reissued.

Performance summary

The NHS Wales Delivery Framework aims to ensure the health and well-being of people living in Wales is improved, as part of the Well-being of Future Generations (Wales) Act 2015. The framework provides an annual view of the impact health services are having on improving population outcomes and is supported by a delivery framework. Detailed performance reports are reported routinely to every Board meeting and are available on the Board's website (<https://hduhb.nhs.wales/about-us/your-health-board/board-meetings-2020>) or our monitoring performance web page (<http://www.wales.nhs.uk/sitesplus/862/page/99899>).

Complete performance data for the organisation has been presented for the first three quarters of 2019/20 only. The remaining quarter (January 2020 to March 2020) was impacted by the pandemic and the suspension of performance monitoring mid-March. Performance trends have been assessed using the April 2019 to December 2019 period. Only those measures which have an absolute monthly / quarterly target for December 2019 or quarter 3 2019/20 have been included in the 'Targets achieved' column on the scorecard below. It can be seen that during the first 9 months of 2019/20, performance overall has declined with three of the seven domains demonstrating an upward trend. Of the 64 measures, the Health Board has improved performance in 24 measures. However, before the COVID pandemic we were on target to make improvements by 31st March 2020 in additional measures including referral to treatment, diagnostics and therapies.

↑ improved performance ↓ decline in performance ↔ sustained performance

	Improved performance	Sustained performance	Decline in performance	Target summary
Staying healthy I am well informed & supported to manage my own physical & mental health	3 measures	0 measures	2 measures	↑
Safe care I am protected from harm & protect myself from harm	10 measures	0 measures	5 measures	↑
Dignified care I am treated with dignity & respect & treat others the same	1 measures	0 measures	1 measures	→

Effective care I receive the right care & support as locally as possible & I contribute to making that care successful	3 measures	0 measures	5 measures	↓
Timely care I have timely access to services based on clinical need & am actively involved in decisions about my care	3 measures	1 measures	20 measures	↓
Individual care I am treated as an individual, with my own needs & responsibilities	2 measures	1 measures	2 measures	→
Our staff & resources I can find information about how the NHS is open & transparent on use of resources & I make careful use of them	2 measures	0 measures	3 measures	↓
Summary	24 measures	2 measures	38 measures	↓

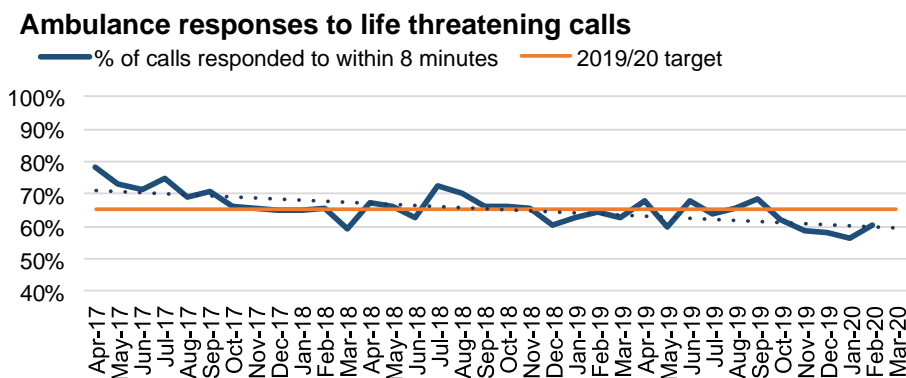
Performance analysis

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will continue both for the organisation and wider society throughout 2020/21 and beyond.

The charts below show performance for some of our key deliverable indicators. Please note, due to the COVID-19 pandemic, we have provided local management information and narrative on the delivery and achievements throughout the final quarter of 2019/20 in the absence of official performance data.

Ambulance responses to life threatening calls

A faster response time to a patient suffering an immediate life threatening condition can reduce the risk of death and increase the potential for a positive health outcome.



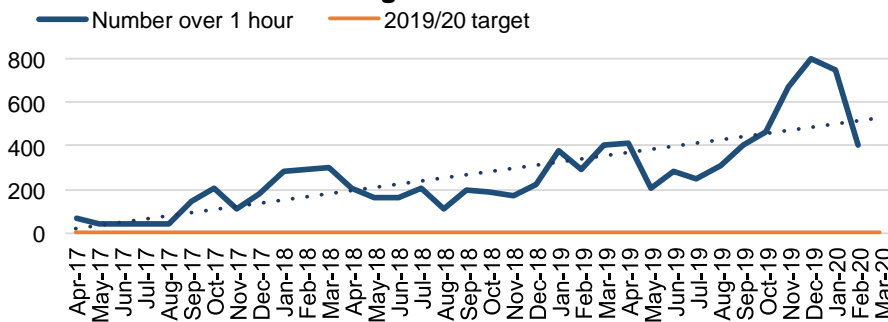
We commission the Welsh Ambulance Service Trust (WAST) to provide high quality ambulance services for our patients. Performance is usually around the 65% national target but this did deteriorate towards the latter end of 2019/20. A plan is in place to improve performance in 2020/21, once the COVID-19 pandemic has subsided, and includes improving patient pathways in the

community to reduce the number of patients needing to go into hospital and recruiting additional paramedics.

Ambulance handovers

When ambulances take patients to hospital, it is essential patients are moved promptly into the hospital so that they can receive the best care in the right environment. This also ensures the ambulance crew is released to provide a safe and efficient service to the local community. Delays in ambulance patient handover are often linked with patient flow blockages across the health and social care pathway.

Ambulance handovers taking over 1 hour

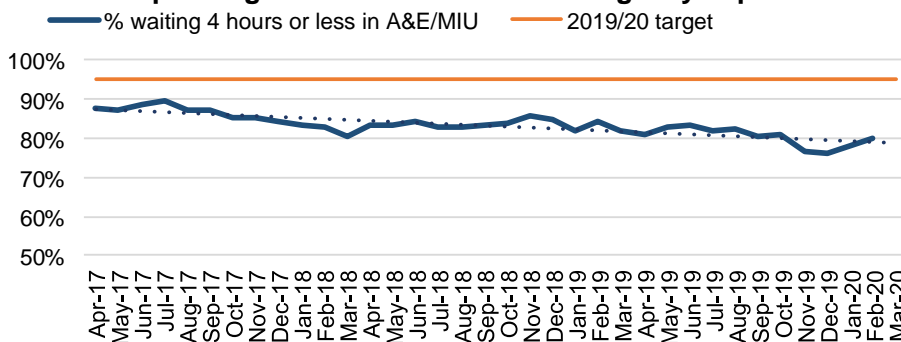


The number of delayed ambulance handovers has increased considerably over the past 3 years. However, performance improvements were started to be made in January/February 2020 and these have continued during the COVID period. This focus will be resumed after the COVID-19 pandemic has subsided in 2020/21. To assist with this we will be developing a same day emergency care pathway as an alternative to enable some patients to bypass Accident and Emergency (A&E) departments.

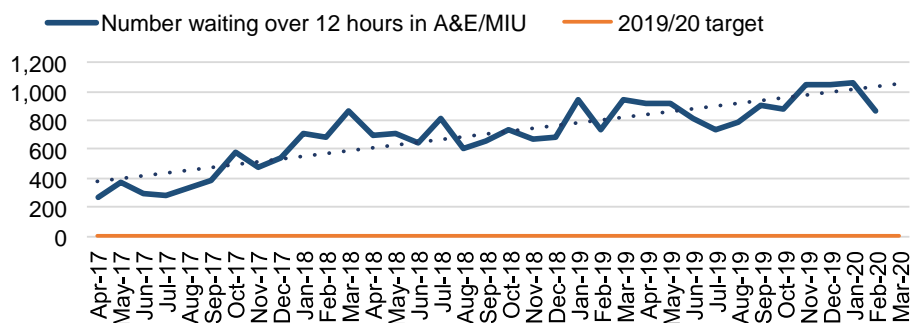
Accident and emergency (A&E) and minor injury unit (MIU) waiting times

Patients attending our emergency departments (A&E and MIU) should be seen and treated, admitted, transferred or discharged in a timely manner. To enable this to happen we need to provide efficient and effective services, whilst educating patients to make the best use of alternative NHS services. Patients waiting over 12 hours is an indicator of patient experience and the health board is required to implement actions to continuously improve the flow of patients through A&E/MIU whilst maintaining services that are effective and safe.

Patients spending 4 hours or less in an emergency department



Patients spending over 12 hours in an emergency department

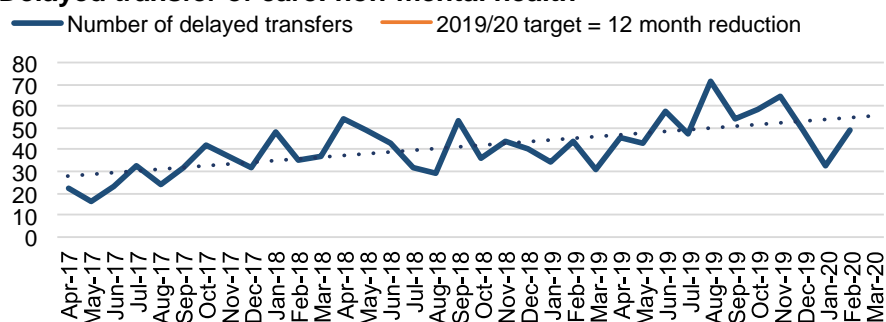


Over the last 3 years patients have gradually spent longer than 4 hours in A&E/MIU and the national target of 95% has not been met. The number of patients waiting over 12 hours has increased, however, improvements were made in January/February 2020. To improve performance and patient experience, we will prioritise the development of a sustainable GP out of hours service and implementation of SAFER NHS improvement bundles to improve patient flow and patient discharge to recovery and assess pathways agreed with our partners.

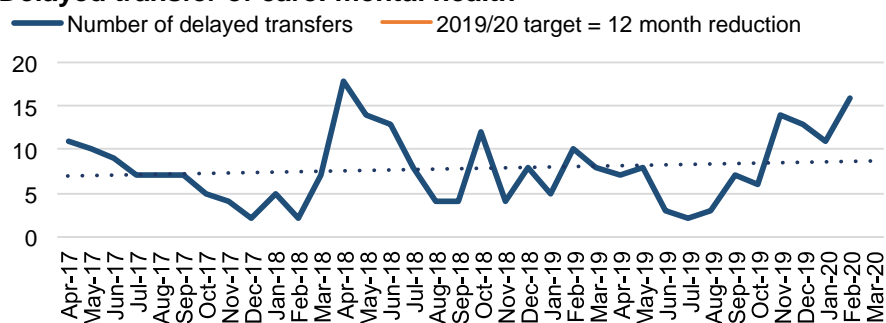
Delayed transfers of care

A delayed transfer of care occurs when a patient is safe to be discharged to a suitable aftercare setting but is still occupying a hospital bed. Delays can be minimised through effective discharge planning and joint working between health and care services to avoid the negative impact upon scheduled and unscheduled care services.

Delayed transfer of care: non-mental health



Delayed transfer of care: mental health



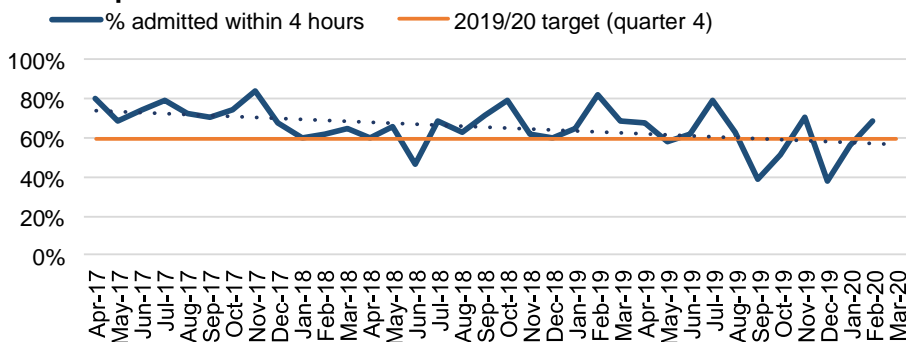
Delayed transfers have increased across both non-mental health and mental health hospitals and the national reduction targets have not been met. Improvement was seen during the winter

at non-mental health hospitals but February 2020 was challenging due to depleted nursing home/community hospital beds and long waits for reablement and long term care packages. Mental Health patient delays have increased since the summer and have faced similar challenges to non-mental health delays. We are agreeing discharge to recover and assess pathways with our partners to supporting early discharge planning. Communicating these pathways to the patient/family with an estimated date of discharge, a clinical criteria for discharge and a recovery plan. Reducing waits for longer-term packages of care and providing more timely access to home care & reablement packages.

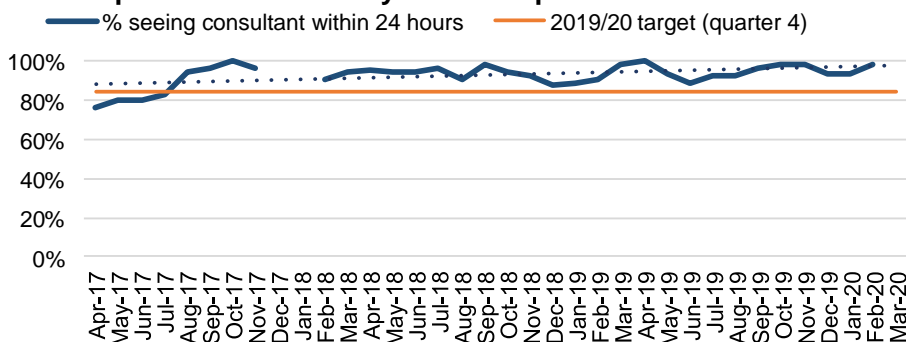
Stroke

To prevent complications, all patients who have had a stroke should be directly admitted to a stroke unit within 4 hours of arrival at A&E and receive an assessment within 24 hours by a stroke specialist consultant. Communication and swallowing problems are common after a stroke. To minimise the impact of these difficulties and to improve the patient’s well-being, speech and language therapy is a key part of the patient’s recovery programme.

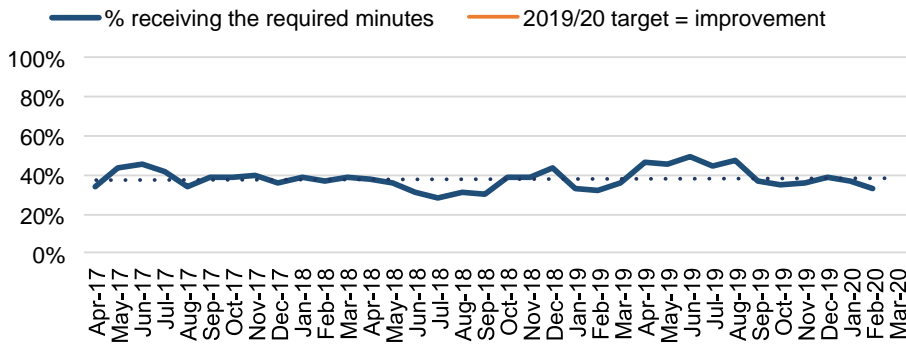
Stroke patients admitted to a stroke unit within 4 hours



Stroke patients assessed by a stroke specialist within 24 hours



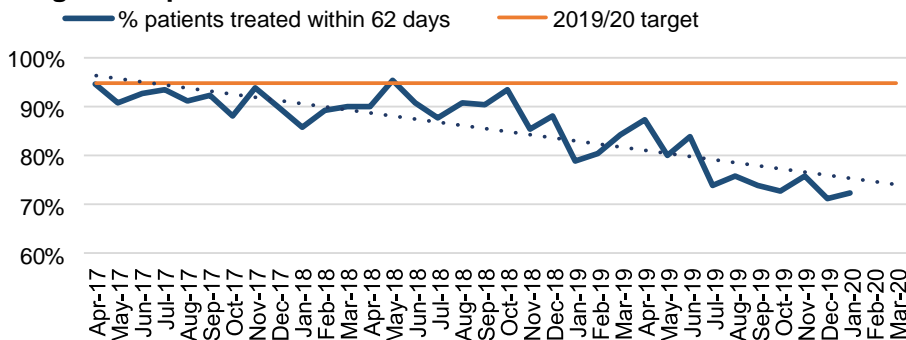
Stroke patients receiving speech and language therapy



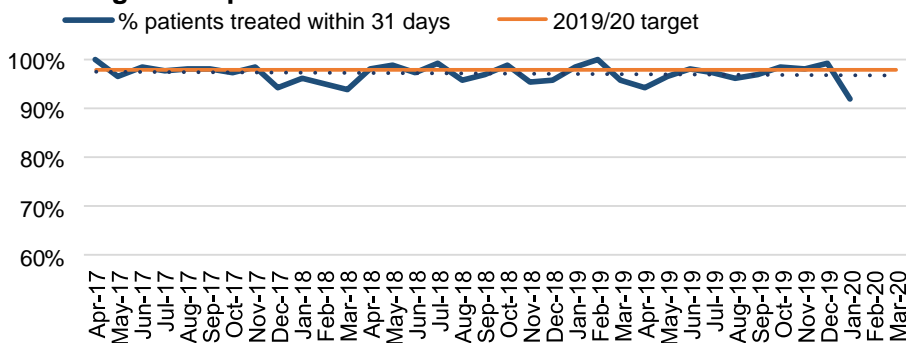
The percentage of patients admitted to a stroke unit within 4 hours has fluctuated during the year and has not always met the national target of 59.8%. This has been due to lack of suitable care packages and therefore discharge delays and lack of inpatient beds. Of those patients admitted an increased percentage were seen by a specialist consultant within 24 hours and performance has been above the 84.2% national target. Speech and language therapy remains generally consistent at 30%- 40%, but is not achieving an annual improvement trend. In 2020/21 we will complete the proposed redesign of our stroke services and gain approval from the Board to implement. The stroke services review will include an early supported discharge/community neuro-rehabilitation service and a review of inpatient stroke beds.

Cancer Early diagnosis and treatment of cancer increases a patient’s chance of survival and reduce harm to the patient’s health and quality of life. Therefore, we aim to treat patients who are diagnosed with cancer as promptly as possible.

Urgent suspected cancer

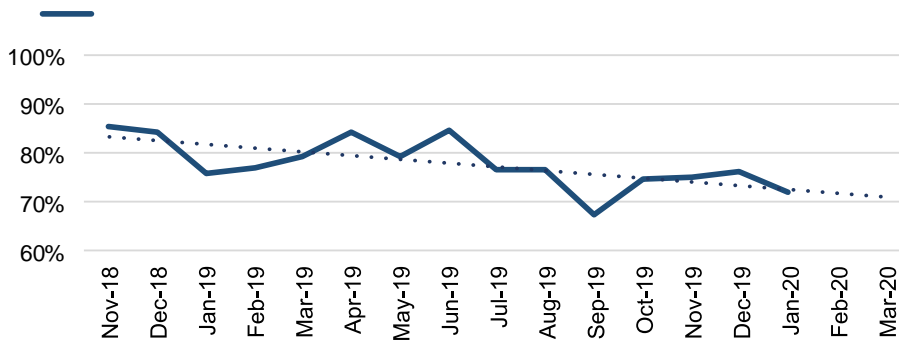


Non-urgent suspected cancer



Single cancer pathway (with clinical suspensions)

% patients treated within 62 days

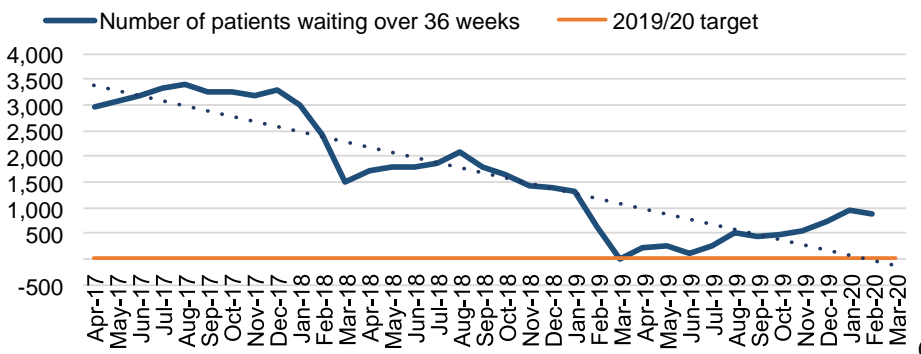


The percentage of patients treated within 62 days for urgent suspected cancer has declined since Winter 2018/19, although the rate of deterioration has slowed in the last 6 months. Performance for patients treated within 31 days for non-urgent suspected cancer has remained relatively stable over the same period.. Data in respect of the Single Cancer Pathway is illustrative as reported monthly performance has been subject to changes in data definitions over the period. Performance in respect of the various cancer pathways is compromised due to complex cancer pathway delays, tertiary centre capacity at Swansea Bay Health Board (SBUHB) and capacity pressures within our diagnostic centres. Plans to improve performance in these areas include refining processes to ensure that all cancer referrals are reviewed and prioritised within 24 hours. To address tertiary capacity issues SBUHB have appointed additional oncologists and a gynaecology cancer surgeon. We have secured recurrent investment from Welsh Government to invest in key diagnostic capacity and cancer tracking.

Referral to treatment

Referral to Treatment (RTT) targets ensure patients have timely access to services.

Time patients wait from referral to treatment



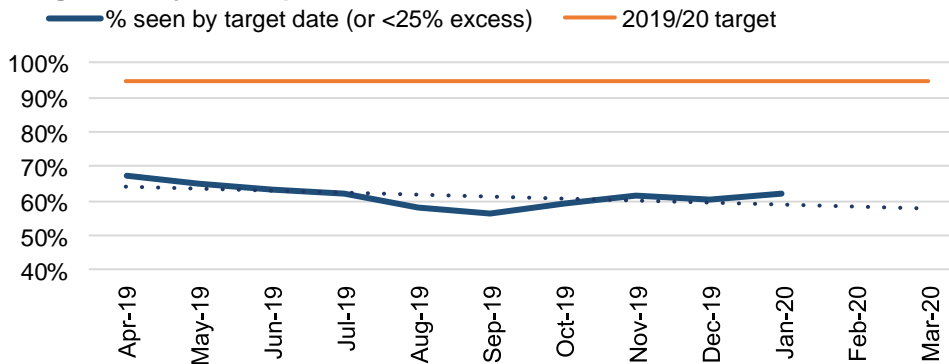
RTT within 36 weeks has improved from 2,965 in April 2017 to 883 in February 2020 and the percentage being treated within 26 weeks has shown an upward trend since April 2017. Both improvements are as a result of: improved booking processes, reviewing unfilled slots and cancellation reasons, focusing on community integrated services to prevent illness and improve wellbeing, improving our innovation and transforming the way we deliver care, standardising best practice across all care pathways, and progressing delivery plans across all specialties.

Throughout 19/20 RTT delivery has been impacted cancellations due to unscheduled care pressures and vacancies in key specialties. Notwithstanding these pressures, the Health Board did expect to achieve zero breaches waiting greater than 36 weeks by 31st March 2020. However, the unprecedented impact of the Coronavirus pandemic on elective planned care procedures since March 2020 has severely affected reported performance and this is expected to continue during the remainder of 2020/21. Additionally, the annual plan does not assume funding is available to maintain RTT performance and is subject of further discussions with Welsh Government.

Eye care

For certain eye conditions, patients need regular treatment and reviews to ensure that their sight is improved and the risk of avoidable blindness is minimised. This measure was introduced to reduce the number of high risk (R1) patients waiting in excess of 25% of their agreed date for a clinical appointment.

High risk eye care patients



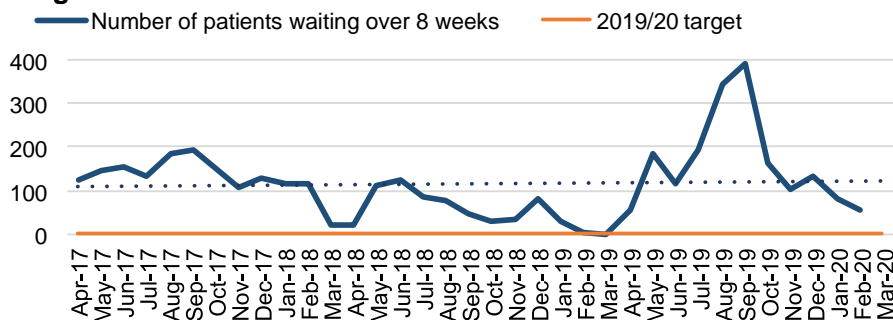
Since September 2019, performance for R1 ophthalmology patients waiting no more than 25% over their clinical appointment target date was steadily improving. However, the combined impact of capacity issues, (a shortage of Ophthalmology Consultants and cover is required for emergency eye care services) and the impact of the coronavirus outbreak in March 2020 has limited further progress towards the 95% target. Our eye care service is improving the cataract referral pathway to enable a direct surgery listing process as well as increasing the number of glaucoma patients who can be reviewed by a community optometrist.

Diagnosics and therapies

Diagnosics

Diagnostic tests and investigations provide vital information to ensure the right clinical decisions can be made. Early detection can enable pain reduction/prevention and decrease the scale and cost of treatment.

Diagnostic test waits

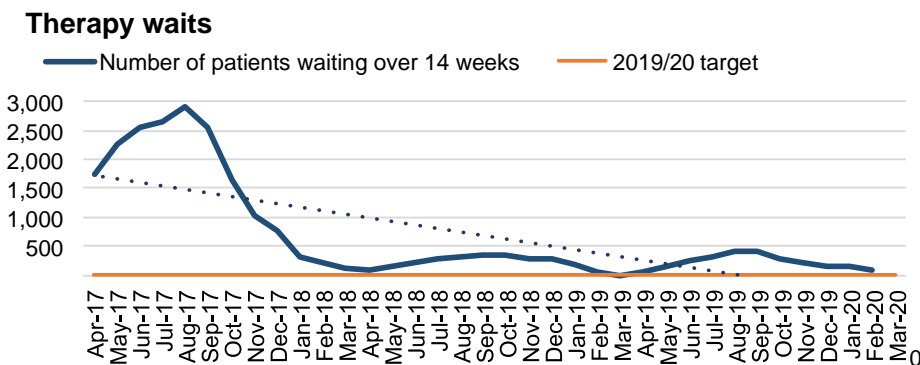


In September 2019 we saw a sharp rise in the number of patients (391) waiting in excess of 8 weeks for a diagnostic service. These breaches were primarily due to sonographer and physiologist capacity issues, increasing demand, the need for additional acute cross cover and

staff shortages. Breaches reduced to 54 in February 2020 and further planned improvement activities were underway to reduce breaches to zero by 31st March 2020, including revised booking processes, regular review of unfilled appointments, outsourcing, clinical validation, recruitment and revising pathways. However, Coronavirus will have a negative impact on breaches with our resources being required to focus on COVID-19 and emergency patients.

Therapies

Patients who receive timely access to a specified therapy should experience improved outcomes. Reducing the time that patients wait for their therapy service reduces the risk of their condition deteriorating and alleviates symptoms sooner.



The majority of patients waiting over 14 weeks were for physiotherapy and podiatry services. Significant work was undertaken to reduce breaches including weekly validation of patients waiting, redeployment of staff from existing teams, and utilising agency. Prior to the COVID-19 pandemic we were on track to reach the target of 0 patient breaches by March 2020. Further actions to maintain performance during 2020/21 include use of a demand and capacity tool across all therapy services, development of integrated community based education and rehabilitation programs, plan to over-recruit against annual graduate cohort to 'front load' clinical workforce and to optimise the use of digital technology to deliver care closer to home e.g. review by telephone, email, video call.

Delayed follow-ups outpatient appointments

Throughout the NHS, capacity has been unable to meet demand as the number of patients waiting for a follow-up outpatient appointment increases year on year. We need to improve service planning and clinical pathways to reduce waiting lists to a manageable level.

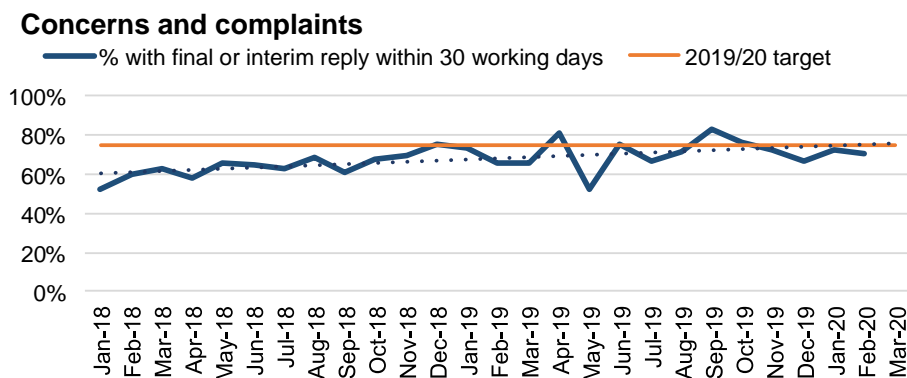


The number of outpatient delayed follow ups outpatient appointments delayed past their target date for Trauma & Orthopaedics, Ear, Nose & Throat, Urology, Dermatology and

Ophthalmology improved from 18,199 in April 2019 to 15,299 in February 2020. The longest waiting (100% past target date) also reduced from 12,665 in April 2019 to 9,007 in February 2020. The volume of reported delayed follow-up appointments is inflated by data accuracy challenges, the prioritisation of outpatient clinic capacity for new appointments and limited administrative capacity to validate follow-up waiting lists to accurately reflect the changing circumstances of patients. The continuing impact of the coronavirus outbreak is expected to significantly affect improvement trajectories during 2020/21. Improvement plans continue to focus on improvements to administrative validation, clinical validation, removal of duplicate records and modernisation of clinical practice.

Concerns and complaints

We aim to provide the best care and treatment, however sometimes things can go wrong. When a concern is raised we need to investigate and make necessary improvements to prevent recurrence. We try to resolve concerns immediately and aim to respond within 30 working days. Where concerns are more complex an interim reply should be provided detailing when a final response should be expected.

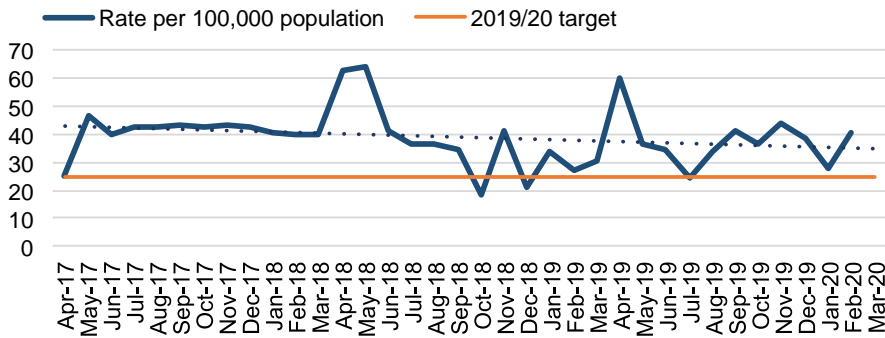


The percentage of complaints that have received a final or interim reply within 30 working days has been improving over the past 3 years. Although the target was not met in recent months, February 2020 saw an increase in cases managed via Early Resolution. Prior to the Covid-19 pandemic, workshops were being arranged to train staff members how to manage and respond to a complaint and to raise awareness of putting things right (PTR) regulations. Additionally, all cases involving significant learning are now reviewed by the Listening and Learning SubCommittee to ensure appropriate actions are taken, to prevent repeated incidents occurring.

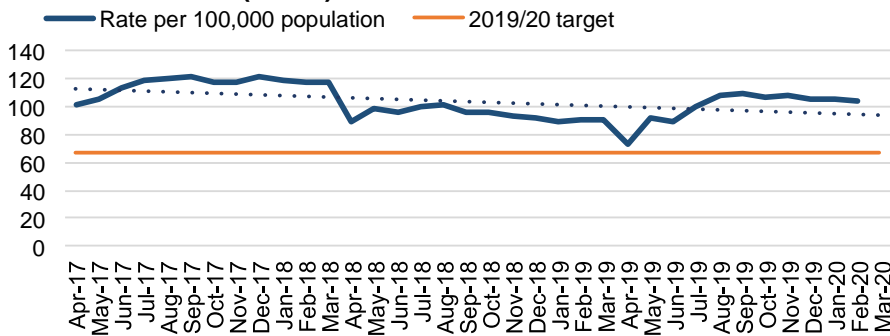
Healthcare associated infections

Patients who acquire a healthcare associated infection will develop additional complications that require further treatment and in some cases may cause death. The Health Board will have responsibility for the financial costs of diagnosing, treating the infection and implementing preventative measures. It is impossible to eliminate healthcare associated infections completely, however, through better application of existing knowledge and improved practices some can be prevented. Whilst we did not meet the national reduction rate target for the number of cases, the rate per 100,000 population has reduced,

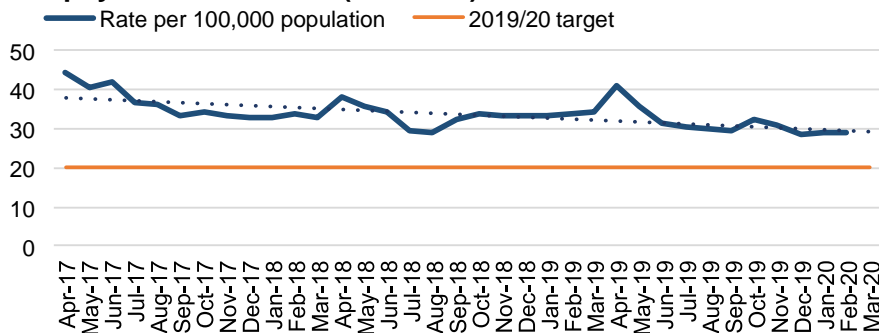
Clostridioides difficile (C.diff) infections



Escherichia coli (E.coli) infections



Staphylococcus aureus (S.aureus) infections



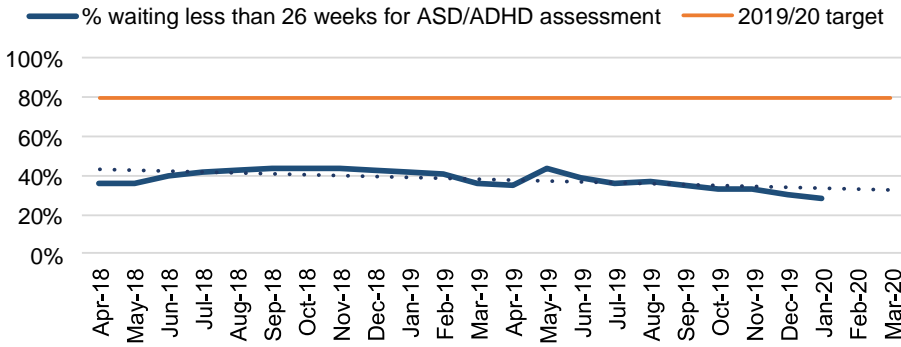
Over the last 3 years, population infection rates have been decreasing up to February 2020. Infection Prevention colleagues are focussing on COVID-19 at this time, this has led to reduced scrutiny of these infections which is now being resumed. This will be done through a strengthened infection prevention improvement plan concentrating on health promotion and infection prevention, population infections rates are expected to improve during 2020/21.

Mental health

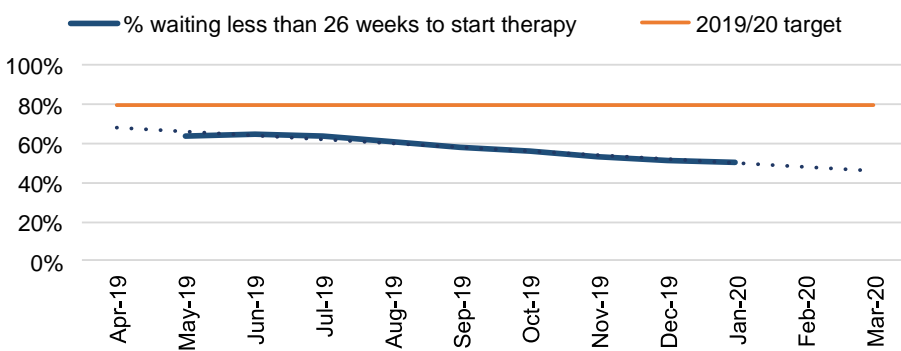
Performance measures for children, young people and adults were introduced to ensure improvement in the timely delivery of emotional and mental health services in Wales, with timely access to assessment and treatment to support their continued social and personal development.

80% of children and young people should wait no longer than 26 weeks for neurodevelopment assessments and 80% of adults should wait no longer than 26 weeks to start physiological therapy.

Neurodevelopment assessments for children and young people



Psychological therapies for adults

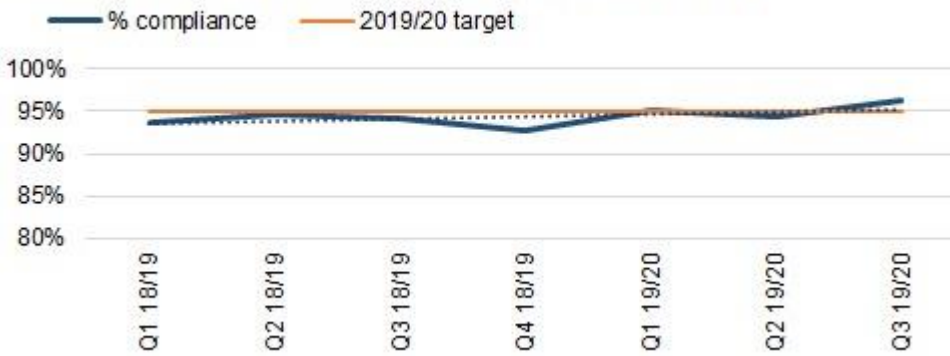


The Health Board has not achieved the 80% target for either of the measures since April 2019. The percentage of patients assessed within 26 weeks for autistic spectrum disorder (ASD) and attention deficit disorder (ADHD) has decreased in recent months and this is the same for psychological therapy. The increase in patient demand for both services and capacity issues are causing increasing delays. A number of improvement plans are underway as part of our Transforming Mental Health Services programme including the development a Single Point of Contact, a central assessment unit and a central treatment unit. For children and young people, our mental health service team is working with the all Wales Performance Delivery Unit to undertake demand and capacity exercises. For adult physiological therapies a new service model is being developed.

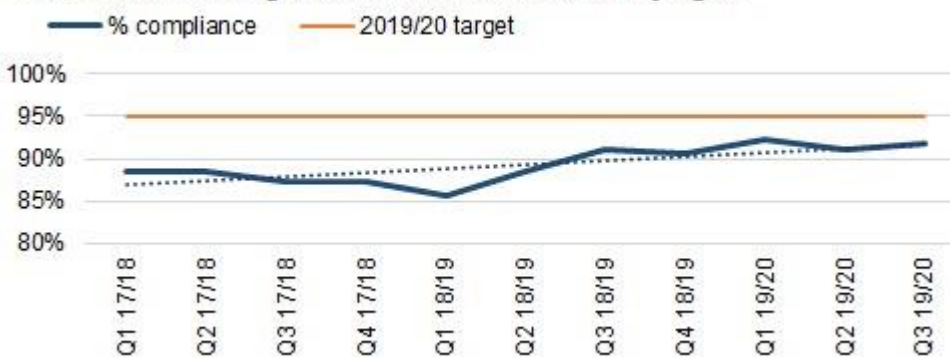
Childhood immunisations

Vaccines are responsible for the control of many infectious diseases that were once common: Diphtheria, Hepatitis B, Haemophilus Influenza Type B Tetanus and Whooping Cough. A complete course of 3 doses of the '6 in 1' vaccine and 2 doses of the Measles, Mumps and Rubella vaccine will protect children from these diseases and prevent them from circulating in the community.

Children receiving 3 doses of '6 in 1' vaccine by age 1



Children receiving 2 doses of MMR vaccine by age 5

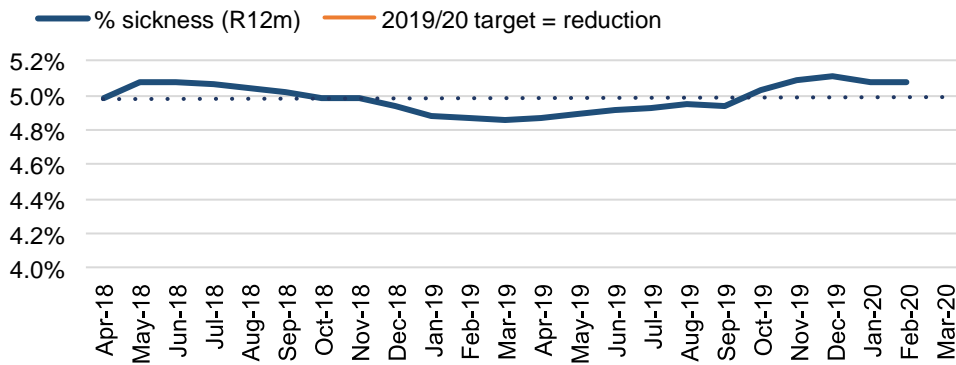


Between July and Sept 2019, 94.5% of children had received 3 doses of the '6 in 1' vaccine by their first birthday, consistent with uptake in the previous quarter (95.1%) and just under the national target of 95%. 91.0% of children received 2 doses of the MMR vaccine by their 5th birthday, compared to 92.2% in the previous quarter, not achieving the national target of 96% however performance has been improving over the last year. The Health Board plans to build capacity and capability within our children's services for transformational change with a focus on prevention and tackling health inequalities to support measures that try to reduce the impact of childhood poverty alongside work regionally, through the Children's Task Force, to develop a plan for change to improve outcomes for children and young people and lay the foundations for change.

Workforce

Staff sickness absence

We recognise that by reducing sickness absence rates through effective management processes we can improve the quality of the services and reduce variable pay costs. **Staff sickness absence**

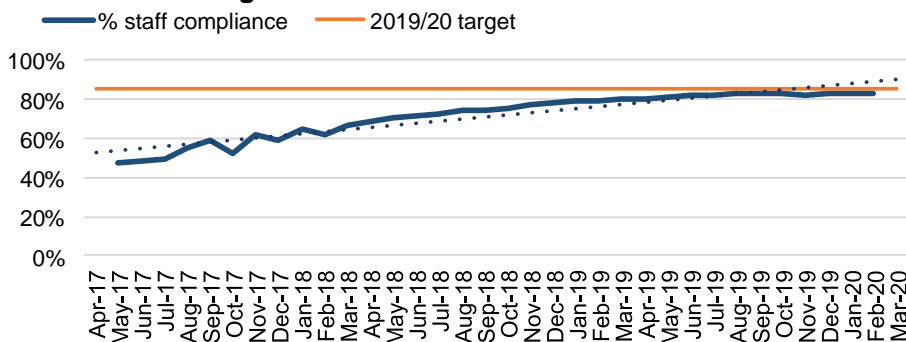


The Health Board has continued to perform well in comparison to the rest of Wales in terms of its approach to the management of attendance. During the period the 12 month period March 2019 to February 2020, 5.08% of full time equivalent staff days were lost due to sickness. However, improvement was demonstrated in-month for February 2020 and also in comparison to the corresponding rate for February 2019. The Health Board are continuing to monitor and manage sickness closely throughout the organisation. Sickness auditing and training is targeted to the wards and departments with the highest levels of absence. The specialist Workforce Advisors continue to work alongside Line Managers to help them improve their management of attendance. Improvement strategies also include: further development of a suite of leadership & management programmes spanning the whole organisation and increasing Organisational Development interventions including compassionate leadership, quality improvement programmes and leadership development.

Core Skills

A minimum standard is required to ensure new staff have the appropriate statutory and mandatory training for their role in the Health Board and for existing staff to maintain and develop their skills.

Core skills training for staff

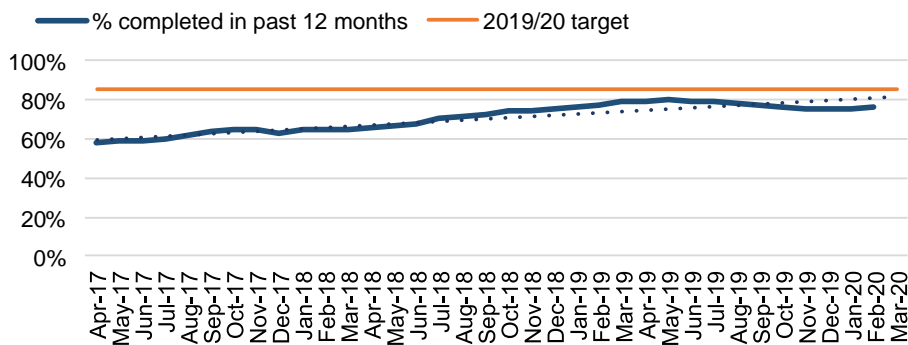


Compliance has significantly improved since April 2017 and we are very close to meeting the target of 85%. 83.2% of our staff have completed their level 1 training which consists of the UK Core skills mandatory training modules such as manual handling, safeguarding and information governance. Classroom based Level 1 face to face Fire Training has been identified as not sufficiently accessible, and a board decision has been made to re-introduce the all wales e-learning module as the level 1 which is expected to improve compliance levels.

