

Velindre University NHS Trust

ACCOUNTABILITY REPORT 2019-20



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

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VELINDRE UNIVERSITY NHS TRUST SCOPE OF RESPONSIBILITY

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

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

The Welsh Blood Service plays a fundamental role in the delivery of healthcare in Wales. It works to ensure that the donor's gift of blood is transformed into safe and effective blood components, which allow NHS Wales to improve quality of life and save the lives of many thousands of people in Wales every year.

The Trust Board is accountable for Governance, Risk Management and Internal Control for those services directly managed and those managed via hosting arrangements. As Accountable Officer, the Chief Executive has responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and this organisation's assets for which the Chief Executive is personally responsible. These are carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

At the time of preparing this Annual Governance Statement Velindre University NHS Trust 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, demonstrating Value for Money after the COVID-19 crisis has abated, and the organisation returns to more normal operating conditions.

To demonstrate this, Velindre University NHS Trust is recording how the effects of COVID-19 have impacted on any changes to normal decision making processes. Where relevant these, and other actions taken have been explained within this Annual Governance Statement.

Velindre University NHS Trust also hosts three organisations, which are explained in more detail below. Directors of the Hosted Organisations are bound by an Annual Governance Compliance Statement (or their own Annual Governance Statement in the case of NHS Wales Shared Services Partnership) with the Velindre University NHS Trust Chief Executive and in accordance with the individual hosting agreements with Velindre University NHS Trust Organisations hosted by Velindre University NHS Trust are:

NHS WALES SHARED SERVICES PARTNERSHIP (NWSSP)

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

NWSSP is hosted by Velindre University NHS Trust via a formal Hosting Agreement, signed by each statutory organisation in NHS Wales. The Director of NWSSP holds Accountable Officer status and holds a separate Accountability Statement with the Director General for Health in the

Welsh Government. The Director of NWSSP produces and signs his own Annual Governance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

NHS WALES INFORMATICS SERVICES (NWIS)

NWIS operates under the direction of the Deputy Director, Digital Health and Care of the Welsh Government and is responsible for both the strategic development of Information Communications Technology (ICT) and the delivery of operational ICT services and information management across NHS Wales. NWIS has a national remit to support NHS Wales, make better use of scarce skills and resources, and facilitate a consistent approach to health informatics and the implementation of common national systems. The Director of NWIS is accountable to the Deputy Director, Digital Health and Care of the Welsh Government.

The Director signs an Annual Governance Compliance Statement to support the Trust Chief Executive in signing the Velindre University NHS Trust Annual Governance Statement.

In September 2019, it was announced that NHS Wales Informatics Services will transition to a new standalone NHS Wales organisation, reflecting the importance of digital and data in modern health and care. The new organisation will be a Special Health Authority, like the recently established Health Education and Improvement Wales. It will have an independent chair and board, appointed by Welsh Ministers. The Trust will be working with NWIS to support their transition to a Special Health Authority.

HEALTH TECHNOLOGY WALES (HTW)

The Trust received grant funding to continue the operation of Health Technology Wales during 2019-2020. HTW is funded by Welsh Government under the Efficiency through Technology Programme. HTW was established to facilitate the timely adoption of clinically and cost effective health technologies in Wales, working with, but independently of, NHS Wales. Its remit covers all health technologies that are not medicines. This could be medical devices, surgical procedures, telemonitoring, psychological therapies, rehabilitation or any health intervention that isn't a medicine.

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

SCOPE OF THE ACCOUNTABILITY REPORT

In line with Welsh Government and HM Treasury Guidance, the Trust has produced an Accountability Report for the financial reporting period 2019-2020.

The purpose of the Accountability Report, which sits within the suite of Annual Report documents, is to report to the National Assembly for Wales in respect of the key accountability requirements.

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

1. CORPORATE GOVERNANCE REPORT
2. FINANCIAL ACCOUNTABILITY REPORT
3. REMUNERATION AND STAFF REPORT
4. NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND
AUDIT REPORT

CORPORATE GOVERNANCE REPORT

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

The Corporate Governance Report includes the following sub sections:

- DIRECTORS' REPORT
- THE STATEMENT OF ACCOUNTABLE OFFICERS RESPONSIBILITIES
- THE STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS
- GOVERNANCE STATEMENT

DIRECTORS' REPORT

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

The Trust Board is made up of Executive Directors, who are employees of the Trust, and Independent Trust Board Members (IMs), who were appointed to the Trust Board by the Minister via an open and competitive public appointment process.