Personal and development review

Provision of personal and development reviews (PADR) supports and engages our staff in delivering high quality, person centred and safe services.

Staff who have had a personal and developmental review (PADR)



The percentage of staff who received a PADR has improved over the last three years with 76% completion rate achieved in February 2020. The implications of the COVID 19 outbreak has seen this percentage fall 5% to 71% for May 2020. Achieving the PADR target requires managers to overcome conflicting demands on their leadership roles and have adequate knowledge and skills to complete the performance review effectively. The shifting dynamics of the COVID9 outbreak are providing challenges in how Organisational Development offer leadership support. The team are sending out communications reminding leaders of the importance of regular performance conversations. The communications highlight the positive impacts that these conversations have on the workforce, reinforcing wellbeing and ensuring colleagues feel valued. This is never more significant than during an unprecedented challenge of rapidly changing priorities and objectives due to the pandemic.

The team are now in the process of reviewing suitable software to design and facilitate virtual classrooms. The team believe with the current IT developments this training should be rolled out across the organisation from August 2020. It is believed that with these actions and new innovations the organisation should start to recover its PADR compliance rate and achieve Welsh Government standards.

↑ improved performance
 ↓ decline in performance
 ↔ sustained performance

achieved in target compliance

not achieved in target compliance

Staying healthy

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% of children who received 2 doses of the MMR vaccine by age 5	92.2%	91.0%	91.7%	↓
% of children who received 3 doses of the hexavalent '6 in 1' vaccine by age 1	95.1%	94.5%	96.3%	↑
% children 10 days old who accessed 10-14 days health visitor component of Healthy Child Wales Programme	90.7%	93.3%	96.2%	↑
European age standardised rate of alcohol attributed hospital admissions for individuals resident in Wales**	440.1	447.5	423.0	↑
	Annual Trends			
	2018	2019	Trend	
% of pregnant women who gave up smoking during pregnancy (by 36-38 weeks of pregnancy)*	23.3%	22.1%	↓	

* taken from Jan-20 merged data set ** taken from April APC refresh

Safe care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Of the Serious Incidents due for assurance within the month, % which assured in agreed timescales***	25.0%	7.1%	50.0%	36.8%	61.5%	34.6%	38.1%	41.2%	66.7%	↑
Number of new Never Events***	0	0	0	0	0	0	0	1	0	↓
% of in-patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	92.3%	90.6%	94.1%	91.2%	88.6%	92.6%	97.0%	97.4%	90.0%	↑
% ED patients who have received 'Sepsis Six' first hour care bundle within 1 hour of positive screening	90.7%	82.0%	89.2%	87.4%	88.1%	84.3%	89.8%	88.8%	87.5%	↑
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
Opioid average daily quantities per 1,000 patients	4,991.19	5,028.81	5,031.45	↓						
Number of patients aged 65+ prescribed an antipsychotic	1,209	1,244	1232	↓						
Total antibacterial items per 1,000 STAR-PU's	274	263	313	↓						
Fluoroquinolones, Cephalosporins, Clindamycin & Co-amoxiclav per 1,000 patients	14.3	13.8	13.5	↑						
Number of Patient Safety Solutions Wales Alerts & Notices not assured within the agreed timescales	2	1	0	↑						
	Annual Trends									
	2018	2019	Trend							
Number of hospital admissions with any mention of self harm for children/young people per 1,000 pop*	3.55	3.13	↑							
	Dec-18 (9mths ending)	Dec-19 (9mths ending)	Trend							
Cumulative rate of C Difficile cases per 100,000 of the population**	39.78	38.66	↑							
Cumulative rate of S.Aureus Bacteraemia cases per 100,000 of the population**	33.21	28.30	↑							
Cumulative rate of E.coli cases per 100,000 of the population**	92.70	105.61	↓							
Cumulative number of Klebsiella sp cases**	65	62	↑							
Cumulative number of Aeruginosa cases**	34	23	↑							

* taken from March APC refresh ** data is provisional *** data as at 29/04/2020

Effective care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
Crude hospital mortality (<= 74 years of age) rolling 12 months ending *	0.70%	0.69%	0.69%	0.69%	0.70%	0.70%	0.71%	0.71%	0.71%	↓
% of episodes clinically coded within one reporting month post episode discharge end date	65.7%	72.6%	74.7%	75.7%	82.0%	86.1%	83.5%	84.4%	86.7%	↑
% comp of completed level 1 IG (Wales) training element of Core Skills & Training Framework	79.0%	79.3%	79.8%	81.3%	82.0%	80.8%	80.9%	79.2%	78.5%	↓
Number of health board non mental health DToC	46	43	58	47	72	54	59	65	49	↓
Number of health board mental health DToC	7	8	3	2	3	7	6	14	13	↓
% universal mortality reviews undertaken within 28 days of a death	84.8%	86.4%	89.5%	81.9%	88.7%	94.8%	87.6%	90.6%	85.7%	↑
3 Quarter Trends										

	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
New medicines must be made available no later than 2 months after NICE and AWMSG appraisals	99.5%	99.5%	99.1%	↓
	Annual trends			
	2018/19	2019/20	Trend	
% clinical coding accuracy attained in the NWIS national clinical coding accuracy audit programme	89.7%	90.9%	↑	

* Taken from April CHKS refresh

Dignified care

	3 Quarter Trends			
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
% complaints that had final reply (Reg 24)/interim reply (Reg 26) <30 working days of concern received	75.5%	75.1%	72.5%	↓
	Annual trends			
	Dec-18 (9mths ending)	Dec-19 (9mths ending)	Trend	
Number procedures postponed either on the day or day before for specified non-clinical reasons*	1,214	1,087	↑	

* Taken from April refresh

Timely care

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% survival within 30 days of an emergency admission for a hip fracture***	77.3%	81.3%	79.5%	74.0%	81.0%	74.4%	85.7%	75.0%	74.4%	↓
% of patients waiting less than 26 weeks for treatment	89.4%	89.0%	89.8%	89.3%	87.8%	86.5%	87.5%	87.6%	86.5%	↓
Number of patients waiting more than 36 weeks for treatment	213	246	122	264	506	452	476	564	726	↓
Number of patients waiting more than 8 weeks for a specified diagnostic	56	185	115	192	345	391	164	102	129	↓
Number of patients waiting more than 14 weeks for a specified therapy Number of patients waiting more than 14 weeks for a specified therapy	41	138	262	297	424	426	277	224	146	↓
Number of patients waiting for a follow-up outpatient appointment	37,403	39,425	40,627	41,742	43,405	84,384	78,718	77,481	77,971	↓
Number of patients waiting for a follow-up outpatient appointment who are delayed by over 100%	24,806	26,683	27,793	28,358	29,379	29,411	20,227	17,322	17,926	↑
% compliance with stroke QIM Direct admission to an acute stroke unit (<4 hrs)*	68.3%	60.0%	59.2%	76.1%	63.6%	42.9%	50.0%	70.4%	37.7%	↓

Assessed by a stroke consultant (<24 hours)**	100.0%	93.5%	89.2%	92.3%	92.9%	96.2%	98.1%	98.3%	93.5%	
Patients receiving the required minutes for SALT	46.1%	45.5%	49.6%	44.3%	47.7%	37.2%	35.1%	36.3%	38.4%	
% of emergency responses to red calls arriving within 8 mins	67.9%	59.9%	67.8%	63.9%	65.5%	68.5%	61.9%	58.2%	58.0%	
Number ambulance handovers over one hour	417	204	284	251	313	406	465	670	799	
% of patients spend < 4 hours in emergency care from arrival until admit, transfer or discharge	81.3%	82.8%	83.5%	82.1%	82.2%	80.3%	81.1%	76.8%	76.0%	
Number of patients spent >=12 hrs in emergency care from arrival until admit, transfer or discharge	924	920	816	732	793	910	882	1,053	1,054	
% newly diagnosed with cancer, not via urgent route, started def treat within 31 days of diagnosis	94.5%	96.8%	98.3%	97.6%	96.4%	97.1%	98.5%	98.3%	99.3%	
% newly diagnosed with cancer, via urgent suspect route, started def treat within 62 days of referral	87.5%	80.0%	83.9%	74.0%	75.7%	73.9%	72.8%	75.9%	71.4%	
% of patients starting first definitive cancer treatment within 62 days from point of suspicion	84.3%	79.5%	84.7%	76.7%	76.7%	67.2%	74.6%	75.0%	76.2%	
% of MH assessments undertaken within 28 days from the date of receipt of referral	93.4%	87.3%	94.3%	85.8%	82.3%	91.3%	93.6%	88.6%	90.3%	
% of therapeutic interventions started within 28 days following an assessment by LPMHSS	89.9%	86.3%	88.0%	90.6%	87.0%	83.6%	84.9%	86.0%	85.8%	
% of patients waiting less than 26wks to starts a psychological therapy	63.3%	63.6%	64.6%	63.5%	60.5%	57.9%	56.3%	53.3%	51.0%	
% of children/young people waiting less than 26 wks to start ADHD or ASD neurodevelopment assessment	35.3%	43.2%	39.1%	35.9%	36.5%	34.6%	33.0%	33.3%	30.2%	
% R1 ophthalmology patients waiting within target date or within 25% beyond target date for an OP appointment	67.5%	64.9%	62.4%	62.5%	58.3%	56.1%	59.3%	61.8%	60.6%	
3 Quarter Trends										
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
% of qualifying patients who first had contact with an IMHA within 5 working days of their request	100.0%	100.0%	100.0%							
Annual Trends										
	2018	2019	Trend							
% GP practices offering appointments between 17:00 and 18:30 on 5 days a week	90.2%	89.6%								

* Target used is the SSNAP Oct-19 to Dec-19 UK average of 53.3%

** Target used is the SSNAP Oct-19 to Dec-19 UK average of 84.1%

*** Taken from April CHKS refresh

Individual care

9 Month Trends										
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of HB residents in receipt of secondary MH services (all ages) who have a valid CTP	90.9%	91.0%	91.6%	92.0%	94.5%	92.7%	93.9%	93.0%	94.8%	
% of HB residents sent their outcome assessment report within 10 working days after assessment	100.0%	100.0%	100.0%	100.0%	100.0%	64.3%	100.0%	85.7%	80.0%	
3 Quarter Trends										

	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend
Number of calls to the MH helpline CALL by Welsh residents per 100,000 of population	134.6	117.2	144.4	↑
Number of calls to the Wales dementia helpline by Welsh residents per 100,000 of population (age 40+)	3.6	9.1	3.6	→
Number of calls to the DAN 24/7 helpline by Welsh residents per 100,000 of population	34.0	23.1	19.4	↓

Our staff and resources

	9 Month Trends									
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Trend
% of headcount who have had a PADR/medical appraisal in previous 12 months	79.6%	80.6%	80.0%	79.7%	78.7%	77.8%	76.9%	76.1%	76.5%	↓
% compliance for all completed Level 1 competencies within Core Skills & Training Framework	80.7%	81.5%	82.1%	83.0%	84.1%	83.3%	83.4%	83.1%	83.1%	↑
% staff sickness absence (rolling 12 months)	4.87%	4.89%	4.92%	4.93%	4.95%	4.94%	5.04%	5.09%	5.11%	↓
	3 Quarter Trends									
	Q1 2019/20	Q2 2019/20	Q3 2019/20	Trend						
% adult dental patients in the HB pop re-attending NHS primary dental care between 6 & 9 mths	35.3%	34.7%	34.1%	↑						
% of critical care bed days lost to delayed transfer of care (ICNARC definition)	22.3%	18.9%	30.7%	↓						

Long term expenditure trend

The Health Board is required to report on long term expenditure trends and detailed below is the expenditure incurred over the last five years from 2015/16 to 2019/20 within the main programme areas of:

- hospital and community health services;
- primary healthcare services; healthcare from other providers.

Programme Area	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
Primary healthcare services	172,740	172,928	183,962	185,316	191,967
Healthcare from other providers	179,320	188,980	197,462	200,169	211,453
Hospital and community health services	457,847	500,923	506,430	534,120	587,107

Where we undertake activities that are not funded directly by the Welsh Government, we receive income to cover our costs which will offset the expenditure reported under the programme areas above. When charging for this activity, we have complied with the cost allocation and charging requirements as set out in HM Treasury guidance. The miscellaneous income received for the last five years is as follows:

	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
Miscellaneous income	51,698	52,934	54,345	57,187	61,806

Performance against Revenue Resource Limit for the past 5 years has been as follows:

	2015/16 £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s
Under/(Over) performance against Revenue Resource Limit	(31,199)	(49,613)	(69,430)	(35,438)	(34,943)

Anti-corruption and anti-bribery

NHS bodies in Wales must implement anti-fraud, bribery and corruption measures in accordance with Welsh Government directions on counter fraud measures and the service agreement under section 83 of the Government of Wales Act 2006. We have a counter fraud work plan which is devised and agreed with the Director of Finance and Audit and Risk Committee annually. The work plan actions are built around the identified fraud, bribery and corruption risks for the organisation.

We employ two full-time Counter Fraud Specialists to operationally deliver the counter fraud work plan. The Counter Fraud Specialists report to the Director of Finance regularly and to the Audit Committee providing updates on work completed against the agreed work plan and also providing updates on emerging fraud, bribery and corruption risks.

As well as the Welsh Government directions, NHS bodies are also obliged to demonstrate compliance with the NHS Counter Fraud Authority's Counter Fraud Standards for NHS Bodies (Wales). A self-assessment against each of these standards is completed on an annual basis using a RAG rating system. The Health Board's submissions are then tested

periodically by the NHS Counter Fraud Authority's Quality Assessment Inspector. The selfassessment for 2019/20 against the NHS counter fraud standards has been completed and the Health Board achieved an overall green rating.

Our website contains information and advice on counter fraud: www.hduhb.nhs.wales.

Responding to complaints and compliments

The Patient Support Contact Centre was expanded in 2019 and has received and handled over 6000 telephone calls. Of the complaints received, 73% were closed within 30 working days of receipt. Work continues to achieve the national target of 75% by improving performance through staff training and regular audits.

Formal compliments recorded on Datix tripled to 980 during 2019/20. It is widely recognised that this is still only a small proportion of the total number of actual compliments that are received by the Health Board. We aim to continue to improve reporting in 2020/21 with the introduction of new systems to capture and report compliments at source in the wards and departments where they are received.

Well-being of Future Generations (Wales) Act 2015

The Well-being of Future Generations (Wales) Act 2015 is multi-layered and requires individual organisation actions as well as collaborative working with Public Services Boards (PSBs) and wider partners. The Act also sets out where change needs to happen within seven corporate functions of an organisation: corporate planning; workforce planning; performance management; financial planning; risk; assets, and, procurement. These are the parts of the organisation that should be seeking to do things differently as they affect the rest of the organisation's services. In order to further embed this work, our Well-being of Future Generations Act Task and Finish group have been reviewing our organisational approach to agree ways of strengthening our governance and reporting arrangements.

We have refreshed our well-being objectives for 2019/20 onwards and recognised that we need to increase the scale and pace of our work to support de-carbonisation and biodiversity. Our well-being objectives are:

- Plan and deliver services to increase our contribution to low carbon.
- Develop a skilled and flexible workforce to meet the changing needs of the modern NHS
- Promote the natural environment and capacity to adapt to climate change
- Improve population health through prevention and early intervention, supporting people to live happy and healthy lives.
- Offer a diverse range of employment opportunities which support people to fulfil their potential

- Contribute to global well-being through developing international networks and sharing of expertise
- Plan and deliver services to enable people to participate in social and green solutions for health. Encouraging community participation through the medium of Welsh.
- Transform our communities through collaboration with people, communities and partners

In 2020/21 we will be linking our objectives to specific Executive Director Portfolios of work; workforce planning and development; environment and climate change; early intervention and prevention; and collaboration, involvement and integration.

Further information about our Well-being Objectives and our Annual Report can be found at the following link: <http://www.wales.nhs.uk/sitesplus/862/page/85517>.

Sustainability report

Introduction

Sustainable Development (SD) is a 'central organising principle' of the Welsh Government. Although not directly applicable to devolved governments, the Welsh Government request public bodies in Wales who report under the FReM to produce a Sustainability Report. Accordingly, this section of our annual report covers the environmental performance of the organisation, written in line with public sector requirements set out in the FReM and supplementary HMT Guidance 'Sustainability Reporting in the Public Sector'.

Description of organisation

HDUHB has an estate covering circa 52 hectares containing 57 freehold and leasehold premises totalling circa 187,977m². This includes 4 acute hospitals, 7 community hospitals and administration, health centre and clinic, mental health and accommodation facilities.

Environmental Management Governance

Board assurance on environmental and sustainability performance is provided via the Business Planning and Performance Assurance Committee, with work coordinated by the Estates, Capital and IM&T sub-committee. Action is delivered in-line with the environmental management standard 'ISO 14001'. A monitoring system is in place to gather the data required for sustainability reporting. This system is audited annually by the NHS Wales Shared Services Partnership Audit and Assurance Services and periodically as part of ISO 14001 audits.

Summary of Performance

The Health Board has made some significant improvements over the last year in a number of areas including energy efficiency projects, reuse schemes and more focus on the use of fuel efficient pool car fleet.

'Total Waste' produced has decreased this year but due to resource changes in the team reduced the ability to introduce schemes to improve the recycling rate which decreased by 2%. Source segregation projects at Glangwili and Withybush Hospital were not progressed in 19/20 as planned but will be a key objective in 20/21. Resource efficiency through the procurement of goods and services and encouraging the use of 'WARP IT' will continue to be a key objective.

Expenditure on utilities has increased, due mainly to the impact of volatile energy markets and underperformance of the CHP's and Biomass. Electricity and oil consumption has also increased due to the underperformance of the CHP's and Biomass, however, overall consumption and emissions have decreased slightly primarily due to the decrease in gas consumption and the reduction in the emission factor used to calculate electricity emissions. Business mileage and associated costs have decreased primarily due to expansion to the pool car scheme. It is worth noting that due to technical issues with the software collating Business mileage emissions the 'unknown average' emissions factor has been utilised from the DEFRA 'Greenhouse Gas Emissions for Company Reporting' for calculating carbon emissions for 2019. Although not fully comparable to previous years, the decrease in emissions reflects a decrease in business mileage.

Electric charging points for both staff and the public remains on the agenda of the transport unit although progress made since last year was limited to commencing a review of electric charging point providers and commissioning of surveys for all Health Board owned sites. This has yet to be concluded however will be a priority for 2020/21. The number of points installed will be dependent upon the outcome of these site surveys and wider review with public sector partners.

Water costs have decreased this year primarily due to rates being reduced by 2.5% and a decrease in consumption by 3.6% mainly from measures introduced through the Aquafund scheme. By end of March 2020 the Health Board saved circa £53k, 47,000M3 and 22.5tCO₂e.

The Environmental Team has continued to maintain the Environmental Management System in line with the ISO 14001 standard and is well placed to achieve accreditation in 2020/21.

The Health Board is progressing a number of other sustainability initiatives in 2020/21 including various Capital schemes, focusing on the use of green space, improving Biodiversity and developing a 'Decarbonisation Strategy'.

The level of performance data available on the staff intranet has improved but still needs additional work to ensure staff are receiving up to date information. The Environment team had aimed to launch an environmental performance internet page for the public to keep up to date with our contribution to Wales' sustainability aspirations last year but due to other priorities this has not yet been achieved. This will be a priority in 2020/21.

Greenhouse Gas Emissions

Overall CO₂ emissions have decreased by 0.37% from last year due primarily to the reduction in emission factors used for calculating electricity. Due to under performance of the Combined Heat and Power (CHP) units and Biomass there has been an increase in the use of grid electricity and a reduction in Gas consumption as we generated less electricity on our acute hospital sites through CHP's and an increase in Oil consumption due to under performance of the biomass. This is also reflected in the increase in overall energy costs compared to the previous year by 12% as Electricity and Oil per KWh is considerably more expensive than Gas.

The amount of liquid petroleum (LPG) gas used this year is just over double the amount used last year due to the purchase of Minaeron Resource Centre in August which uses LPG as their main source of heating fuel. Renewable electricity generation increased this year, as solar panels that had been disconnected during refurbishment works at Minaeron Resource Centre in 18/19 were reconnected. Renewable Energy Generation will increase further next

year following the delivery of the first of a number of proposed schemes the Health Board had planned to deliver by the end of March 2020 to reduce its carbon footprint and contribute to Welsh Government's 2030 net carbon neutral ambition. Phase 1 projects includes the installation of roof mounted Photovoltaic Panels (PV) across three community sites. These sites are;

- Elizabeth Williams Clinic (EWC);
- Amman Valley Hospital (AVH);
- Tenby Cottage Hospital (TCH);

In total the three schemes are estimated to save approximately 77,379 Kwh of electricity and £12.5K per annum. All three projects were intended to be completed by March 2020 but were delayed due to Covid 19. Phase 1 projects are now expected to be commissioned in Summer 2020/21. Carbon savings from these projects are expected to be approx. 76 tCo2e over the life time of the project payback period (8 years).

Business mileage this year has reduced from over 8 million miles per annum in 18/19 to approximately 7.5 million miles per annum. An increase in the number of fuel efficient fleet vehicles has meant fewer journeys are made in staff owned vehicles. Electric charging points for both staff and the public remains on the agenda of the transport unit although progress made since last year was limited to commencing a review of electric charging point providers and commissioning of surveys for all Health Board owned sites. This has yet to be concluded however. The number of points installed will be dependent upon the outcome of these site surveys. Due to technical issues with the software collating Business mileage emissions the unknown average emissions factor has been utilised from †use DEFRA 'Greenhouse Gas Emissions for Company Reporting' for calculating carbon emissions for 2019. This means that emissions could not be calculated based on the vehicle make, model and fuel type as in previous years, instead an average emissions factor has been used. The emissions are therefore not fully comparable but are an established form of calculating emissions and reflect a decrease in line with a decrease in business mileage.

Greenhouse Gas Emissions			
Non-Financial Indicators (1000 tCO₂e)†	2017-18	2018-19	2019-20
Total Gross Emissions	23.621	21.5	21.42
Gross Emissions Scope 1 from Gas and Oil	15.528	14.05	14.08
Gross Emissions Scope 2 & 3 from electricity and business mileage	8.093	7.45	7.34**
Related Energy Consumption (million KWh)	2017-18	2018-19	2019-20
Electricity: Non Renewable	16.04	17.82*	18.81*
Electricity: Renewable	0.033	0.016	0.020*
Gas	60.09	55.98*	53.14*
LPG	0.181	0.171	0.393*
Oil	16.14	13.92	16.47*
Biomass	5.56	5.35	4.31*
Financial Indicators	2017-18	2018-19	2019-20
Expenditure on Energy	£4,498,985	£4,954,845*	£5,603,324*
CRC License Expenditure	£297,265	£206,445	N/A

Expenditure on official business travel

£3,280,784 £3,393,732 £3,360,330.

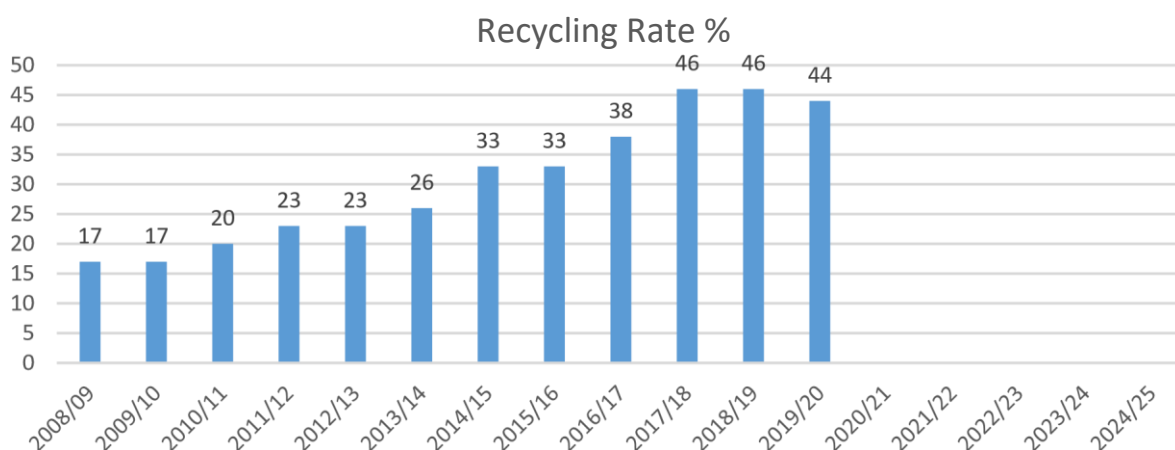
*estimated data based on end of year meter readings have been used where actual data is not available.

** Due to technical issues with the software collating Business mileage emissions the unknown average emissions factor has been utilised from 'use DEFRA 'Greenhouse Gas Emissions for Company Reporting' calculations for carbon emissions for 2019

Waste Management

Recycling has decreased by 2%. This has resulted from changes within in the team and planned source segregation projects at Glangwili and Wthybush hospital not being progressed in 19/20 as planned. We aim to roll out source segregation recycling in Glangwilli and Wthybush hospitals in 20/21 which we expect to significantly increase recycling rates, on a similar level to the increase seen from introducing source segregated recycling on the other acute sites (Bronglais and Prince Phillip) in 2017/18 and 2018/19

The volume of waste recycled is now circa 650 tonnes bringing the recycling rate to 44%. Waste to landfill has remained approximately the same as last year but clinical waste sent for heat treatment has decreased by 3%. This is reflected in the 'Total waste' produced showing a 2% decrease this year compared to the previous year. There has been a small increase in overall waste costs primarily due to rate increases and landfill charge increases.



Waste			
Non-Financial Indicators (tonnes)	2017-18	2018-19	2019-20
Total Waste	2465	2487	2433
Landfill (Black Bag)	793	833	837
Reused/Recycled	435	452	403
Composted*	250	247	249
Landfill (Hygiene Bag)	322	322	325
Alternative Treatment (Clinical)	517	484	470
Incinerated with energy recovery**	148	149	149
Incinerated without energy recovery	0	0	0

Financial Indicators	2017-18	2018-19	2019-20
Total Disposal Cost	£618,749	£630,237	£645,903
Landfill (Black Bag)	£152,929	£164,434	£175,002
Reused/Recycled	£62,585	£65,132	£73,542
Composted*	£22,301	£28,868	£29,476
Landfill (Hygiene Bag)	£104,549	£103,792	£104,006
Alternative Treatment (Clinical)	£191,936	£182,845	£177,171
Incinerated with energy recovery**	£84,449	£85,166	£86,706
Incinerated without energy recovery	0	0	0

* includes Anaerobic Digestion

** provides steam to a nearby facility

Use of resources

Water costs have decreased this year primarily due to rates being reduced by 2.5% and a decrease in consumption by 3.6% mainly from measures introduced through the Aquafund scheme. Over the last year the Health Board has appointed a specialist contractor who has been reviewing water consumption, leaks, metering infrastructure and tariffs as well as implementing water efficiency measures such as urinal controls. At the end of March the Health Board confirmed savings of circa £53k, 47,000M3 and 22.5tCo2e. From the revenue returned to the AquaFund Scheme, by saving water, they donate 1% of the value of the saving to Water Aid. Through this initiative the Health Board has helped transform lives in rural Mozambique, by bringing fresh water to 49,072 people.

Finite Resource Consumption			
Non-Financial Indicators (m ³)	2017-18	2018-19	2019-20
Water Consumption (Office)*			
Supplied	271,957	290,317	274,453*
Abstracted	8220	0	0
Per FTE**	33.63	34.45	31.43***
Water Consumption (Non-Office)***			
Supplied	29,213	28,373	29,527*
Abstracted	0	0	0
Financial Indicators	2017-18	2018-19	2019-20
Water Consumption (Office)*			
Water Supply Costs	£354,694	£395,083	£348,733*
Sewerage Costs	£442,286	£476,374	£395,015*
Water Consumption (Non-Office)***			

Water Supply Costs	£26,274	£26,517	£25,937**
Sewerage Costs	£32,436	£31,446	£32,382**

*All estate except the main laundry at Glangwili
 ** FTE Staff at 31st March 2020. *** Main laundry at Glangwili

In July 2018 the Health Board signed up to use Warp IT, an online furniture and equipment reuse platform. To date over 955 staff have committed to reusing no longer needed items, avoiding waste disposal of nearly 42 tonnes and preventing 165 tonnes of CO_{2e} emissions.

Environmental Management System (EMS) - Implementation

The Environmental Team has continued to maintain the Environmental Management System in line with the ISO 14001 standard, including the production of annual Objectives and Targets and presenting a Management Review of performance via formal committee.

The Health Board is well placed to achieve the accreditation to the new standard in 2020/21. A gap analysis was completed on 16th & 17th April 2020 (further audits to follow) to identify areas for further improvement. Four minor non-conformances were raised. These along with any identified in future audits will be compiled into an action plan for the Health Board to address pending certification to ISO14001:2015 standard.

Other Sustainability Initiatives

The Health Board is progressing with new developments and is keen to make these as environmentally considerate as possible. Projects planned for delivery in 20/21, but subject to structural surveys and available government funding on existing assets include;

- **Roof mounted PV panels** on 3 community sites – South Pembrokeshire Hospital (SPH)/Bro Cerwyn, Wellfield Road and Llandoverly;
- **LED Lighting Projects** on 4 community premises (Elizabeth Williams Clinic, Wellfield Rd, Swyn Y Gwynt, and SPH) and Bronglais Hospital site;
- **Ground Mounted Solar Farm Project** at Hafan Derwen site – 440KW;
- **LPG Project** at Glangwili to service one large lead boiler;

There has been a growing focus on the use of green space at our sites via staff led projects to benefit the natural environment and the wellbeing of patients and staff.

The grant funded initiative at Worthybush Hospital to renovate the court yard by Costa Coffee is well underway. The Health Board has utilised the valuable skills of volunteers and staff to make this project a success. This is nearing completion. Other projects being progressed in 2020/21 include the 'Magnificent Meadows project' which is focusing on a managed approach to leaving areas of grassland on the site grow wild to encourage biodiversity.

As part of a Capital scheme the Dementia garden in Prince Philip Hospital is being redesigned to improve the outdoor space for patients and to encourage biodiversity in 2020/21.

In February this year to comply with the WFGA S6 requirements, the Health Board commissioned an ecology specialist to complete a Biodiversity report covering Health Board

owned assets. As part of the Environmental Management System Targets and Objectives the Health Board will be exploring opportunities via planned schemes to deliver site based biodiversity improvements in line with the ecology report recommendations and best practice.

The level of performance data available on the staff intranet has improved but still needs additional work to ensure staff are receiving up to date information. The Environment team had also aimed to launch an environmental performance internet page for the public to keep up to date with our contribution to Wales' sustainability aspirations last year but due to other priorities this has not yet been achieved. Improving communication of performance data to both staff and the public will be a priority in 2020/21.

Finally, Shared Services are reviewing the HB's carbon footprint by July 2020 and developing an 'All Wales Decarbonisation strategy' with recommendations and targets by summer 2020. Following on from this the Health Board aim to develop their own 'Decarbonisation Strategy' in line with any 'All Wales Decarbonisation Strategy' targets.

Chapter 2
Accountability Report

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INTRODUCTION TO THE ACCOUNTABILITY REPORT

The accountability report is one of the three reports which form Hywel Dda University Health Board's (the Health Board) Annual Report and Accounts. The accountability section of the annual report is to meet key accountability requirements to the Welsh Government (WG). The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

As not all requirements of the Companies Act apply to NHS bodies, the structure adopted is as described in the HM Treasury's Government Financial Reporting Manual (FReM) and set out in the 2019-20 Manual for Accounts for NHS Wales, issued by the WG.

The Accountability Report consists of three main parts. These are:

- **The Corporate Governance Report:** This report explains the composition and organisation of the Health Board and governance structures and how they support the achievement of the Health Board's objectives. The Corporate Governance Report itself is in three main parts; the Directors' Report, the Statement of Accounting Officer's Responsibilities and the Annual Governance Statement.
- **The Remuneration and Staff Report:** The Remuneration and Staff Report contains information about senior managers' remuneration. It will detail salaries and other payments, the Health Board's policy on senior managers' remuneration, and whether there were any exit payments or other significant awards to current or former senior managers. In addition, the Remuneration and Staff Report sets out the membership of the Health Board's Remuneration Committee, and staff information with regards to numbers, composition and sickness absence, together with expenditure on consultancy and off payroll expenditure.
- **National Assembly for Wales Accountability and Audit Report:** The National Assembly for Wales Accountability and Audit Report provides information on such matters as regularity of expenditure, fees and charges, and the audit certificate and report.

Hywel Dda University Health Board

PART A:

CORPORATE GOVERNANCE REPORT 2019/20



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

INTRODUCTION

The Corporate Governance Report provides an overview of the governance arrangements and structures that were in place across Hywel Dda University Health Board during 2019/20. It includes:

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

DIRECTORS' REPORT

THE COMPOSITION OF THE BOARD AND MEMBERSHIP

Part 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulations 2009 sets out the required membership of the Boards of Local Health Boards, the appointment and eligibility requirements of members, the term of office of independent members and associate members. In line with these Regulations, the Board of Hywel Dda University Health (the Health Board) comprises 20 voting members, with additional 7 non-voting members including:

- a chair;
- a vice-chair;
- officer members; □ independent members; and
- associate members.

The Board provides leadership and direction to the organisation and is responsible for governance, scrutiny and public accountability, ensuring that its work is open and transparent by holding its meetings in public. As a result of the public health risk linked to the pandemic the UK and Welsh Government (WG) stopped public gatherings of more than two people and it is therefore not possible to allow the public to attend meetings of our board and committees from March 2020. Further information on this can be found on page 22.

The members of the Board are collectively known as “the Board” or “Board members”; the officer and independent members (which includes the Chair) are referred to as Executive Directors and Independent Members respectively. All Independent Members and Executive Director Members have full voting rights.

The Health Board has 11 Independent Members (including Chair and Vice-Chair), all of whom are appointed by the Minister for Health and Social Services. There are 9 Executive Directors.

In addition, Welsh Ministers may appoint up to 3 Associate Members. The Board has appointed a fourth with the consent of the Minister for Health and Social Services. Associate Members have no voting rights. There are also 2 Director posts and the Board Secretary who form part of the Executive Team who also have no voting rights.

Before an individual may be appointed as a member or associate member they must meet the relevant eligibility requirements, set out in Schedule 2 of The Local Health Boards (Constitution, Membership and Procedures) (Wales) Regulation 2009, and continue to fulfil the relevant requirements throughout the time that they hold office. The Regulations can be accessed via the following link:

<http://www.wales.nhs.uk/governance-emanual/regulations-constitution-membershipand->

VOTING MEMBERS OF THE BOARD DURING 2019/20

During 2019/20, the following individuals were full voting members of the Board of the Health Board:

NAME	ROLE	DATES
INDEPENDENT MEMBERS		
Maria Battle	Chair	From 19 August 2019
Judith Hardisty	Interim Chair	To 18 August 2019
Judith Hardisty	Vice-Chair (Mental Health, Primary Care and Community Services)	Resumed from 19 August 2019
Paul Newman	Interim Vice-Chair (Mental Health, Primary Care and Community Services) (Independent Member (Community))	To 18 August 2019 Resumed from 19 August 2019
Anna Lewis	Independent Member (Community)	Full year
Professor John Gammon	Independent Member (University)	Full year
Owen Burt	Independent Member (Third Sector)	Full year
David Powell	Independent Member (Information Technology)	To 30 November 2019
Maynard Davies	Independent Member (Information Technology)	From 1 December 2019
Simon Hancock	Independent Member (Local Government)	Full year
Adam Morgan	Independent Member (Trade Union)	To 12 July 2019
Ann Murphy	Independent Member (Trade Union)	From 9 January 2020
Delyth Raynsford	Independent Member (Community)	Full year
Mike Lewis	Independent Member (Finance)	Full year

EXECUTIVE MEMBERS		
Steve Moore	Chief Executive Officer	Full year
Joe Teape	Deputy Chief Executive/Executive Director of Operations	To 30 November 2019
Phil Kloer	Executive Medical Director & Director of Clinical Strategy Deputy Chief Executive/Executive Medical Director	To 22 January 2020 From 23 January 2020
Karen Miles	Executive Director of Planning, Performance & Commissioning	Full year

Huw Thomas	Executive Director of Finance	Full year
Mandy Rayani	Executive Director of Nursing, Quality & Patient Experience	Full year
Alison Shakeshaft	Executive Director of Therapies and Health Science	Full year
Lisa Gostling	Executive Director of Workforce & Organisational Development	Full year
Ros Jervis	Executive Director of Public Health	Full year
Andrew Carruthers	Executive Director of Operations	From 1 December 2019

During 2019/20, there were the following vacancies:

INDEPENDENT MEMBERS	EXECUTIVE DIRECTORS
Independent Member (Trade Union) from 13 July 2019 to 8 January 2020	None

Whilst the above role on the Board was vacant, with exception of the trade union element, the other responsibilities were covered by other Board members to ensure continuity of business and effective governance arrangements.

ASSOCIATE MEMBERS/NON-VOTING MEMBERS OF THE BOARD

During 2019/20, there are 4 Associate Members and 5 non-voting officer members of the Board, of which 2 posts (the Turnaround Director and Transformation Director) have been disestablished in-year:

NAME	ROLE	DATES
ASSOCIATE MEMBERS		
Michael Hearty	Associate Member	Full year
Jonathan Griffiths	Associate Member (Pembrokeshire County Council Director of Social Services)	Full year
Hilary Jones	Associate Member (Chair of Stakeholder Reference Group*)	To 29 February 2020
Kerry Donovan	Associate Member (Chair of Health Professionals Forum*)	To 31 January 2020

NON-VOTING MEMBERS		
Joanne Wilson	Board Secretary	Full year
Jill Paterson	Director of Primary Care, Community & Long Term Care	Full year
Sarah Jennings	Director of Partnerships and Corporate Services	Full year

Andrew Carruthers	Turnaround Director	To 30 November 2019 (when commenced role of Executive Director of Operations)
Libby Ryan-Davies	Transformation Director	To 30 April 2019

*Deputising arrangements were in place whilst the Health Board was in the process of recruiting new Chairs for the Stakeholder Reference Group and Chair of Health Professionals Forum (appointments currently awaiting Ministerial approval).

Further details in relation to role and composition of the Board can be found at pages 16 to 38 of the [Annual Governance Statement](#). In addition, short biographies of all our Board members can be found on our website at: <https://hduhb.nhs.wales/aboutus/your-health-board/board-members/>.

The Annual Governance Statement also contains further information in respect of Board and Committee Activity.

AUDIT AND RISK ASSURANCE COMMITTEE

The membership of the Audit and Risk Assurance Committee (ARAC) during 2019/20, providing the required expertise was as follows:

NAME	ROLE	DATES
Paul Newman	Committee Chair	Full year
Mike Lewis	Committee Vice-Chair	Full year
Judith Hardisty	Committee Member	From 19 August 2019 (Resumed position as Health Board Vice-Chair)
Owen Burt	Committee Member	Full year
Simon Hancock	Committee Member	Full year
David Powell	Committee Member	To 30 November 2019
Maynard Davies	Committee Member	From 1 December 2019

DECLARATION OF INTERESTS

Details of company directorships and other significant interests held by members of the Board which may conflict with their responsibilities are maintained and updated on a regular basis. A Register of Interests is available on the Health Board's website by clicking on the following link <http://www.wales.nhs.uk/sitesplus/862/page/97881> , or a hard copy can be obtained from the Board Secretary on request.

PERSONAL DATA RELATED INCIDENTS

Information on personal data related incidents formally reported to the Information Commissioner's office and "serious untoward incidents" involving data loss or confidentiality breaches are detailed on page 65 of the [Annual Governance Statement](#).

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

We take pride in running our healthcare services responsibly as part of the wider West Wales community. We work hard to reduce our impact on the environment, to encourage staff to make healthy lifestyle choices, and to strengthen our relationships with local people. Our strategic approach to sustainability ensures that we not only look at ways to reduce fixed costs such as energy, water and waste, but we also embed efficiency principles within our processes for procuring goods and services. In terms of social and community matters, we work hard to:

- Make a positive contribution to the work of Public Services Boards (PSBs) in each of our 3 local authority areas to improve the economic, social, environmental and cultural wellbeing of local people. This has resulted in Health Board commitment to actions within each of our 3 PSB Wellbeing Plans which by working collaboratively, will seek to achieve improvements in environmental, social and community resilience;
- Develop collaborative arrangements with partner organisations including the police, fire and rescue services, schools and universities, and the voluntary and third sector to support greater integration across the services that people need from us, and in doing so improve efficiency, reduce duplication and enhance the experience of each person;
- Progress our Health and Care Strategy, 'A Healthier Mid & West Wales – Our Future Generations Living Well' and managing a demonstrable "shift left" in population health and community/primary care developments over the transitional years. Over the last year, a number of initiatives have been implemented across Hywel Dda community including:
 - ✓ Community Triage and Treat in 25 practices with a total of 111 staff trained;
 - ✓ A series of videos produced demonstrating the services and support offered by community pharmacies;
 - ✓ Multi-disciplinary working in 11 out of 13 GP practices in Pembrokeshire to provide an integrated approach to care;
 - ✓ Community Resources Team in South Ceredigion extended to North Ceredigion;
 - ✓ Development of a joint prevention strategy for Carmarthenshire focused on early intervention & independence;
 - ✓ Successful recruitment of community connectors from the Transformation Fund to support moving from 5 to 6 Integrated Community Networks;
 - ✓ NOSDA (No One Should Die Alone) project successfully piloted in 3 care homes, Withybush General Hospital (WGH), Sunderland Ward and Cleddau River Day Unit - 114 hours of emotional support provided to 39 people;
 - ✓ Delta Well-being expansion to deliver CONNECT prevention programme Health Board wide;
 - ✓ Successful amalgamation of Goodwick and Fishguard surgeries to provide a health & well-being centre;
 - ✓ The opening of the Aberaeron (Minaeron) and the Cardigan Integrated Care Centres during 2019. These support new ways of working with GP's, Pharmacies and the Local Authority partners. New mobile technology has been introduced to facilitate a more agile and adaptable workforce for the growing and changing needs of our local populations;

- ✓ 24/7 drop-in service commenced at the Gorwelion Community Mental Health Centre in Aberystwyth including a designated Section 136 place of safety;
- ✓ Opening of the Llanelli Twilight Sanctuary providing a safe and supportive environment for support and advice;
- ✓ Development of a mental health practitioner for 2 GP practices in Pembrokeshire to improve earlier access to assessment; and
- ✓ Intensive Learning Disability support team pilot underway as part of the Bevan Exemplar programme to test the provision of increased level of support for at risk individuals in the community
- Continue to embed local leadership across our acute hospitals and within community settings to ensure that our frontline have the support they need to do the best they can;
- Reinforce our organisational values so that our staff are clear on what is expected of them and have a robust framework to provide them with greater resilience against pressure;
- Promote the excellent work and 'extra mile efforts' of our staff – as well as our friends in the community – through social media and other channels, so that people who go the extra mile are rightly recognised for their contributions;
- Employ cutting-edge, cost-effective technology to help communicate and engage with everyone who interacts with, or has an interest in, our services;
- Help staff to consider different forms of transport to get to work, including more active options and those that reduce congestion as well as local air and noise pollution. An assessment is underway to determine the feasibility of the phased introduction of electric pool fleet vehicles and electric charging points for staff and visitors;
- Reduce, reuse and recycle: We continue to identify ways to reduce the waste we send to landfill, recycle wherever possible and reuse resources to avoid unnecessary purchases. For example the Health Board are signed up to 'Warp it' an online platform for reuse of furniture and equipment and have rolled out source segregation on a number of our acute sites which has boosted our recycling rate. Typically these measures have reduced waste to landfill, encouraged staff to reuse resources and reduced our carbon impact;
- Cut our carbon emissions: In terms of carbon reduction, we have recently installed roof mounted Photovoltaics on 3 community sites – Amman Valley, Elizabeth Williams Clinic and Tenby Cottage hospital. We plan to deliver further roof mounted PV scheme and LED lighting projects on another 4 community sites in 2020/21, along with a ground mounted solar farm project in Hafan Derwen. Key benefits of all these schemes are carbon reduction, improved site resilience and revenue savings;
- Resource Efficiency: Over the last year the Health Board has appointed a specialist contractor who has been reviewing water consumption, leaks, metering infrastructure and tariffs as well as implementing water efficiency measures such as urinal controls. To date this has saved the Health Board circa £53k, 47,000M³ of water and 22.5tCO₂e (tonnes of carbon dioxide equivalent).; and
- Green Space: There has been a growing focus on the use of green space at our sites via staff led projects to benefit the natural environment and the

wellbeing of patients and staff. Examples include a grant funded initiative at WGH to renovate the court yard by Costa Coffee, and a 'Magnificent Meadows project' which is focusing on a managed approach to leaving areas of grassland on the site grow wild to encourage biodiversity, as well as renovation of the Dementia garden in Prince Philip Hospital (PPH) which is being re-designed to improve the outdoor space for patients and to encourage biodiversity.