CHAIR AND INDEPENDENT MEMBERS OF THE TRUST – 2019-2020



Professor Donna Mead, OBE, Chair

Appointment:

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

Area of Expertise:

Education, Partnerships and Collaboration.

Trust Board Committee Membership

Professor Mead Chairs the Trust Board meeting, Remuneration Committee, Advisory Consultant Appointment Committee, Charitable Funds Committee, Research, Development & Innovation Committee and the Academic Partnership Committee.

Professor Mead is supported by six other Independent Members.



**Mr. Stephen Harries, Interim Vice
Chair/Independent Member**

Appointment:

Mr. Harries was appointed as an Independent Member of the Trust in April 2017. In November 2018, Mr. Harries was appointed as Interim Vice Chair.

Area of Expertise:

Information Governance & Information Management and Technology.

Trust Board Committee Membership

Mr. Harries is Chair of the Information Governance & Information Management & Technology Committee and Transforming Cancer Services Programme Scrutiny Committee. He is a member of the Remuneration Committee, Quality & Safety Committee, Planning & Performance Committee, Workforce and Organisational Development Committee and Shared Listening and Learning Sub Committee.

Champion Role:

Trust Champion for Information. Trust Board's Independent Member link with the Velindre Cancer Centre.



**Professor Jane Hopkinson, Independent
Member**

Appointment:

Professor Hopkinson was appointed as an Independent Member of the Trust in August 2012. Professor Hopkinson's term came to an end on the 31st August 2019.

Area of Expertise:

University Representative.

Trust Board Committee Membership

Professor Hopkinson Chaired the Research, Development & Innovation Committee, and is a member of Information Governance & Information Management & Technology Committee.

Champion Role:

Trust Champion for Research.



Professor Donald Fraser, Independent Member

Appointment:

Professor Fraser was appointed as an Independent Member of the Trust in December 2019.

Area of Expertise:

University Representative.

Trust Board Committee Membership

Professor Fraser Chairs the Shared Listening & Learning Sub Committee and is a member of the Research, Development & Innovation, Quality & Safety Committee, Workforce & Organisational Development Committee and the Academic Partnership Board.

Champion Role*:

Trust Champion for Research. [*To note that roles for newer Independent Members is currently under review]



Mrs. Janet Pickles, Independent Member

Appointment:

Mrs. Pickles was appointed as an Independent Member of the Trust in October 2012.

Area of Expertise:

Quality & Safety

Trust Board Committee Membership

Mrs. Pickles Chairs the Quality & Safety Committee and is a member of the Audit Committee, Charitable Funds Committee and the Shared Listening and Learning Sub Committee and Advanced Radiotherapy Programme Committee.

Champion Role:

Trust Champion for Infection Control, Patients and Older People, equality and is the Trust Board's Independent Member link with the Welsh Blood Service.



Mr. Phil Roberts, Independent Member

Appointment:

Mr. Roberts was appointed as an Independent Member of the Trust in March 2012. In September 2018, Mr. Roberts accepted the invitation to continue to serve as Independent Member with the Trust for a further 11 months, 1st April 2019 to 29th February 2020.

Area of Expertise:

Estates & Planning

Trust Board Committee Membership

Mr. Roberts is Chair of the Planning & Performance Committee and TCS Programme Scrutiny Committee, and a member of the Information Governance & IM&T Committee.

Champion Role:

Trust Champion for Design, Sustainability, Welsh Language, Public & Patient Involvement.



Mrs Hilary Jones, Independent Member

Appointment:

Mrs Hilary Jones was appointed as an Independent Member of the Trust from 1st March 2020.

Area of Expertise:

Estates & Planning

Trust Board Committee Membership

Mrs Jones will Chair the Planning & Performance Committee and will be a member of the IG&IM&T Committee, Workforce & OD Committee and the Advance Radiotherapy Programme Committee.

Champion Role*:

Trust Champion for Design, Sustainability, Welsh Language, Public & Patient Involvement. [*To note that roles for newer Independent Members is currently under review]



Judge Ray Singh, Independent Member

Appointment:

Judge Singh was appointed as an Independent Member of the Trust in November 2011. Judge Singh accepted the invitation to continue to serve as Independent Member to the Trust in October 2018 and was re-appointed for 12 months from 1st November 2018 to 31st October 2019.

Area of Expertise:

Legal.