STATEMENT OF PUBLIC SECTOR INFORMATION HOLDERS

As the Accountable Officer of the Hywel Dda University Health Board, and in line with the disclosure requirements set out by the Welsh Government and HM Treasury, I confirm that the Health Board has complied with the cost allocation and charging requirements set out in HM Treasury guidance during the year.

Signed by:

Date: 29 May 2020

Steve Moore

Chief Executive

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS ACCOUNTABLE OFFICER OF HYWEL DDA UNIVERSITY HEALTH BOARD

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer of Hywel Dda University Health Board.

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

I can confirm that:

- To the best of my knowledge and belief, there is no relevant audit information of which Hywel Dda University Health Board's auditors are unaware and I have taken all steps that ought to have been taken to make myself aware of any relevant audit information and established that the auditors are aware of that information.
- Hywel Dda University Health Board's annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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

**Signed
by:**

Date: 29 May 2020

**Steve Moore
Chief Executive Officer**

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 HM Treasury, direct that these accounts give a true and fair view of the state of affairs of Hywel Dda University Health Board

and of the income and expenditure of the Hywel Dda University Health Board for that period.

In preparing those accounts, the Directors are required to:

- Apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of HM Treasury;
- Make judgements and estimates which are responsible and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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 requirements outlined in the above mentioned direction by the Welsh Ministers

BY ORDER OF THE BOARD

Signed by:

On behalf of Chair: Date:2020
Maria Battle

Chief Executive: Date:2020
Steve Moore

Executive Director of Date:
.....2020 Finance: Huw Thomas

ANNUAL GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

The Board is accountable for Governance, Risk Management and Internal Control. As Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures, as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds, and the organisation's assets for which I am

personally responsible. These are carried out in accordance with the responsibilities assigned by the Accountable Officer of NHS Wales.

This Annual Governance Statement details the arrangements in place during 2019/20 to discharge my responsibilities as the Chief Executive Officer of the Health Board, and to manage and control the Health Board's resources. It also details the extent to which the organisation complies with its own governance arrangements, in place to ensure that it fulfils its overall purpose, which is that it is operating effectively and delivering quality and safe care to patients, through sound leadership, strong stewardship, clear accountability, robust scrutiny and challenge, ethical behaviours and adherence to our set values and behaviours. It will set out some of the challenges and risks we encountered and those we will continue to face going forward.

At the time of preparing this Annual Governance Statement the Health Board and the NHS in Wales is facing unprecedented and increasing pressure in planning and providing services to meet the needs of those who are affected by COVID-19, whilst also planning to resume other activity where this has been impacted.

The required response has meant the whole organisation has had to work very differently both internally and with our staff, partners and stakeholders and it has been necessary to revise the way the governance and operational framework is discharged. In recognition of this, Dr Andrew Goodall, Director General Health and Social Services/NHS Wales Chief Executive wrote to all NHS Chief Executives in Wales, with regard to "COVID -19- Decision Making and Financial Guidance". The letter recognised that organisations would be likely to make potentially difficult decisions at pace and without a firm evidence base or the support of key individuals which under normal operating circumstances would be available. Nevertheless, the organisation is still required to demonstrate that decision-making has been efficient and will stand the test of scrutiny with respect to compliance with Managing Welsh Public Money and demonstrating Value for Money after the COVID-19 crisis has abated and the organisation returns to more normal operating conditions.

To demonstrate this the organisation is recording how the effects of COVID-19 have impacted on any changes to normal decision making processes, for example through the use of a register recording any deviations from normal operating procedures. Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

Planning has and will remain fluid and responsive to incoming data, and the Health Board is now adjusting its planning assumptions as it anticipates that it will experience a series of peaks in demand for critical care and bed capacity over the next 8–12 months, the timing and scale of which is currently unknown. Therefore the Health Board is developing careful plans to restart normal services on a clinically prioritised basis whilst maintaining all essential services, alongside managing increased demand from COVID-19, and understanding the impacts of suspended/scaled back services on delivery, quality and safety, finances and performance.

Targeted Intervention

The Health Board is held to account for its performance by the Welsh Government (WG), who have established arrangements for escalation and intervention to support NHS bodies to address issues effectively and deliver the required improvement.

During 2019/20, the Health Board remained in 'targeted intervention' (TI), which is the third level in the NHS Escalation and Intervention Framework, however significant progress was made throughout the year, with improvements in overall performance leading to the de-escalation of scrutiny in this area in September 2019. There has been an acknowledgement of the work progressed in relation to our Health and Care Strategy, reduction of infection rates, Referral to Treatment Times (RTT) and diagnostic and therapy waits, however our financial planning and delivery have continued to dominate discussions, along with the increasing fragility of unscheduled care and the out of hours service during the second half of the year.

TI scrutiny was scaled back in Quarter 4 to allow NHS Wales organisations to focus their resources on planning and preparation for the COVID-19 pandemic.

OUR GOVERNANCE FRAMEWORK

The Health Board is responsible for the planning and provision of NHS healthcare services for people in Carmarthenshire, Ceredigion, Pembrokeshire and its bordering counties. It employs 11,000 members of staff who provide primary, community, in-hospital, mental health and learning disabilities services for approximately 384,000 people across a quarter of the landmass of Wales. This is done in partnership with three local authorities and public, private and third sector colleagues, including volunteers.

Figure 1 shows the Health Board's governance structure that was in place during 2019/20. In January 2020, the Board agreed for a new governance structure to be implemented from 1 April 2020 which would reduce the number of Committees and their core membership to make governance more enabling, while allowing increased visibility of Board Members across the Health Board. However, in light of COVID-19, the Board agreed in April 2020 to have a more streamlined Board and Committee Structure and that implementation of the new governance structure would be phased and responsive until the Health Board returns to routine business arrangements.

The new governance structure can be found in the Corporate Governance Structure/Arrangements paper in the January Board papers via the following link: <http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.7%20Revised%20Corporate%20Governance%20Structure%20%26%20Arrangements.pdf>.

In March 2020, the Health Board focused on essential business only, and established a Command and Control Governance Structure to facilitate its planning and preparations for the emerging global COVID-19 pandemic. The Board endorsed this approach in April 2020 – see Board paper <http://www.wales.nhs.uk/sitesplus/documents/862/Item%202.2%20Maintaining%20Good%20Governance%20Covid%2019.pdf>. The Board reinforced that in a fast moving pandemic such as COVID-19, governance arrangements must be

strengthened, in order to receive assurance on key issues such as: □ service preparedness and the response to the pandemic;

- clinical leadership;
 - engagement and ownership of developing plans;
 - health and wellbeing of staff;
 - proactive, meaningful and effective communication with staff at all levels; and
- health and care system preparedness.

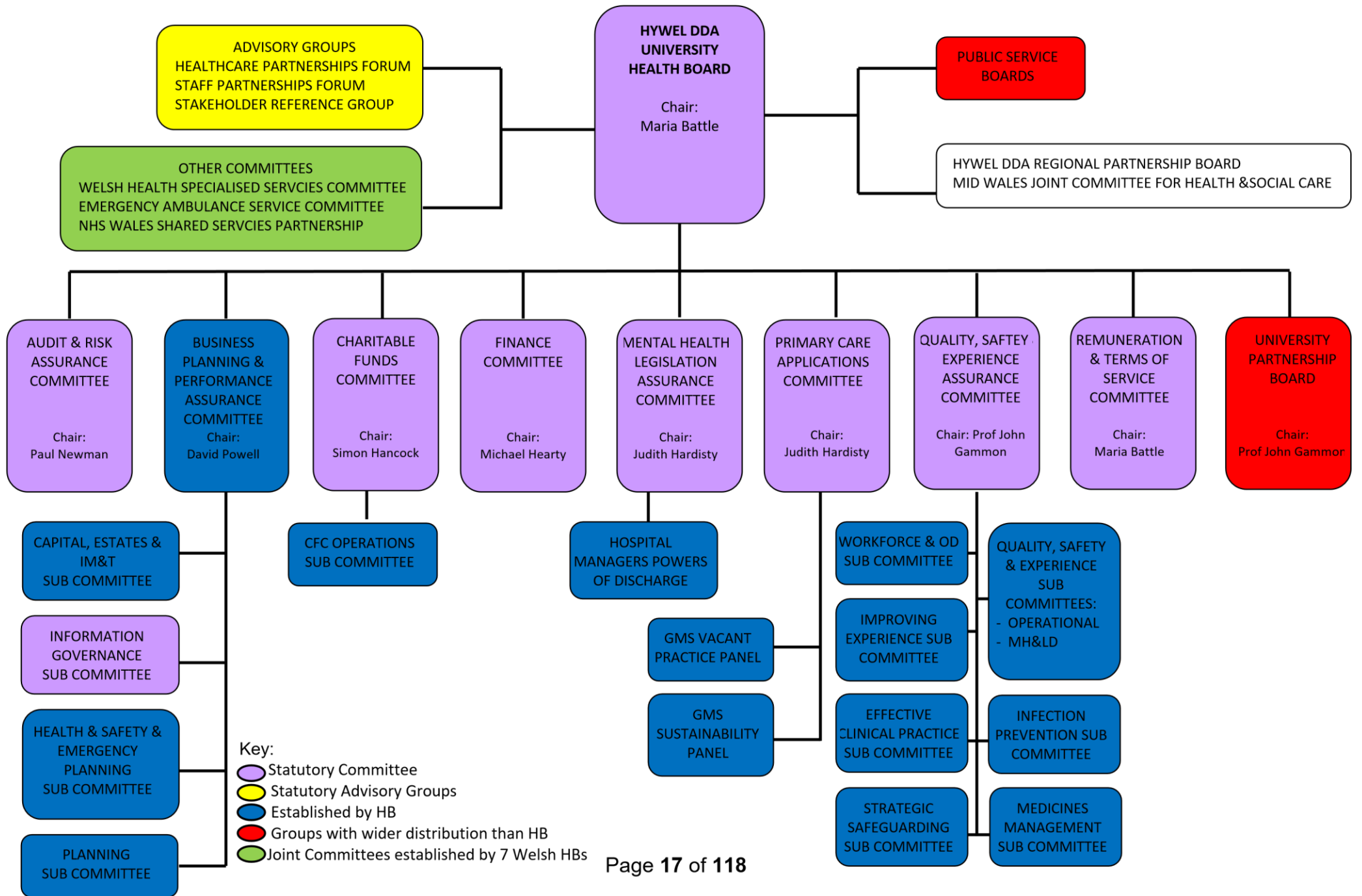
The Board considered and agreed new ways of working to ensure the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively, whilst recognising the reality of Executive focus and time constraints, and its inability to hold meetings in public due to introduction of social distancing measures and restrictions on public gatherings. To facilitate as much transparency and openness as possible, the Health Board agreed to:

- Publish agendas as far in advance as possible – ideally 7 days
- Oral reporting which will be captured in the meeting minutes
- Publish reports as far in advance as possible – recognising that some may be tabled and therefore published after the event. As detailed above there may be the need to increase our use of oral updates to reports based on more concise papers.
- Draft public Board minutes to be available within 1 week of the meeting
- Provision for written questions to be taken from Board Members who are unable to attend at board meeting and response provided immediately following the meeting
- A clear link to our website pages and social media accounts signposting to further information will be published.
- Amend the website (which constitutes our official notice of Board meetings) and explain why the Board is not meeting in public.

As Accountable Officer, this approach will remain under constant review with the Chair and the Board Secretary, and further variations will be brought to the attention of the Board, as we respond to COVID-19 and try to resume and maintain normal business throughout the year. The following paper was presented to the Board in May 2020 detailing the revised Command and Control Structure, the revised schedule of Board and Committee meetings, the continuation of the variation to Standing Orders and the approval of the Transformation Steering Group.

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%201.6%20Maintaining%20Good%20Governance%20COVID-19.pdf>.

Figure 1: BOARD AND COMMITTEE STRUCTURE



The Board

The Board's constitution complies with the Local Health Board (Constitution, Membership and Procedures) (Wales) Regulations 2009. The Board functions as a corporate decision-making body. Executive Directors and Independent Members are full and equal members and share corporate responsibility for all the decisions of the Board. Details of those who sit on the Board are published on our website at: <https://hduhb.nhs.wales/about-us/your-health-board/board-members/>. Further information is also provided in the [Directors' Report](#).

All Board members share corporate responsibility for formulating strategy, ensuring accountability, monitoring performance and shaping culture, together with ensuring that the Board operates as effectively as possible. The Board is comprised of individuals from a range of backgrounds, discipline and areas of expertise, and provides leadership and direction ensuring that sound governance arrangements are in place.

The Board consists of 20 voting members including the Chair, Vice Chair and Chief Executive. In addition to responsibilities and accountabilities set out in the terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters such as carers and older people. The Board and Committee Membership and Champion roles during 2019/20 is included as Appendix 1 to this statement.

Following the departure of the previous Chair, Bernardine Rees OBE, due to illhealth, in February 2019, the Vice-Chair, Judith Hardisty assumed the role of Interim Chair. Maria Battle, commenced as Chair permanently in August 2019. Additionally, there was the expected changeover of Independent Members during 2019/20 as tenures come to an end. The Health Board warmly welcomed 2 new Independent Members, Ann Murphy, who replaced Adam Morgan as the Trade Union representative, and Maynard Davies, who replaced David Powell as the Information Technology representative on the Board. The term of three further IMs were extended as was the term of the Associate Board Member appointed to chair the Finance Committee (FC).

There have been changes to the composition of the Executive Team where membership has reduced from 14 to 12. In December 2019, the Turnaround Director, Andrew Carruthers, took up post as the new Executive Director of Operations following the departure of the previous post holder, Joe Teape. The turnaround programme has been incorporated into the portfolio of the Executive Director of Finance. The post of Transformation Director was also disestablished and accountability for the delivery of the Health and Care Strategy and the associated resource (including the Strategic Programme Director and the transformation programme office) was transferred from the Executive Medical Director to the Executive Director of Planning, Performance and Commissioning.

Standing Orders and Scheme of Reservation and Delegation

The Board has approved Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the LHB (Constitution, Membership and Procedures) (Wales) Regulations 2009 into day

to day operating practice, and, 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 the Health Board and define its 'ways of working'. These documents, together with the range of corporate policies set by the Board make up the Governance Framework. These are available on the Health Board's website: <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>

In addition to the annual review of Standing Orders and Standing Financial Instructions that took place in May 2019, the Board approved the WG revised Standing Orders. This included the revised Standing Orders for WHSSC (Welsh Health Specialised Services Committee) and EASC (Emergency Ambulance Services Committee) at its meeting in November 2019.

The Board, subject to any directions that may be made by the Welsh Ministers, is required to make appropriate arrangements for certain functions to be carried out on its behalf so that the day to day business of the Health Board may be carried out effectively, and in a manner that secures the achievement of its aims and objectives. To fulfil this requirement, in alignment with the review of Standing Orders and Committee terms of reference, a detailed review of the Board's Scheme of Reservation and Delegation of Powers was undertaken in November 2019.

As part of its response to COVID-19, the Board agreed in April 2020, its approach to ensuring the appropriate level of Board oversight and scrutiny to discharge its responsibilities effectively, whilst recognising the reality of Executive focus and time constraints. Part of the response is in respect of ways of working, which must adapt continually during such a pandemic; however part of the response required temporary variation from its Standing Orders (SOs) and Reservation and Delegation of Powers. To ensure that the Health Board can facilitate agile decision making and reduce unnecessary bureaucracy, without compromising strong governance, it agreed a temporary variation to parts of the Standing Orders. Further information on these can be accessed in the report to Board <http://www.wales.nhs.uk/sitesplus/documents/862/Item%202.2%20Maintaining%20Good%20Governance%20Covid%2019.pdf>).

Board and its Committees

In line with Section 2 of the Health Board's Standing Orders which provides that "The Board may and, where directed by the WG, must appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions", the Board has an established committee structure with each Statutory Committee chaired by an Independent Member, with other Committees chaired by an Independent or Associate Member (Finance). On behalf of the Board, they provide scrutiny, development discussions, assessment of current risks and performance monitoring in relation to a wide spectrum of the Health Board's functions and its roles and responsibilities.

The following Board Committees were in place during 2019/20:

- Audit and Risk Assurance Committee (ARAC)
- Business Planning and Performance Assurance Committee (BPPAC)
- Charitable Funds Committee (CFC)
- Quality, Safety and Experience Assurance Committee (QSEAC)
- Finance Committee (FC)
- Mental Health Legislation Assurance Committee MHLAC)
- Primary Care Applications Committee (PCAC)
- Remuneration and Terms of Service Committee (RTSC)
- University Partnership Board (UPB)

The Chair of each Committee reports to the Board on the Committees' activities outlining key risks and highlighting areas which need to be brought to the Board's attention in order to contribute to its assessment of assurance and provide scrutiny against the delivery of objectives. The Committees, as well as reporting to the Board, also work together on behalf of the Board to ensure, where required, that cross reporting and consideration takes place and assurance and advice is provided to the Board and the wider organisation. Further, in line with Standing Orders, each Committee has produced an annual report, for 2019/20, setting out a helpful summary of its work.

All Committees have undertaken a review of their Terms of Reference in 2019/20. Copies of Committee papers and minutes, a summary of each Committee's responsibilities and Terms of Reference are available on the Health Board's website: <https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>. Each Committee will maintain a Table of Actions that is monitored at meetings.

Each of the main Committees of the Board is supported by an underpinning subcommittee structure reflecting the remit of its roles and responsibilities.

The following table outlines dates of Board and Committee meetings held during 2019/20, with all meetings being quorate:

Meeting										
Month	Board	Audit and Risk Assurance Committee	Business Planning & Performance Assurance Committee	Charitable Funds Committee	Quality, Safety & Experience Assurance Committee	Finance Committee	Mental Health Legislation Assurance Committee	Primary Care Applications Committee	Remuneration & Terms of Service Committee	University Partnership Board
April 2019		23.04.19	30.04.19		04.04.19	25.04.19				
May 2019	29.05.19 30.05.19	07.05.19 29.05.19				20.05.19			20.05.19	29.05.19
June 2019		25.06.19	27.06.19	18.06.19	04.06.19	25.06.19	24.06.19	13.06.19	27.06.19	
July 2019	25.07.19					22.07.19				

August 2019		27.08.19	29.08.19		01.08.19	22.08.19				
September 2019	26.09.19			20.09.19		24.09.19	17.09.19			
October 2019		22.10.19	29.10.19		03.10.19	21.10.19		08.10.19	09.10.19	
November 2019	28.11.19					26.11.19				07.11.19
December 2019		19.12.19	17.12.19	16.12.19	03.12.19	19.12.19	17.12.19			
January 2020	30.01.20					27.01.20		07.01.20	23.01.20	
February 2020		25.02.20	20.02.19		04.02.20					
March 2020	26.03.20			17.03.20		13.03.20				

The Structured Assessment 2019 undertaken by Audit Wales (AW), (known as Wales Audit Office before 1 April 2020), acknowledged that despite a period of change the Board continues to be generally well-run and the quality of scrutiny and challenge remains high. However, at its Board Seminar Session in December 2019, the Board recognised that there are still improvements that need to be made to improve its governance arrangements, and therefore agreed to:

- Strengthen the focus on our core priorities /key issues;
- Improve the focus on delivery;
- Reduce duplication, volume and length of papers whilst improving clarity, focus and quality;
- Reduce the number, length and membership of meetings;
- Improve the visibility of the Executive Team and Independent Members;
- Improve “gatekeeping”/discipline by Committee Chairs and Executive leads; and
- Listen and learn more from patient experience and staff voices.

In January 2020, the Chair proposed a new streamlined Committee structure, which will make governance more enabling and allow increased visibility of Board Members across the Health Board. The new structure will also reduce the number of Committees and moderate membership to a smaller number, with presenters invited to attend for individual items. The Committee structure, approved in January 2020, will be implemented in a phased approach from April 2020 in accordance with new ways of working and agreed variations to Standing Orders as agreed by Board whilst it manages COVID-19 requirements.

Board Activity

As well as meeting in public across the three counties throughout the year, the Board has webcast its meetings (except March 2020) to improve accessibility across a large geographical area. Throughout 2019/20, each meeting held a Public Forum, in which the Chair took questions submitted in advance. However this will be stood down during the COVID-19 pandemic.

It is acknowledged that in these unprecedented times, there are limitations on Boards and Committees being able to physically meet where this is not necessary and can be achieved by other means. In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. As a result of the public health risk linked to the pandemic the UK and WG stopped public gatherings of more than two people and it has therefore not possible to allow the public to attend meetings of our board and committees from March 2020. Recordings of our meetings resumed in May 2020 with the aim to live stream from July 2020. To ensure business was conducted in as open and transparent manner as possible during this time the Board agreed a number of actions at its meetings in April and June 2020 (see above) – the report can be accessed via the following link <http://www.wales.nhs.uk/sitesplus/862/page/100005>.

An assessment was also made to ensure that decisions were time critical and could not be held over until it is possible to allow members of the public to attend meetings. As the duration of the pandemic and the subsequent measures to be taken to mitigate spread are not yet known it will be necessary to keep this under review.

There is a clear patient and staff centred focus by the Board at the meetings, demonstrated by the presentation of patient and staff stories at the start of each meeting.

Attendance is formally recorded within the minutes, detailing where apologies have been received and deputies have been nominated. The dates, agendas and minutes of all public meetings can be found on our website: <http://www.wales.nhs.uk/sitesplus/862/page/40875>.

During 2019/20, the Board held:

- 7 meetings in public
 - 1 Annual General Meeting
 - 6 seminar sessions
 - Regular development sessions

All Board meetings held in 2019/20 were quorate. The Board meeting in March 2020 was not held in public, with only a quorum membership to comply with emergency measures for social distancing during the COVID-19 outbreak. Arrangements have now been put in place to hold 'virtual' meetings so that all Board Members can attend, and plans are in place to resume broadcasting live meetings.

The Board has a programme of work which was adapted during the course of the year to respond to emerging events and circumstances. The Board discussed and considered the following items during 2019/20:

ITEMS

Approval

Assurance

Information

Strategic Issues			
Partnership Agreements - Pooled Funding and Ceredigion Community Equipment Services: Section 33 Agreement	✓		
Update provided on virtual pooled funding agreement		✓	
Health and Care Strategy Delivery – update on Establishment of Portfolio of Programmes		✓	
Executive Director of Public Health Annual Report for 2018/19		✓	
Ratify the Single Adult Thoracic Surgery Centre at Morriston Hospital, Swansea	✓		
Development of New Chemotherapy Day Unit at Bronglais General Hospital (BGH)	✓		
Inpatient Malnutrition Business Case	✓		
Implementation and funding requirements of the Major Trauma Network	✓	✓	
Reconfiguration of Sexual Assault Referral Centres (SARCs) across Mid and West Wales	✓		
Health & Care Strategy Update		✓	
BGH: Delivering Excellent Rural Acute Care	✓		
Winter Preparedness 2019/20	✓		
Health & Care Strategy Update		✓	
NHS Delivery Unit (DU) Audit on Primary Mental Health Services for Children and Adolescent Mental Health Services (SCAMHS) report		✓	
Major Trauma Network Update			✓
Three Year Plan including the Financial Plan		✓	
Strategic Equality Plan and Objectives 2020-24	✓		
Delivering the here and now			
The Nurse Staffing Levels (Wales) Act Annual Report 2018/19		✓	
The Evaluation of Unscheduled Care Performance through Winter 2018/19			✓
The Health and Care Standards Fundamentals of Care Annual Report 2018		✓	
Internal Assurance Review of the Quality and Safety of Maternity Services following Recent Independent Review of Maternity Services at the former Cwm Taf University Health Board		✓	
Dental Investment Plan 2019/20 Update		✓	
Healthcare Inspectorate Wales Annual Report 2018/19 Presentation			✓
Primary Care Annual Report 2018/19			✓
Medical Revalidation & Appraisal Annual Report 2018/19			✓
NHS Wales Fighting Fraud Strategy			✓
Implementation of the Quality Improvement Strategic Framework		✓	
Fragility of Mental Health Services		✓	
Influenza Vaccination Improvement Plan 2019/20		✓	

Updated Major Incident Plan 2019/20	✓		
Strategic Equality Plan Annual Report 2018/19		✓	
Healthcare Inspectorate Wales Annual Report 2018/19			✓
Working to Improve the Health of Vulnerable Groups		✓	
Public Service Ombudsman for Wales - Annual Letter 2018/19		✓	
Funded Nursing Care Fees increase 2019/20	✓		
Mid-year Review of the Annual Plan 2019/20		✓	
Health Board's Well-being Objectives Annual Report for 2018/19 and refreshed Well-Being Objectives for 2019/20 and beyond	✓		
Annual Presentation of Nurse Staffing Levels for Wards Covered Under Section 25b of the Nurse Staffing Levels (Wales) Act 2016			✓
Hywel Dda Community Health Council (CHC) Annual Report 2018/19			✓
The Charter for Improving Patient Experience	✓		
Progress against the Winter Plan		✓	
Primary Care Models for Wales Delivery Milestones 2019/20 and 2020/21			✓
Governance			
Committee Annual Reports	✓		
Governance, Leadership and Accountability Standard	✓		
The Annual Quality Statement, Accountability Report, Annual Governance Statement, Annual Accounts, Letter of Representation and AW ISA 260 for submission to WG	✓		
Hywel Dda University Health Board Annual Report for 2018/19	✓		
Standing Orders and Standing Financial Instructions including the revised Standing Orders for WHSSC (Welsh Health Specialised Services Committee) and EASC (Emergency Ambulance Services Committee)	✓		
The Terms of Reference for: <ul style="list-style-type: none"> ○ Charitable Funds Committee ○ Finance Committee ○ Primary Care Applications Committee ○ Healthcare Professionals Forum ○ Health and Care Strategy Delivery Group ○ Remuneration and Terms of Service Committee 	✓		
Amendment of the forecast deficit position from £15m to £25m	✓		
Revised Corporate Scheme of Financial Delegation	✓		
Revised Corporate Governance Structure	✓		
Auditor General for Wales – Annual Audit Report 2019 and Structured Assessment 2019 report		✓	
New governance arrangements relating to the University Partnership Board.	✓		

In addition, the Board regularly undertook the following throughout the year:

- Endorsed the register of sealings, as appropriate;

- Discussed the financial performance and the related risks being managed by the Health Board;
- Received reports on patient experience and feedback, ensuring where concerns were raised that these were escalated to the Board and, where necessary, result in the Board proactively activating agreed multiagency procedures and cooperate fully with partners;
- Discussed the Board's performance in relation to key national and local targets and agreed mitigating actions in response to improve performance where appropriate;
- Received corporate risk reports providing assurance on the management of risks to the achievement of objectives and significant operational risks, and any variances to agreed tolerance levels;
- Received reports from the Chair and Chief Executive;
- Received assurance reports and endorsed any matters arising from the InCommittee Board, Committees, Joint Committees, Advisory Groups and Statutory Partnerships of the Board; and
- Received status reports on consultations that the Health Board has responded to.

Board Development Programme

As the scope of corporate governance has increased in recent years, Boards now play an essential role in implementing high performance organisation principles and practices as part of their corporate governance responsibilities. An effective Board Development Programme is therefore critical in enabling the Board to move towards the wider model of corporate governance which incorporates:

- Monitoring the performance of the organisation and the senior management team;
- Setting organisational goals and developing strategies for their achievement; and
- Being responsive to changing demands, including the prediction and management of risk.

The Health Board has renewed its commitment to Board development during 2019/20 under the leadership of the new Chair. The Health Board has a comprehensive, Board-approved Board Development Programme designed to provide ongoing developmental support. The programme involves separate sessions held for Independent Members and Executive Directors and provides a foundation for continued learning and development. The programme is delivered in-house with support from external providers and subject matter experts.

During 2019/20, there has been limited turnover at Executive and Independent Member level, and transition into roles for new Board Members has been managed through robust induction processes. Independent Members have also taken part in the All Wales induction programme run by Academi Wales.

The revised streamlined structure for the Board and Committee working arrangements, has resulted in revised leadership of key committees to match individual areas of expertise and experience. The Chair and CEO are keen to

encourage more Board visibility throughout the organisation and to ensure that the Board continues to listen and learn from front line staff experience. The introduction of Reverse Mentoring for all Board members is an example of how this will be applied in practice, when the Health Board returns to normal business.

A new Executive Director Performance Framework was introduced in 2018/19 to provide clarity on performance expectations and role requirements and Year 2 implementation of this framework has continued in 2019/20. This year performance has centred on a 'Team Goal' with each Executive having specific deliverable contributions towards attainment of that goal. Quarterly individual performance reviews ensure that team progress remains on track. A bespoke development programme is also in place to work through issues of executive team cohesion, effectiveness and performance. Each Executive also has access to Executive coaching support.

The above programme has been supplemented by Board Member participation in the Health Board's Board Seminars which have been held on a regular basis during the year. Board Seminars have provided the Board with an opportunity to receive and discuss subjects/topics which provide additional sources of information and intelligence as part of its assurance framework. This in turn assists with the Board's ability in adequately assessing organisational performance and the quality and safety of services, with sessions held over the year having featured:

- What does the Welsh Health Specialised Services Committee do;
- The Annual Operating Plan 2019/20 Update;
- Healthcare Inspectorate Wales Annual Findings 2018/19;
- Update on the Health Board's Strategy "A Healthier Mid & West Wales";
- Update on the Financial Performance (month 2);
- Public Sector Equality Duty (PSED);
- Communications Update (new Health Board Website);
- Additional Learning Needs and Education Tribunal (Wales) Act 2018;
- The Bevan Commission: driving radical transformation in health and care;
- Adult Thoracic Surgery for South Wales;
- Patient Safety Walkarounds;
- Duty of Candour (Health and Social Care (Quality and Engagement) (Wales) Bill);
- Speaking up Safely;
- Update on Brexit;
- Feedback from AW Structured Assessment 2019;
- Proposed Governance Arrangements;
- Reverse Mentoring;
- Implementation of Community News in Community and Primary Care;
- Transient Ischaemic Attacks (TIA): Our improvement journey;
- Fragility of Services and Winter Planning;
- Update of Integrated Medium Term Plan and Financial Plan;
- Transforming Asthma Care in Hywel Dda: An integrated approach Tywi Taf Respiratory Nurse Role Evaluation Report;
- Emergency Ambulance Services Committee (EASC); and

Board's Self-Assessment of its Effectiveness including the Corporate Governance Code, the Governance, Leadership and Accountability Module

The Board is required to undertake an annual self-assessment of its effectiveness. The Board was presented with the following sources of internal and external assurance and assessments to help it to evaluate its annual effectiveness:

- Feedback from the Joint Executive Team meetings with WG;
- Feedback from the Targetted Intervention meetings with WG;
- Self-assessment against the WG "All Wales Self-Assessment of Current Quality Governance Arrangements" which provided medium assurance. More information on this can be found in the Quality Governance section of this report;
- AW Structured Assessment;
- Feedback from the Board Committee self-assessment programme. More information on this can be found in the AW Structured Assessment Section of the report; and
- IA Report on the Health and Care Standards. More information on this can be found in the Health and Care Standards section of the report.

In addition to these are the Health Board's assessments of its governance arrangements against the Corporate Governance Codes and the Governance, Leadership and Accountability Standard:

Self-assessment against the Corporate Governance in Central Government Departments: Code of Good Practice 2017

Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, an assessment was undertaken in March 2020 prior to impact of COVID-19 against the main principles as they relate to an NHS public sector organisation in Wales. This assessment was informed by its Quality Governance Assessment, the AW Structured Assessment 2019 and its assessment against Health and Care Standard 1 Governance, Leadership and Accountability Module. The Health Board is satisfied that it is complying with the main principles of, and is conducting its business in an open and transparent manner in line with, the Code. There were no reported/identified departures from the Corporate Governance Code during the year, other than those detailed in the 'maintaining Good Governance during COVID-19 paper to Board in April 2020 -

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%202.2%20Maintaining%20Good%20Governance%20Covid%2019.pdf>.

Annual Self-assessment against Health and Care Standard

A self-assessment was undertaken to demonstrate how the Health Board operates in accordance with the following criteria for the standard:

- Health Services demonstrate effective leadership by setting direction, igniting passion, pace and drive, and developing people;
- Strategy is set with a focus on outcomes, and choices based on evidence and people insight. The approach is through collaboration building on common purpose;

- Health services innovate and improve delivery, plan resource and prioritise, develop clear roles, responsibilities and delivery models, and manage performance and value for money; and
- Health Services foster a culture of learning and self-awareness, and personal and professional integrity.

As part of this work, it was envisaged that there would be a focused session at the April 2020 Board Seminar Session to reflect upon and discuss the internal and external assurances collated by the Health Board during 2019/20 and to agree its maturity level as a Board together with the areas of improvement. However, as the Health Board is in unprecedented times due to the current COVID-19 pandemic, the Board Seminar was cancelled and replaced with formal Board meeting to discuss the Board's arrangements and decision-making in respect of COVID-19. Therefore, discussions were held with Chair and Chief Executive to agree a revised approach to complete this work for the Annual Governance statement 2019/20.

The following maturity level has been proposed, with suggested areas of improvement that will be taken forward when the Health Board returns to normal business.

Level 3 - We are developing plans and processes and can demonstrate progress with some of our key areas for improvement.

Committee Activity

During 2019/20, Board Committees considered and scrutinised a range of reports and issues relevant to the matters delegated to them by the Board. Reports considered by the committees included a range of IA reports, external audit reports and reports from other review and regulatory bodies, such as Healthcare Inspectorate Wales and the Hywel Dda Community Health Council. These reports provided information on the effectiveness of the framework of internal controls and risk management.

The Committees also considered and advised on areas of local and national strategic developments and new policy areas.

Audit and Risk Assurance Committee (ARAC)

The ARAC is an important Committee of the Board in relation to this Annual Governance Statement. On behalf of the Board, it keeps under review the design and adequacy of the Health Board's governance and assurance arrangements and its system of internal control, including risk management. The Committee keeps under review the risk approach of the Health Board and utilises information gathered from the work of the Board, its own work, the work of other Committees and other activity in the organisation in order to advise the Board regarding its conclusions in relation to the effectiveness of the system of governance and control.

In enacting its responsibilities, the ARAC is very clear on its role in seeking assurances, with the assurance function being defined as:

- Reviewing reliable sources of assurance and being satisfied with the course of action; and
- An evaluated opinion, based on evidence gained from review – tends to be based on independent validation, both internal and external.

The Committee is therefore a key source of assurance to the Board that the organisation has effective controls in place to manage the significant risks to achieving its strategic objectives and that controls are operating effectively.

The Committee, through its in-year reporting, has regularly kept the Board informed in respect of the results of its reviews of assurances, together with any exceptional issues. In supporting the Board by critically reviewing governance and assurance processes on which reliance is placed during 2019/20, a summary of the work of, and key issues considered by, the Committee, on which it has specifically commented in relation to the overall governance of the organisation during the year, is included in the ARAC Annual Report for 2019/20 which can be found in the Statutory Committees section of our website.

<https://hduhb.nhs.wales/aboutus/governance-arrangements/statutory-committees/>.

The following issues have been reported to the Board during 2019/20, and the Committee has made recommendations and undertaken further actions in order to seek and provide assurance to Board that issues of concern have been addressed where possible, thus supporting the Health Board's governance and assurance systems:

- Improving compliance of overnight switchboard workers with the European Working Time Directive (EWTB). The introduction of a new switchboard system will resolve this issue.
- Unsatisfactory findings relating to staff morale, clinical engagement and a lack of clarity around ownership identified in the AW Clinical Coding Follow-up Review which the Committee will monitor in 2020/21.
- The pace of progress in respect of the AW NHS Consultant Contract Followup Review. Projections of job-planning processes in place up to March 2020 were requested by the Committee and a plan is in place for delivery with regular monitoring. There has been significant improvement in compliance however completion of work has been interrupted by COVID-19.
- The need for increased focus by the Health Board upon findings and actions identified in the AW report: 'What's the Hold Up? Discharging Patients in Wales' and that real change required effective interaction with other bodies to support a whole system/ partnership approach.
- The AW Review of Primary Care Services in Wales and Local Update report was a reminder that there was a requirement for increased focus on primary care at Board level to strengthen services and enable the 'expected shift left' in healthcare services
- The national and local AW Integrated Care Fund (ICF) Reports highlighted to the Board that further work was needed to improve governance in this area.
- The pace of progress against the AW and IA reviews of Operating Theatres specifically in relation to implementing workforce changes to bring the service in line with Agenda for Change rules had led to the Committee agreeing this

had moved beyond its remit, with a request that a resolution can be expedited through the Board.

- The pace of delivery against the AW Radiology Review with continued monitoring.
- Reports on progress against outstanding improvement plans relating to the AW Review of Estates 2016 and the IA of Health and Safety 2016 did not provide assurance that outstanding recommendations would be implemented as planned. Further reports were requested with tangible plans.
- Further assurances on the management actions detailed in the IA Water Safety Report and agreed the need for follow-up audits at different sites. Following receipt of a further report on Water Safety – Additional Sampling, the Committee agreed that it would be helpful for the Executive Team to conduct a full review of the outstanding Estates/IT/Medical Equipment backlog across the Health Board.
- The IA National Standards for Cleaning Follow-up report raised concerns regarding implications for infection control if compliance with cleaning standards was compromised by capital funding and infrastructure restrictions.
 - Concerns that the assurance ratings presented in the IA ‘Preparedness and Compliance with the Nurse Staffing Act’ report did not reflect the position across the whole organisation (while noting substantial work being undertaken within the Health Board to implement the requirements of the Act). Recognising potential risks in terms of the Health Board’s ability to recruit sufficient numbers of temporary staff to enable compliance with the Act, the Committee requested that this area be re-audited. The QSEAC to seek assurance where there are shortfalls of staffing.
- Significant shortcomings in priority areas were noted from the findings presented in the IA Consultant and Specialty and Associate Specialist (SAS) Doctors Job Planning Report whilst recognising time pressures linked to achievement of compliance targets (ie. ensuring all Consultants and SAS Doctors have a valid job plan in place by March 2020), Assurances were sought that the delivery approach taken by the Health Board was appropriate, and that there was a Management Action Plan for achievement of 100% compliance for each service area.
- The IA report ‘Financial Safeguarding: Maintenance Team Led Work’ identified issues that were considered against wider challenges in terms of the Health Board’s outstanding Estate and maintenance work, noting the need to expedite maintenance work and revise processes.
- The IA Review of Personal Appraisal Development Review (PADR) Process report identified areas of concern in respect of the PADR compliance and the quality of the documentation, however a follow up review provided a reasonable assurance rating.
- The IA review of the Research and Development (R&D) department provided ‘limited’ assurance, however the Committee were assured that a number of actions were underway and the department had been subject to an organisational change process which addressed previous structural gaps, together with a number of concerns identified in the report. The Committee requested a further assurance report on the broader R&D position, including recent, current and planned changes, rather than focusing only on the Health

Board's response to the findings in the report. This assurance report and a follow up IA review are planned for 2020/21.

- The IA review of the BGH Directorate reported concerns regarding the Directorate's approach to risk targets and tolerance and other issues that the Directorate should have been aware of. A follow up review will be undertaken in 2020/21.
- The number of audit and regulatory reports not completed by agreed dates, as identified in the Central Audit Tracker report led to the ARAC Chair reissuing his previous letter to Executive Directors regarding late or non-delivery of recommendations from external/internal audit and regulatory reports.
- Concern regarding error rates in Post Payment Verification (PPV), particularly in those GP practices which had received additional training, revisits and support. A further update report was requested and presented to the Committee, leading to a recommendation by Members that PPV issues be highlighted to Board, given the potential increase in funding allocation within Primary Care and Community sectors with the proposed 'shift to the left' of services.

Other items identified by the Committee as requiring Board attention included:

- The Health Board's recent static performance in terms of meeting WG Response to Concerns times targets, as noted by the Committee in discussion of the Concerns Update report;
- Potential cost to the Health Board associated with invocation of the share agreement applying to the Welsh Risk Pool;
- Findings from the IA Estates Directorate Governance Review, identifying a number of high priority recommendations and issues relating to sickness management, the need for meaningful PADRs and recording of risks on the Risk Register;
- Recognition of the progress and improvements made relating to Clinical Audit;
- The operation of the Primary Care Assurance Committee in accordance with its Terms of Reference and appropriate discharge of its duties.
- Committee assurance regarding the adequacy of current arrangements and proposed steps to improve arrangements relating to declaring, registering and handling interests;
- Committee recommendation to Board of the revised version of Health Board's Standing Orders (SOs) and Standing Financial Instructions, including SOs for Welsh Health Specialised Services Committee (WHSSC) and Emergency Ambulance Services Committee (EASC) (Emergency Ambulance Services Committee);
- All documentation relating to year end was approved by the Board at its meeting held 29th May 2019;
- Committee agreement (subject to Executive Team approval) that outstanding actions highlighted in the Scrutiny of Outstanding Improvement Plans: Royal College of Paediatrics & Child Health report should be included within the Health Board's overall service development, to be monitored by ARAC, rather than being progressed as a discrete workstream.
- Implementation of all recommendations from the 2017 Structured Assessment.

An overview of the other Board Committees is provided below, with the key areas of focus in 2019/20 of these Committees provided in their Annual Reports that can be found on the Statutory Committees section of our website.

<https://hduhb.nhs.wales/about-us/governance-arrangements/statutory-committees/>

Business Planning and Performance Assurance Committee

The purpose of the BPPAC is to assure the Board that the planning cycle is being taken forward and implemented in accordance with Health Board and WG requirements, guidance and timescales; that all plans put forward for the approval of the Health Board for improving the local population's health and developing and delivering high-quality, safe and sustainable services to patients, and the implementation of change, are consistent with the Board's overall strategic direction and any requirements and standards set for NHS bodies in Wales; and that wherever possible, Health Board plans are aligned with partnership plans developed with Local Authorities, Universities, Collaboratives, Alliances and other key partners.

In respect of its performance role, BPPAC provides assurance that the data on which performance is assessed is reliable and of high quality and that any issues relating to data accuracy are addressed; provides support to the Board in its role of scrutinising performance and assurance on overall performance and delivery against Health Board plans and objectives, including delivery of Tier 1 targets, giving early warning on potential performance issues and making recommendations for action to continuously improve the performance of the organisation and, as required, focus in detail on specific issues where performance is showing deterioration or there are issues of concern; and provides assurance on the management of principle risks within the Board Assurance Framework (BAF) and Corporate Risk Register (CRR) allocated to the Committee and its Sub-Committees, reporting any areas of significant concern and recommending acceptance of risks that cannot be brought within the Health Board's risk appetite/tolerance to the Board through the Committee Update Report.

Charitable Funds Committee (CFC)

The Committee is charged with providing assurance to the Board in its role as corporate trustees of the charitable funds held and administered by the Health Board. It makes and monitors arrangements for the control and management of the Board's Charitable Funds within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework.

Finance Committee (FC)

The purpose of the FC is to provide scrutiny and oversight of financial and the revenue consequences of investment planning (both short term and in relation to longer term sustainability), review (and report to the Board) financial performance and any areas of financial concern, conduct detailed scrutiny of all aspects of financial performance, the financial implications of major business cases, projects, and proposed investment decisions on behalf of the Board; regularly review contracts with key delivery partners, and provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning on potential performance issues and making recommendations for action to continuously improve the financial position of the

organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern. AW recognised in Structured Assessment 2019, the improved scrutiny through the FC with an increased focus on the longer term.

Mental Health Legislation Assurance Committee (MHLAC)

The purpose of the MHLAC is to assure the Board that those functions of the Mental Health Act 1983, as amended, which have been delegated to officers and staff are being carried out correctly; and that the wider operation of the 1983 Act in relation to the Health Board's area is operating properly; the provisions of the Mental Health (Wales) Measure 2010 are implemented and exercised reasonably, fairly and lawfully; the Health Board's responsibilities as Hospital Managers is being discharged effectively and lawfully; and that the Health Board is compliant with the Mental Health Act Code of Practice for Wales. The Committee will also advise the Board of any areas of concern in relation to compliance with mental health legislation and agree issues to be escalated to the Board with recommendations for action.

Primary Care Applications Committee (PCAC)

The purpose of this Committee is to determine the Primary Care contractual matters on behalf of the Board, and in accordance with the appropriate NHS regulations. It also discusses matters relating to GP branch closures, opening hours and border change applications, Community Pharmacy opening hours and ownership applications and dental contractual changes and the issuing of remedial and breach notices. Furthermore, it has been a useful forum for discussing primary care estates developments and priorities as well as broader GP sustainability issues.

Quality, Safety and Experience Assurance Committee

The Committee is responsible for providing evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the quality and safety of health care and services provided and secured by the HB. It also has the role of providing assurance to the Board in relation to the HB's arrangements for safeguarding vulnerable people, children & young people and improving the quality and safety of health care to meet the requirement and standards determined for the NHS in Wales. In 2019/20, the Health Board continued to strengthen quality governance arrangements.

University Partnership Board (UPB)

The UPB is a formal partnership arrangement between the Health Board and its University partners. It is a creative hub that drives and monitors developments in the three domains of Research and Innovation, Workforce and Organisational Development and Collaborative Partnerships, and provides assurance to the Board.

Advisory Groups

The Health Board has a statutory duty to "take account of representations made by persons and organisations who represent the interests of the communities it serves, its officers and healthcare professionals". This is achieved in part by three Advisory Groups to the Board which are:

- The Stakeholder Reference Group (SRG) □ The Staff Partnership Forum (SPF) and
- The Healthcare Professionals' Forum (HPF)

Matters that have been brought to the attention and dealt with by the Board have been outlined in appendix 2, however each Advisory Group has produced an annual report, for 2019/20 setting out a helpful summary of its work.

Stakeholder Reference Group (SRG)

The Group is formed from a range of partner organisations from across the Health Board's area and engages with and has involvement in the strategic direction, advises on service improvement proposals and provides feedback to the Board on the impact of its operations on the communities it serves. In January 2020, the SRG chair, Hilary Jones, stood down and deputising arrangements are in place whilst a new Chair is being recruited.

The Staff Partnership Forum (SPF)

The Forum is responsible for engaging with staff organisations on key issues facing the Health Board and met regularly during the year. It provides the formal mechanism through which the Health Board works together with Trade Unions and professional bodies to improve health services for the population it serves. It is the Forum where key stakeholders engage with each other to inform debate and seek to agree local priorities on workforce and health service issues.

The Healthcare Professionals' Forum (HPF)

The Forum should comprise of representatives from a range of clinical and healthcare professions within the Health Board and across primary care practitioners with the remit to provide advice to the Board on all professional and clinical issues it considers appropriate. It is one of the key Forums used to share early service change plans, providing an opportunity to shape the way the Health Board delivers its services.

Other Committees of the Board

Matters that have been brought to the attention of the Board for the Committees below can be found on our website within our Board papers via the following link <http://www.wales.nhs.uk/sitesplus/862/page/40875>.

Welsh Health Specialised Services Committee (WHSSC) & Emergency Ambulance Services Committee (EASC)

The Welsh Health Specialised Services Committee (WHSSC) and the Emergency Ambulance Services Committee (EASC) are statutory joint committees of the seven local health boards. They were established under the Welsh Health Specialised Services Committee (Wales) Directions 2009 (2009/35) and 2014 (2014/9 (w.9)) (the WHSSC Directions) and the Emergency Ambulance Services Committee (Wales) Directions 2014 (2014/8 (W.8)) (the EASC Directions).

The WHSSC was established in April 2010 and is responsible for the joint planning and commissioning of over £500m of specialised and tertiary health care services on an all Wales basis.

The EASC was established in April 2014 and is responsible for the joint planning and commissioning of circa £155m of emergency ambulance services, including Emergency Medical Retrieval & Transfer Service (EMRTS) on an all Wales basis and commissioning Non-Emergency Patient Transport Services (NEPTS).

The Chief Executive represents the Health Board at both these Committees and a summary of key matters and decisions is reported to the Board following each meeting.

NHS Wales Shared Services Partnership Committee

A NHS Wales Shared Services Partnership Committee (NWSSPC) has been established under Velindre NHS Trust which is responsible for exercising shared services functions including the management and provision of Shared Services to the NHS in Wales.

The Executive Director of Finance represents the Health Board at this Committee and a summary of key matters and decisions is reported to the Board following each meeting. More information on the governance and hosting arrangements of the WHSCC, EASC and NWSSPC can be found in the Health Board's Standing Orders in the Statutory Committees section of our website:

<https://hduhb.nhs.wales/aboutus/governance-arrangements/statutory-committees/>.

NHS Wales Collaborative Leadership Forum (CLF)

The NHS Wales Collaborative Leadership Forum (CLF) was constituted in December 2016. As the responsible governance group for the NHS Wales Health Collaborative it has been established to agree areas of service delivery where crossboundary planning and joint solutions are likely to generate system improvement.

The forum also considers the best way to take forward any work directly commissioned by WG from Health Boards and Trusts as a collective; and provides a vehicle for oversight and assurance back to WG as required. Assurance is given to individual Boards by providing full scrutiny of proposals.

Mid Wales Joint Committee for Health and Social Care (MWJC)

In March 2018, the Mid Wales Healthcare Collaborative transitioned to the Mid Wales Joint Committee for Health and Social Care whose role is to have a strengthened approach to planning and delivery of health and care services across Mid Wales and will support organisations in embedding collaborative working within their planning and implementation arrangements.

Joint Regional Planning and Delivery Committee (JRPDC)

The Joint Regional Planning & Delivery Committee (JRPDC) was established as a Joint Committee of Swansea Bay (formally Abertawe Bro Morgannwg) and Hywel Dda University Health Boards and constituted from 24 May 2017 to provide joint leadership for the regional planning, commissioning and delivery of services for Swansea Bay and Hywel Dda University Health Boards.

In January 2020, the Board agreed to disestablish the JRPDC, given the new confidence in the work to date as expressed by Andrew Goodall, Chief Executive, NHS Wales, subject to formal approval from the Minister for Health and Social Services.

Hywel Dda Public Service Board

The Health Board is a statutory member of Public Services Boards (PSBs) in Carmarthenshire, Ceredigion and Pembrokeshire. PSBs were established under the Well-being of Future Generations (Wales) Act 2015 (the Act) and their purpose is to improve the economic, social, environmental and cultural well-being in its area by strengthening joint working across all public services in Wales. The effective working of Public Services Boards is subject to overview and scrutiny by the Well-being of Future Generations Commissioner, AW as well as designated local authority overview and scrutiny committees. Papers for each PSB can be accessed via the following links:

[Carmarthenshire PSB](#)

[Ceredigion PSB](#)

[Pembrokeshire PSB](#)

Each PSB has published its well-being assessment and has a well-being plan that can be accessed through the following links:

[Carmarthenshire Well-Being Plan](#)

[Ceredigion Well-Being Plan](#)

[Pembrokeshire Well-Being Plan](#)

West Wales Regional Partnership Board

Regional Partnership Boards (RPB), based on LHB footprints, became a legislative requirement under Part 9 of the Social Services and Wellbeing (Wales) Act 2014 (SSWBWA). Their core remit is to promote and drive the transformation and integration of health and social care within their areas.

In 2019/20, the RPB extended its membership to include housing and education representatives to enable it to respond to the requirements within revised regulations for Part 9 of the SSWBWA.

AW reported in their review of the Integrated Care Fund that there were weaknesses in the governance arrangements surrounding the RPB, these have not yet been fully addressed. Whilst an Integrated Executive Group comprising the Health Board's Executive Director of Operations, Executive Medical Director, Executive Director of Public Health, Director of Primary Care, Community and Long-Term Care and Director of Partnerships and Corporate Services, alongside the three Directors of Social Services and a Chief Officer from the third sector is in now in place, the membership does not include the directors of planning and finance. A new Regional Leadership Group to provide overall strategic direction has not yet been established and will be reviewed in 2020/21.

Throughout 2019/20, progress has been made in relation to each of the Healthier

West Wales programmes funded through the WG's Transformation Fund. Regular updates on delivery of the RPB programmes are provided to the Health and Care Strategy Delivery Group and the Transforming Our Communities Programme Group.

Alongside the Transformation Fund programmes, the RPB also oversees delivery of a range of schemes funded through the Integrated Care Fund (ICF) across the region. The revenue programme totals just over £11m and supports a range of initiatives aimed at older people, children with complex needs, children on the edge of care, learning disabilities, dementia and carers. This sits alongside a Main Capital programme which has a three year span to March 2021 and a value of £12m. This is being deployed on a range of schemes addressing identified priorities of reablement, children and families (complex needs and parent and baby support) and learning disabilities/ mental health and will result in local and regional centres supporting a consistent regional service model for each client group.

Several schemes within the ICF Capital programme have been paused and funds totalling £8m have been diverted to meet design, build and restoration costs of the 9 field hospital sites (7 field hospitals) across the region. ICF revenue programmes for 2020-21 are being reviewed to optimise impact of existing programmes on the COVID-19 response and identify opportunities for diverting funding to specific COVID-19 related schemes where necessary

In January 2020, the Children's Commissioner for Wales attended the meeting to discuss her aspirations for raising the profile of children's issues with Health Boards and defining a clearer role for them in promoting joined up services for children, particularly in respect of mental health and learning disabilities. The Commissioner highlighted effective collaborative working in West Wales although it was acknowledged that achieving consistency of provision across the disparate region remained a challenge, however the active engagement with Dream Team in the regional learning disability programme was commended.

Collaborative Working between the PSBs and RPB

There have also been meetings between the PSBs and RPB to explore opportunities to work together on shared priorities. There are also clear links between the PSBs and various proposals within the regional Transformation Bid - A Healthier West Wales. There are a number of agreed areas for joint working between RPBs and PSBs, as follows:

- Technology-Enabled Care (TEC);
- Continuous engagement;
- Social and green solutions for health; and
- Connecting people, kind communities

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

The Board is accountable for maintaining a sound system of internal control which supports the achievement of the organisation's objectives. It has been supported in this role by the work of the main Committees, each of which provides regular reports to the Board, underpinned by a Sub-Committee structure, as shown on page 18 of this statement. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability.

The Health Board recognises that scrutiny has a pivotal role in promoting improvement, efficiency and collaboration across the whole range of its activities and in holding those responsible for delivering services to account. The role of scrutiny remains important during the COVID-19 pandemic, when the Health Board is continuing to respond to the challenge of its targeted intervention status whilst also forging ahead with its long term Health and Care Strategy. The responsibility for maintaining internal control and risk management systems rests with management. The Board reinforced this in April 2020 when it agreed its approach to risk management and the management of recommendations from auditors, inspectors and regulators. These reports can be found in the April Board papers on our website via the following link <http://www.wales.nhs.uk/sitesplus/862/page/100799>.

CAPACITY TO HANDLE RISK

The Board is responsible for the effective management of the organisation's risks in pursuance of its aims and objectives. The Board collectively has responsibility and accountability for setting the organisation's objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives. The Chief Executive, as Accountable Officer, has overall responsibility for ensuring that the Health Board has an effective risk management framework and system of internal control, however Executive Directors have responsibility for the ownership and management of principal risks and operational risks within their portfolios.

The Health Board's lead for risk is the Board Secretary, who has responsibility for leading on the design, development and implementation of the Board Assurance Framework (BAF) and Risk Management Framework. The AW have consistently reported through the Structured Assessment process, that the Health Board has a well-developed BAF.

Over the past year, we have continued to embed our approach to risk management to ensure that risk management activities add value and informs decision-making and priorities for the Health Board.

Risk Management Framework

The Health Board's Risk Management Framework aims to facilitate better decision making and improved efficiency, risk management can also provide greater assurance to stakeholders. It is important that it adds value to ensure the Health Board reduces uncertainty and achieves the best possible outcomes.

Our Risk Management Framework clearly sets out the components that provide the foundation and organisational arrangements for supporting risk management processes in the Health Board. It clarifies roles and responsibilities, communication and reporting lines whilst also outlining the other components, such as the risk strategy and the risk protocols which make up the Health Board's Risk Management Framework.

It is based on the "Three Lines of Defence" model which advocates that management control is the first line of defence in risk management. The various risk control and compliance oversight functions established by management are the second line of defence, and independent assurance is the third. Each of these three "lines" plays a distinct role within the Health Board's wider governance framework; however all three lines need to work interdependently to be effective.

The Health Board has a Risk Management Strategy in place, however this has not been reviewed since 2015. The Health Board has focussed on strengthening risk management arrangements, culture and attitude to risk however developing a new risk management strategy is a key priority in the year ahead.

The Health Board has developed procedures, guidance, systems and tools to assist management to identify, assess and manage risks on a day to day basis. This is supported with training, support and advice from the Health Board's assurance and risk team, whose role it is to embed the Health Board's risk management framework and process, and facilitate a risk aware culture across the organisation through new business partnering arrangements which were introduced in 2019/20.

Risk Management Process

The Health Board's Risk Management Framework is built around and supports the risk management process. This is a continuous process that should methodically address all the significant risks associated with all the activities of the Health Board.

Risks are identified in a bottom-up and top-down approach throughout the Health Board. Each Corporate and Clinical Directorate is responsible for ensuring risks to achieving their objectives, delivering a safe and effective service and compliance with legislation and standards, are identified, assessed and managed to an acceptable level, i.e. within the Board's agreed risk tolerance.

It is the responsibility of Executive Directors to put forward significant operational risks from their Directorate to be collectively agreed by the Executive Team for entry onto the Corporate Risk Register (CRR). It is also the responsibility of Executive Directors to identify principal risks associated with the delivery of the Health Board's objectives for inclusion onto the BAF and CRR. AW reported in Structured Assessment 2019 that the Health Board's BAF clearly set out the controls in place, the sources of assurance, where gaps in assurance exist and performance indicators which are used to measure progress. Work will continue in 2020/21 to further

strengthen the BAF to better support the implementation of our strategy and provide the Board with assurance on the achievement of our objectives.

All risks are assessed in terms of likelihood and impact using the Health Board's risk scoring matrix which helps to facilitate a level of consistency and understanding of the scoring and ranking of risks throughout the organisation.

Oversight and Reporting of Risk

In following the Three Lines of Defence Model (above), the Health Board ensures that operational management are supported in their role of day to day risk management by specialist functions who have expertise and knowledge to help them control risk.

Management are held to account on the effective and efficient management of risks through the Executive Team Performance Reviews. Risks are also aligned to the Health Board's assurance committee structure whose role it is to provide assurance to the Board that risks are being managed appropriately.

The Board receives the CRR/BAF twice a year, however each risk has been mapped to a Board level committee to ensure that principal risks are being managed appropriately, taking into account the gaps, planned actions and agreed tolerances, and to provide assurance to the Board, through their update report, on the management of these risks. Each risk on the CRR/BAF is presented to the Board and its Committees as a risk on a page, which includes a visual representation of the level of risk over a defined reporting period.

Risk Appetite

The Risk Appetite Statement provides staff with guidance as to the boundaries on risk that are acceptable, and provides clarification on the level of risk the Health Board is prepared to accept. It is integrated with the control culture of the organisation to encourage more informed risk taking at strategic level with more exercise of control at operational level, as well as recognition of the nature of the regulatory environment the organisation operates within.

The Board agreed its risk appetite through detailed Board Seminar discussions and considered it in line with its capability to manage risk, and formally agreed the following at a Board Meeting in Public.

“Hywel Dda's approach is to minimise its exposure to safety, quality, compliance and financial risk, whilst being open and willing to consider taking on risk in the pursuit of delivery of its objective to become a population health based organisation which focuses on keeping people well, developing services in local communities and ensuring hospital services are safe, sustainable, accessible and kind, as well as efficient in their running.

The Health Board recognises that its appetite for risk will differ depending on the activity undertaken, and that 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.

The Health Board'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."

In addition, the Board also agreed levels of tolerance for risk across its activities, aligned to its risk scoring matrix, to provide management with clear lines of the level to risk it will accept. These can be accessed via the following link:

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%205.4%20Board%20Assurance%20Framework%2C%20Corporate%20Risk%20Register%20and%20Risk%20Appetite.pdf>.

In May 2019, the Board, following recommendation from BPPAC agreed to 'accept' the Health Board would only be able to reduce 5 specific risks to the stated target risk score acknowledging that these would remain above the Health Board agreed tolerance level unless there were significant changes in resources or circumstances. Risk tolerance levels have been added to our risk management system and risks above tolerance are reported and challenged at Executive Performance Reviews and through the assurance committee structure.

The Health Board's risk appetite will be reviewed in quarter 4 of 2020/21, to ensure it remains aligned to the Health Board's objectives and its capacity to manage risk, particularly whilst the Health Board manages the COVID-19 pandemic.

Risk Profile

Delivering healthcare through our current clinical model in a large, rural geographical area presents significant financial, service, workforce and quality challenges to the Health Board. The majority of the Health Board's risks relate to fragile services, poor patient flows, poor environments and aging equipment mainly as a result of staffing and funding (capital and revenue) challenges.

Whilst risk management should be iterative, dynamic and responsive, the Health Board acknowledges that given its financial constraints, it does not have sufficient capacity to manage all its risks to within its agreed tolerance level. Many services have long term risks associated with quality, safety and business continuity that arise from local and national workforce challenges, environment constraints and financial limitations.

The most significant of these risks were included on the CRR, as agreed by the Executive Team, and were presented to the Board twice in 2019/20. As of 31st March 2020, there were 26 principal risks, which were above the Health Board's risk tolerance. The Corporate Risk Report can be viewed via the following link:

<http://www.wales.nhs.uk/sitesplus/862/page/100557>.

The Heat Map below presents the Health Board's principal risks (by their internal reference number) in respect of their likelihood and impact as at the end of March 2020:

YWEL DDA RISK HEAT MAP					
	LIKELIHOOD →				
IMPACT ↓	RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
CATASTROPHIC 5		634	813 117 129	810 730 245	
MAJOR 4			451 295 44 91 750 646	624 628 371 291 632 686 718 735 684 627	
MODERATE 3			633	733 635	
MINOR 2					
NEGLIGIBLE 1					

Further information on the top principal risks in 2019/20 (those that have risk score of 15 or over) can be found in the March 2020 Board papers <http://www.wales.nhs.uk/sitesplus/862/page/100557>, or at Appendix 3.

During 2019/20, 14 principal risks were closed or de-escalated from the BAF/CRR. These can be found at Appendix 4.

Approach to Managing Risks during COVID-19

In 2019/20, following a recommendation from BPPAC, the Board accepted that due to the delay of the publication of the Cabinet Office review, the Health Board was unable to update its pandemic influenza response framework and associated plan to be in line with latest government guidance, and therefore accepted that it would not be able to reduce this risk to within its agreed tolerance level. This risk has in effect materialised as the Health Board plans and prepares to deal with the current COVID19 pandemic is being reviewed.

As previously highlighted the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Strategic Coordination Group. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation, although I am confident that all appropriate action has been taken. The principal risks that have been identified in respect of the emerging COVID-19 pandemic are:

- The Health Board's response to COVID-19 will be insufficient to address peak in demand terms of bed space, workforce and equipment/consumables;
- The Health Board's response proves to be larger than needed for actual demand;
- The Health Board's normal business will not be given sufficient focus; and
- The funding costs to address the Health Board response to COVID-19 may exceed the available funding.

Mitigation is detailed in the attached report to the Board in April 2020

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.1%20Responding%20to%20the%20COVID-19%20Pandemic.pdf>.

In addition to the risks arising as a result of the COVID-19 pandemic there are other risks facing the organisation. Some of these risks will have been exacerbated as a result of the COVID-19 response. In April 2020, the Board also agreed its approach to the management of operational and principal risks during the COVID-19 pandemic, as well as agreeing to review their appetite and tolerance to risk during this period. This is detailed in the following paper

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.4%20Management%20of%20Operational%20and%20Corporate%20Risks%20during%20the%20Covid19%20Pandemic.pdf>.

THE CONTROL FRAMEWORK

In addition to the Board and Committee arrangements detailed within this document, the key elements of the Control Framework are detailed in this section.

Strategy

In November 2018, the Health Board approved its 10 year Health and Care Strategy 'A Healthier Mid and West Wales: Our Future Generations Living Well' which sets the strategic direction for delivering care that is 'safe, sustainable, accessible and kind'.

Improved health and wellbeing is a cornerstone of the strategy, signalling a move away from a reactive care system that responds to illness and toward a pro-active population health system that promotes staying well. Accordingly, the strategy sets out our 20-year vision for the future, a co-created vision developed from the three Public Services Boards' wellbeing plans, as follows:

“Our shared vision is a mid and west Wales where individuals, communities and the environments they live, play and work in are adaptive, connected and mutually supportive. This means people are resilient and resourceful and enabled to live joyful, healthy and purposeful lives with a strong sense of belonging.”

The Health Board's Strategy was developed following extensive stakeholder consultation 'Our Big NHS Change' and has people and communities at its heart. It will deliver whole system change to realise our population health ambitions, and signals a fundamental shift from our current emphasis on hospitals to a focus on

working in partnership with people and communities to keep people well in or close to their own homes.

Our health and care strategy signals transformational change across the whole system and states our commitment to a parity of esteem between physical health, mental health and learning disabilities across the age span. To deliver the strategy, in March 2019, the Board agreed to establish three director led, interconnected, change programmes as follows:

- Transforming our Communities
- Transforming our Hospitals
- Transforming Mental Health and Learning Disabilities

Delivery of these programmes will be detailed through our annual planning process and included in our future annual and 3 year plans.

Integrated Medium Term Plan (IMTP)

The National Health Service Finance (Wales) Act 2014 came into effect on 1 April 2014 and places two financial duties upon Local Health Boards.

These duties are:

- A duty under section 175(1) to ensure that its expenditure does not exceed the aggregate of funding allotted to it over a period of three years; and
- A duty under section 175(2A) to prepare and obtain approval from the Welsh Ministers for a plan which achieves the first duty above, while also improving the health of the people for whom the Health Board is responsible and improving the healthcare provided to them.

At its meeting in March 2019, the Board agreed to submit an 'draft interim' Annual Plan for 2019/20, which concentrated on finance, performance, service change and quality, noting the WG expectation that the Health Board should submit an annual plan for 2019/20 as opposed to a 3 year IMTP for 2019/22. The status of 'draft interim' was used as the 2019/20 annual plan did not fulfil the statutory duty to demonstrate financial balance, therefore the Board could not formally approve the Plan prior to submission to WG. To this end, a formal accountability letter to WG was submitted that supported this understanding.

The Annual Plan for 2019/20 set out our priorities for the year with a particular focus on the following areas:

- Performance improvement through holding waiting time performance for medical and surgical treatments, cancer, stroke, and mental health services, and through improvement service developments in the community and primary care, help us to deliver improvements to unscheduled care, in particular accident and emergency (A&E) waiting times performance, improving discharge and reducing unnecessary hospital admissions and length of stay (LOS);
- Finance through delivery of an agreed and improved financial position, with robust turnaround actions and plans;

- Quality through defined quality and patient pathway improvement plans which progress our 5 quality goals;
- Service Change through the development of our population health, primary and community services in line with 'A Healthier Wales'; and finally,
- Our alignment to the key Cabinet Secretary and WG priorities of the NHS Wales Planning Framework 2019/22.

During 2019/20, the BPPAC received quarterly updates on progress against the 2019/20 Annual Plan. As part of the report each plan was RAG (risk) rated for the quarter, as well as detailing the change from the previous quarter, to provide the BPPAC with a level of assurance that actions were being met and that plans were being delivered. Detailed information can be obtained within the BPPAC papers (for Quarters 1, 3 and 4) and in Board Papers (for Quarter 2) (available on the Health Board's website the link

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%205.6%20Mid%20Year%20Review%20of%20the%20Annual%20Plan%202019-20.pdf>) and in the performance section of the Annual Report. At the end of quarter 3 (quarter 4 monitoring was suspended due to COVID-19), of the of the 34 Action Plans, none were RAG rated as red; 22 were RAG rated as Amber; and 12 were RAG rated as Green.

In addition, WG received quarterly monitoring reports which comprised two sections;

- Specific issues relating to the University Health Board, noted as being areas of risk requiring distinct focus in the short and medium term to meet core expectations of delivery;
- General accountability conditions (applicable to all health boards).

In addition, the Finance Committee received monthly financial performance reports reporting on financial position to date against the Annual Plan and the control total requirements, to assess the key projections and risks for the financial year. These reports are available under the Finance Committee section of the Health Board website <http://www.wales.nhs.uk/sitesplus/862/page/97375>. The Board, also receives reports on financial performance, at each meeting, as well as, a report from the Finance Committee, whose role is to advise the Board on all aspects of finance and the revenue implications of investment decisions.

The Annual Plan for 2019/20 outlined an initial deficit control total of £29.8m, which included a recurring £27m funding allocation from WG in recognition of its demographic challenges. WG subsequently provided conditional additional funding of £10 million and set a control total of £15m. At month 7, the Health Board forecast that it would not be able to meet this control total, and revised the end of year forecast to a deficit of £25m, which was £10m higher than the control total requirement of £15m. This was due to the cumulative financial position to date and the anticipated continuation of cost pressures, in addition to which the savings requirement for the year was not expected to be fully identified. Operational cost pressures also manifested primarily within unscheduled care, especially in the latter part of the year; alongside other risks such as the closure of the aseptic unit and the management of commissioned solutions. Primary care prescribing also caused significant pressures across Wales.

Therefore for the period 2019/20, the Health Board did not meet its financial duty to not exceed the aggregate of funding allotted to it over a period of three years. The Health Board had a deficit position of £69.4m in 2017/18, £35.4m in 2018/19 and £34.9m in 2019/20. Improvements in financial control, alongside the financial recognition of the Health Board's demographic challenges in 2018/19 have contributed to a reduction year on year in the Health Board's in year deficit position.

The Health Board was also unable to meet its statutory duty to prepare and submit an IMTP that was approved by Welsh Ministers for the financial year 2019/20, as required by the National Health Service Finance (Wales) Act 2014.

During 2019/20, the Health Board acknowledged that whilst it would not be in a position to submit an IMTP for 2020/23 given the current financial position and three year forecast, it still intended to submit a 3 year plan for 2020/23, which outlined the first 3 years of our Health and Care strategy, incorporating a robust and detailed Annual Plan focusing on 2020/21 actions. The accountability letter to WG in December 2019 outlined that the plan would be based on the following objectives, agreed by the Board as essential in addressing all of our current challenges, whilst progressing our Health and Care Strategy:

- Stabilising and improving our unscheduled care system;
- Progressing our Health and Care Strategy ('A Healthier Mid & West Wales – Our Future Generations Living Well') and managing the transitional years - demonstrable "shift left" – population health and community/primary care development;
- Strengthening and developing the organisation and supporting the front line;
- Maintaining performance and improving productivity and efficiency; and the
- Financial and Workforce Plans to support the above, including any impact likely to be on implementation timescales.

However, in March 2020, the WG took the unprecedented decision to pause the IMTP and annual plan process to enable NHS Wales organisations to focus their attention on the immediate planning and preparations to deal with the COVID-19 pandemic, advising that the planning process would be restarted at more appropriate time. Nonetheless the Health Board Three Year Plan for 2020/23 incorporating our Annual Plan 2020/21 was approved for submission at our Public Board on 26th March 2020. However, the Annual Plan was also developed prior to the current situation which we are currently in with regards to COVID-19, and in-light of the WG notification of March 2020, we will use it as the baseline for further planning moving forwards. We will continue to work with WG through our on-going engagement meetings to understand the implications of COVID-19 management on the plan delivery.

External Finance Review

During 2019/20, WG commissioned an external finance review to validate the financial baseline and identify drivers of the underlying financial deficit; the current financial plan for 2019/20 and ability to deliver the £25m control total; the opportunities to improve the deficit for 2019/20 and to achieve financial sustainability; and the financial governance and structure of Health Board. This was a valuable review and the Finance Committee will ensure focus is on the identification of

efficiencies, and providing assurance to the Board that the findings in the report are acted on.

Working with partners

The Health Board is committed to developing strong partnerships with our patients, public, stakeholders and partner organisations from the statutory, voluntary and independent sector. Partnership working, whether internally amongst our own directorates and teams or externally with other agencies, can play a vital role in maximising health and well-being outcomes for our population.

Our strategic partnership focus is on facilitating and supporting collaboration and integration of services, both internally and externally, by:

- Nurturing relationships with key strategic partnerships to drive needs-led, outcome focussed planning, activity and participation;
- Ensuring alignment between well-being plans and strategies between the health board and partners;
- Leading corporate planning and commissioning of information, advice and assistance for unpaid carers to meet their needs in an equitable way across our area;
- Leading and supporting and contributing to a range of multi-agency projects for vulnerable groups in order to create a pace of change and support service improvement;
- Delivering publication of the Health Board's Well-being Objectives and Annual Report; and
- Providing a range of awareness raising opportunities and targeted training to increase staff knowledge, understanding and competency in key legislative responsibilities and how to provide equitable services and inclusive working environment.

As an organisation, we recognise that although delivering services through partners can bring significant benefits and innovation there is less direct control than delivering them alone. It is essential that partnership agreements are underpinned by robust governance arrangements including appropriate reporting mechanisms.

The SSWBWA 2014 and the Well-being of Future Generations (Wales) Act 2015 provide complimentary legal frameworks that include arrangements to support partnership working. The West Wales RPB is driving the integration of health and social services to plan and ensure the delivery of integrated, innovative services to best meet the needs of people with needs for care and support. Our three PSBs sitting at local authority area level involve a broader range of partners working strategically at the wider economic, social, environmental and cultural well-being of the area. Aligning governance across statutory organisations including that of the West Wales RPB has been strengthened in order to ensure appropriate accountability and facilitated joint decision making.

As the Health Board continues to work increasingly in partnership to deliver its strategic aims, objectives and priorities, it is essential that arrangements continue to be underpinned by robust governance arrangements, including appropriate reporting mechanisms, in order that the Board has a clear approach to its partnership work. If such arrangements are not in place, governance arrangements can become diluted,

and the Board will not receive the assurances it requires regarding the quality, safety and efficacy of services delivered. This is particularly important where partnerships are focused on some of our most vulnerable patient groups, and where there needs to be both a trust and confidence in the arrangements in place.

The Health Board's Partnership Governance Framework, based on a Toolkit approach provides guidance and support to all those involved in partnership working in conjunction with key stakeholders, in adopting a consistent approach for the governance of partnerships. Where possible, all existing partnerships and collaborations of which the Health Board is aware, continue to be mapped to the Health Board's internal governance structure in terms of its assurance, operational and strategic arms. This ensures that any decisions or directions of travel that are being proposed in partnership can be tracked and agreed through the Health Board's existing governance arrangements. Regular review of partnership risks enables an understanding of both the risks to the Partnership objectives, their impact on the Health Board's objectives and its reputation, feeding the partnership risk registers and inclusion on the Health Board's corporate risk register, as appropriate.

Building upon the value of the Partnership Governance Framework, significant progress has been made in the development of an International Partnership Framework, however this was not approved by the Board pending legal advice. This maximises the development of robust governance regarding current and future international health partnerships, and the subsequent engagement in initiatives, demonstrating the Health Board's commitment to the Charter for International Health Partnerships in Wales, and enhancing opportunities and benefits for staff, the wider population and wider organisations, as well as for our international partners and their beneficiaries.

In November 2019, the UPB agreed revised governance arrangements under the auspices of a University Partnership Group (UPG), to meet on a bi-annual basis with each university and Pembrokeshire College to scope areas of mutually beneficial activities, building on their unique strengths to improve services to the population of Hywel Dda. These areas of work will culminate in an annual meeting or workshop event bringing together the products of the joint work taken place throughout the year.

Organisational Structure

The Health Board has organisational arrangements in place to help it deliver its strategy and objectives. For 2019/20, the Chief Executive agreed objectives with members of the Executive Team, which have been monitored throughout the year, as well as undertaking a programme of team development to strengthen and improve cohesion and working together. These objectives were included within the Health Board's schemes of reservation of powers and delegation of powers which also detail key responsibilities and accountabilities of the Executive Team.

During 2019/20, there have been some changes to the Executive Team which has allowed the team to be streamlined from 14 members to 12. The Turnaround Director and Transformation Director posts were disestablished. Dr Phil Kloer took on the Deputy Chief Executive role in addition to his post as Executive Medical Director. The Executive Director of Planning, Performance and Commissioning took

on accountability for the delivery of the Health and Care Strategy and the associated resource (including the Strategic Programme Director and the transformation programme office).

Performance Management/New Operating Model

In 2019/20 delivery against the Health Board's annual plan has been managed through the Executive Team Performance Reviews (ETPR), BPPAC and reported to Board. The ETPRs are held fortnightly with service leads who are also scrutinised on performance for other key elements including management of risk, workforce (through sickness, staff appraisals and core skills targets), management of incidents, complaints, locums and agency usage, delivery against local and national targets, compliance with audits and inspections findings and information governance requirements. The ETPRs enhance the Executive Team's understanding, monitoring and assessment of the Health Board's quality and performance, enabling appropriate action to be taken when performance against set targets deteriorates.

The Board and BPPAC are presented at each of their meetings with an Integrated Performance Assurance Report (IPAR) that provides assurance on the most recent outturn position for key deliverable areas with these reports clearly highlighting where improvements are needed. Exception reports are provided within the IPAR for deteriorating targets to provide additional information on why the situation has occurred, what actions are being taken to improve and when the target is likely to be met. Supporting documents including run charts and a series of performance dashboards are also provided.

As a result of COVID-19, in March 2020, many internal processes for assurance, performance management and financial turnaround were scaled down or suspended. This included internal Holding to Account meetings, regular ETPR of directorates and internal audit activity.

In February 2020, work began to review the Performance Management Assurance Framework (PMAF) with the intention to move into a new operating model that would be structured around the annual plan actions, closely linked to risk and performance management, and which would incorporate AW Structured Assessment 2019 feedback. The COVID-19 pandemic meant the work was put on hold for the latter part of 2019/20. However, when capacity is available, this work will continue in 2020/21.

QUALITY GOVERNANCE ARRANGEMENTS

The Health Board has a structure in place for quality governance lead by the Executive Director of Nursing, Quality and Patient Experience. In line with Standing Orders, the Board has established a Committee to cover the quality and safety business of the Board. 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 and safety of healthcare services.

In June 2019, the AW published its review of operational quality and safety arrangements in Hywel Dda which concluded that while the Health Board has some good quality and safety arrangements at directorate level, supported by developing

corporate arrangements, these were not consistent and the flow of assurance from directorates to the Board were not as effective as they could be. Strengthening these arrangements was a key focus of work during 2019/20 which has resulted in the Board approving a streamlined governance structure to be implemented from 1 April 2020, following the appointment of the new Executive Director of Operations. Further work on standardising reporting to improve consistency through the quality and safety governance structure will be undertaken in 2020/21.

Organisational Quality Arrangements

The Executive Director of Therapies and Health Science, Executive Medical Director and Executive Director of Nursing, Quality and Patient Experience are all jointly accountable for quality and safety, and jointly provide this assurance through QSEAC and directly to Board. The Quality and Safety, Experience and Improvement teams are line managed by the Executive Director of Nursing, Quality and Patient Experience; however the deployment of this resource supports the organisation multi-professionally in matters relating to quality and safety.

The job descriptions of senior clinical leadership positions all include responsibility for quality and safety, and it is therefore made clear that this is a core part of their role.

In year, the Health Board has strengthened the quality and safety arrangements with the appointment of a Head of Quality and Governance, an Associate Medical Director for Quality and Safety, a Deputy Medical Director for Primary Care (with responsibility for quality and safety), a Clinical Director for Therapies and a Head of Clinical Engineering. The Deputy Medical Director and Associate Medical Director posts aims to strengthen medical leadership particularly in relation to quality and patient safety. The Associate Medical Director for Quality and Safety works closely with equivalent roles in Executive Director of Nursing, Quality and Patient Safety and Executive Director of Therapies and Health Science teams.

Each directorate/locality has a Triumvirate Team with joint responsibility for quality and patient safety. The Head of Nursing and Clinical Director work closely to ensure that the quality and patient safety agenda is considered at the directorate level. The Health Board demonstrated its commitment to improving quality arrangements by agreeing additional resources were also allocated to the Patient Experience and Legal and Redress Team and the Quality Improvement Team in 2019/20. The Assurance, Safety and Improvement Team are developing a business partner model which will be implemented early 2020.

Annual Quality Statement

Each year we are required to publish an Annual Quality Statement. It provides an opportunity for the Health Board to publically share the good practice and initiatives being taken forward, as well as confirming what went well and what not so well and the actions being taken as a result. Each year it brings together a summary highlighting how the organisation is striving to continuously improve the quality of all the services it provides and commissions in order to drive both improvements in population health and the quality and safety of healthcare services.

The Annual Quality Statement provides the opportunity for the Board to routinely:

- assess how well they are doing across all services, including community, primary care and those where other sectors are engaged in providing services, including the third sector;
- identify good practice to share and spread more widely;
- identify areas that need improvement;
- track progress, year on year; and
- account to the public and other stakeholders on the quality of its services and improvements made.

The Annual Quality Statement will be published by November 2020 alongside the Annual Report and Accounts.

All-Wales Self-Assessments of Current Quality Governance Arrangements

In 2019/20, the Minister for Health and Social Services requested that all Health Boards and NHS Trusts in Wales assess themselves against the recommendations of the Healthcare Inspectorate Wales (HIW) and the AW review titled 'A review of quality governance arrangements at Cwm Taf Morgannwg University Health Board', and provide plans for future review of their arrangements and/or the necessary action to be undertaken.

This assessment was included in the Chair's report to the Board in January 2020, and provided 'medium' level of assurance on the current quality governance arrangements in the Health Board. Planned work to address areas of improvement were also outlined in the self-assessment which can be accessed in the January 2020 Board paper via the following link

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.5%20Report%20of%20the%20Chair4.pdf>.

Internal Assurance Review of Quality and Safety of Maternity Services in Hywel Dda

During 2019/20, the Executive Director of Nursing, Quality and Patient Experience also led an internal assurance review of quality and safety of maternity services in Hywel Dda following the publication of the independent review of maternity services at the former Cwm Taf University Health Board, undertaken by the Royal College of Obstetricians and Gynaecology (RCOG).

The internal assurance review commended in particular the robust leadership within the maternity services teams in both hospital and community settings within Hywel Dda as staff work together as multi-disciplinary teams and responded extremely positively to the issues identified. It has been the responsibility of the QSEAC to ensure that any areas of improvement have been addressed and that associated risks were mitigated.

Healthcare Inspectorate Wales (HIW) have undertaken three unannounced visits to maternity services at Glangwili General Hospital (GGH) and BGH, and the WGH Freestanding Midwifery Led Unit between October and December 2019. There were no issues or concerns raised regarding the governance structure within Hywel Dda

when benchmarked against the national standards and the concerns that were highlighted within the 2019 Cwm Taf report.

There was excellent feedback from patient experience with all staff being described as “kind and caring” and always “professional”, with some operational improvements recommended. HIW will be reviewing all Health Boards in Wales to review leadership, management structure and specialist midwifery positions within each Health Board. This review was scheduled to take place in March 2020 however was postponed due to the COVID-19 outbreak.

Health and Care standards

The Health and Care Standards (HCS) set out the WG’s common framework of standards to support the NHS and partner organisations in providing effective, timely and quality services across all healthcare settings. They set out what the people of Wales can expect when they access health services and what part they themselves can play in promoting their own health and wellbeing. They set out the expectations for services and organisations, whether they provide or commission services for their local citizens.

The HCS came into force from 1 April 2015 and incorporate a revision of the ‘Doing Well, Doing Better: Standards for Health Services in Wales (2010)’ and the ‘Fundamentals of Care Standards (2003)’. The HCS have seven themes and have been designed in order that they can be implemented in all health care services, settings and locations. They establish a basis for improving the quality and safety of healthcare services by providing a framework. Key objectives from each service should be considered in relation to HCS.



The HCS are intrinsic in the day to day business of the Health Board. However, there is a recognition that the understanding of how the standards fit across the Health Board is inconsistent.

The Health Board developed a model for the self-assessment against the HCS in 2018/2019, and a staged assessment process was undertaken involving Executive Directors and lead officers for each standard, as well as aligning each standard to appropriate assurance committee. A HCS assurance matrix was developed to capture this information which has been populated with a narrative corporate

selfassessment, with each standard being linked to responsible assurance committees.

The HCS are firmly embedded within the Health Board and can be demonstrated in a number of ways:

- Quality Dashboard reported quarterly under HCS domains;
- All Board and Committee reports are linked to HCS;
- IPAR reported on alternative month to either Board or BPPAC under HCS domains;
- Annual Quality Statement reported under HCS domains; and
- Fundamental of Care Audits.

A review of the Health and Care Standards was completed by IA in April 2020 in line with the IA Plan 2019/20 to establish whether the Health Board had adequate procedures in place to ensure, and monitor, effective utilisation of the standards to improve clinical quality and patient experience. IA awarded a 'reasonable' assurance rating and confirmed that the Health Board had further developed its processes to assess the utilisation of Health and Care Standards (HCS) in order to improve the quality and safety of services through the use of the assurance and scrutiny framework, and added that the HCS were fully embedded into day-to-day practices. HCS assurance matrices provide a consistent approach for capturing evidence of the HCS being embedded across service areas.

Healthcare Inspectorate Wales (HIW)

The Board is provided with independent and objective assurance on the quality, safety and effectiveness of the services it delivers through reviews undertaken by and reported on by HIW. Any unannounced hospital inspections and any special themed reviews undertaken during the year were reported to the QSEAC and any matters for concern escalated accordingly. The outcomes of any such reviews and any emanating improvement plans are discussed with any lessons learnt shared throughout the Health Board. In 2020/21, the Health Board will have a new Listening and Learning from Events Sub-Committee in place that will ensure themes and learning from HIW inspections will be shared across the organisation. The establishment of this Sub-Committee was delayed due to the organisational focus on responding to COVID-19.

All HIW reports, including the improvement plans, are presented to QSEAC, with an update on progress to date on the implementation of the recommendations within the reports. This includes any inspections of acute hospitals and mental health and learning disabilities facilities, GP and Dental practices and any incidents involving Ionising radiation (IR(ME)R). Services are held to account on the implementation of the recommendations through the Executive Performance Reviews. The Committee is also informed of any immediate assurance letters received by the Health Board.

During the year, HIW had undertaken 13 inspections across acute, mental health and community services within the Health Board, as well as a number of thematic reviews the details of which are shown in Appendix 5. The key messages emanating from the inspections were that, overall, patients reported they were happy with the care they received with it being evidenced that patients were treated with dignity and

respect. The work also highlighted some issues requiring further action and where issues had been identified, the Health Board had generally responded soundly with improvement plans being completed and submitted in a timely manner.

Mortality Reviews

Mortality is one of the indicators used to measure quality of care, however the dimensions of health service quality include safety, patient centred care, timeliness, equity, effectiveness and efficiency. Mortality information needs to be considered within this context and alongside other information about service quality including other outcome data, harm, patient satisfaction and experience information, access information and measures of end of life care, etc.

The Board receives a regular report as part of the IPAR on the mortality key indicators. The targets are:

- Mortality reviews should be undertaken within 28 days (stage 1 – Universal Mortality Reviews)
- 12 month improvement on:
 - Crude mortality rate for persons under 75 years old;
 - Deaths within 30 days of emergency admission for a heart attack (patients aged 35 to 74);
 - Deaths within 30 days of emergency admission for a stroke; and
 - Deaths within 30 days of emergency admission for a hip fracture.

In 2019/20, IA undertook a review of the adequacy of the systems and processes in place within the Health Board for the completion of mortality reviews and to establish if the appropriate level of mortality reviews were being completed for all deaths within the Health Board. A 'reasonable' assurance rating was awarded with IA advising that positive progress had been made since the instigation of the Universal Mortality Review process in 2018, which has significantly improved the timeliness of reviews. The average monthly percentage of completed mortality reviews has increased and is close to reaching the mandated target of 95% of Stage 1 reviews being completed within 28 days of an inpatient death.

Mortality information is regularly reported at Directorate and Health Board level and monthly returns are provided to the WG. The Mortality Scrutiny Group closely monitors the performance of each Directorate, with any variations analysed and remedial actions taken to make improvements. However, one high priority finding was identified in regard of the lack of reviewing the quality of mortality reviews in the Stage 2 process and subsequent sharing of lessons learned and outcomes with the Mortality Scrutiny Group.

Board to Floor Visits

Board to Floor visits are just one of a number of mechanisms adopted by Hywel Dda to ensure a triangulated approach towards patient safety, quality, improvement, culture and engagement. Engagement at Board level demonstrates a strong commitment to a patient safety culture within the organisation. Board to Floor visits with Board Member involvement are a useful tool to connect senior leaders with those working on the front line. This process supports Board visibility and approachability at frontline service level (clinical and indirect service provision),

educating senior leaders about safety issues and to signal to the front line workers that senior leaders are committed to and see it as part of their role in the development of the organisational safety culture.