Trust Board Committee Membership

Judge Singh was a member of the Audit Committee (Trust), Audit Committee (NHS Wales Shared Services Partnership), Quality & Safety Committee, Remuneration Committee and the Investment Performance Review Sub Committee which is a Sub Committee of the Charitable Funds Committee.

Champion Role:

Trust Champion for Violence & Aggression, Safeguarding and Putting Things Right.



Mr Gareth Jones, Independent Member

Appointment:

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

Area of Expertise:

Legal.

Trust Board Committee Membership

Mr Jones Chairs the Workforce & OD Committee and is a member of the Audit Committee, Planning & Performance Committee and TCS Programme Scrutiny Committee.

Champion Role*:

Trust Champion for Violence & Aggression, Safeguarding and Putting Things Right. [*To note that roles for newer Independent Members is currently under review]



Mr. Martin Veale, JP, Independent Member

Appointment:

Mr. Veale was appointed as an Independent Member of the Trust in April 2017. Mr Veale's second term with the Trust will commence in April 2020.

Area of Expertise:

Finance, Audit & Governance.

Trust Board Committee Membership

Mr. Veale is Chair of the Audit Committee (Trust), Audit Committee (NHS Wales Shared Services Partnership) and the Investment Performance Review Committee (which is a Sub Committee of the Charitable Funds Committee). Mr. Veale is also a member of the Remuneration Committee and the Charitable Funds Committee.

Champion Role:

Trust Champion for Finance and Governance.

EXECUTIVE DIRECTORS (BOARD MEMBERS)



Mr. Steve Ham, Chief Executive (Accountable Officer)

Trust Board Committee Membership

Mr. Ham is a member of the Charitable Funds Committee, Local Partnership Forum, Remuneration Committee and Advisory Consultant Appointments Committee.



Dr. Jacinta Abraham, Medical Director

Trust Board Committee Membership

Dr. Abraham is a member of the Research, Development & Innovation Committee and Advisory Consultant Appointments Committee.

Lead Function: Medical Director & Research



Mrs. Jayne Elias, Interim Executive Director of Nursing & Service Improvement Mrs. Elias was appointed as Interim Executive Director of Nursing & Service Improvement on the 1st March 2019 to the 26th August 2019.

Trust Board Committee Membership

Mrs. Elias is a member of the Research, Development & Innovation Committee.

Lead Function: Quality & Safety and Nursing.



Mrs Nicola Williams, Executive Director of Nursing, AHP's and Health Scientists

Mrs Williams commenced her appointment with the Trust on the 26th August 2019.

Trust Board Committee Membership

Mrs. Williams is a member of the Research, Development & Innovation Committee.

Lead Function: Quality & Safety and Nursing.



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

Lead Function: Organisational Development & Workforce

Ms. Morley is Joint Chair of the Local Partnership Forum.



Mr. Mark Osland, Executive Director of Finance

Trust Board Committee Membership

Mr. Osland is a member of the Charitable Funds Committee, the Charitable Funds Sub Committee – Investment Performance Review Sub-Committee and the Local Partnership Forum.

Lead Function: Finance and Charitable Funds.

EXECUTIVE TEAM MEMBERS (NON BOARD MEMBERS)



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

Responsible for strategic developments and planning and the continuous improvement of performance on behalf of the Trust.

Lead Function: Strategic Transformation, Planning, Digital & Estates



Mrs. Georgina Galletly, Director of Corporate Governance/Board Secretary

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

Mrs Galletly is on a 12 month secondment to Cwm Taf Morgannwg Health Board, the last day with the Trust was the 26th July 2019.

Lead Function: Governance.

Steve Coombe

Mr. Steve Coombe, Interim Director of Trust Assurance

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

Mr. Steve Coombe commenced a fixed term position with the Trust commencing on 23 July 2019 until the 31st March 2019.

Lead Function: Governance.



Mrs. Lauren Fear, Interim Director of Corporate Governance/Board Secretary

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

Mrs Fear commenced a fixed term position with the Trust commencing on the 2nd December 2019.

Lead Function: Governance.



Ms Cath O'Brien, Interim Chief Operating Officer

Ms O'Brien was appointed as Interim Chief Operating Officer a new role within the Trust with effect from the 1st March 2019.

Prior to that position Ms O'Brien was the Divisional Director of the Welsh Blood Service.



Mr Alan Prosser, Interim Director – Welsh Blood Service

Mr Prosser has taken up the Interim Director position. Prior to that Mr Prosser was the Deputy Director of the Welsh Blood Service.