In total Quarter 1, 2 and 3 of 2019/20, 13 Board to floor visits were undertaken across Hywel Dda, with reports of the challenges and good practice reported to the QSEAC. The Board to Floor visits are welcomed at all levels:

“I found the process very rewarding to put the spotlight on good practice and promote it. It was also a good opportunity to discuss the problems with the Board Members that the clinical areas encounter”.

“Very proud to hear the ideas from staff to improve the services and from patients how the kindness, the care and compassion is exceptional. The meeting gave me an opportunity to thank the staff first hand”

Charter for Improving Patient Experience

In January 2020, the Board approved its Charter for Improving Patient Experience which clearly sets out what patients, families and carers can expect when receiving services from the Health Board.

The Charter will inform the Health Board’s patient experience programme, individual service plans for patient experience, and integration of patient experience feedback into service planning and improvement. The programme for 2020/21 includes training on the Charter and ‘customer care and communication skills’ for all staff members; expansion of the ‘Friends and Family Test’/service user feedback system to all areas of the Health Board, increasing the ways in which feedback can be provided to include a number of surveys in ward, clinic and outpatient areas and providing patient experience ambassador training. This feedback will be presented to the Board on a regular basis and utilised by individual service areas to improve user experiences.

Quality Improvement Framework

The Health Board has an agreed Quality Improvement Framework (QIF) supported by an Ensuring Quality Improvement Programme (EQIIP). The EQIIP is a collaborative training programme for front line staff designed to increase improvement capacity and capability across the Health Board through training, education and coaching support for teams working on a real work problem.

Eleven teams have participated in the first programme which has been independently evaluated by Swansea University through funding from Improvement Cymru. Examples of the eleven projects include:

- NEWS is the community;
- Reduction in unwarranted pathology tests;
- Transient Ischaemic Attack (TIA);
- Surgical skills training; □ Shared Care Model; and
- Delirium in ICU.

The Transient Ischaemic Attack Project which focused on reducing the waiting time for patients referred as an outpatient with suspected TIA, earlier diagnosis, prevention, advice and treatment won an award for their poster at the Improvement Cymru National Conference in December 2019.

Prior to the COVID-19 pandemic, the Health Board had committed to running two further EQIIPs in 2020/21. 20 submissions had been received for a ten team programme. This commitment may need to be reviewed during 2020/21 as services experience increasing capacity pressures as a result of the COVID-19 pandemic.

Formal Quality Panels

Formal Quality Panels are held when a potential issue or concern is identified through triangulation of quality data including incidents, patient experience, and staff experience. For example a service may be asked to attend a panel to discuss a cluster of incidents. The purpose of the panel is to give the clinical Executive Directors an opportunity to discuss the issue with the service/directorate management team and to identify possible solutions or areas where support can be provided.

The meetings are scheduled monthly or more frequently if required. The focus for the next meeting will be agreed with the clinical Executive Directors and will depend on what potential issues or concerns are arising.

Weekly “Hot and Happening” meetings are held with the clinical Executive Directors and representatives from quality assurance and safety to discuss any “hot” issues arising in the week prior to the meeting. The item to be discussed at the next Formal Quality Panel maybe identified at the weekly meeting.

OTHER CONTROL FRAMEWORK ELEMENTS

Counter Fraud

In line with the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales), the Local Counter Fraud Specialist (LCFS) and Executive Director of Finance agreed at the beginning of the financial year, a work plan for 2019/20. This was approved by the ARAC in April 2019.

The work plan for 2019/20 was completed and covered all the requirements under WG directions. The Counter Fraud Service provided regular reports to the ARAC throughout 2019/20.

The NHS Counter Fraud Authority (formerly NHS Protect) provides national leadership for all NHS counter fraud, bribery and corruption work and is responsible for strategic and operational matters relating to it. A key part of this function is to quality assure the delivery of anti-fraud, bribery and corruption work with stakeholders to ensure that the highest standards are consistently applied.

The Board Secretary is the Health Board’s champion for counter fraud.

Post Payment Verification (PPV)

In accordance with the WG directions the Post Payment Verification (PPV) Department (a role undertaken for the Health Board by the NHS Wales Shared Services Partnership) role is to review claims submitted by contractors in General Medical Services (GMS), General Ophthalmic Services (GOS) and General Pharmaceutical Services (GPS).

Counter Fraud have undertaken continued monitoring of the PPV reports with the relevant Primary Care Lead officers. Effective working links have been established and Counter Fraud have been influential in the development of a PPV / Counter Fraud trends analysis group, where review of compliance levels can be addressed and action plans considered. This is supported with a quarterly meeting with the PPV officers for the Health Board area and PPV attendance at Health Board ARAC meetings where they provide an annual report of their activities and a forward work plan.

Equality, Diversity and Human Rights

The Health Board is committed to putting people at the centre of everything we do. Our vision is to create an accessible and inclusive organisational culture and environment for everyone. This includes our staff, those who receive care (including their families and carers), as well as partners who work with us - whether this is statutory organisations, third sector partners or our communities. This means thinking about people as individuals and taking a person centred approach, so that we treat everyone fairly, with integrity, dignity and respect, whatever their background and beliefs.

Control measures are in place to ensure that the organisation's obligations under equality, diversity and human rights legislation are complied with. The Health Board's Diversity and Inclusion team help the organisation translate equality and human rights policy into practical actions to effect a positive influence on staff and patient experience. There is proactive engagement and partnerships with staff and the public, in order to help eliminate discrimination, advance equality and enhance understanding between different groups.

Examples of key highlights for 2019/20 include:

- "This is Me Conference" – On 4 July 2019, the Health Board held its first ever conference for staff, in collaboration with Swansea Bay University Health Board, themed around diversity and inclusion in the workplace. Hosted by the Strategic Partnerships, Diversity and Inclusion team, it was held at the National Botanic Gardens of Wales and included a range of in-house and external speakers. The purpose of the conference was to raise awareness of the diversity of staff across the two organisations, to illustrate the benefits of a diverse workforce and the importance of breaking down barriers and supporting staff to be the best they can be;
- Attracting a Diverse Workforce - The Health Board launched some specific recruitment campaigns to promote diversity and inclusion which included the "I am..." recruitment campaign in Autumn 2019 showcasing staff with a range of characteristics including protected characteristics to demonstrate the diversity of the health board and encourage a broad diversity of staff to apply

for posts. This can be accessed via the following link
<https://www.youtube.com/watch?v=wq-HIOTztc>;

- Sensory Loss Awareness - Sensory loss awareness sessions were held across the Health Board during Sensory Loss Awareness month, which included demonstrations of equipment and personal stories relayed by guide dog users;
- Sharing Good Practice - A veterans' needs assessment developed and carried out by the Health Board has been adapted for use as an all Wales resource; and
- Equality Impact Assessment - During 2019/20, the Health Board undertook 145 Equality Impact Assessments, including 14 directly or indirectly associated with service change. The Health Board is committed to conducting appropriate equality impact assessments, closely linked with our commitment towards continuous engagement.

Our Strategic Equality Plan sets out the context in which our strategic equality objectives sit and outlines what we intend to do to meet our duties under the Equality Act 2010 over the next four years.

Our work to progress the equality agenda is inter-linked with our work around the Well-being of Future Generations (Wales) Act 2015 (WFGA) and the Social Services and Wellbeing (Wales) Act 2014.

For more information visit <http://www.wales.nhs.uk/sitesplus/862/page/61233>.

NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. The Health Board confirms that it acts strictly in compliance with the regulations and instructions laid down by the NHS Pensions Scheme and that control measures are in place with regard to all employer obligations. This includes the deduction from salary for employees, employer contributions and the payment of monies. Records are accurately updated both by local submission (Pensions On-Line) and also from the interface with the Electronic Staff Record (ESR). Any error records reported by the NHS Pension Scheme which arise are dealt with in a timely manner in accordance with Data Cleanse requirements.

Emergency Preparedness/Civil Contingencies

The Health Board has a well-established Major Incident Plan which is reviewed and ratified by the Board on an annual basis. The Major Incident Plan meets the requirements of all relevant guidance and has been consulted upon by partner agencies and assurance reviewed by the WG's Health Emergency Planning Unit. This Plan, together with our other associated emergency plans, detail our response to a variety of situations and how we meet the statutory duties and compliance with the Civil Contingencies Act 2004.

Within the Act, the Health Board is classified as a Category One responder to emergencies. This means that in partnership with the Local Authorities, Emergency Services, Natural Resources Wales and other NHS Bodies, including Public Health Wales, we are the first line of response in any emergency affecting our population. In order to prepare for such events, local risks are assessed and used to inform emergency planning.

We continue to ensure that our Executive Directors are appropriately skilled to lead the strategic level response to any major incident via Gold Command Training with additional senior managers/nurses trained in tactical and operational major incident response.

The Health Board is also represented on the multi-agency Dyfed Powys Local Resilience Forum, (LRF) which sits at the apex of Dyfed Powys's local civil protection arrangements. Its overall purpose is to ensure that there is an appropriate level of preparedness to enable an effective multi-agency response to emergencies which may have a significant impact on the communities of Dyfed Powys. A number of working groups and standing sub groups have been formed to assist the LRF to meet its requirements under the Civil Contingencies Act.

The risk of severe weather is one such example, which has undertaken a robust risk assessment process based on the UK National Risk and Threat Assessment which identifies risks and threats across our community and rates them according to a number of factors to give a risk score (low, medium, high, very high) and a preparedness rating.

The Severe Weather Group focuses on responses to Flooding, Severe Winter Weather, Heat Wave and Drought events and the effects of climate change underpins this work. The Dyfed Powys LRF Severe Weather Arrangements Plan was first developed in 2011 and is now reviewed on a biennial basis.

The LRF also publishes a Community Risk Register – <https://www.dyfed-powys.police.uk/en/about-us/our-policies-and-procedures/planning-for-major-incidents/> - which highlights the effects of climate change and informs the public about the potential risks we face such as pandemic influenza, transport & industrial incidents and flooding/severe weather events and encourages them to be better prepared. As part of the LRF we also work as a core partner to train and exercise staff to ensure preparedness for emergency situations.

During 2019/20, key achievements include:

- Annual review of our Major Incident response arrangements, referencing the Mass Casualty Incident Arrangements for NHS Wales;
- Ongoing progress on Business Continuity development and review across the HB, including significant planning for the consequences of no-deal Brexit;
- Preparations for COVID-19 pandemic.

Members also noted the approach taken by the organisation in terms of the use of business continuity planning for all contingency arrangements in the event of a no-deal Brexit scenario.

COVID-19

Towards the end of the reporting period, the Health Board started to work with local, regional and national partners to prepare for the COVID-19 pandemic. The welfare and well-being of our patients and staff are our top priority and all resources are being targeted towards dealing with this pandemic challenge. As previously highlighted the need to plan and respond to the COVID-19 pandemic presented a number of challenges to the organisation. A number of new and emerging risks were identified. Whilst the organisation did have a major incident and business continuity plan in place, as required by the Civil Contingencies Act 2004, the scale and impact of the pandemic has been unprecedented. Significant action has been taken at a national and local level to prepare and respond to the likely impact on the organisation and population. This has also involved working in partnership on the multi-agency response as a key member of the Strategic Co-ordination Group. There does remain a level of uncertainty about the overall impact this will have on the immediate and longer term delivery of services by the organisation.

The organisation 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 their strategic objectives.

Based on guidance from WG, our response to the COVID-19 pandemic can be summarised into 7 key areas:

1. Suspension of all non-urgent elective activity across the Health Board.
2. From Board level down, many internal processes for assurance, performance management and financial turnaround have been scaled down or suspended.
3. External performance review processes, reviews by inspectorates/regulators and external audits have similarly been scaled back or suspended.
4. A number of workforce procedures have been changed, suspended or significantly scaled back to rapidly recruit the staff needed to support our response.
5. Establishing field hospital provision in 9 locations (2 co-located) across the 3 counties to accommodate the additional 1400 beds that may be required based on planning assumptions.
6. Each of the existing hospitals has undertaken significant work over the last month to reconfigure themselves in order to respond to COVID-19. Each has divided itself into COVID and non-COVID areas with separate Emergency Department entrances.
7. All staff have been categorised according to their roles into front line (including front line support functions) and those who can work from home to avoid unnecessary travel wherever possible.

Although decisions on the clinical model will in practice need to be made rapidly by the newly established command and control structure, there are decisions that cannot be formally delegated. Therefore, the Board will need to be kept informed of changes that are being made and either approve these, or ratify them, and therefore will meet on a monthly basis during the pandemic to aid this process. The command and control structure must at all times continue to work within the Board approved

Standing Orders and Standing Financial Instructions and refer appropriate decisions to the Board for approval and ratification.

At its Board meeting in May 2020, the Health Board reported that it had under reported death data for the Hywel Dda area for approximately the previous month. This data is used primarily as surveillance data by Public Health Wales to assess trends. The under reporting by Hwyl Dda was equated to approximately 1 additional death for Wales per day which would not have materially changed these assessments but importance of ensuring deaths are properly and accurately reported has been reinforced with clinical teams.

Brexit

In 2019/20, there was a high level of uncertainty about the future of the relationship between the UK and the European Union (EU). The Health Board spent much of the year continuing to prepare for a no-deal Brexit situation with the UK and Welsh Governments, the LRFs and other health and social care organisations across Wales, to ensure that patients and services would not be affected. Whilst the UK formally left the EU on 31 January 2020, there remains uncertainty about what the future relationship will look like, which will need to be worked out during the transition period which will come to an end on 31 December 2020. Therefore planning and continuity arrangements will continue through the Health Board's Brexit Steering Group, to ensure services are protected, as much as possible, from any disruption. Areas of work will include medicines management, procurement and workforce, amongst others.

Prior to COVID-19, the Health Board planned to undertake a review of the political situation, including trade deals, and whether the implementation period will be extended beyond 31 December 2020, to ensure the highest level of preparedness.

Tuberculosis (TB) Outbreak

During 2019/20, the Health Board also continued to manage a localised outbreak of TB in the community. This involved a screening programme to identify any current active TB and latent TB cases in the local population in order that affected individuals could be treated. The Health Board's response plan included dedicated TB clinics being held for patients that required further investigation and the treatment of patients identified with latent TB, a BCG vaccination programme for individuals under the age of 35 with negative results, and a phase 2 targeted screening exercise. The Health Board established an operational group, chaired by the Executive Director of Public Health, engaged with the Outbreak Control Team, to direct and manage the delivery of the management programme and use of resources.

Health and Safety

As part of a national programme of inspections for 2019/20, the Health and Safety Executive (HSE) attended Health Board between 2 and 11 July 2019 with the targeted intention of examining the management arrangements for violence and aggression, musculoskeletal disorders (MSDs) and asbestos in selected clinical and non-clinical areas. Whilst the HSE found some areas of good practice, they also found evidence of contraventions of health and safety law and subsequently issued 8 Enforcement Notices and 13 other Material Breaches. These required the Health

Board to take action to ensure that it is managing health and safety more effectively and complying with the law by 1 May 2020. This date has since been extended to 31 July 2020 in light of COVID-19.

The Health Board has provided the HSE with an updated action plan to evidence the positive progress made to date, however progress in some areas, such as violence and aggression training, has stalled due the social distancing requirements associated with COVID-19.

The Health Board has established a new Health and Safety Assurance Committee which reports directly to the Board, to demonstrate its commitment to improving health and safety for its patients, staff and visitors. This Committee will provide assurance to Board on the work undertaken towards compliance with the notices.

Fire Safety

During 2019/20, Mid and West Wales Fire and Rescue Service (MWWFRS) issued the Health Board with 7 Enforcement Notices for WGH, St Caradogs, St Non's (Secure EMI unit)/ St Brynach's (Day Hospital) / Bro Cerwyn (Offices), Llys Stephen, Tenby Cottage Hospital and South Pembrokeshire Hospital. The Health Board continues to work with MWWFRS to address the findings, with extensions for some works agreed due to COVID-19. The new Health and Safety Assurance Committee will seek assurance on behalf of the Board to ensure that work is undertaken towards compliance with the notices.

Environment, Sustainability and Carbon Reduction

The Health Board has continued to drive performance in key areas over the last year including waste, energy and transport. This has involved a focus on robust data reporting, energy efficiency projects, recycling and reuse schemes and the expansion of a fuel efficient pool car fleet.

In terms of waste disposal, the Health Board continues to identify ways to reduce the waste we send to landfill, recycle wherever possible and reuse resources to avoid unnecessary purchases. For example, the Health Board are signed up to 'Warp it', an online platform for reuse of furniture and equipment, and have also rolled out source segregation (segregation of different types of solid waste at the location they are generated) on a number of our acute sites which has boosted our recycling rate. To date, over 955 staff have committed to reusing no longer needed items, avoiding waste disposal of nearly 42 tonnes and preventing 165 tonnes of CO₂ emissions.

Expenditure on utilities has increased due mainly to the impact of volatile energy markets and poor performance of Biomass and CHP (combined heat and power). Corresponding CO₂ emissions have declined, as grid electricity becomes greener. The first of a number of proposed schemes the Health Board has delivered this year to reduce its carbon footprint and contribute to WG's 2030 net carbon neutral ambition is the installation of roof mounted Photovoltaic Panels (PV) across two community sites, with another to follow. In total, the three schemes are estimated to save approximately 77,379 Kwh of electricity and £12.5K per annum. Carbon savings from these projects are expected to be approx. 76 tCO₂e over the life time of the project (8 years). The Health Board plan to deliver further roof mounted PV

scheme and LED lighting projects on another four community sites in 20/21, along with a ground mounted solar farm project.

The Health Board's Energy Performance Contract with Centrica, which is in its fifth year, continues to deliver guaranteed annual savings and carbon reduction. Since its commencement in 2015, a total reduction in carbon emissions of circa 13,500 tonnes has been achieved.

Water costs have decreased by 11% this year primarily due to rates being reduced by 2.5% and measures introduced by through the Aquafund scheme. Water consumption has decreased by 2.5%. Over the last year, the Health Board has appointed a specialist contractor who has been reviewing water consumption, leaks, metering infrastructure and tariffs as well as implementing water efficiency measures such as urinal controls. To date, this has saved the Health Board circa £53k, 47,000M³ and 22.5tCO₂e. From the revenue returned to the AquaFund Scheme, by saving water, they donate 1% of the value of the saving to Water Aid. Through this initiative the Health Board has helped transform lives in rural Mozambique, by bringing fresh water to 49,072 people.

The Environmental Team has continued to maintain the Environmental Management System in line with the ISO 14001 Environmental standard, including the production of annual objectives and targets and presenting a management review of performance via formal committee. The Health Board is well placed to achieve the new ISO standard in 2020/21.

There has been a growing focus on the use of green space at our sites via staff led projects in order to benefit the natural environment and the wellbeing of patients and staff. Examples include a grant funded initiative at WGH to renovate a court yard for our staff, and a planned 'Magnificent Meadows project' which is focusing on a managed approach to leaving areas of grassland on the site grow wild to encourage biodiversity. Plans are also in place to renovate the dementia garden in PPH, which is being re-designed to improve the outdoor space for patients and to encourage biodiversity as part of a capital scheme.

The Health Board is required to publish an annual Sustainability Report which includes data on key metrics including utility, waste, transport and environmental management information. The sustainability report for the period 2019/20 will be available in 2020/21.

The Health Board has undertaken risk assessments and carbon reduction delivery plans to demonstrate compliance with the requirements of the emergency preparedness and civil contingency elements of the UKCIP (UK climate Impacts Programme) 2009 weather projections to ensure that the organisation's obligation under the climate change Act and the Adaptation Reporting

Information Governance (IG)

We have well established arrangements through our information governance framework to ensure that information is managed in line with relevant information governance law, regulations and Information Commissioner's Office guidance. The framework includes the following:

- An Information Governance Sub Committee (IGSC), whose role it is to support and drive the broad information governance (IG) agenda and provide the Health Board with the assurance that effective IG best practice mechanisms are in place within the organisation;
- A Caldicott Guardian who is the responsible person for protecting the confidentiality of patient and service-user information and enabling appropriate information sharing;
- A Senior Information Risk Owner (SIRO) is responsible for setting up an accountability framework within the organisations to achieve a consistent and comprehensive approach to information risk assessment;
- A Data Protection Officer (DPO) whose role it is to ensure the Health Board is compliant with data protection legislation; and
- Information Asset Owners (IAOs) are in place for all service areas and information assets held by the Health Board and a programme of compiling a full asset register for the Health Board is underway and due to be completed by December 2020.

The Health Board has responsibilities in relation to Freedom of Information, Data Protection, subject access requests and the appropriate processing and sharing of personal identifiable information.

Assurances that the organisation has compliant information governance practices are evidenced by:

- Bi-monthly reports to the IGSC, including key performance indicators;
- A detailed operational General Data Protection Regulations (GDPR) work plan, taken to IGSC bi-monthly, detailing progress made against actions required to ensure compliance with data protection legislation;
- A suite of IG and information security policies, procedures and guidance documents;
- IG Intranet pages for the Health Board's employees with guidance and awareness;
- A comprehensive biannual mandatory IG training programme for all staff, including proactive targeting of any staff non-compliant with their IG training;
- A robust management of all reported IG breaches, including proactive reporting to the ICO;
- Regular monitoring of the Health Board's systems for inappropriate accesses to patients' personal data through the National Intelligent Integrated Audit Solution (NIIAS) platform;
- An Information Asset Register (IAR) used to manage information across the Health Board; and
- The IGSC Chair's assurance report taken to BPPAC and to the Board following all IGSC's meetings.

The National Intelligent Integrated Audit Solution (NIIAS) that audits staff access to patient records has been fully implemented within the Health Board with an associated training programme for staff and procedures for managing any inappropriate access to records. In addition to the above training, there are regular staff communications, group training sessions, as well as IG 'drop in' sessions held across the Health Board. Posters, leaflets, staff briefings have all been used to

disseminate information to staff around the importance of confidentiality, appropriate access to patient records and ensuring information is shared in an appropriate way.

The Health Board is in the process of undertaking a full review of its position against the Caldicott Principles into Practice Assessment (CPIP). Although this year's submission has been delayed due to the COVID-19 pandemic, it is anticipated the assessment will demonstrate a good level of assurance of information governance risks, as in the previous year. This will be the last CPIP submission as in 2020/21, it will be replaced by the new All Wales Information Governance Toolkit Framework.

Data Security

The Health Board has adopted and implemented a robust procedure for managing IG incidents across the organisation that ensures incidents are reported in line with statutory requirements and lessons are learnt to improve future practice. The Health Board has had contact with the Information Commissioner's Office (the ICO) in relation to 5 incidents during the year. The incidents fell into three broad categories:

- Loss of information in transit;
- Information sent to another individual in error; and □ Health records accessed by unauthorised individual.

The ICO has closed 4 of the above cases and was satisfied with the preventative and follow up action taken by the Health Board, with no fines or enforcement notices issued. One case is currently open and the Health Board is awaiting the ICO's response. The Health Board was not the data controller for 2 of these incidents, and reports were made as the breaches were brought to Health Board's attention.

Towards to end of 2019/20, IA undertook an Information Management and Technology (IM&T) Assurance follow-up audit to determine the status of previously agreed recommendations arising from the following prior IM&T assurance audits which included:

- IM&T/PC/Laptop Security Arrangements Follow-Up (February 2019);
- IM&T Directorate Review (January 2019);
- IM&T Security Policy & Procedures Follow-Up (August 2018); and □ Procurement and Disposal of IT Assets Follow-Up (November 2018).

A 'reasonable' assurance rating was awarded in the follow up review as of the 14 recommendations that were previously agreed by management, 11 (79%) recommendations were implemented, 1 (7%) was partially implemented and 2 (14%) remain outstanding. The 3 outstanding recommendations are high priority recommendations that the Health Board is still working to implement.

Ministerial Directions

The WG has issued a number of Non-Statutory Instruments during 2019/20. Details of these and a record of any ministerial directions given is available on the following link: <https://gov.wales/publications>.

A schedule of the directions, outlining the actions required and the Health Board's response to implementing these was presented to the ARAC as an integral element of the suite of documents evidencing governance of the organisation for the year.

From this work it was evidenced that the Health Board was not impeded by any significant issues in implementing the actions required as has been the situation in previous years. All of the Directions issued have been fully considered and where appropriate implemented.

In respect of the Ministerial Direction issued in December 2019 regarding the NHS Pension Tax Proposal 2019 to 2020, the Health Board has made all reasonable endeavours to comply with the Direction. We are not aware that any of our staff members have elected onto the 'Scheme Pays Scheme' and no benefits have otherwise been provided to staff impacted by the pension tax change. This will be reviewed in October 2020 when individuals receive their pension letters.

Welsh Health Circulars (WHCs)

Welsh Health Circulars (WHCs) are published by the WG to provide a streamlined, transparent and traceable method of communication between NHS Wales and NHS organisations. WHCs relate to different areas such as policy, performance and delivery, planning, legislation, workforce, finance, quality and safety, governance, information technology, science, research, public health and letters to health professionals.

Following receipt, these are assigned to a lead Director who is responsible for the implementation of required actions. The Health Board has a central system to track progress, which is reported through the Health Board's ETPRs. The Board has designated oversight of this process to Board level Committees, with an end of year report provided to the ARAC.

WHCs published in 2019/20 are on the [Welsh Government website](#).

Audits, Inspections and Reviews

Audits, inspections and reviews play an important independent role in providing the Board with assurance on internal controls, and that systems and processes are sufficiently comprehensive and operating effectively. Therefore it is essential that recommendations from audits, both internal and external, and inspections, are implemented in a timely way.

The Health Board has a robust process in place to track the implementation of all recommendations made from external audits, inspections and reviews, and holding officers to account where outstanding recommendations remain. The Health Board has a tracker that is used to:

- Log all internal and external audits, inspections and reviews in a central repository;
- Detail the Committee that has formally received the report reports have been formally received by the Health Board;
- Identify the lead Director and management lead officer for each report;
- Report progress through the ETPRs; and
- Provide assurance to the ARAC on progress made on implementation of recommendations.

At the February 2020 ARAC meeting, it was reported that there were 101 open reports, with 136 recommendations exceeding their original implementation date. Services and Directorates are challenged for late or non-delivery of recommendations at the ETPR. There is also an escalation processes in place for late and non-delivery of recommendations, whereby the ARAC reserve the right to invite lead Directors and Management Leads to explain reasons behind delays in implementation and the impact to patients. During 2019/20, ARAC have focused on those recommendations where there have been delays in implementation exceeding 6 months.

A strategic log has also been developed to ensure that in instances where the Health Board does not currently have the resources to implement recommendations, these are logged and agreed by the Executive Team to take forward and implement via its strategic and capital plans.

AW reported in the Structured Assessment 2019 that the Health Board continues to have a robust process for tracking recommendations by all regulators and holding officers to account where outstanding recommendations remain.

Towards the end of year, reviews by inspectorates/regulators and external audits have similarly been scaled back or suspended in order to enable the Health Board to focus on the COVID-19 pandemic. However in April 2020 as the Health Board moves out of the planning phase, the Board agreed that it would still expect management to ensure their service is safe and the risk of harm to patients and staff is managed and minimised through the implementation of recommendations from audits, inspections and regulators. This is set out in the following Board paper <http://www.wales.nhs.uk/sitesplus/documents/862/Item%203.3%20Management%20of%20Outstanding%20Recommendations%20from%20Auditors%2C%20Inspectorates%20and%20Regulators.pdf>.

Legislative Assurance Framework

The legal obligations of the Health Board are wide ranging and complex. In order to provide the Board with a level of assurance of compliance, the Legislative Assurance Framework has been reviewed to focus on those matters that present the highest risk in terms of likelihood and impact of non-compliance. A critical element of compliance is demonstrating the type and level of assurance that is relied upon. The type of assurance relates to the three lines of defence, where first line of assurance is provided by management systems, the second line is provided from oversight and the third line relates to independent and more objective assurance and focuses on the role of internal audit and other external auditors/regulators. The level of assurance follows the internal audit gradings of substantial, reasonable, limited or no assurance.

The framework has been further developed, and now captures:-

- Primary legislation requirement as set out in European law, UK Public Acts or WG measures;
- Relevant Statutory Instruments issued as Regulations and Orders;
- Licences issued by Regulatory Authorities as part of statutory arrangements;
- Summary of requirement;

- Regulatory/monitoring body, where applicable;
- Powers that can be enacted by the Inspectorate/regulatory body;
- Executive and Operational lead arrangements;
- Type of assurance (linked to three lines of defence model);
- Assurance level (this is determined by the appropriate operational lead) and current risk score, if there is limited or no assurance;
- Key controls in place to assist the Health Board in complying with the legislation;
- Date of last inspection and outcome (including actions, where identified); and
- Link to HCS.

This framework does not extend to healthcare professional regulation and certification; neither does it extend to compliance with Alert Notices, which are subject to a separate process.

During 2019/20, Services from across the Health Board were asked to undertake a review of the relevant key laws/legislation (not all legal requirements are included as such a development would require considerable resource) which come under their remit. Where an assurance rating of 'limited' or 'no assurance' has been given, Services have also undertaken a risk assessment for these areas (if not already in place) to ensure that the impacts are understood and the planned actions detail how risks of limited compliance will be managed/mitigated. Documenting and understanding the level of risk helps to inform Health Board's annual prioritisation process. The LAF enables the Health Board to understand where there are areas of concern and provides a source of information which can be used to triangulate with other sources of information and assurance.

Welsh Language Regulations – The Welsh Language Standards (No.7) Regulations 2018

Effective from 30 May 2019, the Welsh Language Standards replaced the Welsh Language Scheme. The Welsh Language Standards are a set of statutory requirements relevant to the Health Board which clearly identify our responsibilities to provide excellent bilingual services. These can be accessed via the Welsh Language Services section on our website

<https://hduhb.nhs.wales/healthcare/services-and-teams/welsh-language-services/>.

As a Health Board, we are committed not only to comply with the Welsh Language Standards, but to embrace their spirit, and to be the first Health Board where both languages are treated with equal status. Even though we are passionate corporately in terms of delivering our statutory duties, we recognise that the commitment is not always consistent across our sites, and that culture will need to change in order for us to deliver a seamless bilingual service to our service users. In March 2019, the Board approved its Policy Statement on the use of the Welsh Language internally.

This Policy Statement can be accessed via the following link -

<http://www.wales.nhs.uk/sitesplus/documents/862/Item%205.5%20Implementing%20the%20Welsh%20Language%20Standards.pdf>.

Under standard 120, the Health Board is required to produce an annual report within 6 months of the end of the year, which details the way in which we have complied with the standards with which we had a duty to comply with during 2019/20. Whilst

the Health Board intended to publish this report at the same time as the Health Board's Annual Report, data collation has been affected as a result of the COVID-19 pandemic.

The Health Board will publish its full annual Welsh Language Report for 2019/20 on its website by 30th September 2020.

(a) *The number of complaints received during 2019/20 related to compliance with the standards with which we were under a duty to comply (in accordance with standard 115);*

Listed below are the complaints received during 2019/20 together with a summary of the action following receipt. Eight complaints were received directly to the Health Board and the Commissioner conducted an investigation into the Health Board's service following a direct complaint. The complaints were dealt with in accordance with the Health Board's Complaints Procedure.

Complaint	Response and action
Received directly by the Health Board	
1. New parking signage at hospital sites - Welsh text not visible on dark background and therefore being treated less favourably	An apology was sent to the individual explaining that it was a graphic designing error and would be rectified imminently
2. Complaints process not outlined on the Health Board's website under Welsh language services section	An apology was sent and the process added to the relevant pages on the website directing complaints to Patient Support Services
3. Posters at a surgery in Carmarthen not fully bilingual. A Welsh 'smoking' poster in particular contained many spelling errors which was not satisfactory	An apology was sent and Welsh language services contacted the surgery in question offering support and translation service to amend poster and translate any other materials needed
4. Letter received from ward – incorrect Welsh	An apology was sent and Welsh language services contacted the ward in question offering support and translation service to amend letter template and translate any other materials needed
5. Lack of Welsh forms and general literature at a local GP surgery in Carmarthenshire	An apology was sent and Welsh language services contacted the surgery in question offering support and translation service to amend poster and translate any other materials needed

<p>6. English only Physiotherapy selfreferral form available on the health board's website</p>	<p>An apology was sent and department contacted. Translation of form was prepared and uploaded to the website accordingly</p>
<p>7. CP plus parking ticket issued to a member of staff – ticket information / payment process not available in Welsh</p>	<p>An apology was sent along with a translated summary of instructions by translation service as a temporary measure. Health board's transport team are currently exploring options and the way forward</p>
<p>8. Complaint that Welsh language skills are required when applying for a post - a post advertised as Welsh language skills 'essential'.</p>	<p>Response provided by Workforce team. An explanation provided referring to the bilingual skills strategy.</p>
<p>Complaint received through the Welsh Language Commissioner</p>	
<p>1. <i>Investigation under section 71 of the Welsh Language (Wales) Measure 2011 of a possible failure to comply with Welsh language standards</i></p> <p>The Commissioner investigated an allegation of a failure to comply with</p>	<p>Welsh language Commissioner issued a proposed report on an investigation into a failure to comply with Welsh Language Standards</p> <p>The proposed report was produced in accordance with sections 73 and 74 of</p>
<p>the Welsh Language Standards regarding English only literature from an MRI department (a letter and a form).</p>	<p>the Welsh Language (Wales) Measure 2011</p> <p>Assessment, findings, and proposed determination by the Welsh Language Commissioner was to take further action as follows:</p> <p>Standard 36 – requirement to take steps in accordance with section 77 of the Welsh Language Measure</p> <ol style="list-style-type: none"> 1. The Health Board must conduct a review to check that forms provided to the public by other departments comply with standard 36 and act upon the results of the review. 2. The Health Board must conduct a review to check that forms provided to the public by other departments comply with standard 36 and act upon the results of the review. 3. Hywel Dda University Health Board must provide sufficient written evidence to satisfy the Welsh Language Commissioner that it has carried out enforcement actions 1-2.

	A review is ongoing with all Health Board departments and a full response will be formulated imminently.
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(b) *The number of employees who have Welsh language skills at the end of the 2019/20 (in accordance with standard 116);*

The language skills of Health Board staff are captured and recorded on the ESR system. As at the 31 March 2020, 96% of staff have recorded their Welsh language skills as follows:

Welsh skill level	Number of Employees	%
0 - No Skills / Dim Sgiliau	3,606	36%
1 - Entry/ Mynediad	2,411	24%
2 - Foundation / Sylfaen	902	9%
3 - Intermediate / Canolradd	758	8%
4 - Higher / Uwch	807	8%
5 - Proficiency / Hyfedredd	1,114	11%
Not yet recorded on ESR	434	4%
Grand Total	10,032	100%

- (c) *The number (on the basis of the records you kept in accordance with standard 117) of new and vacant posts that you advertised during the year which were categorised as posts where*
- (i) *Welsh language skills were essential;*
 - (ii) *Welsh language skills needed to be learnt when appointed to the post;*
 - (iii) *Welsh language skills were desirable; or*
 - (iv) *Welsh language skills were not necessary.*

Number of Welsh Essential Posts	Number of Welsh Desirable Posts	Number where Welsh needs to be learnt	Number where Welsh not necessary	Total Number of Posts
30	2114	5	0	2149

REVIEW OF EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL

As Accountable Officer, I have 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 Committees rely on a number of sources of internal and external assurances which demonstrate the effectiveness of the Health Board's system of internal control, and advise where there are areas of improvement. These include the following:

Internal Sources of Assurance	External Sources of Assurance
✓ Internal audit	✓ External audit (AW)
✓ Key performance indicators	✓ Healthcare Inspectorate Wales (HIW)
✓ Performance reports	✓ Royal College visits
✓ Sub-committee reports	✓ Deanery visits
✓ Compliance audit reports	✓ External benchmarking and statistics
✓ Local counter fraud work	✓ Accreditation schemes
✓ Clinical audit	✓ National and regional audits
✓ Staff satisfaction surveys	✓ Peer reviews
✓ Staff appraisals	✓ Feedback from service users
✓ Training records	✓ Local networks (for example, cancer networks)
✓ Training evaluation reports	✓ Investors in People and other team development tools
✓ Results of internal investigations	✓ Feedback from healthcare and third sector partners
✓ Serious untoward incident reports	✓ Community Health Councils
✓ Complaints records	
✓ Infection control reports	
✓ Information governance toolkit selfassessment	
✓ Patient advice and liaison services	

reports	
<ul style="list-style-type: none"> ✓ Workforce and OD ✓ Patient experience surveys and reports ✓ Internal benchmarking ✓ Board Members Walkarounds 	

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 of Executive Directors and Senior Management;
- Executive Directors and Senior Management who have the responsibility for development, implementation and maintenance of the internal control framework and for continually improving effectiveness within the organisation;
- The review and oversight of principal risks on the Corporate Risk Register and the Board Assurance Framework by the Board and Committees;
- The oversight of operational risks through the Board and Committee and the performance Management Assurance Framework;
- Oversight of risks by specialist risk functions such as Counter Fraud, Health and Safety, and other corporate functions;
- The monitoring of the implementation of recommendations through the Performance Management Assurance Framework, overseen by the ARAC; and
- ARAC oversight of audit, risk management and assurance arrangements.

I am content, that further steps that have been taken over the last 12 months to strengthen risk management arrangements, embed the Board Assurance Framework and improve the quality of information have made the assessment and testing of the internal control system a matter of the day-to-day business of my Executive Team.

I am satisfied that generally the mechanisms in place to assess the effectiveness of the system of internal control are working well and that we have the right balance between the level of assurance I receive from my Executives, Board and Board Committee arrangements and Internal Audit Services. However, a number of areas where improvement is needed have been highlighted by AW and IA. These areas will continue to be addressed through 2020/21, as far as reasonably practicable as the Health Board manages the COVID-19 pandemic, with the implementation overseen by the ARAC. Some areas of improvement will be addressed over the medium to long term through delivery of the Health Board's Health and Care Strategy, with risks being mitigated as far as reasonably practicable in the meantime.

Internal Audit (IA)

IA provide me, as Accountable Officer, and the Board through the ARAC, with a flow of assurance on the system of internal control. The programme of audit work which has been delivered in accordance with Public Sector Internal Audit Standards by the NHS Wales Shared Services Partnership (NWSSP). The scope of this work is agreed with the ARAC in advance, and is focussed on significant risk areas and local improvement priorities, however the Chair of ARAC, with Committee support, can agree changes to the audit plan through the year, when appropriate.

The role of IA is to provide the Board with an objective assessment of the extent to which the systems and controls to manage our risks are adequate and are operating effectively, based on the work undertaken. The work of the IA service is informed by an analysis of the risks to which the Health Board is exposed with an annual plan based on this analysis. It should therefore, be recognised that many of the reviews were directed at high risk areas, and the overarching opinion therefore needs to be read in that context.

The ARAC has received progress reports against delivery of the (NWSSP) Internal Audit and Capital (Specialised Services) plans at each meeting, with individual assignment reports also being received. The findings of their work are reported to management, and action plans are agreed to address any identified weaknesses. The assessment on adequacy and application of internal control measures can range from 'No Assurance' through to 'Substantial Assurance'.

During 2019/20, Executive Directors or other Officers of the Health Board have been requested to attend in order to be held to account and to provide assurance that remedial action is being taken. A schedule tracking the implementation of all agreed audit recommendations is also provided to the Committee.


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

need to respond to the COVID-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. 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 he Head of Internal Audit has considered the impact of the audits that have not been fully completed.

Head of Internal Audit Opinion

As a result of the COVID-19 pandemic and the response to it from the Health Board, IA was not able to complete the audit programme in full. However, IA has undertaken sufficient audit work during the year to be able to provide an overall opinion in line with the requirements of the Public Sector Internal Audit Standards.

The Head of Internal Audit has concluded for 2019/20:

 <p style="text-align: center;">- + Reasonable Assurance</p>	<p>The Board can take Reasonable Assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Several significant matters require management attention with low to moderate impact on residual risk exposure until resolved.</p>
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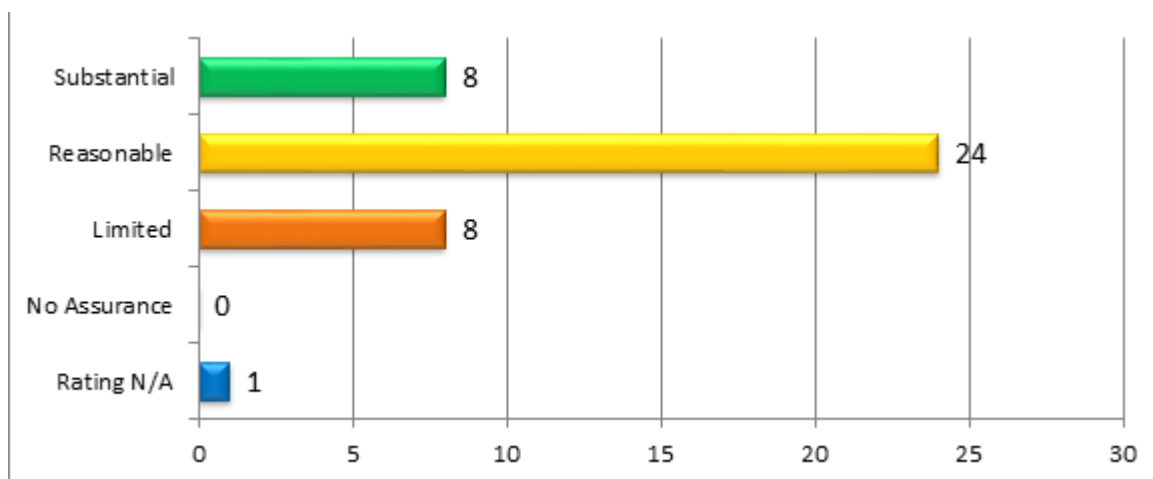
The Head of Internal Audit has considered all the domains, with these being rated for assurance as follows:

- Corporate governance, risk and regulatory compliance (*Reasonable Assurance*);
- Strategic planning, performance management and reporting (*Reasonable Assurance*);
- Financial governance and management (*Reasonable Assurance*);
- Clinical governance, quality and safety (*Reasonable Assurance*);
- Information governance and IT security (*Reasonable Assurance*);
- Operational service and functional management (*Limited Assurance*); □
Workforce management (*Reasonable Assurance*); and □ Capital and estates management (*Reasonable Assurance*).

IA had anticipated, after adjustments to the original audit plan agreed with ARAC, producing 45 audit reports for 2019/20. However, due to the impact of COVID-19 the final position on work is:

- 40 final reports;
- 1 draft report;
- 1 work in progress; and
- 3 where insufficient work was undertaken to be used to support the opinion.

The assurance ratings for the 41 audits undertaken through 2019/20 are outlined below:



All limited assurance reports will generally be subject to a follow-up in year, however where this was not possible due to timings of the COVID-19 pandemic, they will be included in the subsequent IA Plan. Whilst all IA reports were reported to the ARAC, where a limited assurance final report was presented, the Lead Director and Management Lead were in attendance to discuss their management response, the planned action, associated timescales and if appropriate when a follow up audit should be taken. The minutes and all final IA reports can be found within the ARAC section of our website <http://www.wales.nhs.uk/sitesplus/862/page/73602>.

The following audit reports with a conclusion of limited assurance were issued.

- Research and Development;
- Estates Directorate Governance Review*;
- BGH Directorate Governance Review;
- Consultants and SAS Doctors Job Planning;
- Contracting**
- Water Safety – Additional Sampling: WGH;
- Financial Safeguarding (Maintenance Team Led Work);
- Control of Contractors **;
- Glangwili Hospital, Women and Children’s Development, Phase 2**;

* Follow up audit undertaken in 2019/20 which has seen improvement in the assurance rating to either reasonable or substantial. ** Draft reports issued which will be finalised in Q1 2020/21.

Management responses that detail the actions that will be taken to address gaps in control were included in all final by IA reports presented to ARAC. The delivery of these actions is monitored through the ETPR and tracked via the Health Board’s audit tracker which is overseen by the ARAC.

Where audit assignments planned this year did not proceed to full audits following preliminary planning work, these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year.

Audit Wales (AW) Structured Assessment

The Auditor General for Wales is the statutory external auditor for the NHS in Wales.

AW (known as Wales Audit Office before 1 April 2020) undertakes the External Auditor role for the Health Board on behalf of the Auditor General. AW is responsible for scrutinising the Health Board's financial systems and processes, performance management, key risk areas and the IA function. AW undertake financial and performance audit work specific to the Health Board, with all individual audit reviews being considered by the ARAC with additional assurances sought from Executive Directors and Senior Managers as appropriate. AW also provides information on the Auditor General's programme of national value for money examinations which impact on the Health Board, with best practice being shared.

The Structured Assessment work in 2019 examined the Health Board's arrangements that support good governance and the efficient, effective and economic use of resources, paying particular attention to the progress made to address recommendations and opportunities for improvement identified in 2018 and previous years.