Mr Prosser is responsible for the operational management of the Service Division.



Mrs. Andrea Hague, Director Velindre Cancer Centre

At the September 2019 Board meeting, the Chief Executive Officer reported that Andrea Hague would be spending more of her time focussing on the TCS programme and to facilitate that the Trust would be backfilling the post of Director VCC for two years.



As a result, **Mr Paul Wilkins**, has been appointed to the position of **Interim Director, Velindre Cancer Centre** for the next two years.

As Interim Director of Velindre Cancer Centre, Mr Wilkins is responsible for the operational management of the Service Division.

Further information in respect of the Trust Board and Committee Activity, the System of Internal Control and the Trust Assurance Framework are captured in the Governance Statement section of this report, which starts on page 23 and Appendix 1.

PUBLIC INTEREST DECLARATION

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

All Trust Board Members and Senior Managers within the Trust (including Directors of all Hosted Organisations) have declared any interests in companies, which may result in a conflict with their managerial responsibilities. No material interests have been declared during 2019-2020: a full register of interests for 2019-2020 is available upon request from the Director of Corporate Governance.

DISCLOSURE STATEMENTS

The Trust would make the following disclosure statements for 2019-2020:-

- During 2019/2020, the Trust reported two personal data breach incidents to the Information Commissioners Office (ICO). Both notifications were submitted in line with the 72 hour breach reporting timeframe.
 1. Reported July 2019 - Incident reported in an advisory capacity only, and was not raised as a specific Trust attributed ICO reportable data breach incident. No action taken by the ICO against the Trust.

2. Reported December 2019 – A Dictaphone, containing personal and special category data about 5 patients reported as lost within the Trust. Initial investigation identified the device had insufficient security measures to protect against unauthorised access. During January 2020, the Trust received notification the device had been found. Dictaphone found in a safe location. ICO notified, and subsequent ICO closure email received. No action taken by the ICO against the Trust.
- Whilst there is no requirement to comply with all elements of the Corporate Governance Code for Central Government Departments, Velindre University NHS Trust has undertaken an assessment against the main principles as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Trust's assessment of governance undertaken by the Trust Board in April 2020 and also evidenced by internal and external audits. The Trust is complying with the main principles of the Code where applicable, and follows the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Trust Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report.

There have been no reported/identified departures from the Corporate Governance Code during the year.

- Welsh Government have an ambition for the public sector to be carbon neutral by 2030. This ambition sits alongside the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015 as legislative drivers for decarbonisation of the Public Sector in Wales.

The Trust's five year Carbon Reduction Strategy continues to be implemented throughout the Trust and its hosted organisations. As part of this Strategy carbon reduction projects have been identified and prioritised for implementation. For the period 2018 – 2021, the Trust Sustainable Development Plan has been embedded into the Integrated Medium Term Plan development process and Strategic Objectives have been merged with the Trust's Well-being Goals.

The Trust will continue work on carbon footprint monitoring in line with the recommendations of the recently published NHS Wales Carbon Footprint document. In particular, it will review CO2e emissions arising from the use of electricity consumption (Scope 2), and those emissions associated with the use of Fleet vehicles (Scope 3).

The Trust recognises that its day to day operational activities have a direct impact upon the environment and is committed to meeting the legislative drivers set out by Welsh Government.

- 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.

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

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Velindre University NHS Trust.

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

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

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

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: 25th June 2020

Mr. Steve Ham
Chief Executive

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 NHS Trust and of the income and expenditure of the NHS Trust 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 judgments and estimates which are responsible and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

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

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust 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:

Professor Donna Mead, OBE
Chair

Dated: 25th June 2020

Mr. Steve Ham,
Chief Executive

Dated: 25th June 2020

Mr. Mark Osland,
Executive Director of Finance

Dated: 25th June 2020

ANNUAL GOVERNANCE STATEMENT

THE TRUST'S ASSURANCE FRAMEWORK

This Governance Statement details the arrangements in place for discharging the Chief Executive's responsibility to manage and control Velindre University NHS Trust's resources, and the organisations, which it hosts, during the financial year 2019-2020.

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

The Directors from the other bodies hosted by Velindre University NHS Trust where appropriate have signed and submitted a '*Governance Compliance Statement*' detailing and declaring compliance with Velindre University NHS Trust governance arrangements which is submitted at the end of March each year to the Velindre University NHS Trust Chief Executive to provide assurance that Trust policy, systems and processes are being complied with to support good governance.