The main conclusions in respect of the 5 themes in the report; strategic planning; transformation and organisational structure; performance and turnaround; governance arrangements; and managing the workforce, are outlined below:

- The Health Board had set a clear strategic direction and was on track to develop its first three-year plan. Arrangements for monitoring delivery of the Strategic Plan have improved but reporting lines to the Board posed a risk of duplication;
- The Health Board had established robust arrangements to deliver its strategy, and recent changes were helping to simplify the operational structure. More needs to be done to engage staff in the change agenda and capacity in some corporate functions remains a challenge;
- The Health Board had strengthened financial management arrangements and improved performance overall, however a number of financial, service and quality challenges remained, and opportunities to extend performance management exist;
- Governance arrangements were generally sound with further improvements underway; and
- The Health Board compared well against a number of workforce metrics, was putting new initiatives in place to develop the workforce and support staff wellbeing, and was increasing the focus at Board and Committee level.

The work undertaken as part of Structured Assessment contributed towards the AW Annual Audit Report 2019. The key findings and conclusions emanating from both the assessment and the report are summarised as follows:

- The Health Board continues to strengthen governance and management arrangements. It has a clear strategic direction and is developing the infrastructure to support delivery of strategic plans. There are improvements in performance but challenges in relation to finance and unscheduled care remain. Finally, oversight and scrutiny of planning needs clarifying;
- Some positive examples have been identified through performance audit work however there remain a number of opportunities to secure further

improvements in relation to clinical coding and quality governance arrangements;

- The Health Board has continued to embed the sustainable development principle and is working with partners on Education Programmes for Patients, although it will need to plan more effectively to achieve the full potential benefits in the long term; and
- An unqualified opinion was issued on the accuracy and proper preparation of the 2018/19 financial statements of the Health Board; however due to the Health Board not achieving a financial balance for the three year period ending 31 March 2019, a qualified audit opinion on the regularity of the financial transactions within the 2018/19 financial statements. This was accompanied with a substantive report alongside this opinion to highlight the Health Board's failure to meet its statutory financial duties and its failure to have an approved three-year plan in place.

The Board did not disagree with any of the content of the AW Annual Report and I can confirm that progress has already been made in a number of the areas outlined above. A detailed management response was prepared in response to the 3 recommendations made in the Structured Assessment report, with implementation of these being tracked through the ARAC. The management response can be viewed on the Health Board's website and can be found in the ARAC section of our website <http://www.wales.nhs.uk/sitesplus/862/page/73602>.

Quality of Data

The Health Board makes every attempt to ensure the quality and robustness of its data, and has regular checks in place to assure the accuracy of information relied upon. However, the multiplicity of systems and data inputters across the organisation means that there is always the potential for variations in quality, and therefore always scope for improvement. The Health Board has an on-going data quality improvement plan which routinely assess the quality of its data across key clinical systems.

Good quality clinically coded data plays a fundamental role in the management of hospitals and services. Coded data underpins much of the day to day management information used within the NHS and is used to support healthcare planning, resource allocation, cost analysis, assessments of treatment effectiveness and can be an invaluable starting point for many clinical audits. In 2019/20, the AW undertook a follow-up review on recommendations previously made in respect of clinical coding, and concluded that 'coding continues to be a low priority for the Health Board and non-compliance with the completeness target is impacting on overall improvement in accuracy and staff morale. The use of coding data as business intelligence remains underdeveloped and there is still considerable room for progress against our previous recommendations'.

Whilst good progress has been made against the recommendations, the Health Board is still unable to meet the national completeness target for clinical coding. The Health Board routinely achieves an average of 84% against the required target of 95% episodes coded within 1 month of discharge. In 2019/20, the Health Board appointed 3 trainee coders, which will be placed on a training programme to allow them to become fully qualified coders. This remains a principal risk for the Health

Board and a workforce plan to address the current shortfall and address future staffing needs has been put forward as part of the prioritisation process for 2020/23.

CONCLUSION

Throughout 2019/20, the Health Board continued to deliver on our promise that our services will always aspire to be safe, sustainable, accessible and kind through the delivery of our Health and Care Strategy 'A Healthier Mid and West Wales: Our Future Generations Living Well'. The Health Board has been making progress towards delivering future models of health and care, and in particular early delivery of an enhanced primary and community care model. The opening of 2 integrated care centres at Cardigan and Aberaeron were two significant achievements in this part of this journey that demonstrated successful engagement with stakeholders, closer working with partners, together with increased delivery of care closer to home. However delivery of the strategy is not just about buildings, it is about developing a new social model for health. The enhancement of the Transformation Programme Office provided much needed capacity and the capability to drive the pace of delivery going forward. This year, we agreed a list of prioritised projects to improve patient flow through our hospitals and into our communities, the stroke pathway, theatres, and optimise demand in radiology and pathology, as well as developing plans for building a new hospital for West Wales.

Delivering the here and now has not been without its challenges this year. Some services have become increasingly fragile over the course of the year such as unscheduled care, particularly in WGH and GGH, and out of hours. These were a key focus in the latter half of 2019/20. Work to address the underlying issues will continue in 2020/21 and beyond, however this will involve a system-wide approach which will involve key partners. There were some successes in performance and prior to the COVID-19 pandemic, the Health Board was on track to maintain its position of no patients waiting more than 36 weeks for treatment and no one waiting for over 8 weeks for access to diagnostics. There were also improvements in our infection rates from the previous year, our response rate to complaints and concerns, numbers of job plans for consultants/SAS doctors, and of staff completing core skills training and having a performance appraisal development review in place.

The winter period is without doubt one of the most challenging periods for the NHS. During the year, we have worked very closely with our partners to ensure everything ran as smoothly as possible and to ensure everyone could access the right services when they needed them. We want to acknowledge and say thank you to our dedicated staff and volunteers who have shown great commitment and gone above and beyond to rise to these challenges and continue to deliver compassionate and patient centred care.

Whilst there have been some improvements in our performance this year we must also acknowledge the challenges we have faced and will continue to manage, particularly in relation to operational challenges both in provided and commissioned services, staffing levels, recruitment and with our estate. There have been occasions when the services we have provided have not been of the standard or quality we would aspire to achieve. We recognise we need to significantly improve upon

waiting times performance, in particular relating to follow ups, and improve our financial performance even further.

At the start of the second half of the year, we had to move our forecast position to a £25m deficit from the £15m control total. This was in line with the Board's original control position agreed at the start of the year. The Health Board's end of year position is £34.9m, given on-going operational pressures and the recovery of £10m additional funding from WG (predicated on the delivery of the £15m control total), against a forecast of £35m.

The Health Board did not meet its statutory duties under the National Health Service Finance (Wales) Act 2014 to ensure that its expenditure does not exceed the aggregate of funding allotted to it over a period of three years, and to prepare and obtain approval from the Welsh Ministers for a plan which achieves the first duty above, while also improving the health of the people for whom the Health Board is responsible and improving the healthcare provided to them. Improving our financial planning and performance are key priorities for the Health Board and by addressing them, will enable us to move out of 'targeted intervention' with WG.

Towards the end of 2019/20, WG took the unprecedented decision to pause the IMTP and annual plan process to enable NHS Wales organisations to focus their attention on the immediate planning and preparations to deal with the COVID-19 global pandemic. The Health Board did approve and submit a Three Year Plan for 2020/23, which incorporated our Annual Plan for 2020/21 which was developed prior to the COVID-19 pandemic. We will use it as the baseline for further planning moving forwards and will continue to work with WG through our on-going engagement meetings to understand the implications of COVID-19 management on the plan delivery.

The submitted Annual Plan set out the Health Board's clear strategic vision for the delivery of the Health and Care Strategy as the longer term solution to the long standing sustainability challenges for the Health Board, particularly relating to workforce and financial sustainability. This does however mean that for the immediate future the very challenging operational context for our finances, workforce sustainability and performance remain. Whilst the financial plan for the year ahead projects a year end deficit of £25m, and a significant cost improvement programme will need to be delivered to achieve this target, this was based on our plan prior to the impact of COVID-19 being fully understood and is subject to change.

Despite our forecast deficit we are committed to exhibiting best practice in all aspects of corporate governance and recognises that as a body entrusted with public funds, we have a particular duty to observe the highest standards of corporate governance at all times. However the impact that the COVID-19 pandemic has had on the Health Board in a short period cannot be understated. Although its arrival was late in 2019/20, the Health Board was directed to prioritise its resources into planning and preparing its response to a pandemic that is expected to significantly test the resilience of our health care system. As a result many internal processes for assurance, performance management and financial turnaround were scaled down or suspended, with reviews by inspectorates/regulators and external audits similarly

scaled back or suspended, and are likely to remain so until there is a sense that we return to business as usual.

COVID-19 has affected every aspect of Health Board business, and it is anticipated that we will be dealing with the outbreak well into 2020/21, whilst also trying to serve our population's routine health needs as best we can. It is unlikely that the Health Board will be in a position to enact its savings plan for at least the first 6 months of the year.

The costs of all the planning and preparations are likely to be considerable and without precedent although it is difficult to set this in a reasonably precise range at this stage given the speed, complexity and constraints inherent in the level of response required by the Health Board. Given the scale of what we are trying to achieve – more than doubling our bed base – it is unsurprising that the cost could be significant. It is hoped that this will be offset partially or wholly by central funding, however this remains a significant risk for the Health Board at present.

In a very short space of time, the Health Board has had to develop new ways of working and new governance structures to facilitate the planning and preparation phase, whilst being conscious that governance arrangements must be strengthened to ensure the Board receives positive assurance, not just on service preparedness and response but also on clinical leadership, engagement and ownership of developing plans; on the health and wellbeing of staff; on proactive, meaningful and effective communication with staff at all levels and on health and care system preparedness. Governance and working arrangements will continue to adapt during the pandemic, and this has and will involve temporary variations from the legal framework (Standing Orders) in which the Board operates.

Planning has been, and will remain fluid and responsive to incoming data, and the Health Board is now adjusting its planning assumptions as it anticipates that it will experience a series of peaks in demand for critical care capacity over the next 8–12 months, the timing and scale of which is currently unknown. Therefore the Health Board is starting to develop plans to restart normal services, alongside managing increased demand from COVID-19. It will be imperative to gain an understanding of the impacts of suspended/scaled back services on delivery, quality and safety, finances and performance.

As Accountable Officer and based on the review process outlined above I have reviewed the relevant evidence and assurances in respect of internal control enacted during 2019/20. The Board and its Executive Directors are fully accountable in respect of the system of internal control. The Board has had in place during the year a system of providing assurance aligned to support delivery of both the policy aims and corporate objectives of the organisation. As highlighted earlier in this statement overall governance arrangements are generally sound contributing to an effective internal control system. My review confirms that although there have been some internal control issues which have been identified during the year with remedial action taken to address these, the Board has a generally sound system of internal control that supports the achievement of its policies, aims and objectives and that no significant internal control or governance issues have been identified.

The Board is provided with regular and timely information on the overall financial performance of the organisation, together with other information on performance, workforce and quality and safety. Formal agendas, papers and reports are supplied to members in a timely manner, prior to Board meetings. The Board's agenda includes regular items for consideration of risk and control and receives reports thereon from the Executive and the ARAC. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Signed

Date: 23 June 2020

Steve Moore Chief Executive Officer

Appendix 1 – Board and Committee Membership & Championship Roles

Name	Position & Area of Representation Role	Board Committee Membership/ Attendance	Attendance at Meetings	Champion Role
Maria Battle	Chair from 19 August 2019	<ul style="list-style-type: none"> • Board (Chair) • RTSC (Chair) 	4/4 2/2	<ul style="list-style-type: none"> • Unscheduled Care • Public & Patient Involvement
Judith Hardisty	Interim Chair to 19 August 2019	<ul style="list-style-type: none"> • Board (Chair) • RTSC (Chair) 	3/3 3/3	
Judith Hardisty	Vice Chair (Mental Health Primary Care & Community Services)	<ul style="list-style-type: none"> • Board (Vice Chair) • ARAC • BPPAC (Vice Chair) • FC • MHLAC • PCAC • QSEAC • RTSC (Chair) 	3/4 4/4 4/4 6/7 2/2 3/3 2/3 3/3	☐ Carers
Anna Lewis	Independent Member (Community)	<ul style="list-style-type: none"> • Board • CFC • PCAC • QSEAC 	7/7 3/4 3/4 4/6	
Prof John Gammon	Independent Member (University)	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC (Chair) • RTSC • UPB (Chair) 	7/7 3/6 6/6 2/4 2/2	
Owen Burt	Independent Member (Third Sector)	<ul style="list-style-type: none"> • Board • ARAC • BPPAC • CFC • PCAC 	6/6* 8/8 6/6 4/4 3/4	☐ Design
David Powell	Independent Member (Information Technology) to 30 November 2019	<ul style="list-style-type: none"> • Board • ARAC • BPPAC (Chair) • FC • PCAC (Vice-Chair) • QSEAC • RTSC 	4/5 5/6 4/4 7/8 2/3 4/4 3/3	
Maynard Davies	Independent Member (Information Technology) from 1 December 2019	<ul style="list-style-type: none"> • Board • ARAC • BPPAC • FC 	1/1* 1/2 1/2 2/3	

Simon Hancock	Independent Member (Local Government)	<ul style="list-style-type: none"> • Board • ARAC • BPPAC 	6/6* 6/8 6/6	<ul style="list-style-type: none"> • Older People • Equalities & Diversity
		<ul style="list-style-type: none"> • CFC (Chair) • MHLAC • UPB (Vice-Chair) 	4/4 1/3 1/2	<ul style="list-style-type: none"> • Flu • Emergency Planning • Armed Forces & Veterans
Adam Morgan	Independent Member (Trade Union) to 12 July 2019	<ul style="list-style-type: none"> • Board • CFC • MHLAC • QSEAC (Vice-Chair) • UPB 	0/2 0/1 0/1 2/2 0/1	
Ann Murphy	Independent Member (Trade Union) from 9 January 2020	<ul style="list-style-type: none"> • Board • CFC • QSEAC 	1/1* 1/1 1/1	
Delyth Raynsford	Independent Member (Community)	<ul style="list-style-type: none"> • Board • CFC (Vice-Chair) • MHLAC (Vice-Chair) • QSEAC 	4/6* 3/4 1/3 4/6	<ul style="list-style-type: none"> • Welsh Language • Cleaning, Hygiene and Infection Management • Children, Young People & Maternity Services • Nutrition & Hydration • Putting things right
Mike Lewis	Independent Member (Finance)	<ul style="list-style-type: none"> • Board • ARAC (Vice-Chair) • BPPAC • CFC • FC (Vice-Chair) • MHLAC 	6/6* 7/8 6/6 2/4 10/11 2/3	
Paul Newman	Independent Member (Community)	<ul style="list-style-type: none"> • Board • ARAC (Chair) • MHLAC • PCAC • QSEAC • RTSC 	6/7 8/8 3/3 1/1 6/6 4/4	
Steve Moore	Chief Executive Officer	<ul style="list-style-type: none"> • Board • BPPAC • CFC • FC • RTSC 	7/7 0/6 0/4 6/11 3/4	<input type="checkbox"/> Time to Change Wales Mental Health

Joe Teape	Deputy Chief Executive Officer/ Executive Director of Operations to 29 November 2019	<ul style="list-style-type: none"> • Board • BPPAC • FC • MHLAC • QSEAC 	5/5 4/4 6/7 2/2 4/4	<ul style="list-style-type: none"> • Delayed Transfers of Care • Sustainable Development Security • Security Management
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				☐ Fire Safety
Karen Miles	Executive Director of Planning, Performance & Commissioning	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC 	4/6* 6/6 4/6	
Huw Thomas	Executive Director of Finance	<ul style="list-style-type: none"> • Board • ARAC • BPPAC • CFC • FC 	6/6* 8/8 5/6 3/4 11/11	
Mandy Rayani	Executive Director of Nursing, Quality & Patient Experience	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • UPB 	7/7 5/6 6/6 1/2	<ul style="list-style-type: none"> • Violence & Aggression ☐ Children's Act 2004 • Children & Young People's Services
Alison Shakeshaft	Executive Director of Therapies and Health Science	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • UPB 	6/6* 6/6 6/6 2/2	
Lisa Gostling	Executive Director of Workforce & Organisational Development	<ul style="list-style-type: none"> • Board • BPPAC • RTSC • UPB 	7/7 6/6 4/4 2/2	
Ros Jervis	Executive Director of Public Health	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC 	5/6* 6/6 6/6	☐ Emergency Planning
Phil Kloer	Executive Medical Director & Director of Clinical Strategy/ (Deputy Chief Executive from January 2020)	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • UPB 	7/7 4/6 5/6 1/2	<ul style="list-style-type: none"> • Patient Information • Caldicott Guardian
Andrew Carruthers	Turnaround Director to 29 November 2019	<ul style="list-style-type: none"> • Board • FC 	5/5 8/8	

Andrew Carruthers	Executive Director of Operations from 1 December 2019	<ul style="list-style-type: none"> • Board • BPPAC • FC • MHLAC • QSEAC 	1/1* 2/2 0/3 0/1 2/2	<ul style="list-style-type: none"> • Delayed Transfers of Care • Sustainable Development Security • Security Management • Fire Safety
Joanne Wilson	Board Secretary	<ul style="list-style-type: none"> • Board • ARAC • RTSC 	7/7 8/8 4/4	<input type="checkbox"/> Counter Fraud
Michael Hearty	Associate Member from June 2018	<ul style="list-style-type: none"> • Board • FC 	4/6* 10/11	
Jill Paterson	Director of Primary Care, Community & Long Term Care	<ul style="list-style-type: none"> • Board • BPPAC • QSEAC • PCAC 	6/6* 4/6 6/6 4/4	
Sarah Jennings	Director of Partnerships & Corporate Services	<ul style="list-style-type: none"> • Board • BPPAC • CFC • UPB 	6/6* 4/6 4/4 2/2	<input type="checkbox"/> Public Patient Involvement

**The Board meeting in public in March 2020 was held with only a quorum membership to comply with emergency measures for social distancing during the COVID-19.*

Appendix 2 – Advisory Groups Activity

Stakeholder Reference Group (SRG)

The SRG has brought the following matters, risks and issues brought to the attention and to be dealt with by the Board during the year:

- Advise the Board for information purposes issues relating to young carers:
 - Services are delivered differently in each county. There needs to be continuity throughout the Hywel Dda area;
 - There needs to be a team around the family to provide holistic approach and seamless services;
 - Raising awareness of young carers to professionals; ○ Services do not have a single referral from GP practices although practices receive awareness training;
 - Understand why district nurses, health visitors and midwives who must be seeing the young carers at home are not making referrals; and
 - More work could be done with housing officers
- Advising the Board that the Education Programme for Patients programme needs to become an integral part of all care pathways and should be part of social prescribing;
- The future direction of SRG through the review of its terms of reference by extending the potential scope of the membership to advise both the Regional Partnership Board (RPB) and the Hywel Dda University Health Board, especially on matters of integration and seamless health and social care. This provides the opportunity for views to be voiced directly at the Board meeting or RPB. These were approved by the Board;
- As the Education Programme for Patients (EPP Cymru) would be a vital link into some of the transformation work, the SRG would like to see the programme provided with funding to strengthen their team and embed their courses into health and social care services, as well as the development of new programmes with young carers and mental health EPP programmes to help young people and young carers;
- WG may reduce funding in the next financial year to support work with unpaid carers and SRG were concerned about what happens when the funding streams end as funding needs to be sustainable;
- For consideration to be given to setting winter plans by September/October of each year, with a more proactive approach needed by WG;
- In acknowledgement of the important role the Third Sector can play in supporting winter pressures, more investment within the Third Sector should be considered, with adequate time for planning and mobilisation of staff; and
- Concern regarding the continuity and sustainability of projects due to time limitations on Transformation Fund monies.

The Staff Partnership Forum (SPF)

The SPF has brought the following matters, risks and issues brought to the attention and to be dealt with by the Board during the year:

- The need for a campaign to reiterate zero-tolerance towards bullying within the Health Board;

- The lack of GP Out of Hours cover and the impact upon Emergency Departments, although it was recognised that the challenges are a national issue requiring a whole systems approach;
- Managing attendance at work due to the increasing levels of sickness absence reported due to anxiety/stress/depression/other psychiatric illnesses; and
- Obligatory response to the Violence in Healthcare recognising the increased support required in this area.

The Health Professionals Forum (HPF)

The HPF has brought the following matters, risks and issues brought to the attention and to be dealt with by the Board during the year:

- The need for the Health Board to engage with key clinical leaders and GP leads at an early opportunity, during the infancy of development of proposals for funding, in order for clinicians to have effective influence with any future large scale funding;
- The need for the Health Board to engage with the Health Care Professionals Forum, as the clinical and professional advisory group to Board, at the earliest opportunity in developing proposals for large scale funding;
- Concern that a Task and Finish group, set up to look at Children's Services (particularly the WGH site), consisted mainly of clinical leads in paediatrics, Out of Hours and Accident and Emergency. The role of pharmacy and the pharmacy model with children's services was noted as an important consideration for input to this group;
- The Forum highlighted, that in any service redesign going forward, all professional groups need to be involved. The importance of focussing on whole system service design and service planning in terms of all professional groups (and all partners and third sector, where required) is emphasised;
- The move to generic chronic condition nurses from, provision available in some counties, of Heart Failure Nurse. Whereas equitable services across the 3 counties was welcomed, the value of 'specific specialism' should not be underestimated in favour of the efficiencies that can be offered by Chronic Conditions Nurses trained to deal with a number of conditions;
- BGH's role in the Trauma network – concerns raised should BGH be designated a Local Emergency Hospital only. Consideration needed of BGH being recognised as having a different type of role in the Trauma network from other hospitals due to the particular characteristics of this hospital;
- There are gaps in meeting Trauma unit standards across all acute sites. However the significant work underway to meet this standard, for the identified Trauma unit is encouraging;
- Capacity and pressures already on the GGH site currently and the impact of further flow;
- The timetable for implementation of the Trauma Network appears ambitious in that it would not allow time for the required capital investment to ensure local arrangements were in place;
- The current system of stroke provision across all 4 sites was unsustainable given the challenges involved, and would not enable the relevant standards of delivery to be met;

- The travel time estimates for patients to Morriston Hyper-Acute Stroke Units (HASU) may not have taken into account travel times during the day, rush hour traffic times and holiday traffic. This could impact on critical treatment timelines for patients. Additionally, it may give an inaccurate picture of the number of patients that can attend within 45 or 60 minutes, thus affecting patient flow estimates for planning;
- The gap of some therapy staff in stroke and trauma services particularly clinical psychology, and the lack of investment in these areas;
- The three pieces of work currently underway relating to Trauma, Stroke and neurorehabilitation, and the importance of linking and aligning these 3 pieces of work together in order to make best use of resources and promote service sustainability;
- The level of engagement with clinicians in respect of the submission for funding proposals for the Transformation Fund, given the tightness of timescales and the fact that agreement of proposals was with all partners and not solely based with Health, in the infancy of the development of the proposals, in order for clinicians to make significant influence. Professional groups experienced difficulties with understanding who was involved, how to influence and add value to the process; and
- 'Empowering Clinicians' was welcomed as a positive development in Hywel Dda. Caution is required as different clinicians will have different perceptions of what 'empowerment' means for them which will need to be clarified in the design phase. An additional strand, which focuses on clinicians can have a stronger voice in planning and change at a strategic level, may be valuable.

Appendix 3 - Top Principal Risks in 2019/20

These are the principal risks on the BAF/CRR that had a risk score of 15 or over demonstrated on the Heat Map on page 42 as at the end of March 2020.

- **Risk 810 Poor quality of care within the unscheduled care pathway** (*Added in 2019/20*) – The Executive Team agreed this risk in December 2019 in response to the increasing challenges in the unscheduled care pathway due to a sustained and ongoing period of pressure. Hospital sites are regularly escalated to red escalation. A system wide solution is required to manage this risk, and the first step by the Health Board was taken when it approved its long term strategy, "A Healthier Mid and West Wales: Health and Care Strategy" in November 2018. Since approval, the Health Board has started work to redesign services in unscheduled care through the Transforming Clinical Services Programme, and this will include primary care clusters developing plans that will support wider system changes. The Health Board will deliver an Unscheduled Care Programme including frailty plan, older people plan, Red2Green, SAFER bundles, PJ paralysis, last 1000 days, redesign of the out of hours system, implement transformation schemes funded through transformational funding through Regional Partnership Board to support implementation of TCS over next 10 years. The Health Board will also develop a refreshed approach based on the 4 nationally agreed 'Discharge to Assess/Recover' (D2RA) pathways which will need to be approved with each local authority and will be implemented as part of the Unscheduled Care 3 year plan.

- **Risk 730 Failure to realise all the efficiencies and opportunities from the Turnaround Programme in 2019/20** (*Added in 2019/20*) – This risk will replace the previous corporate risk (Risk 626 related to 2018/19 savings objective) and related to achieving the Health Board’s objective to deliver planned recurrent savings of £24m by end of March 2020 through the Turnaround Programme. As at Month 11, there is a savings gap of £6.9m comprising £4.5m on unidentified schemes and £2.4m slippage on identified schemes. Work is underway with Value and Core Team to identify further savings opportunities that could be delivered in the remainder of 2019/20.
- **Risk 245 Inadequate facilities to store patient records and investment in electronic solution for sustainable solution** – This issue requires significant investment in a long term solution that reduces the need for physical space for storage of records. The issue has been compounded by a number of national inquiries that have prevented the Health Board from undertaking its routine weeding and destruction schedule for records. The Health Board needs to develop a business case for the implementation of a scanning solution to deal with long term issue.
- **Risk 624 Ability to maintain and address backlog maintenance and develop infrastructure to support long term strategic objectives** – This risk is caused by insufficient capital, both from the All Wales Capital Programme and Discretionary Capital allocation, to sustain and develop the current estate, medical equipment and IM&T infrastructure. Despite significant controls and assurance mechanisms in place, the Health Board must implement its long term Health and Care Strategy to reconfigure services and become more sustainable. The Board accepted that it would not be able to reduce this risk to within the Health Board tolerance in 2019/20.
- **Risk 628 Fragility of therapy provision across acute, community and primary care services** – this risk reflects the risk in respect of gaps across therapy service provision in acute, community and primary care settings from historical under-resourcing, exacerbated by recurrent savings targets, vacancies and recruitment/retention issues due to national shortages. A sustainable therapy workforce solution aligned to the Health and Care Strategy has been agreed. The following 3 high impact/workforce priority areas were identified within the Annual Plan for focus during 2019/20; older people (incorporating frailty, dementia and stroke); improving selfmanagement (including pulmonary rehabilitation and diabetes); therapists as first point of contact in primary care (including musculoskeletal, older people and irritable bowel syndrome). An additional area requiring development is the Major Trauma Network and a sustainable solution is also required to maintain the 14 week waiting time target. These areas of development will require practical, prudent and incremental workforce solutions to improve patient care, outcomes and experience, and sustainable funding models will be required through whole-system review and shifting of resource from elsewhere in the health and care system.
- **Risk 371 Inability to meet WG target for clinical coding and decisionmaking will be based on inaccurate/incomplete information** (*Added in 2019/20*) – This risk was escalated in 2019/20 following the AW Follow-up on Clinical Coding which stated that ‘coding continued to be a low priority for the Health Board.’ The risk relates to the lack of capacity to undertake the

increasing level of clinical coding to meet WG targets and that this could lead to the Health Board basing its strategic decision-making on inaccurate and out of date information. Although overtime has been utilised throughout the year and two trainee clinical coders were appointed (it will take 18 months for these to be fully effective), there is still an underlying backlog of episodes that require clinical coding. A workforce plan to address current shortfall and address future staffing/succession needs to be developed and considered for funding in the IMTP 2020/23 prioritisation process.

- **Risk 291 Lack of 24 hour access to Thrombectomy services** – Following the withdrawal of thrombectomy services by Cardiff and Vale UHB due to a lack of interventional neuroradiologists, mechanical intervention for Stroke is only available at North Bristol NHS Trust (NBT) (and Walton Centre NHS Foundation Trust for BGH between 9-5pm Monday to Friday), resulting in a risk during out of hours periods. WHSCC, supported by the Delivery Unit, continue to lead in the process of negotiating provision of all Wales service with North Bristol NHS Trust.
- **Risk 632 Ability to fully implement WG Eye Care Measures (ECM)** – The Health Board's ability to fully implement the WG ECM is constrained by a lack of identified on-going funding to support Community Optometrists to undertake enhance referrals and also the capacity within the Hospital Eye Service to support progress with the ECM Plan due to on-going recruitment challenges. Discussions have commenced with Swansea Bay University Health Board to deliver a regional Ophthalmology service for the South West Wales Region. The Board accepted that it would not be able to reduce this risk to within the Health Board tolerance in 2019/20.
- **Risk 686 Delivering the Transforming Mental Health Programme (TMH) by 2023** - Delivery of TMH is critical to the Health Board's ability to manage the increasing demand on Mental Health Services and improving recruitment and retention in key professional groups. Whilst there are work streams in place to identify keys risks and issues, the delivery of TMH is reliant on a significant amount of capital. Capital resources are limited and there is a risk that some elements of TMH may need to align with the Health Board's Transforming Clinical Services programme which could result in a delay in the overall delivery of TMH. Capital is also dependent on the Health Board demonstrating that it will be able to manage the increasing revenue costs associated with the increasing demand on services since the development of the TMH. A programme business case to secure required capital allocation has been submitted to WG in 2019/20 and the Health Board awaits a decision. A continuous review process of demand and capacity within Adult Mental Health Services is also being established in 2020/21 to inform whether the current staffing model remains viable.
- **Risk 718 Failure to undertake proactive health and safety (H&S) management** – This risk was added to the CRR in early 2019/20 and increased during the year following a HSE inspection in July 2019. The Health Board received 8 improvement notices and 13 material breaches. In response, it has developed a governance structure comprising of 3 control groups, 3 task and finish groups, with progress overseen monthly by the Health and Safety and Emergency Planning Sub-Committee. The Health Board has also appointed 2 additional health and safety adviser posts in

March 2020 and 1 violence and aggression case management post in February 2020 to assist with delivering the required improvements in response to the HSE notices and to improve the culture and overall compliance with health and safety legislation within the Health Board.

- **Risk 735 Ability to deliver the Financial Plan for 2019/20 affecting the whole Health Board** (*Added in 2019/20*) - This risk replaced the previous corporate risk (630 relating to the delivery of the Financial Plan 2018/19) and reflected the risk of delivering the financial plan in 2019/20. During 2019/20, the Health Board revised the end of year forecast to a deficit of £25m, which was £10m higher than the Control Total requirement of £15m. This was due to the cumulative financial position to date and the anticipated continuation of cost pressures, in addition to which the savings requirement for the year was not expected to be fully identified. Operational cost pressures also manifested primarily within unscheduled care, especially in the latter part of the year; alongside other risks such as the closure of the Aseptic Unit and the management of commissioned solutions. Primary Care prescribing also caused significant pressures across Wales.
- **Risk 684 Lack of agreed replacement programme for radiology equipment across the Health Board** - This risk was escalated to the CRR in 2019/20 due to the wide scale disruption to all sites caused by breakdown of key imaging equipment which has a significant impact on the Health Board's ability to meet its RTT target and the impacts to patients which can include delays in diagnosis and treatment. The replacement programme for radiology equipment has been re-profiled by risk, usage and is influenced by service reports. During 2019/20, some funding was secured from the All Wales Capital Programme (AWCP) for 4 high risk pieces of equipment however this does not cover all outdated equipment nor future requirements. The Health Board's 4 computed tomography (CT) scanners are due to be replaced and the prioritisation of these is being discussed with WG.
- **Risk 627 Ability to implement the Health Board Digital Strategy within current resources to support the Health Board's long term strategy** – Whilst an updated Digital Programme Plan has been developed with resources mapped against specific themes, to illustrate which programmes/projects/products to be developed, without additional investment the Health Board will miss the opportunities that digital can provide. Around 96% of informatics' staff time is dedicated to “keeping the lights on” which comprises of ensuring that the infrastructure is robust and operational and there is not the resources to take forward any innovation or new builds. Anything that is currently progressed, in terms of new builds is undertaken at the expense of guaranteeing robust ICT systems. There has been a reduction in the risk score as additional analytical support has been made available for the modelling element of the clinical services strategy.
- **Risk 813 Failure to fully comply with the requirements of the Regulatory Reform (Fire Safety) Order 2005 (RRO)** (*Added in 2019/20*) – This risk was added to the CRR in 2019/20 as despite progress made since the NWSSP IA Fire Precautions Report in May 2017 with regards to the key recommendations, such as the establishment of a fully resourced fire safety team, the embedding of appropriate reporting arrangements for fire safety and addressing the backlog of out of date fire risk assessments across the Health Board, there are still some significant challenges faced by the Health Board to

fully comply with the fire safety order. In 2019/20, the Health Board has received a number of fire enforcement and improvement notices. This risk reflected the risk of further enforcement due to a lack of available resources within the current operational maintenance function to undertake a fully Health Technical Memorandum (HTM) compliant pre planned maintenance programme (PPM's) for all fire safety components across the entire Health Board 's estate, manage the age, condition and scale of physical backlog (circa £20m relating to fire safety across our estate which significantly affects our ability to comply with the requirements of the RRO in every respect) and a lack of fire safety ownership and understanding of fire safety responsibilities at local hospital management level. The Health Board is working through a number of actions to address this risk and has funded the additional operational estate staff required to undertake PPMs, and is working with WG to secure capital funding in a stages to address the backlog of maintenance, whilst working with general management to improve understanding of fire safety ownership.

- **Risk 117 Delays in transfers to tertiary centres for urgent cardiac investigations, treatment and surgery** - The Health Board is still experiencing delays in transferring patients to Swansea Bay UHB tertiary service for a range of cardiac investigations, treatments and surgery. The historic risk specifically associated with transfer delays for N-STEMI patients (NICE: 'within 72 hours') has reduced since development of the NSTEMI Treat & Repatriate service. However, patients waiting for other reasons, such as cardio-thoracic surgery, permanent pacemaker implantations and electrophysiology studies continue to wait prolonged periods for transfer to the tertiary service. A range of work is underway to address this risk including the development of long term regional plan which is now being overseen by Joint Regional Planning and Delivery Forum and Committee and ARCH work streams.
- **Risk 129 Ability to deliver an Urgent Primary Care Out of Hours Service for Hywel Dda patients** - Unprecedented and frequent shortfalls in rota cover throughout the 3 counties continue to be seen with very limited additional work being undertaken by the sessional workforce. This is indicative of the Q4 financial year (tax threshold) position. Current availability of times of highest demand are variable with instances of 20% staffing level seen at times. Significant sickness levels amongst salaried GP workforce continue to add to adverse rota positions specifically in Pembrokeshire and Ceredigion and being managed as per policy and occupational health advice. The Advanced Paramedic Practitioner model is providing significant resilience (when available) however this is not currently sufficient to reduce overall risk. There is a plan to increase the model to 3 whole time equivalent (WTE) however they will not be available until May 2020 onwards, subject to successful educational examination. A short to medium term service development plan has been included in the Health Board's 3 year plan for 2019/22 to manage the current fragilities within the Out of Hours Service.

Appendix 4 – Principal Risks closed/de-escalated during 2019/20

Below are the principal risks managed in 2019/20 and were closed or de-escalated from the Board Assurance Framework/Corporate Risk Register:

- **Risk 43 Ability to fully comply with the statutory Welsh Language Standards (WLS) by Mar19** – The Health Board agreed funding to implement the Welsh Language Standards across the organisation and therefore this risk was de-escalated and managed at Directorate level.
- **Risk 626 Failure to realise all the efficiencies and opportunities for the Turnaround Programme** - The Executive Team agreed to close this risk following delivery of £30.7m savings by the agreed date of 31st March 2019. This was achieved through operational savings of £26.4m with the gap mitigated through a range of recovery savings actions to the value of £6m. A new risk (above – risk 730) was approved by Executive Team to reflect the Health Board's new savings target for delivery in 2019/20.
- **Risk 630 Ability to deliver the Financial Plan for 2019/20** – Whilst the Health Board has a statutory duty to breakeven, historically it has not done so and this is the main reason why the Health Board is in heightened escalation with the WG. This risk relates to delivering the financial plan and control total for 2018/19 and was closed following the end the financial period. A new risk (Risk 735) was been approved in respect of the risk to deliver the financial plan and control total for 2019/20.
- **Risk 636 Ability to deliver zero breaches for RTT with 36 weeks, diagnostic within 8 weeks and therapy services within 14 weeks** - The Health Board delivered against its objective to deliver 0 breaches for RTT within 36 weeks in 2018/19 therefore this risk did not materialise and was closed.
- **Risk 625 Ability to recruit, retain and engage clinical staff to meet rising demand and deliver the long term clinical services strategy** - This risk was closed following a detailed review by the Lead Director which has led to this risk being split.
- **Risk 631 Failure to recognise increasing mortality rates across the Health Board** - This risk was de-escalated following a detailed review which has resulted in the level of risk being reduced to 8. Whilst this remains slightly over the Health Board's risk tolerance of 6 for this type of risk, a standardised process for stage 2 reviews agreed by the Effective Clinical Practice SubCommittee has been implemented across the Health Board. There have also been improvements to meet the 95% target across all sites.
- **Risk 647 Failure to have robust systems in place to support the reporting requirements of the Nurse Staffing Levels (Wales) Act 2016** - This risk was closed as there is a solution in place to meet the reporting requirements in the Act via the Health and Care Monitoring Software System (HCMS).
- **Risk 648 Ability to implement its Quality Improvement Strategic Framework (QISF) within current financial and workforce resources** - This risk was de-escalated; it is now within the Health Board risk tolerance following the launch of the QISF in 2019. The QISF is supported by an EQliP which is a collaborative training programme for front line staff designed to increase improvement capacity and capability across the Health Board

through training, education and coaching support for teams working on a real work problem.

- **Risk 650 Quality and safety governance arrangements** - This risk was closed following the recent AW Review of Quality and Safety Arrangements in Hywel Dda and the introduction of a new organisational objective 'Strengthen the Health Board's Quality and Safety governance arrangements and address the issues raised by AW and reflections from the Cwm Taf UHB Maternity issues'. A new risk is being assessed on the achievement of this objective.
- **Risk 629 Ability to deliver against Annual Plan targets against rising demand in unscheduled care** - This risk was reviewed and removed following reassessment of the risk in unscheduled care (see above - risk 810).
- **Risk 508 Insufficient resources in fire safety management to undertake appropriate Planned Preventative Maintenance (PPMs), risk assessments and audits** - This risk was closed following the increase in capacity within the fire safety team and a further reassessment of the risk associated with fire safety compliance within the Health Board. A new risk has been assessed following the recent Enforcement notice from the Mid and West Wales Fire and Rescue Service (see risk 813).
- **Risk 652 Security on acute hospital sites** - This risk was de-escalated following a reduction in the UK threat level. The development of bespoke hospital lockdown plans will form part of the Health and Safety and Security departmental work plan for 2020 to work with site managers to develop their own plans based upon current infrastructure and highlight any lockdown hazards/challenges on their Directorate risk registers.
- **Risk 384 Ability to fully comply with statutory and manufacturer guidelines for medical devices and equipment** – This risk was deescalated from the CRR as systems and controls have improved around the management of medical devices since this risk was put on the CRR. Whilst the backlog of replacement requires approximately £7m per annum, this is being managed through the Operations Directorate capital prioritisation process, therefore there is no value to be gained from it being at corporate level. An IA was also undertaken in 2019/20 which provided a 'reasonable assurance' rating supporting the reduction of risk in this area.
- **Risk 805 - Lack of sustainable service for Trans Catheter Aortic Valve Implantation (TAVI) procedure at tertiary centre** – This risk was deescalated as there are no patients currently waiting at the tertiary centre for treatment, the backlog is clear and Swansea Bay University Health Board have strengthened resourcing in this service. This risk related to the potential harm that patients could have experienced whilst awaiting transfer to the tertiary centre for a TAVI procedure, it does not address the potential reputational risk that may impact the Health Board following the expected publication of the Royal College report.

Appendix 5 – HIW Activity at Hywel Dda during 2019/20

In respect of inspection activity in the Health Board's acute hospitals, an inspection was undertaken at the Cadog and Ceri Wards in GGH. The inspection found that the service provided respectful, dignified, safe and effective care to patients, which included a range of ward based initiative to enhance the patient experience. However, improvements were identified in order to further promote the safe and effective care of patients in accordance with national guidance and the Health and

Care Standards. 23 recommendations were raised, of which 3 remain outstanding as at 31 March 2020.

An inspection was also undertaken at Ystwyth Ward in BGH. The inspection found evidence of good multidisciplinary working between the nursing, therapy and medical staff and a good application of the stroke care pathway. It was also noted that there was good management and leadership at ward level. There was one immediate concern raised in relation to initial admission documentation, care plans and associated risk assessments not being consistently completed for all patients, but has since been addressed. 40 further recommendations were made, of which three remain outstanding but are on track for delivery within the agreed timescales.

As part of HIW's national review of maternity services across Wales, unannounced inspections were undertaken in autumn and winter of 2019, namely at:

- Gwennllian Ward and Midwifery Led Unit at BGH - The inspection found that the service provided care in a respectful and dignified way to patients, however some improvements were identified to ensure that the service was providing safe and effective care at all times. There was one immediate concern raised in relation to the daily checks of neo-natal resuscitaires and emergency resuscitation equipment which has since been completed. Six further recommendations were made and have all since been implemented.
- Labour Ward, Dinefwr Ward and Midwifery Led Unit at GGH - The inspection found that the service provided care in a respectful and dignified way to patients, however some improvements were identified to ensure that the service was providing safe and effective care at all times, and to meet national guidance and the Health Care Standards. Five issues were raised as immediate concerns relating to security measures across maternity services, regular checks of neo-natal resuscitaires and emergency resuscitation equipment, medication storage, data security and consistency in staff training and documentation. All immediate concerns have been addressed. 12 further recommendations were identified, of which four remain outstanding as at 31 March 2020.
- Midwifery Led Unit at WGH - The inspection found that the service provided care in a respectful and dignified way to patients, however some improvements were identified to ensure that the service was providing safe and effective care at all times, and to meet national guidance and the Health Care Standards. Three immediate concerns were raised relating to regular checks of neo-natal resuscitaires and emergency resuscitation equipment and medicine storage, all of which have now been completed. Seven further recommendations were raised, of which two remain outstanding as at 31 March 2020.

Inspections were also carried out at community hospitals in the Health Board. An inspection was undertaken at Sunderland Ward in South Pembrokeshire Hospital. It was noted that the service provided safe and effective care, and patients were treated with dignity and respect, however there were some environmental concerns

raised, and immediate action required around aspects of medicines management, infection prevention and control, and venous thromboembolism (VTE) assessments in accordance with NICE guidelines. Seven immediate recommendations were raised, and six have been completed. The outstanding immediate recommendation relates to the Health Board adopting an All Wales approach with regards to VTE policy, which will be disseminated to staff once agreed. A further 12 recommendations have been raised, all of which have been completed.

An inspection at Cysgod y Cwm Ward in Amman Valley Hospital was undertaken during the year. The inspection found evidence that the service provided safe and effective care, with good ward-based leadership, however it was noted that staff felt isolated and disconnected from other hospitals within the Health Board. Seven recommendations were raised, of which six have been completed and one is outstanding as at 31 March 2020.

An inspection was carried out at Brienne Ward and the Minor Injuries Unit at Llandovery Hospital, where it was noted that the service provided respectful and dignified care to patients on the ward, with staff on the ward committed to delivering a good standards of patient care and a strong team ethos. It was noted however that there were instances where the Health Board was unable to provide the agreed and appropriate number of registered nurses on the ward. One immediate concern was raised as a recommendation in relation to staffing issues which is outstanding. A further 15 recommendations have also been raised of which 7 have been implemented.

An unannounced inspection of wards 7 and 11 at WGH was undertaken in the latter stages of 2019/20, and the Health Board is currently awaiting a finalised version of this report.

In respect of inspection activity across the Health Board's Mental Health and Learning Disabilities Services, there was an unannounced inspection of the Low Secure Unit (LSU) and Psychiatric Intensive Care Unit (PICU) at Cwm Seren. HIW found that it provided patient centred, effective care for patients, with evidence of strong leadership on both wards and a strong team ethic. Concerns were raised regarding parts of the environment on both LSU and PICU, and appropriateness of the Section 136 suite. 20 recommendations were raised in the report, of which 15 have been completed and two are on course to be delivered within initial timescales. Three recommendations are currently outstanding as at 31 March 2020.

Another unannounced visit was undertaken on St Caradog and St Non Wards at Canolfan Bro Cerwyn, WGH. It was noted that staff were committed to providing a high standard of care to patients and interacted respectfully with them, however the Health Board needed to review the inpatient service provision for adult mental health to ensure sufficient capacity. It was also observed that the service was not compliant with all aspects of the Health and Care standards, specifically in the implementation between the Mental Health Act and Deprivation of Liberty Safeguards. 22 recommendations were raised from the inspection, of which 20 have been implemented and one is on course to be completed in specified timescales.

An unannounced inspection was also undertaken at Bro Myrddin NHS Residential Setting during the year, where it was noted that staff provided dignified care to patients at the setting was safe and clinically effective. Audit and governance arrangements however were required to be embedded to ensure that improvements are made to the completion of documentation. 16 recommendations were raised, all of which have been completed by the service.

An announced visit conducted jointly by HIW and Care Inspectorate Wales (CIW) was undertaken on the Llanelli Community Mental Health Team. The inspection noted that the service provided safe and effective care, however the service was not fully compliant with all Health and Care Standards and the Social Services and Wellbeing (Wales) Act. The report was published in April 2020, with 2 recommendations raised for immediate action and a further 24 recommendations included in the main improvement plan.

All outstanding recommendations will be reviewed and re-prioritised accordingly in light of the additional capacity pressures on services as a result of planning and managing the COVID-19 pandemic.

Hywel Dda University Health Board

PART B: REMUNERATION AND STAFF REPORT 2019/20



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Hywel Dda
University Health Board

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INTRODUCTION

The HM Treasury's Government Financial Reporting Manual (FRm) requires that a Remuneration Report shall be prepared by NHS bodies providing information under the headings in SI 2008 No 410

<https://www.legislation.gov.uk/ukxi/2008/410/contents> made to the extent that they are relevant. The Remuneration Report contains information about senior manager's remuneration. The definition of "Senior Managers" 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."

This section of the Accountability Report meets these requirements. The following disclosures are subject to audit:

- Single total figure of remuneration for each director (pg.99);
- Cash Equivalent transfer Value (CETV) disclosures for each director (pg.105);
- Payments to past directors, if relevant;
- Payments for loss of office, if relevant;
- Fair pay disclosures (Included in Annual Accounts) note 9.6; □ Exit packages, (Included in Annual Accounts) if relevant note 9.5; and
- Analysis of staff numbers (pg.107).

REMUNERATION REPORT

The Remuneration and Terms of Service Committee (RTSC)

The Remuneration and Terms of Service Committee (RTSC) will comment specifically upon:

- Remuneration and terms of service for the Chief Executive, Executive Directors, other Very Senior Managers (VSMs) and others not covered by Agenda for Change; ensuring that the policies on remuneration and terms of service as determined from time to time by WG are applied consistently;
- Objectives for Executive Directors and other VSMs and their performance assessment;
- Performance management systems in place for those in the positions mentioned above and its application;
- Proposals to make additional payments to medical Consultants outside of normal terms and conditions;
- Proposals regarding termination arrangements, ensuring the proper calculation and scrutiny of termination payments in accordance with the relevant WG guidance;
- Consider and ratify Voluntary Early Release scheme applications and severance payments in respect of Executive Director posts, in line with Standing Orders and extant WG guidance. The Committee to be advised also of **all** Voluntary Early Release Scheme applications and severance payments;

- To approve the University Health Board's honours submission recommendations.

The membership of the RTSC Committee during 2019/20 was as follows:

Name	Position	Role on the RTSC
Maria Battle	Chair (from 19 August 2019)	Chair
Judith Hardisty	Interim Chair (to 19 August 2019) Vice Chair & Chair of Business Planning and Performance Assurance Committee (BPPAC) (from 1 December 2019)	Chair Member
Paul Newman	Independent Member and Chair of Audit and Risk Assurance Committee (ARAC)	Vice Chair
Professor John Gammon	Independent Member and Chair of Quality, Safety and Experience Assurance Committee (QSEAC)	Member
David Powell	Independent Member and BPPAC (to 30 November 2019)	Member

Independent Members' Remuneration

Remuneration and tenures of appointment for independent Members is decided by the WG.

Senior Managers' Remuneration

The remuneration of Senior Managers who are paid on the Very Senior Managers Pay Scale is determined by WG, and the Health Board pays in accordance with these regulations. For the purpose of clarity, these are posts which operate at Board level and hold either statutory or non-statutory positions. In accordance with the regulations the Health Board is able to award incremental uplift within the pay scale and, should an increase be considered outside the range, a job description is submitted to WG for job evaluation. There are clear guidelines in place with regards to the awarding of additional increments and during the year there have not been any additional payments agreed. No changes to pay have been considered by the Committee outside these arrangements. The Health Board does not have a system for performance related pay for its Very Senior Managers.

The Health Board can confirm that it has not made any payment to past Directors as detailed within the guidance.

Annually the RTSC receives a summary performance report of Executive Director objectives and then periodically receives an update on performance against those agreed objectives. In support of the summarised feedback completed performance appraisal documents are also available for Committee scrutiny. No external comparison is made regarding performance.

The Health Board issues All Wales Executive Director contracts which determine the terms and conditions for all Very Senior Managers. The Health Board has not deviated from this. In rare circumstances where interim arrangements are to be put in place a decision is made by the Committee with regards to the length of the interim post, whilst substantive appointments can be made.

Any termination payments would be discussed and agreed by the Committee in advance and where appropriate WG approval would be made. During the 2019/20 year, no termination payments were made.

Service Contract Details for Senior Managers

Name of Manager	Role	Salary (£) Bands of £5k	Date of contract	Expiration Date	Compensation for early termination
Steve Moore	Chief Executive	190-195	05/01/2015	N/A	N/A
Joe Teape	Deputy Chief Executive/ Executive Director of Operations	100-105	07/09/2015	30/11/2019	N/A
Dr Philip Kloer	Deputy Chief Executive /Executive Medical Director	170-175	25/06/2015	N/A	N/A
Andrew Carruthers *	Executive Director of Operations Turnaround Director	120-125	01/12/2019 26/06/2017	N/A 30/11/2019	N/A
Mandy Rayani	Executive Director of Nursing, Quality & Patient Experience	130-135	19/06/2017	N/A	N/A
Karen Miles	Executive Director of Planning, Performance & Commissioning	130-135	01/01/2017	N/A	N/A
Huw Thomas	Executive Director of Finance	125-130	10/12/2018	09/12/2020 (2 year fixed term)	N/A

Lisa Gostling	Executive Director of Workforce & Organisational Development	125-130	09/01/2015	N/A	N/A
Alison Shakeshaft	Executive Director of Therapies & Health Sciences	110-115	01/01/2018	N/A	N/A
Ros Jervis	Executive Director of Public Health	115-120	17/07/2017	N/A	N/A
Jill Paterson	Director of Primary Care, Community & Long Term Care	115-120	19/01/2018	N/A	N/A
Sarah Jennings	Director of Partnerships & Corporate Services	105-110	01/01/2018	N/A	N/A
Joanne Wilson	Board Secretary	95-100	01/01/2018	N/A	N/A
Libby RyanDavies*	Transformation Director	5-10	12/09/2016	30/04/2019	N/A

* *Appointed to a new role in the Health Board during 2019/20.*

All Directors are subject to a three month notice period.

Changes to Board Membership in 2019/20

During 2019/20, there were the following changes to Board membership:

- Maria Battle commenced as Chair of the Health Board on 19 August 2019.
- Judith Hardisty took on the position of Interim Chair to 19 August 2019, following which resumed her normal role of Vice-Chair of the Health Board.
- Paul Newman took on the position of Vice-Chair to 19 August 2019, and resumed his normal role of Independent Member after this date.
- David Powell ended his tenure as Independent Member (Information Technology) and was replaced by Maynard Davies on 1 December 2019.
- Adam Morgan ended his tenure as Independent Member (Trade Union) on 12 July 2019. Ann Murphy took up this role on 9 January 2020.
- Kerry Donovan stood down as the Chair of the Healthcare Professional Forum on 31 January 2020.
- Hilary Jones stood down as Chair of the Stakeholder Reference Group on 29 February 2020.
- Joe Teape left the post of Deputy Chief Executive/Executive Director of Operations on 30 November 2019.
- Dr Phil Kloer took on the role of Deputy Chief Executive from 23 January

2020. This role is undertaken alongside his substantive post of Executive Medical Director. His role as lead for delivery of the Health and Care Strategy was moved to Karen Miles, Executive Director of Planning, Performance and Commissioning.

- Andrew Carruthers left his post of Turnaround Director on 30 November 2019 and took up position of Executive Director of Operations on 1 December 2019.
- Libby Ryan-Davies changed role on 30 April 2019 from Transformation Director to Strategic Programme Director and reported directly to the Executive Director of Planning, Performance and Commissioning.

Single Total Figure of Remuneration

The amount of pension benefits for the year which contributes to the single total figure is calculated similar to the method used to derive pension values for tax purposes, and is based on information received from the NHS BSA Pensions Agency. The value of pension benefit is calculated as follows: (real increase in pension x 20) + (the real increase in any lump sum) – (contributions made by member).

The real increase in pension is not an amount which has been paid to an individual by the UHB during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pensions scheme from their pay and other valuation factors affecting the pension scheme as a whole.

2019/20

Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Executive Members and Directors					
Steve Moore, Chief Executive Officer	190 - 195	0	0	0	190 - 195
Joe Teape, Deputy Chief Executive / Executive Director of Operations (to 30/11/19)	100 - 105	0	0	0	100 - 105
Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience	130 - 135	0	0	13	140 - 145
Karen Miles, Executive Director of Planning, Performance and Commissioning	130 - 135	0	0	26	155 - 160

Lisa Gostling, Executive Director of Workforce and Organisational Development	125 - 130	0	0	73	200 - 205
Phil Kloer, Executive Medical Director	170 - 175	0	0	50	220 - 225
Andrew Carruthers, Turnaround Director (to 30/11/19), Executive Director of Operations (from 01/12/19)	120 - 125	0	0	42	165-170
Alison Shakeshaft, Executive Director of Therapies and Health Science	110 - 115	0	0	92	200 - 205
Ros Jervis, Executive Director of Public Health	115 - 120	0	0	27	140 - 145
Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Huw Thomas, Executive Director of Finance	125 - 130	0	0	52	175 - 180
Jill Paterson, Director of Primary, Community and Long Term Care	115 - 120	0	06	39	160 - 165
Sarah Jennings, Director of Partnerships and Corporate Services	105 - 110	0	0	35	140 - 145
Joanne Wilson, Board Secretary	95 - 100	0	0	44	140 - 145
Libby Ryan-Davies, Transformational Director (to 30/04/19)	5 - 10	0	0	2	10 - 15

Independent Members					
Maria Battle, Chair (from 19/08/19)	35 - 40	0	0	0	35 - 40
Judith Hardisty, Interim Chair (to 18/08/19), Vice Chair (from 19/08/19)	50 - 55	0	0	0	50 - 55
Mike Lewis	10 - 15	0	0	0	10 - 15

Paul Newman, Interim Vice Chair (to 18/08/19)	20 - 25	0	0	0	20 - 25
Professor John Gammon	10 - 15	0	0	0	10 - 15
David Powell (to 30/11/19)	5 - 10	0	0	0	5 - 10
Simon Hancock	10 - 15	0	0	0	10 - 15
Delyth Raynsford	10 - 15	0	0	0	10 - 15
Adam Morgan (to 12/07/19)	0 - 5	0	0	0	0 - 5
Anna Lewis	10 - 15	0	0	0	10 - 15
Owen Burt	10 - 15	0	0	0	10 - 15
Maynard Davies (from 01/12/19)	0 - 5	0	0	0	0 - 5
Ann Murphy (from 09/01/20)	0-5	0	0	0	0-5

2018/19

Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Executive Members and Directors					
Steve Moore, Chief Executive Officer	180 – 185	0	0	0	180 – 185
Joe Teape, Deputy Chief Executive / Executive Director of Operations	145 – 150	0	0	0	145 – 150
Mandy Rayani, Executive Director of Nursing, Quality and Patient Experience	125 – 130	0	0	222	350 - 355
Karen Miles, Executive Director of Planning, Performance and Commissioning	125 – 130	0	0	18	145 – 150
Stephen Forster, Executive Director of Finance (to 31/08/18)	50 – 55	0	0	12	60 – 65

Huw Thomas, Executive Director of Finance (from 01/09/18)	75 - 80	0	0	65	140 - 145
Lisa Gostling, Executive Director of Workforce & OD	115 – 120	0	0	21	135 – 140
Dr Phil Kloer, Executive Medical Director/ Director of Clinical Strategy	165 – 170	0	0	59	225 – 230
Alison Shakeshaft, Executive Director of Therapies and Health Sciences	100 – 105	0	0	0	100 – 105
Ros Jervis, Executive Director of Public Health	110 – 115	0	0	36	145 - 150
Andrew Carruthers, Turnaround Director	115 – 120	0	1	39	155 – 160
Jill Paterson, Director of Primary, Community and Long Term Care	110 – 115	0	4	8	125 – 130
Sarah Jennings, Director of Partnerships and Corporate Services	100 – 105	0	0	21	120 – 125
Name and Title	Salary (Bands of £5k)	Bonus Payments	Benefits in Kind (£000)	Pension Benefits (£000)	Total (Bands of £5k)
Libby Ryan-Davies, Transformation Director	100 – 105	0	0	20	120 – 125
Joanne Wilson, Board Secretary	95 – 100	0	0	17	110 – 115

Independent Members					
Bernadine Rees, Chair (to 28/02/19)	55 – 60	0	0	0	55 – 60
Judith Hardisty, Vice Chair (to 28/02/19), Interim Chair (from 01/03/19)	45 – 50	0	0	0	45 – 50
Paul Newman, Independent Member (to 28/02/19), Interim Vice Chair (from 06/03/19)	10 – 15	0	0	0	10 – 15

Mike Lewis	10 – 15	0	0	0	10 – 15
Professor John Gammon	10 – 15	0	0	0	10 – 15
David Powell	10 – 15	0	0	0	10 – 15
Cllr Simon Hancock	10 – 15	0	0	0	10 – 15
Delyth Raynsford	10 – 15	0	0	0	10 – 15
Adam Morgan	5 – 10	0	0	0	5 – 10
Owen Burt (from 01/05/18)	10 - 15	0	0	0	10 - 15
Anna Lewis (from 01/04/18)	10 - 15	0	0	0	10 - 15
Mr M Hearty (from 01/06/18)	0	0	0	0	0
Julie James (to 30/04/18)	0 – 5	0	0	0	0 – 5

Remuneration Relationship

The details of the remuneration relationship are reported in the Financial Statements in Section 9.6

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Director in the Health Board in the financial year 2019/20 was £190,000-£195,000 (2018/19, £180,000 - £185,000). This was 6 times (2018/19, 6 times) the median remuneration of the workforce, which was £33,758 (2018/19, £29,608).

In 2019/20, 32 (2018/2019, 34) employees received remuneration in excess of the highest-paid Director. Remuneration for staff ranged from £21,450 to £360,373 (2018/19, £17,460 to £307,299). The staff who received remuneration greater than the highest paid Director are all medical and dental who have assumed additional responsibilities to their standard job plan commitments as part of their medical managerial roles, necessitating extra payment.

	2019/2020	2018/2019
Band of Highest paid Director's Total Remuneration £000	190 - 195	180 - 185
Median Total Remuneration £000	34	30

Ratio	6 times	6 times
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* As disclosed in the Health Board's Annual Accounts Note 9.6

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

Pension Benefits Disclosure

Name and title	Real increase in pension at age 60	Real increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				
	£000	£000	£000	£000	£000	£000	£000	£000
Steve Moore, Chief Executive*	0	0	0	0	0	0	0	0
Joe Teape, Deputy Chief Executive/ Director of Operations*	0	0	0	0	0	0	0	0
Mandy Rayani, Executive Director of Nursing, Quality & Patient Experience	0-2.5	2.5-5	60-65	185-190	1,382	1,288	64	0
Karen Miles, Executive Director of Finance, Director of Planning, Performance and Commissioning	0-2.5	(2.5)-0	55-60	155-160	1,261	1,174	59	0
Lisa Gostling, Director of Workforce and Organisational Development	2.5-5	5-7.5	45-50	105-110	869	763	87	0
Dr Phil Kloer, Deputy Chief Executive/Executive Medical Director	2.5-5	0-2.5	55-60	115-120	962	874	67	0
Andrew Carruthers, Turnaround Director to (30/11/19), Executive Director of Operations (from 01/12/19)	2.5-5	0-2.5	30-35	60-65	451	402	40	0
Alison Shakeshaft, Executive Director of Therapies and Health Science	2.5-5	7.5-10	45-50	110-115	954	825	109	0

Ros Jervis, Executive Director of Public Health	0-2.5	(2.5)-0	25-30	45-50	431	387	35	0
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Name and title	Real increase in pension at age 60	Real increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31 March 2018	Lump sum at age 60 related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				
	£000	£000	£000	£000	£000	£000	£000	£000
Huw Thomas, Executive Director of Finance	2.5-5	0-2.5	20-25	0-5	242	198	39	0
Jill Paterson, Director of Primary, Community and Long Term Care	0-2.5	5-7.5	40-45	130-135	0	0	0	0
Sarah Jennings, Director of Partnerships and Corporate Services	0-2.5	0.00	35-40	0.00	536	479	45	0
Joanne Wilson, Board Secretary	2.5-5	0-2.5	25-30	45-50	372	324	40	0
Libby Ryan-Davies, Transformational Director (to 30/04/19)	0-2.5	(2.5)-0	35-40	75-80	563	521	2	0
<input type="checkbox"/> Steve Moore and Joe Teape chose not to be covered by the NHS pension arrangements during the reporting year								

STAFF REPORT

Staff Numbers

As at 31 March 2020 the Health Board employed 11,245 staff including bank and locum staff; this equated to 8,741.72 Full Time Equivalent (FTE). The numbers (headcount) of female and male Board Members and employees are as follow:

	Female	Male	Total
Board Members	13	10	23
Employees	8750	2472	11222
Total	8763	2482	11245

Staff Composition as at 31 March 2020

	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Executive Team*	8.00	8	4.00	4	12.00	12
Independent Members	5.00	5	6.00	6	11.00	11
Total	13.00	13	10.00	10	23.00	23

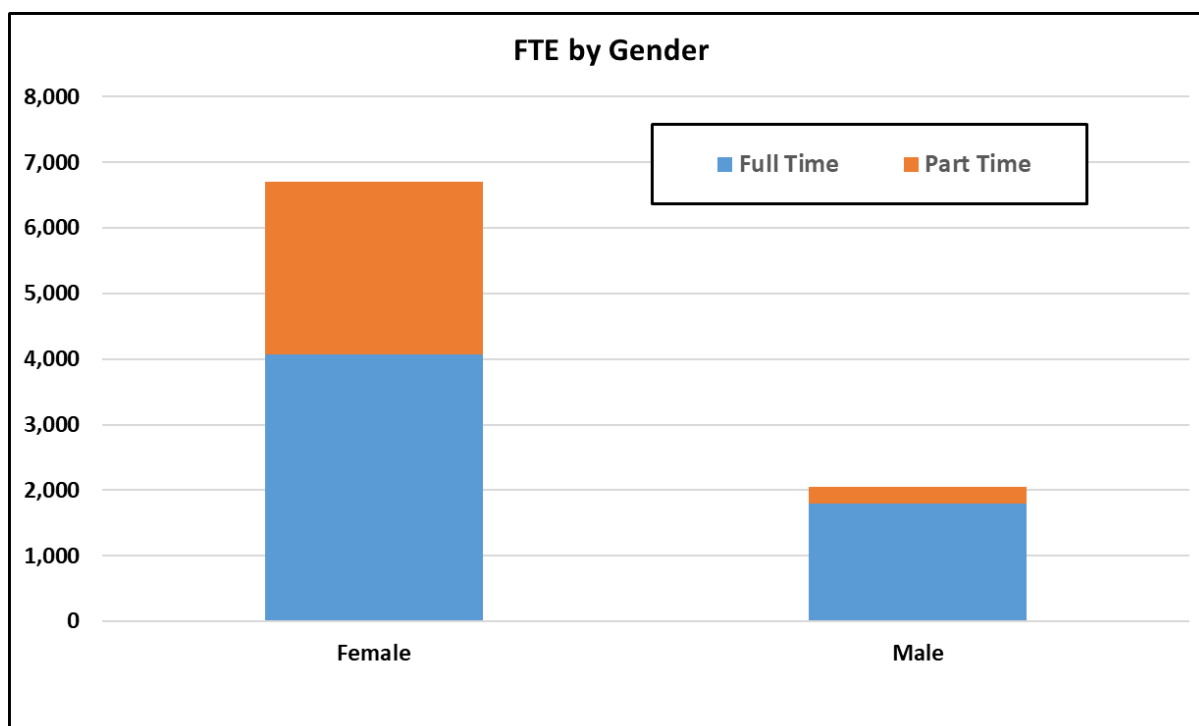
* The Executive Team consists of 9 Executive Directors who are voting members of the Board. In addition there are 2 additional Directors and the Board Secretary (all non-voting) who are members of the Executive Team and attend Board meetings.

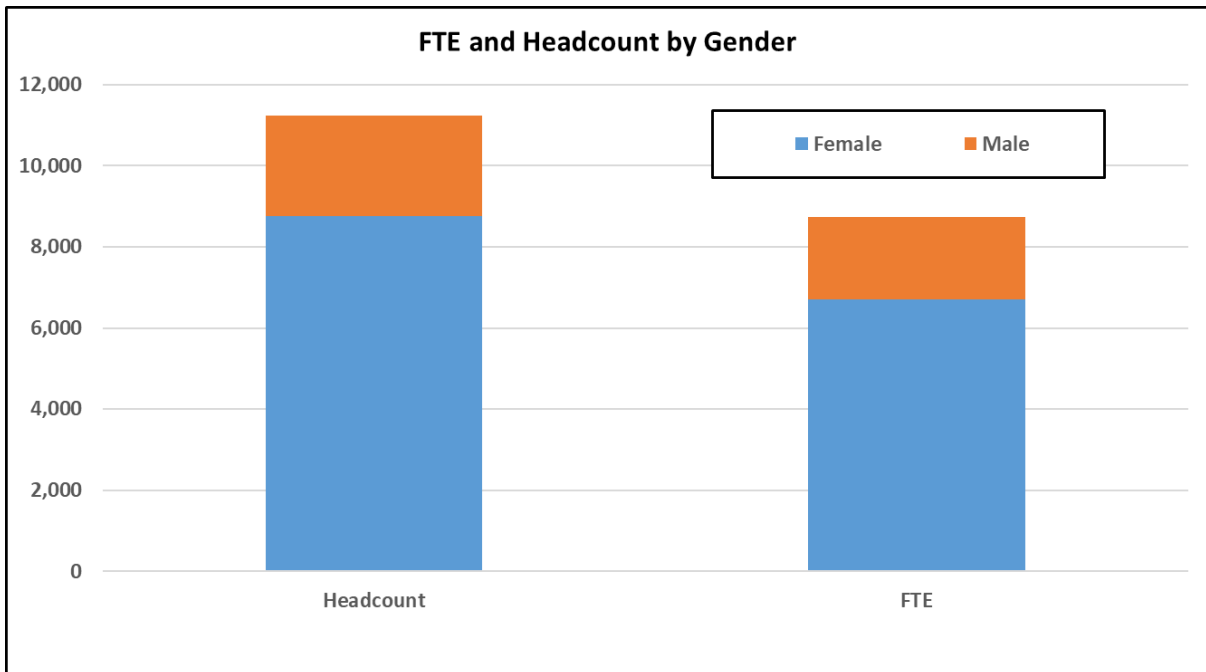
	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Additional Professional Scientific and Technical	222.96	259	110.93	130	333.88	389
Additional Clinical Services	1,493.51	2,249	335.43	402	1,828.94	2,651
Administrative and Clerical	1,365.20	1,604	300.27	322	1,665.46	1,926
Allied Health Professionals	451.07	535	98.06	109	549.13	644
Estates and Ancillary	365.12	618	416.67	548	781.79	1,166
Healthcare Scientists	96.77	107	82.00	83	178.77	190
Medical and Dental	229.56	320	475.32	640	704.87	960
Nursing and Midwifery Registered	2,471.65	3,070	226.62	248	2,698.27	3,318
Students	0.60	1	0.00	0	0.60	1

Total	6,696.43	8,763	2,045.28	2,482	8,741.72	11,245
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	Female		Male		Total	
	FTE	Head count	FTE	Head count	FTE	Head count
Band 8a	43.82	45	26.00	27	69.82	72
Band 8b	30.80	31	19.60	20	50.40	51
Band 8c	15.59	16	8.40	9	23.99	25
Band 8d	7.80	8	6.00	6	13.80	14
Band 9	3.00	3	6.85	7	9.85	10
Total	101.01	103	66.85	69	167.86	172

- 77% of the Health Board's workforce was female by FTE and 23% male;
- The staff covered a wide range of professional, technical and support staff groups;
- Over 50% were within the Nursing and Midwifery and Additional Clinical Services staff groups;
- Senior Manager (Band 8a and above) were 1.9% of the workforce - 60% of these by FTE were female and 40% male; and
- The Board does not have any issue with its staff composition.





Sickness Absence Data

The Health Board has the lowest sickness rate of the 6 largest Health Board's in Wales despite the slight increase of the cumulative sickness rate for the 12 month period up to the 31 March 2020 to 5.08% (4.86% at end of March 2019).

	2019-20	2018-19
Days lost (long term)	136,170	105,591
Days lost (short term)	57,086	42,578
Total days lost	193,256	148,169
Total FTE as at 31 March	8,741.22	8,445.61
Average Working Days Lost	11.67	11.10
Total Staff employed as at 31 March (headcount)	11,245	11,007
Total Staff employed in period with no absence (headcount)	3,878	3,534
Percentage of staff with no sick leave	38.38%	37.09%

The percentage and total number of staff without absence in the year has been sourced from the standard ESR Business Intelligence (BI) report. With regard to the reporting in relation to the percentage of staff with 'no sickness', the standard BI report excludes new entrants and also bank and locum assignments.

The main reasons for long term sickness absence are anxiety/stress/depression, followed by musculoskeletal problems. For short term sickness absence the most prevalent reason stated relates to colds/flu and gastrointestinal problems. Managers are provided with Directorate sickness absence metrics on a monthly basis which highlight the sickness absence rates for their areas split by department along with reasons for absence, days lost and cost.

The revised All Wales Attendance at Work Policy is now well established within the organisation with its focus on compassionate leadership and the ability for manager

discretion which may have resulted in the slight increase in sickness absence. Due to the role of the training package across the organisation our audit programme has reduced over the last 12 months. This will now be a key priority going into the new financial year. The issue of COVID-19 will also have impacted on attendance during the latter part of 19/20 and this will continue into 20/21 which will result in higher sickness absence for the coming year.

The HB has an in-house Occupational Health Service with a Consultant Occupational Health Physician and a Staff Psychological Well-being Service which staff are able to self-refer to. The Staff Wellbeing service has been enhanced to include a 24 hour Employee telephone assistance service.

In addition to dedicated staff wellbeing events held across the Health Board which included financial wellbeing, the Health Board also ran an initiative 'Your Well-Being Matters' in early 2020 to improve staff well-being for nurses, midwives and healthcare support workers across Hywel Dda. The feedback from this confidential, anonymous on workplace well-being survey will help us to understand what it feels like to work in Hywel Dda Health Board, and enable us to further explore and develop ways to improve well-being in the workplace.

Staff Policies

The majority of key employment policies are developed on an All Wales basis and then ratified locally by the Workforce and Organisational Development Sub-Committee (W&ODSC). These policies are developed in partnership with Trade Unions and are approved through the WG Partnership Forum Business Committee. Equality Impact Assessments (EqIAs) are produced, recorded, and made available for All Wales policies by a sub-group of the Partnership Forum.

Other employment policies are developed and reviewed through the Employment Policy

Review group that is chaired by a senior member of the Workforce & Organisational Development Directorate. The group membership consists of managers, trade union representatives and other specialist advisors such as those with specialist knowledge of equality and diversity and data protection. Local policies are produced in partnership with trade union colleagues and are issued for general consultation. EqIAs are developed by a sub-group of the Employment Policy Review group that includes a specialist advisor for equality and diversity.

Local policies are subject to formal sign off through both the Health Board's Staff Partnership Forum and the W&ODSC. The Health Board's employment policies can be found - <http://www.wales.nhs.uk/sitesplus/862/page/62308>.

The aim of the Health Board's Equality and Diversity policy is to ensure that equality and diversity considerations underpin the recruitment, employment and development of staff and the development and delivery of the Health Board's services to patients and service users. Policies and practices within Health Board must demonstrate appropriate due regard to relevant equality and diversity issues, thereby ensuring that recruitment and employment and service delivery practices are designed, developed and delivered fairly and equitably, in accordance with equality and human rights legislation.

Expenditure on Consultancy

Consultancy services are a provision for management to receive objective advice and assistance relating to strategy, structure, management or operations of an organisation in pursuant of its purposes and objectives. During the year the Health Board spent £1,517,841 on consultancy services.

Transforming Clinical Services	£950,675
Legal / Redress Claims Advice	£414,098
VAT / Tax Advice	£50,598
HR Advice	£33,660
Estates Advice	£9,353
Other Service Reviews	£59,457

Tax Assurance for Off-Payroll Appointees

In response to the Government's review of the tax arrangements of public sector appointees, which highlighted the possibility for artificial arrangements to enable tax avoidance, WG has taken a zero tolerance approach and produced a policy that has been communicated and implemented across the WG. Tax assurance evidence has been sought and scrutinised to ensure it is sufficient from all off-payroll appointees.

Details of these off-payroll arrangements will be published on the Health Board's website <http://www.wales.nhs.uk/sitesplus/862/page/100005> following publication of the Annual Report.

Exit Packages

There have not been any costs associated with redundancy in the last year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). £24,800 exit costs were paid in 2019-20 in relation to settlement claims, the year of departure (2018-19 comparatives). The exit costs detailed below are accounted for in full in the year of departure on a cash basis as specified in EPN 380 Annex 13C.

Where the Health Board has agreed voluntary early retirement, the additional costs are met by the Health Board and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in the table below.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

The Health Board receives a full business case in respect of each application supported by the line manager. The Executive Director of Finance and Executive Director of Workforce and Organisational Development approve all applications prior to them being processed. Any payments over an agreed threshold are also submitted to WG for approval prior to Health Board approval. Details of exit packages and severance payments are as follows:

	2019/20	2019/20	2019/20	2019/20	2018/19
Exit packages cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Number	Number	Number	Number	Number
less than £10,000	0	1	1	1	1
£10,000 to £25,000	0	2	2	2	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
	2019/20	2019/20	2019/20	2019/20	2018/19
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies	Cost of other departures	Total cost of exit packages	Cost of special element included in exit packages	Total cost of exit packages
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	2,500	2,500	2,500	6,180
£10,000 to £25,000	0	22,300	22,300	22,300	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

Hywel Dda University Health Board

PART C: NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY REPORT 2019/20



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

THE NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY REPORT

Regularity of Expenditure

As a result of pressures on public spending, the UHB has had to meet considerable new cost pressures and increase in demand for high quality patient services, within a period of restricted growth in funding. This has resulted in the need to deliver significant cost and efficiency savings to offset unfunded cost pressures to work towards achieving its financial duty, which is break even over a three year period. Given the scale of the challenge and despite delivering its savings of £18.3m in year, the Health Board has been unable to deliver the surplus required in 2019/20 to deliver a balance over 3 years of the financial duty. The expenditure of £139.8m which it has incurred in excess of its resource limit over that period is deemed to be irregular. The UHB will continue to identify efficiency and cost reduction measures in order to mitigate against future cost and service pressures and to re-establish financial balance in due course.

Fees and Charges

The Health Board levies charges or fees on its patients in a number of areas. Where the Health Board makes such charges or fees, it does so in accordance with relevant Welsh Health Circulars and charging guidance. Charges are generally made on a full cost basis. None of the items for which charges are made are by themselves material to the Health Board, however details of some of the larger items (Dental Fees, Private and Overseas Patient income) are disclosed within Note 4 of the Annual Accounts.

Managing Public Money

This is the required Statement for Public Sector Information Holders. In line with other Welsh NHS bodies, the Health Board has developed Standing Financial Instructions which enforce the principles outlined in HM Treasury on Managing Public Money. As a result the Health Board confirms it has complied with cost allocation and the charging requirements set out in HM Treasury guidance during the year.

Material Remote Contingent Liabilities

Remote contingent liabilities are those liabilities which due to the unlikelihood of a resultant charge against the Health Board are therefore not recognised as an expense nor as a contingent liability. Detailed below are the remote contingent liabilities as at 31 March 2020:

	2019-2020	2018-2019
	£000's	£000's
Guarantees	0	0
Indemnities*	175	536
Letters of Comfort	0	0
Total	175	536

* Indemnities include clinical negligence and personal injury claims against the UHB.

Chapter 3
Annual Accounts

The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of Hywel Dda University Local Health Board for the year ended 31 March 2020 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 Tax Payers' 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 HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Hywel Dda University Local Health Board as at 31 March 2020 and of its net operating costs for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am 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 opinion.

Emphasis of matter

I draw attention to Note 21 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government, instructing her to fund NHS Clinicians' pension tax liabilities incurred by NHS Wales bodies in respect of the 2019-20 financial year. The Health Board has disclosed the existence of a contingent liability at 31 March 2020. My opinion is not modified in respect of this matter

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Chief Executive is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. 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.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Qualified opinion on regularity

In my opinion, except for the irregular expenditure of £139.811 million explained in the paragraph below, in all material respects, the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Basis for qualified opinion on regularity

The Health Board has breached its resource limit by spending £139.811 million over the £2,489.832 million that it was authorised to spend in the three-year period 2017-18 to 2019-20. This spend constitutes irregular expenditure. Further detail is set out in the attached Report.

Report on other requirements

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 information given in the Annual Governance Statement] for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Accountability Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

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

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

- proper accounting records have not been kept;

- the financial statements 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; or
- I have not received all the information and explanations I require for my audit.

Report

Please see my Report below.

Responsibilities

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 set out on pages 13 and 14 of the Accountability Report, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view and for such internal control 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.

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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.

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.

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

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

Adrian Crompton
Auditor General for Wales
2 July 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Report of the Auditor General to the Senedd

Introduction

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

For 2019-20 Hywel Dda University Local Health Board (the LHB) failed to meet both the first and the second financial duty and so I have decided to issue a narrative report to explain the position.

Failure of the first financial duty

The **first financial duty** gives additional flexibility to LHBs by allowing them to balance their income with their expenditure over a three-year rolling period. The fourth three-year period under this duty is 2017-18 to 2019-20, and so it is measured this year for the fourth time.

As shown in Note 2.1 to the Financial Statements, the LHB did not manage its revenue expenditure within its resource allocation over this three-year period, exceeding its cumulative revenue resource limit of £2,489.832 million by £139.811 million.

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

Failure of the second financial duty

The **second financial duty** requires LHBs to prepare and have approved by the Welsh Ministers a rolling three-year integrated medium-term plan. This duty is an essential foundation to the delivery of sustainable quality health services. An LHB will be deemed to have met this duty for 2019-20 if it submitted a 2019-20 to 2021-22 plan approved by its Board to the Welsh Ministers who then approved it by the 30th June 2019.

As shown in Note 2.3 to the Financial Statements, the LHB did not meet its second financial duty to have an approved three-year integrated medium-term plan in place for the period 2019-20 to 2021-22.

Adrian Crompton
Auditor General for Wales
2 July 2020

HYWEL DDA UNIVERSITY LOCAL HEALTH BOARD

FOREWORD

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

Statutory background

The Local Health Board was established on 1st June 2009 and became operational on 1st October 2009 and comprises the former organisations of Hywel Dda NHS Trust and Carmarthenshire, Ceredigion and Pembrokeshire Local Health Boards.

Performance Management and Financial Results

Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2019-20. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

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

Under the National Health Services Finance (Wales) Act 2014, the annual requirement to achieve balance against Resource Limits has been replaced with a duty to ensure, in a rolling 3 year period, that its aggregate expenditure does not exceed its aggregate approved limits.

The Act came into effect from 1 April 2014 and under the Act the first assessment of the 3 year rolling financial duty took place at the end of 2016-17.

**Statement of Comprehensive Net Expenditure
for the year ended 31 March 2020**

	Note	2019-20 £'000	2018-19 £'000
Expenditure on Primary Healthcare Services	3.1	191,967	185,316
Expenditure on healthcare from other providers	3.2	211,453	200,169
Expenditure on Hospital and Community Health Services	3.3	587,107	534,120
		990,527	919,605
Less: Miscellaneous Income	4	(61,806)	(57,187)
LHB net operating costs before interest and other gains and losses		928,721	862,418
Investment Revenue	5	0	0
Other (Gains) / Losses	6	(55)	(13)
Finance costs	7	(16)	9
Net operating costs for the financial year		928,650	862,414

See note 2 on page 25 for details of performance against Revenue and Capital allocations.

The notes on pages 8 to 69 form part of these accounts

Other Comprehensive Net Expenditure

	2019-20	2018-19
	£'000	£'000
Net (gain) / loss on revaluation of property, plant and equipment	(1,522)	(1,185)
Net (gain) / loss on revaluation of intangibles	0	0
(Gain) / loss on other reserves	0	0
Net (gain)/ loss on revaluation of PPE & Intangible assets held for sale	0	0
Net (gain)/loss on revaluation of financial assets held for sale	0	0
Impairment and reversals	0	0
Transfers between reserves	0	0
Transfers (to) / from other bodies within the Resource Accounting Boundar	0	0
Reclassification adjustment on disposal of available for sale financial asset	246	0
Other comprehensive net expenditure for the year	(1,276)	(1,185)
Total comprehensive net expenditure for the year	927,374	861,229

The notes on pages 8 to 69 form part of these accounts

Statement of Financial Position as at 31 March 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Non-current assets			
Property, plant and equipment	11	278,649	266,222
Intangible assets	12	1,461	1,621
Trade and other receivables	15	58,101	43,183
Other financial assets	16	0	0
Total non-current assets		338,211	311,026
Current assets			
Inventories	14	9,216	8,084
Trade and other receivables	15	68,507	34,330
Other financial assets	16	0	0
Cash and cash equivalents	17	1,654	1,460
		79,377	43,874
Non-current assets classified as "Held for Sale"	11	832	0
Total current assets		80,209	43,874
Total assets		418,420	354,900
Current liabilities			
Trade and other payables	18	(119,136)	(93,484)
Other financial liabilities	19	0	0
Provisions	20	(39,837)	(23,541)
Total current liabilities		(158,973)	(117,025)
Net current assets/ (liabilities)		(78,764)	(73,151)
Non-current liabilities			
Trade and other payables	18	0	0
Other financial liabilities	19	0	0
Provisions	20	(58,365)	(43,497)
Total non-current liabilities		(58,365)	(43,497)
Total assets employed		201,082	194,378
Financed by :			
Taxpayers' equity			
General Fund		173,027	167,572
Revaluation reserve		28,055	26,806
Total taxpayers' equity		201,082	194,378

The financial statements on pages 2 to 7 were approved by the Board on 23rd June 2020 and signed on its behalf by:

Chief Executive and Accountable Officer Steve Moore

23rd June 2020

The notes on pages 8 to 69 form part of these accounts

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2020**

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2019-20			
Balance at 1 April 2019	167,572	26,806	194,378
Net operating cost for the year	(928,650)	-	(928,650)
Net gain/(loss) on revaluation of property, plant and equipment	0	1,522	1,522
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	273	(273)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2019-20	(928,377)	1,249	(927,128)
Net Welsh Government funding	916,303	-	916,303
Notional Welsh Government Funding	17,529	-	17,529
Balance at 31 March 2020	173,027	28,055	201,082

The notes on pages 8 to 69 form part of these accounts

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2019

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2018-19			
Balance at 31 March 2018	154,822	26,796	181,618
Adjustment for Implementation of IFRS 9	(82)	0	(82)
Balance at 1 April 2018	154,740	26,796	181,536
Net operating cost for the year	(862,414)		(862,414)
Net gain/(loss) on revaluation of property, plant and equipment	0	1,185	1,185
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	1,175	(1,175)	0
Release of reserves to SoCNE	0	0	0
Transfers to/from LHBs	0	0	0
Total recognised income and expense for 2018-19	(861,239)	10	(861,229)
Net Welsh Government funding	874,071		874,071
Balance at 31 March 2019	167,572	26,806	194,378

The notes on pages 8 to 69 form part of these accounts

Statement of Cash Flows for year ended 31 March 2020

	2019-20	2018-19
	£'000	£'000
Cash Flows from operating activities		
Net operating cost for the financial year	(928,650)	(862,414)
Movements in Working Capital	27 (24,862)	(27,602)
Other cash flow adjustments	28 91,269	56,848
Provisions utilised	20 (13,944)	(12,908)
Net cash outflow from operating activities	(876,187)	(846,076)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(40,957)	(28,082)
Proceeds from disposal of property, plant and equipment	378	12
Purchase of intangible assets	(442)	(945)
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	(41,021)	(29,015)
Net cash inflow/(outflow) before financing	(917,208)	(875,091)
Cash Flows from financing activities		
Welsh Government funding (including capital)	916,303	874,071
Capital receipts surrendered	0	0
Capital grants received	1,099	952
Capital element of payments in respect of finance leases and on-SoFP	0	0
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	917,402	875,023
Net increase/(decrease) in cash and cash equivalents	194	(68)
Cash and cash equivalents (and bank overdrafts) at 1 April 2019	1,460	1,528
Cash and cash equivalents (and bank overdrafts) at 31 March 2020	1,654	1,460

The notes on pages 8 to 69 form part of these accounts

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of Local Health Boards (LHB) 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 2019-20 Manual for Accounts. The accounting policies contained in that manual follow the 2019-20 Financial Reporting Manual (FRoM), which applies European Union adopted IFRS and Interpretations in effect for accounting periods commencing on or after 1 January 2019, except for IFRS 16 Leases, which is deferred until 1 April 2021; to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the LHB Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the LHB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LHB are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1. Accounting convention

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

1.2. Acquisitions and discontinued operations

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

1.3. Income and funding

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

Non-discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

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

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

From 2018-19, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FRoM. 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 in 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 the 2019-20 annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Other Note within these accounts.

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

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

1.4.3. NEST Pension Scheme

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

1.5. Other expenses

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

1.6. Property, plant and equipment

1.6.1. Recognition

Property, plant and equipment is capitalised if:

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

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

1.6.2. Valuation

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

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2017-18 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

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

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

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

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver

services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

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 there from 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

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.11.1. The NHS Wales organisation as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the SoCNE.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2. The NHS Wales organisation as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS Wales organisation net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the NHS Wales organisation's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12. Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is

considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 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 2019-20. The WRP is hosted by Velindre University NHS Trust.

1.14.2. Future Liability Scheme (FLS) - General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GMP services in Wales.

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

GMP Service Providers are not direct members of the GMPI FLS, their qualifying liabilities are the subject of an arrangement between them and their relevant LHB, which is a member of the scheme. The qualifying reimbursements to the LHB are not subject to the £25,000 excess.

1.15. Financial Instruments

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

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

1.16. Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1. Financial assets are initially recognised at fair value

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

1.16.2. Financial assets at fair value through SoCNE

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

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4. Available for sale financial assets

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

1.16.5. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the 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.

1.17. Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

1.17.1. Financial liabilities are initially recognised at fair value

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

1.17.2. Financial liabilities at fair value through the SoCNE

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

1.17.3. Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18. Value Added Tax (VAT)

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

1.19. Foreign currencies

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

1.20. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21. Losses and Special Payments

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

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

1.22. Pooled budget

The NHS Wales organisation has entered into pooled budgets with Local Authorities. Under the arrangements funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in the Pooled budget Note.

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

1.23. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these

claims would be recoverable through the Welsh Risk Pool.

Significant estimations are also made for continuing care costs resulting from claims post 1 April 2003. An assessment of likely outcomes, potential liabilities and timings of these claims are made on a case by case basis. Material changes associated with these claims would be adjusted in the period in which they are revised.

Estimates are also made for contracted primary care services. These estimates are based on the latest payment levels. Changes associated with these liabilities are adjusted in the following reporting period.

1.24.1. Provisions

The NHS Wales organisation provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisation, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

1.24.2. Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Contingent Liability.
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision*
	Contingent Liability for all other estimated expenditure.	
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of minus 0.75%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

1.25 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The NHS Wales organisation therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

1.25.1. Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

1.25.2. PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the NHS Wales organisation's approach for each relevant class of asset in accordance with the principles of IAS 16.

1.25.2. PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the SoCNE.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the SoCNE.

1.25.3. Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Wales organisation's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.25.4. Assets contributed by the NHS Wales organisation to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Wales organisation's SoFP.

1.25.5. Other assets contributed by the NHS Wales organisation to the operator

Assets contributed (e.g. cash payments, surplus property) by the NHS Wales organisation to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Wales organisation, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the NHS Wales organisation through the asset being made available to third party users.

1.26. 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.

1.27. Absorption accounting

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

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

1.28. 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 Not EU-endorsed.*

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 16 Leases is to be effective from 1st April 2021.

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.

1.29. Accounting standards issued that have been adopted early

During 2019-20 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.30. Charities

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS Wales

organisation has established that as it is the corporate trustee of the Hywel Dda NHS Charitable Fund, it is considered for accounting standards compliance to have control of the Hywel Dda NHS Charitable Fund as a subsidiary and therefore is required to consolidate the results of the Hywel Dda NHS Charitable Fund within the statutory accounts of the NHS Wales organisation.

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

However, the NHS Wales organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the Local Health Boards will disclose the Charitable Accounts of Local Health Boards in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties' notes.

2. Financial Duties Performance

The National Health Service Finance (Wales) Act 2014 came into effect from 1 April 2014. The Act amended the financial duties of Local Health Boards under section 175 of the National Health Service (Wales) Act 2006. From 1 April 2014 section 175 of the National Health Service (Wales) Act places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, to secure compliance with the duty under section 175 (1) while improving the health of the people for whom it is responsible, and the provision of health care to such people, and for that plan to be submitted to and approved by the Welsh Ministers.

The first assessment of performance against the 3 year statutory duty under section 175 (1) was at the end of 2016-17, being the first 3 year period of assessment.

Welsh Health Circular WHC/2016/054 "Statutory and Financial Duties of Local Health Boards and NHS Trusts" clarifies the statutory financial duties of NHS Wales bodies effective from 2016-17.

2.1 Revenue Resource Performance

	Annual financial performance			
	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
Net operating costs for the year	833,501	862,414	928,650	2,624,565
Less general ophthalmic services expenditure and other non-cash limited expenditure	1,956	1,722	1,400	5,078
Less revenue consequences of bringing PFI schemes onto SoFP	0	0	0	0
Total operating expenses	835,457	864,136	930,050	2,629,643
Revenue Resource Allocation	766,027	828,698	895,107	2,489,832
Under /(over) spend against Allocation	(69,430)	(35,438)	(34,943)	(139,811)

Hywel Dda UHB **has not** met its financial duty to break-even against its Revenue Resource Limit over the 3 years 2017-18 to 2019-20.

The Health Board **did not** receive any repayable brokerage during the year.

The Health Board did receive £25million repayable cash only support in 2019-20. The accumulated cash only support provided to the Health Board by the Welsh Government is £185.964million as at 31 March 2020. The cash only support is provided to assist the Health Board with ensuring payments to staff and suppliers, there is no interest payable on cash only support. Repayment of this cash assistance will be in accordance with the Health Board's future Integrated Medium Term Plan submissions.

2.2 Capital Resource Performance

	2017-18	2018-19	2019-20	Total
	£'000	£'000	£'000	£'000
Gross capital expenditure	18,474	31,820	41,686	91,980
Add: Losses on disposal of donated assets	0	0	0	0
Less NBV of property, plant and equipment and intangible assets disposed	(265)	0	(323)	(588)
Less capital grants received	(11)	0	0	(11)
Less donations received	(623)	(952)	(1,099)	(2,674)
Charge against Capital Resource Allocation	17,575	30,868	40,264	88,707
Capital Resource Allocation	17,613	30,893	40,295	88,801
(Over) / Underspend against Capital Resource Allocation	38	25	31	94

The LHB met its financial duty to break-even against its Capital Resource Limit over the 3 years 2017-18 to 2019-20.

2.3 Duty to prepare a 3 year plan

The NHS Wales Planning Framework for the period 2019-20 to 2021-22 issued to LHBs placed a requirement upon them to prepare and submit Integrated Medium Term Plans to the Welsh Government.

Following discussion between Hywel Dda University Health Board and Welsh Government, the Health Board acknowledged that it was not in a position to submit an IMTP for the period 2019-20 to 2021-22 given the status of the Transforming Clinical Services and Turnaround Programmes. In the absence of an IMTP, the Health Board developed an Annual Plan that was submitted to Welsh Government by the Board on 29th March 2019.

The statutory financial duty under section 175 (2A) of the National Health Services (Wales) Act 2006 to prepare a three year plan was therefore not met.

2019-20
to
2021-22

The Minister for Health and Social Services approval

Status
Date

Not Approved

The LHB **has not** therefore met its statutory duty to have an approved financial plan for the period 2019-20 to 2021-22.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £'000	Non-cash limited £'000	2019-20 Total £'000	2018-19 £'000
General Medical Services	73,954		73,954	71,645
Pharmaceutical Services	19,680	(5,623)	14,057	13,632
General Dental Services	21,035		21,035	19,925
General Ophthalmic Services	1,320	4,223	5,543	5,337
Other Primary Health Care expenditure	4,801		4,801	3,943
Prescribed drugs and appliances	72,577		72,577	70,834
Total	193,367	(1,400)	191,967	185,316

3.2 Expenditure on healthcare from other providers

	2019-20 £'000	2018-19 £'000
Goods and services from other NHS Wales Health Boards	38,048	38,754
Goods and services from other NHS Wales Trusts	6,218	7,324
Goods and services from Health Education and Improvement Wales (HEIW)	3	0
Goods and services from other non Welsh NHS bodies	44	1,189
Goods and services from WHSSC / EASC	94,452	85,495
Local Authorities	15,521	9,331
Voluntary organisations	2,672	1,970
NHS Funded Nursing Care	3,102	3,125
Continuing Care	45,118	47,012
Private providers	6,038	5,790
Specific projects funded by the Welsh Government	0	0
Other	237	179
Total	211,453	200,169

3.3 Expenditure on Hospital and Community Health Services

	2019-20	2018-19
	£'000	£'000
Directors' costs	2,445	2,451
Staff costs	436,237	400,701
Supplies and services - clinical	78,038	74,317
Supplies and services - general	6,392	5,547
Consultancy Services	1,518	1,691
Establishment	8,447	8,554
Transport	1,817	1,539
Premises	18,003	15,638
External Contractors	719	371
Depreciation	16,171	15,255
Amortisation	496	369
Fixed asset impairments and reversals (Property, plant & equipment)	13,119	4,979
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	344	392
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,755	1,856
Research and Development	0	0
Other operating expenses	1,606	460
Total	587,107	534,120

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

	2019-20	Reclassified 2018-19
	£'000	£'000
Increase/(decrease) in provision for future payments:		
Clinical negligence;		0
Secondary care	49,957	33,244
Primary care	0	0
Redress Secondary Care	1,083	726
Redress Primary Care	0	0
Personal injury	450	368
All other losses and special payments	253	167
Defence legal fees and other administrative costs	1,355	707
Gross increase/(decrease) in provision for future payments	53,098	35,212
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	118	99
Less: income received/due from Welsh Risk Pool	(51,461)	(33,455)
Total	1,755	1,856

	2019-20	2018-19
	£	£
Permanent injury included within personal injury £:	269,446	20,000

4. Miscellaneous Income

	2019-20 £'000	2018-19 £'000
Local Health Boards	19,360	18,730
Welsh Health Specialised Services Committee (WHSSC)/Emergency Ambulance Services Committee (EASC)	2,370	2,152
NHS Wales trusts	5,581	3,837
Health Education and Improvement Wales (HEIW)	2,028	659
Foundation Trusts	0	0
Other NHS England bodies	4,445	4,342
Other NHS Bodies	0	0
Local authorities	5,316	4,535
Welsh Government	3,753	2,963
Welsh Government Hosted bodies	0	0
Non NHS:		
Prescription charge income	5	7
Dental fee income	3,159	3,276
Private patient income	13	15
Overseas patients (non-reciprocal)	266	334
Injury Costs Recovery (ICR) Scheme	1,080	1,272
Other income from activities	562	536
Patient transport services	0	0
Education, training and research	6,836	7,151
Charitable and other contributions to expenditure	1,089	779
Receipt of donated assets	1,099	952
Receipt of Government granted assets	0	0
Non-patient care income generation schemes	496	481
NHS Wales Shared Services Partnership (NWSSP)	0	0
Deferred income released to revenue	446	399
Contingent rental income from finance leases	0	0
Rental income from operating leases	353	356
Other income:		
Provision of laundry, pathology, payroll services	102	127
Accommodation and catering charges	1,523	1,459
Mortuary fees	202	145
Staff payments for use of cars	224	243
Business Unit	0	0
Other	1,498	2,437
Total	61,806	57,187
Other income Includes;		
Salary Sacrifice Schemes & Fleet Vehicles	0	0
VAT recoveries re Business Activities and accrued income	0	0
Other	0	0
Total	0	0
Injury Cost Recovery (ICR) Scheme income	2019-20	2018-19
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	21.79	21.89

5. Investment Revenue

	2019-20	2018-19
	£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

	2019-20	2018-19
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	55	13
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	55	13

7. Finance costs

	2019-20	2018-19
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	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	0	0
Provisions unwinding of discount	(16)	9
Other finance costs	0	0
Total	(16)	9

8. Operating leases

LHB as lessee

As at 31st March 2020 the LHB had 487 operating leases agreements in place for the leases of 26 premises, 239 arrangement in respect of equipment and 222 in respect of vehicles, with 3 premises, 12 equipment and 59 vehicle leases having expired in year.

Payments recognised as an expense	2019-20	2018-19
	£000	£000
Minimum lease payments	2,296	3,881
Contingent rents	0	0
Sub-lease payments	0	0
Total	2,296	3,881

Total future minimum lease payments

Payable	£000	£000
Not later than one year	1,358	1,197
Between one and five years	2,536	2,135
After 5 years	2,607	2,909
Total	6,501	6,241

LHB as lessor

Rental revenue	£000	£000
Rent	303	304
Contingent rents	0	0
Total revenue rental	303	304

Total future minimum lease payments

Receivable	£000	£000
Not later than one year	303	303
Between one and five years	1,210	1,210
After 5 years	1,718	2,019
Total	3,231	3,532

9. Employee benefits and staff numbers

9.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2018-19
	£000	£000	£000	£000	£000	£000
Salaries and wages	331,954	4,791	17,359	5,746	359,850	344,535
Social security costs	32,044	0	0	524	32,568	31,493
Employer contributions to NHS Pension Scheme	57,496	0	0	39	57,535	38,577
Other pension costs	167	0	0	0	167	94
Other employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Total	421,661	4,791	17,359	6,309	450,120	414,699
Charged to capital					578	464
Charged to revenue					449,542	414,235
					450,120	414,699
Net movement in accrued employee benefits (untaken staff leave accrual included above)					(394)	(351)

9.2 Average number of employees

9.2 Average number of employees	Permanent Staff	Staff on Inward Secondment	Agency Staff	Other	Total	2018-19
	Number	Number	Number		Number	Number
Administrative, clerical and board members	1,654	38	3	0	1,695	1,583
Medical and dental	705	24	2	29	760	729
Nursing, midwifery registered	2,698	6	233	0	2,937	2,856
Professional, Scientific, and technical staff	334	0	0	0	334	306
Additional Clinical Services	1,829	0	3	0	1,832	1,695
Allied Health Professions	549	1	0	22	572	542
Healthcare Scientists	179	0	0	0	179	167
Estates and Ancillary	782	0	0	0	782	782
Students	1	0	0	0	1	11
Total	8,731	69	241	51	9,092	8,671

9.3. Retirements due to ill-health

	2019-20	2018-19
Number	8	15
Estimated additional pension costs £	487,916	567,507

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

The LHB does not have an employee benefit scheme, please give details.

9.5 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2019-20	2019-20	2019-20	2019-20	2018-19
	Number of compulsory redundancies	Number of other departures	Total number of exit packages	Number of departures where special payments have been made	Total number of exit packages
	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only	Whole numbers only
less than £10,000	0	1	1	1	1
£10,000 to £25,000	0	2	2	2	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	3	3	3	1

Exit packages cost band (including any special payment element)	2019-20	2019-20	2019-20	2019-20	2018-19
	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
	£'s	£'s	£'s	£'s	£'s
less than £10,000	0	2,500	2,500	2,500	6,180
£10,000 to £25,000	0	22,300	22,300	22,300	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	24,800	24,800	24,800	6,180

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

Additional requirement as per FReM

£24,800 exit costs were paid in 2019-20, the year of departure (2018-19 £6,180).

9.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in Hywel Dda UHB in the financial year 2019-20 was £190,000 to £195,000 (2018-19, £180,000 to £185,000). This was 6 times (2018-19, 6 times) the median remuneration of the workforce, which was £33,758 (2018-19, £29,608).

In 2019-20, 32 (2018-19, 34) employees received remuneration in excess of the highest-paid director. Remuneration for all staff ranged from £21,450 to £360,373 (2018-19, £17,460 to £307,299).

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

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 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 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%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

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 £6,136 and £50,000 for the 2019-20 tax year (2018-19 £6,032 and £46,350).

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

10. Public Sector Payment Policy - Measure of Compliance

10.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2019-20	2019-20	2018-19	2018-19
	Number	£000	Number	£000
NHS				
Total bills paid	3,623	247,454	3,748	230,575
Total bills paid within target	3,199	244,394	3,451	227,570
Percentage of bills paid within target	88.3%	98.8%	92.1%	98.7%
Non-NHS				
Total bills paid	195,925	451,748	186,631	334,724
Total bills paid within target	188,489	438,423	179,436	326,310
Percentage of bills paid within target	96.2%	97.1%	96.1%	97.5%
Total				
Total bills paid	199,548	699,202	190,379	565,299
Total bills paid within target	191,688	682,817	182,887	553,880
Percentage of bills paid within target	96.1%	97.7%	96.1%	98.0%

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

	2019-20	2018-19
	£	£
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

11.1 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 2019	26,209	203,080	7,569	22,076	67,694	240	20,861	6,141	353,870
Indexation	(157)	1,900	150	0	0	0	0	0	1,893
Additions									
- purchased	0	4,074	0	24,284	6,701	0	3,534	1,658	40,251
- donated	0	326	0	305	239	0	115	114	1,099
- 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	375	25,816	0	(26,206)	0	0	15	0	0
Revaluations	0	(245)	0	0	22	0	0	0	(223)
Reversal of impairments	0	2,121	0	0	0	0	0	0	2,121
Impairments	(35)	(17,032)	0	0	0	0	0	0	(17,067)
Reclassified as held for sale	(936)	(196)	0	0	0	0	0	0	(1,132)
Disposals	0	0	0	0	(2,105)	(147)	(68)	0	(2,320)
At 31 March 2020	25,456	219,844	7,719	20,459	72,551	93	24,457	7,913	378,492
Depreciation at 1 April 2019	0	14,490	689	0	54,869	240	12,330	5,030	87,648
Indexation	0	134	14	0	0	0	0	0	148
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	153	0	0	0	0	0	0	153
Impairments	0	(1,980)	0	0	0	0	0	0	(1,980)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(2,082)	(147)	(68)	0	(2,297)
Provided during the year	0	8,122	350	0	4,508	0	2,678	513	16,171
At 31 March 2020	0	20,919	1,053	0	57,295	93	14,940	5,543	99,843
Net book value at 1 April 2019	26,209	188,590	6,880	22,076	12,825	0	8,531	1,111	266,222
Net book value at 31 March 2020	25,456	198,925	6,666	20,459	15,256	0	9,517	2,370	278,649
Net book value at 31 March 2020 comprises :									
Purchased	25,203	194,977	6,666	20,154	14,372	9,316	2,099	0	272,787
Donated	253	3,948	0	305	884	189	271	0	5,850
Government Granted	0	0	0	0	0	12	0	0	12
At 31 March 2020	25,456	198,925	6,666	20,459	15,256	9,517	2,370	0	278,649
Asset financing :									
Owned	25,456	198,925	6,666	20,459	15,256	0	9,517	2,370	278,649
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 2020	25,456	198,925	6,666	20,459	15,256	0	9,517	2,370	278,649

The net book value of land, buildings and dwellings at 31 March 2020 comprises :

	£000
Freehold	229,335
Long Leasehold	1,714
Short Leasehold	0
	231,049

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

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 2018	25,661	196,113	7,494	10,771	65,016	245	22,810	5,821	333,931
Indexation	308	837	75	0	0	0	0	0	1,220
Additions									
- purchased	35	1,833	0	20,926	3,972	0	2,934	222	29,922
- donated	0	576	0	11	200	0	67	98	952
- 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	9,632	0	(9,632)	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Reversal of impairments	205	1,122	0	0	0	0	0	0	1,327
Impairments	0	(7,033)	0	0	0	0	0	0	(7,033)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(1,494)	(5)	(4,950)	0	(6,449)
At 31 March 2019	26,209	203,080	7,569	22,076	67,694	240	20,861	6,141	353,870
Depreciation at 1 April 2018	0	7,511	343	0	51,822	244	15,092	4,524	79,536
Indexation	0	32	3	0	0	0	0	0	35
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	44	0	0	0	0	0	0	44
Impairments	0	(771)	0	0	0	0	0	0	(771)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(1,496)	(5)	(4,950)	0	(6,451)
Provided during the year	0	7,674	343	0	4,543	1	2,188	506	15,255
At 31 March 2019	0	14,490	689	0	54,869	240	12,330	5,030	87,648
Net book value at 1 April 2018	25,661	188,602	7,151	10,771	13,194	1	7,718	1,297	254,395
Net book value at 31 March 2019	26,209	188,590	6,880	22,076	12,825	0	8,531	1,111	266,222
Net book value at 31 March 2019 comprises :									
Purchased	25,954	184,872	6,880	22,076	11,819	0	8,398	893	260,892
Donated	255	3,718	0	0	1,006	0	107	215	5,301
Government Granted	0	0	0	0	0	0	26	3	29
At 31 March 2019	26,209	188,590	6,880	22,076	12,825	0	8,531	1,111	266,222
Asset financing :									
Owned	26,209	188,590	6,880	22,076	12,825	0	8,531	1,111	266,222
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 2019	26,209	188,590	6,880	22,076	12,825	0	8,531	1,111	266,222

The net book value of land, buildings and dwellings at 31 March 2019 comprises :

	£000
Freehold	219,938
Long Leasehold	1,741
Short Leasehold	0
	221,679

The land and buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors Valuation Standards, 6th Edition. LHBs are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

11. Property, plant and equipment (continued)**Disclosures:****i) Donated Assets**

Acquisitions shown as donated assets within Note 11 were bought using monies donated by the public into the Charitable Funds and contributions from League of Friends and other charities.

During 2019-20 fixed assets purchased to the following value were funded by the following:

Hywel Dda General Fund Charity (1147863) Plant and Machinery	£234,159
Hywel Dda General Fund Charity (1147863) Furniture and Fittings	£70,055
Hywel Dda General Fund Charity (1147863) Buildings	£630,763
Hywel Dda General Fund Charity (1147863) Information Technology	£22,451
Ward 10 Withybush / Elly's Ward 10 Flag Appeal	£119,590
Other Contributions	£22,066
Total Donated Assets	1,099,084

ii) Valuations

The UHB Land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

The UHB 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

There has not been any compensation received from third parties for assets impaired, lost or given up, that is included in the income statement.

v) Write Downs

There have not been any write downs.

vi) The UHB 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 assets held for sale or sold in the period.

Assets held for sale include Cardigan Hospital, Cardigan Health Centre and Neyland Health Centre. Asset sold in the period is Aberaeron Hospital.

11. Property, plant and equipment

11.2 Non-current assets held for sale	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2019	0	0	0	0	0	0
Plus assets classified as held for sale in the year	936	196	0	0	0	1,132
Revaluation	0	0	0	0	0	0
Less assets sold in the year	(300)	0	0	0	0	(300)
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 2020	<u>636</u>	<u>196</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>832</u>
Balance brought forward 1 April 2018	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 2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

12. Intangible non-current assets 2019-20

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	3,359	0	77	0	0	0	3,436
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	336	0	0	0	0	0	336
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 2020	3,695	0	77	0	0	0	3,772
Amortisation at 1 April 2019	1,738	0	77	0	0	0	1,815
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	496	0	0	0	0	0	496
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 2020	2,234	0	77	0	0	0	2,311
Net book value at 1 April 2019	1,621	0	0	0	0	0	1,621
Net book value at 31 March 2020	1,461	0	0	0	0	0	1,461
At 31 March 2020							
Purchased	1,614	0	0	0	0	0	1,614
Donated	7	0	0	0	0	0	7
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2020	1,621	0	0	0	0	0	1,621

12. Intangible non-current assets 2018-19

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Carbon Reduction Commitments	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2018	2,548	0	79	0	0	0	2,627
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	945	0	0	0	0	0	945
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	(134)	0	(2)	0	0	0	(136)
Gross cost at 31 March 2019	3,359	0	77	0	0	0	3,436
Amortisation at 1 April 2018	1,511	0	71	0	0	0	1,582
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	361	0	8	0	0	0	369
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	(134)	0	(2)	0	0	0	(136)
Amortisation at 31 March 2019	1,738	0	77	0	0	0	1,815
Net book value at 1 April 2018	1,037	0	8	0	0	0	1,045
Net book value at 31 March 2019	1,621	0	0	0	0	0	1,621
At 31 March 2019							
Purchased	1,613	0	0	0	0	0	1,613
Donated	8	0	0	0	0	0	8
Government Granted	0	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0	0
Total at 31 March 2019	1,621	0	0	0	0	0	1,621

Additional disclosures re Intangible Assets

Computer Software & Licences are capitalised at their purchased price.

Computer Software & Licences are not indexed as IT assets are not subject to indexation.

The assets are amortised monthly over their expected life.

The gross carrying amount of fully amortised intangible assets still in use as at 31 March 2020 was £1,432,740

13 . Impairments

	2019-20		2018-19	
	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	100	0	0	0
Others (specify)	15,238	0	6,262	0
Reversal of Impairments	(1,973)	0	(1,283)	0
Total of all impairments	13,365	0	4,979	0
Analysis of impairments charged to reserves in year :				
Charged to the Statement of Comprehensive Net Expenditure	13,119	0	4,979	0
Charged to Revaluation Reserve	246	0	0	0
	13,365	0	4,979	0

14.1 Inventories

	31 March	31 March
	2020	2019
	£000	£000
Drugs	4,081	3,776
Consumables	4,888	4,096
Energy	247	212
Work in progress	0	0
Other	0	0
Total	9,216	8,084
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses

	31 March	31 March
	2020	2019
	£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	Reclassified	
	31 March 2020 £000	31 March 2019 £000
Welsh Government	2,829	1,679
WHSSC / EASC	1,180	95
Welsh Health Boards	1,294	1,403
Welsh NHS Trusts	1,391	910
Health Education and Improvement Wales (HEIW)	494	96
Non - Welsh Trusts	27	1
Other NHS	939	682
Welsh Risk Pool Claim reimbursement	0	0
NHS Wales Secondary Health Sector	51,437	21,892
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	1,549	0
Other	0	0
Local Authorities	1,016	1,157
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	5,121	5,499
Provision for irrecoverable debts	(1,171)	(1,053)
Pension Prepayments NHS Pensions	0	0
Other prepayments	2,401	1,969
Other accrued income	0	0
Sub total	68,507	34,330
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool Claim reimbursement;	0	0
NHS Wales Secondary Health Sector	58,101	43,183
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors - Tangible	0	0
Capital debtors - Intangible	0	0
Other debtors	0	0
Provision for irrecoverable debts	0	0
Pension Prepayments NHS Pensions	0	0
Other prepayments	0	0
Other accrued income	0	0
Sub total	58,101	43,183
Total	126,608	77,513

15. Trade and other Receivables (continued)

	31 March	31 March
	2020	2019
	£000	£000
Receivables past their due date but not impaired		
By up to three months	589	279
By three to six months	449	71
By more than six months	24	30
	1,062	380

Expected Credit Losses (ECL) / Provision for impairment of receivables

Balance at 31 March 2019		(872)
Adjustment for Implementation of IFRS 9		(82)
Balance at 1 April 2019	(1,053)	(954)
Transfer to other NHS Wales body	0	0
Amount written off during the year	59	55
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	(177)	(154)
Bad debts recovered during year	0	0
Balance at 31 March 2020	(1,171)	(1,053)

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	401	582
Other	0	0
Total	401	582

16. Other Financial Assets

	Current		Non-current	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £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)	0	0	0	0
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCNE	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0

17. Cash and cash equivalents

	2019-20 £000	2018-19 £000
Balance at 1 April 2019	1,460	1,528
Net change in cash and cash equivalent balances	194	(68)
Balance at 31 March 2020	1,654	1,460
Made up of:		
Cash held at GBS	1,273	1,347
Commercial banks	355	88
Cash in hand	26	25
Current Investments	0	0
Cash and cash equivalents as in Statement of Financial Position	1,654	1,460
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in Statement of Cash Flows	1,654	1,460

The movement relates to cash, no comparative information is required by IAS 7 in 2019-20.

18. Trade and other payables

Current	31 March	Reclassified 31 March
	2020	2019
	£000	£000
Welsh Government	39	4
WHSSC / EASC	78	1,148
Welsh Health Boards	1,922	1,113
Welsh NHS Trusts	2,059	1,345
Health Education and Improvement Wales (HEIW)	3	0
Other NHS	7,157	9,182
Taxation and social security payable / refunds	2,066	1,008
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	2,160	1,317
Non-NHS payables - Revenue	12,807	6,157
Local Authorities	8,382	3,043
Capital payables- Tangible	8,178	7,785
Capital payables- Intangible	177	283
Overdraft	0	0
Rentals due under operating leases	0	0
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	66,075	54,325
Deferred Income:		
Deferred Income brought forward	418	399
Deferred Income Additions	67	418
Transfer to / from current/non current deferred income	0	0
Released to SoCNE	(418)	(399)
Other creditors	7,966	6,356
PFI assets –deferred credits	0	0
Payments on account	0	0
Sub Total	119,136	93,484
Non-current		
Welsh Government	0	0
WHSSC / EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds	0	0
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
NI contributions payable to HMRC	0	0
Non-NHS payables - Revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
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	0	0
Total	119,136	93,484

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

18. Trade and other payables (continued).

Amounts falling due more than one year are expected to be settled as follows:	31 March	31 March
	2020	2019
	£000	£000
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	<u>0</u>	<u>0</u>

19. Other financial liabilities

Financial liabilities	Current		Non-current	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

20. Provisions

Reclassified

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-	0								0
Secondary care	17,221	0	(8,185)	2,804	37,138	(8,291)	(6,697)	0	33,990
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	384	0	0	0	1,309	(358)	(224)	0	1,111
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,146	0	0	(28)	530	(372)	(90)	(16)	3,170
All other losses and special payments	0	0	0	0	253	(253)	0	0	0
Defence legal fees and other administration	693	0	0	96	1,353	(659)	(702)		781
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	37			0	14	(22)	0	0	29
Restructuring	0			0	0	0	0	0	0
Other	2,060		0	0	1,166	(1,501)	(969)		756
Total	23,541	0	(8,185)	2,872	41,763	(11,456)	(8,682)	(16)	39,837
Non Current									
Clinical negligence:-	0								0
Secondary care	43,048	0	0	(2,804)	27,165	(2,318)	(7,651)	0	57,440
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	28	24	(5)	(14)	0	33
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	449	0	0	(96)	836	(165)	(132)		892
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	43,497	0	0	(2,872)	28,025	(2,488)	(7,797)	0	58,365
TOTAL									
Clinical negligence:-	0								0
Secondary care	60,269	0	(8,185)	0	64,303	(10,609)	(14,348)	0	91,430
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	384	0	0	0	1,309	(358)	(224)	0	1,111
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,146	0	0	0	554	(377)	(104)	(16)	3,203
All other losses and special payments	0	0	0	0	253	(253)	0	0	0
Defence legal fees and other administration	1,142	0	0	0	2,189	(824)	(834)		1,673
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	37			0	14	(22)	0	0	29
Restructuring	0			0	0	0	0	0	0
Other	2,060		0	0	1,166	(1,501)	(969)		756
Total	67,038	0	(8,185)	0	69,788	(13,944)	(16,479)	(16)	98,202

Expected timing of cash flows:

	In year to 31 March 2021	Between 1 April 2021 and 31 March 2025	Thereafter	Total
				£000
Clinical negligence:-	0			0
Secondary care	33,990	57,440	0	91,430
Primary care	0	0	0	0
Redress Secondary care	1,111	0	0	1,111
Redress Primary care	0	0	0	0
Personal injury	3,170	33	0	3,203
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	781	892	0	1,673
Pensions relating to former directors	0		0	0
Pensions relating to other staff	29	0	0	29
Restructuring	0	0	0	0
Other	756	0	0	756
Total	39,837	58,365	0	98,202

20. Provisions (continued)

	At 1 April 2018	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	22,286	0	0	2,185	10,691	(8,752)	(9,189)	0	17,221
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	762	(342)	(36)	0	384
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,299	0	0	0	592	(530)	(224)	9	3,146
All other losses and special payments	0	0	0	0	167	(167)	0	0	0
Defence legal fees and other administration	545	0	0	129	827	(345)	(463)		693
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	46			0	13	(22)	0	0	37
Restructuring	0			0	0	0	0	0	0
Other	1,588		0	0	2,391	(1,505)	(414)		2,060
Total	27,764	0	0	2,314	15,443	(11,663)	(10,326)	9	23,541
Non Current									
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	14,614	0	0	(2,185)	32,186	(1,123)	(444)	0	43,048
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	357	0	0	(129)	376	(122)	(33)		449
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0		0	0	0	0	0		0
Total	14,971	0	0	(2,314)	32,562	(1,245)	(477)	0	43,497
TOTAL									
Clinical negligence:-	0	0	0	0	0	0	0	0	0
Secondary care	36,900	0	0	0	42,877	(9,875)	(9,633)	0	60,269
Primary care	0	0	0	0	0	0	0	0	0
Redress Secondary care	0	0	0	0	762	(342)	(36)	0	384
Redress Primary care	0	0	0	0	0	0	0	0	0
Personal injury	3,299	0	0	0	592	(530)	(224)	9	3,146
All other losses and special payments	0	0	0	0	167	(167)	0	0	0
Defence legal fees and other administration	902	0	0	0	1,203	(467)	(496)		1,142
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	46			0	13	(22)	0	0	37
Restructuring	0			0	0	0	0	0	0
Other	1,588		0	0	2,391	(1,505)	(414)		2,060
Total	42,735	0	0	0	48,005	(12,908)	(10,803)	9	67,038

21. Contingencies**21.1 Contingent liabilities**

	2019-20	Reclassified 2018-19
	£'000	£'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence:-		0
Secondary care	93,702	61,482
Primary care	0	0
Redress Secondary care	0	0
Redress Primary care	0	0
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	2,669	1,691
Continuing Health Care costs	1,841	6,925
Other	693	0
Total value of disputed claims	98,905	70,098
Amounts (recovered) in the event of claims being successful	(93,443)	(59,534)
Net contingent liability	5,462	10,564

Clinicians' pension tax liabilities

Clinicians who are members of the NHS Pension Scheme and who, as a result of work undertaken in this tax year (2019/20), face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance will be able to have this charge paid by the NHS Pension Scheme. This is known as "scheme pays". In December 2019 the Welsh Government issued a ministerial direction committing it to cover the cost of such an arrangement.

At the date of publication of these accounts, there was no evidence of take-up of the scheme in 2019-20 and no information to make a reasonable assessment of future take up. However, the deadline for initial nomination is not until 31 July 2021. As such, it is not possible to make a reliable estimate of the potential cost to the Health Board.

21.2 Remote Contingent liabilities

	2019-20	2018-19
	£'000	£'000
Please disclose the values of the following categories of remote contingent liabilities :		
Guarantees	0	0
Indemnities	175	536
Letters of Comfort	0	0
Total	175	536

21.3 Contingent assets

	2019-20	2018-19
	£'000	£'000
	0	0
	0	0
	0	0
Total	0	0

22. Capital commitments

Contracted capital commitments at 31 March

	2019-20	2018-19
	£'000	£'000
Property, plant and equipment	6,305	28,124
Intangible assets	0	0
Total	6,305	28,124

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 or written-off during the financial year

	Amounts paid out during period to 31 March 2020	
	Number	£
Clinical negligence	83	10,609,212
Personal injury	32	377,185
All other losses and special payments	195	611,437
Total	310	11,597,834

Analysis of cases which exceed £300,000 and all other cases

Cases where cumulative amount exceeds £300,000	Number	Case type	Amounts paid out in year	Cumulative amount
			£	£
	07RR6MN0006	MN	29,500	1,608,405
	09RYNMN0061	MN	0	665,000
	12RYNMN0056	MN	1,386,220	1,406,220
	12RYNMN0077	MN	0	1,615,021
	13RYNMN0017	MN	1,350,738	1,420,000
	13RYNMN0032	MN	650,000	1,630,000
	13RYNMN0041	MN	900,000	900,000
	14RYNMN0070	MN	307,587	365,000
	15RYNMN0034	MN	419,000	992,345
	15RYNMN0041	MN	785,000	785,000
	15RYNMN0044	MN	495,000	495,000
	16RYNMN0063	MN	135,000	445,000
	16RYNMN0072	MN	140,000	326,460
	17RYNMN0094	MN	350,878	350,878
	18RYNMN0084	MN	8,000	431,920
	19RYNMN0007	MN	1,250	372,200
	20RYNMN0011	MN	301,000	301,000
Sub-total			7,259,173	14,109,449
All other cases			4,338,661	8,952,093
Total cases			11,597,834	23,061,542

24. Finance leases

24.1 Finance leases obligations (as lessee)

The Local Health Board has no finance leases receivable as a lessee.

Amounts payable under finance leases:

Land	31 March 2020 £000	31 March 2019 £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 Finance leases obligations (as lessee) continue**Amounts payable under finance leases:**

Buildings	31 March 2020 £000	31 March 2019 £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	0	0
	<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	0	0
	<u>0</u>	<u>0</u>
Other	31 March 2020 £000	31 March 2019 £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	0	0
	<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	0	0
	<u>0</u>	<u>0</u>

24.2 Finance leases obligations (as lessor) continued

The Local Health Board has no finance leases receivable as a lessor.

Amounts receivable under finance leases:

	31 March	31 March
	2020	2019
	£000	£000
Gross Investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<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	0	0
	<u>0</u>	<u>0</u>

25. Private Finance Initiative contracts

25.1 PFI schemes off-Statement of Financial Position

The Local Health Board [has no](#) PFI Schemes off-statement of financial position.

Commitments under off-SoFP PFI contracts	Off-SoFP PFI contracts	Off-SoFP PFI contracts
	31 March 2020 £000	31 March 2019 £000
Total payments due within one year	0	0
Total payments due between 1 and 5 years	0	0
Total payments due thereafter	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>
Total estimated capital value of off-SoFP PFI contracts	0	0

25.2 PFI schemes on-Statement of Financial Position

Capital value of scheme included in Fixed Assets Note 11

Total obligations for on-Statement of Financial Position PFI contracts due:

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2020 £000	31 March 2020 £000	31 March 2020 £000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>

	On SoFP PFI Capital element	On SoFP PFI Imputed interest	On SoFP PFI Service charges
	31 March 2019 £000	31 March 2019 £000	31 March 2019 £000
Total payments due within one year	0	0	0
Total payments due between 1 and 5 years	0	0	0
Total payments due thereafter	0	0	0
Total future payments in relation to PFI contracts	<u>0</u>	<u>0</u>	<u>0</u>

Total present value of obligations for on-SoFP PFI contracts **0**

25.3 Charges to expenditure

	2019-20	2018-19
	£000	£000
Service charges for On Statement of Financial Position PFI contracts (excl interest costs)	0	0
Total expense for Off Statement of Financial Position PFI contracts	0	0
The total charged in the year to expenditure in respect of PFI contracts	<u>0</u>	<u>0</u>

The LHB is committed to the following annual charges

	31 March 2020	31 March 2019
	£000	£000
PFI scheme expiry date:		
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	0	0
Total	<u>0</u>	<u>0</u>

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

25.4 Number of PFI contracts

	Number of on SoFP PFI contracts	Number of off SoFP PFI contracts
Number of PFI contracts	0	0
Number of PFI contracts which individually have a total commitment > £500m	0	0

	On / Off- statement of financial position
PFI Contract	
Number of PFI contracts which individually have a total commitment > £500m	0

PFI Contract

25.5 The LHB has no Public Private Partnerships

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 LHB 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 LHB 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 LHB in undertaking its activities.

Currency risk

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

Interest rate risk

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations

Credit risk

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

Liquidity risk

The LHB 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 LHB is not, therefore, exposed to significant liquidity risks.

27. Movements in working capital

	2019-20	2018-19
	£000	£000
(Increase)/decrease in inventories	(1,132)	(209)
(Increase)/decrease in trade and other receivables - non-current	(14,918)	(28,486)
(Increase)/decrease in trade and other receivables - current	(34,177)	5,573
Increase/(decrease) in trade and other payables - non-current	0	0
Increase/(decrease) in trade and other payables - current	25,652	(1,606)
Total	(24,575)	(24,728)
Adjustment for accrual movements in fixed assets - creditors	(287)	(2,792)
Adjustment for accrual movements in fixed assets - debtors	0	0
Other adjustments		(82)
	(24,862)	(27,602)

28. Other cash flow adjustments

	2019-20	2018-19
	£000	£000
Depreciation	16,171	15,255
Amortisation	496	369
(Gains)/Loss on Disposal	(55)	(13)
Impairments and reversals	13,119	4,979
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	(1,099)	(952)
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	45,108	37,210
Other movements	17,529	0
Total	91,269	56,848

29. Events after the Reporting Period

COVID-19

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the LHB, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will be with the LHB and wider society throughout 2020/21 and beyond. The LHB's Governance Framework will need to consider and respond to this need.

30. Related Party Transactions

A number of the LHB's Board members have interests in related parties as follows:

Name	Details	Interests
Anna Lewis	Independent Member	Visiting Senior Lecturer in Swansea University Consultancy work undertaken in Betsi Cadwaladr University Health Board Consultancy work undertaken in Cwm Taf Morgannwg University Health Board
Huw Thomas	Director of Finance	Trustee / Chair of Welsh Branch (up until September 2019) of Healthcare Financial Management Association Partner working in Pembrokeshire County Council
Karen Miles	Director of Planning, Performance & Commissioning	Close Family Member working in University of Wales Trinity St David Close Family Member working in Swansea University
Michael Hearty	Associate Member	Finance Advisor to Betsi Cadwaladr University Health Board Non-Executive Director in Public Health England Non-Executive Director in HMRC Non-Executive Director in Blackpool Teaching Hospital Foundation Trust
Owen Burt	Independent Member	Close Family Member working in University of Wales Trinity St David
Philip Kloer	Medical Director	Honorary Professor in Swansea University
Simon Hancock	Independent Member	Member of Mencap Vice Chair of Pembrokeshire County Council Member of Court of Swansea University
Steve Moore	Chief Executive	Honorary Professor in University of Wales Trinity St David

Total value of transactions are with entities at which Board members and key senior staff have influential interests in 2019-20:

	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
City & County of Swansea	5	0	0	0
Mencap	3	0	0	0
Pembrokeshire County Council	12,346	2,826	3,053	301
Public Health England	11	0	1	0
Swansea University	756	408	95	114
University of Wales Trinity St David	57	2	1	2
HM Revenue & Customs	100,659	4,375	9,047	451
Healthcare Financial Management Association	(4)	0	2	0
	113,833	7,611	12,199	868

The Welsh Government is regarded as a related party. During the year the LHB have had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	132	921,523	39	2,829
Aneurin Bevan University Health Board	886	750	119	116
Betsi Cadwaladr Health Board	338	4,838	40	223
Cardiff & Vale University Health Board	6,240	532	255	342
Cwm Taf Morgannwg Health Board	802	562	102	83
Powys Teaching Health Board	411	8,586	104	392
Public Health Wales NHS Trust	2,454	2,168	488	184
Swansea Bay University Health Board	36,567	4,092	1,303	139
Velindre NHS University Trust	13,561	3,264	1,525	19,049
Welsh Ambulance Services Trust	4,516	149	46	6
Welsh Health Specialised Services Committee	94,532	2,370	78	1,180
Health Education & Improvement Wales (HEIW)	3	7049	3	494
	160,442	955,883	4,102	25,037

31. Third Party assets

The LHB held £1,313,859 cash at bank and in hand at 31 March 2020 (31 March 2019, £1,400,694) which relates to monies held by the LHB on behalf of patients. Cash held in Patient's Investment Accounts amounted to £713,895 at 31 March 2020 (31 March 2019, £666,248). This has been excluded from the Cash and Cash equivalents figure reported in the Accounts.

32. Pooled budgets

The Health Board has entered into a pooled budget with Ceredigion County Council on the 1st April 2009. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store. The pool is hosted by Ceredigion County Council and a memorandum note to the final accounts will provide details of the joint income and expenditure. The financial operation of the pool is governed by a pooled budget agreement between Ceredigion County Council and the Health Board. Payments for services provided by Ceredigion County Council in the sum of £333,000 are accounted for as expenditure in the accounts of the Health Board. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

The Health Board has entered into a pooled budget with Carmarthenshire County Council on the 1st October 2009. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store. The pool is hosted by Carmarthenshire County Council and a memorandum note to the final accounts will provide details of the joint income and expenditure. The financial operation of the pool is governed by a pooled budget agreement between Carmarthenshire County Council and the Health Board. Payments for services provided by Carmarthenshire County Council in the sum of £445,628 are accounted for as expenditure in the accounts of the Health Board. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

The Health Board has entered into an agreement with Carmarthenshire County Council on the 31st March 2011 under section 33 of the NHS (Wales) Act 2006 for the provision of Carmarthenshire Community Health and Social Care services. The section 33 agreement provides the framework for taking forward future schedules and therefore references all community based health, social care (adults & children) and related housing and public protection services so that if any future developments are considered a separate agreement will not have to be prepared. There are currently no pooled budgets related to this agreement.

The Health Board has entered into an agreement with Pembrokeshire County Council on the 31st March 2011 under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store and from 1st October 2012 the agreement has operated as a pooled fund. The pool is hosted by Pembrokeshire County Council and a memorandum note to the final accounts will provide details of the joint income and expenditure. The financial operation of the pool is governed by a pooled budget agreement between Pembrokeshire County Council and the Health Board. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement and the sum of £305,170 has been accounted for as expenditure in the accounts of the Health Board.

33. Operating segments

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

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2019 to 31 March 2020. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2019 and February 2020 alongside Health Board/Trust/SHA data for March 2020.

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 year ended 31 March 2020		£'000
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Expenditure on Primary Healthcare Services	2019-20	291
Expenditure on Hospital and Community Health Services	2019-20	17,238

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2020		
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Net operating cost for the year	Balance at 31 March 2020	17,529
Notional Welsh Government Funding	Balance at 31 March 2020	17,529

Statement of Cash Flows for year ended 31 March 2020		
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Net operating cost for the financial year	2019-20	0
Other cash flow adjustments	2019-20	0

2.1 Revenue Resource Performance		
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Revenue Resource Allocation	2019-20	17,529
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3. Analysis of gross operating costs**3.1 Expenditure on Primary Healthcare Services**

General Medical Services	2019-20	291
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3.3 Expenditure on Hospital and Community Health Services

Directors' costs	2019-20	117
Staff costs	2019-20	17,121

9.1 Employee costs**Permanent Staff**

Employer contributions to NHS Pension Scheme	2019-20	17,529
Charged to capital	2019-20	36
Charged to revenue	2019-20	17,493

18. Trade and other payables**Current**

Pensions: staff	Balance at 31 March 2020	0
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28. Other cash flow adjustments

Other movements	2019-20	17,529
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34.2 IFRS 16 Disclosure

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2021, because of the circumstances caused by Covid-19. To ease the pressure on NHW Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group, Finance Department.

We expect the introduction of IFRS16 will have a significant impact and this will be worked through for disclosure in our 2020-21 financial statements.

34.3 Covid 19 Disclosure

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the LHB, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will be with the LHB and wider society throughout 2020/21 and beyond. The LHB's Governance Framework will need to consider and respond to this need.

The COVID-19 pandemic presented a number of challenges to the LHB, additional COVID-19 specific funding received during the latter part of this financial year is listed below :

	£000's
Pay	327
Income *	-18
Clinical Supplies	864
Drugs	62
Cleaning	66
Office & IT equipment	314
Primary Care Prescribing	957
Total Revenue	2,572

In addition, there was also £428k of Capital Allocation received.

* Income is from the sale of equipment to ABUHB

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)¹, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Assembly Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed :

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009

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 health board and of the income and expenditure of the health board for that period.

In preparing those accounts, the directors are required to:

apply on a consistent basis accounting principles laid down by the Welsh ministers with the approval of the Treasury;
make judgements and estimates which are responsible and prudent;
state whether 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
Maria Battle

Date: 23rd June 2020

Chief Executive
Steve Moore

Date: 23rd June 2020

Director of Finance
Huw Thomas

Date: 23rd June 2020

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 health board.

The relevant responsibilities of accountable officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the accountable officer's memorandum issued by 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 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.

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.

Date: 23rd June Steve Moore, Chief Executive