DISCHARGING RESPONSIBILITIES

The Trust Board has been constituted to comply with the National Health Service Wales, Velindre University NHS Trust (Establishment) Order 1993 No.2838 and subsequent Amendment Orders (1995 No. 2492, 1999 No.808, 1999 No 826, 2002 No.442 (W.57) and 2002 No.2199 (W.219 2009 No.2059, 2012 No.1261, 2012 No.1262, 2015 No.22, 2017 No.912, 2018 No.887). In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Trust Board members also fulfil a number of "champion" roles where they act as ambassadors for these matters. The Trust Board discharges its responsibilities through its Committees (listed in the table on page 24) and scheme of delegation, which is set out in its Standing Orders.

There are 13 Committees/Partnership Forums reporting directly to the Trust Board, which is supported by sub-Committees/groups in the discharge of functions;

Committee	Sub Committee
Advisory Consultant Appointments Committee.	N/A
Audit Committee (Trust)	N/A
Audit Committee (For Shared Services to consider NHS Wales Shared Services Partnership (NWSSP) Matters)	N/A
Charitable Funds Committee	Investment Performance Review Sub-Committee
Information Governance & IM&T Committee	N/A
Planning & Performance Committee	N/A
Quality & Safety Committee	Shared Listening and Learning Sub-Committee
Remuneration Committee	N/A
Research, Development and Innovation Committee	N/A
Workforce & Organisational Development Committee	N/A
Transforming Cancer Services Programme Scrutiny Committee	N/A
Local Partnership Forum	N/A
Academic Partnership Board	N/A

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

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

These documents, together with the range of policies set by the Trust Board make up the Governance and Accountability Framework.

Welsh Government issued revised Model Standing Orders during the period for approval by the Trust Board by the end of November 2019. In addition, to this the Standing Orders have been periodically updated to account for alterations in year; details in respect of the reviews are outlined on page 30.

The dates the Trust Board and Committees met during the period 2019-2020 is captured in Appendix 1.

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 (Admission to Meetings) Act 1960, the organisation is required to meet in public. As a result of the public health risk linked to the pandemic the UK and Welsh Government 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 24 March 2020. To ensure business was conducted in as open and transparent manner as possible during this time the following actions were taken: -

- The Trust is inviting all regular attendees to its Public Board, Audit Committee and Quality & Safety Committee via technological solutions.
- The meetings are closed session i.e. public are not invited to join the meetings in person. This allows the Trust to act in accordance with social distancing guidelines.

- To retain openness and transparency during this time the Trust is committed to ensuring that the papers are published in advance of the meeting and the minutes or a briefing within 48 hours of the meeting having met.
- All Board Committees other than Audit and Quality & Safety Committee have been stood down until the end of June 2020.

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.

COMMITTEE ACTIVITY

In line with Standing Orders, each Committee formally reports annually to the Trust Board on its work during the year detailing the business, activities, attendance and main issues dealt with by the Committee in the reporting year. Copies of the Committee Annual Reports for 2019, which outline the activity of each of the Committees for the year ending 31st December 2020, will be published on the Trust Internet site by September 2020, once they have been formally received as part of the agreed Formal Governance Recovery Plan to COVID-19.

In addition, each Trust Board meeting receives a highlight report outlining the issues and activity considered and addressed by each Committee at its last meeting. The Trust has a process where committees schedule a pause at the end of each meeting to discuss the key issues they want to raise with the Trust Board through the highlight report process under the following headings:

- Escalate/Alert
- Advise
- Assure
- Inform

The highlight reports are presented to the Trust Board by the Committee Chair. Similarly to the annual reports the highlight reports are available within the Trust Board papers on the Trust's Internet site (<http://www.velindre->

tr.wales.nhs.uk/the-board-committees) or from the Head of Corporate Governance.

The Terms of Reference for each Committee are reviewed annually in line with the Trust Standing Orders, or more frequently if deemed necessary by the Committee or Trust Board. The Terms of Reference for all Committees are available from the Head of Corporate Governance or can be found in the Trust Standing Orders and Standing Financial Instructions.

Key highlights and issues considered by the Trust Board and its Committees during 2019-2020 are included at Appendix 1 of the Governance Statement.

Minutes and papers of all Public Trust Board and Committee meetings are published on the Trust Internet site via the following link: <http://www.velindre-tr.wales.nhs.uk/current-trust-board-meetings-2018>.

During 2019-2020, key aspects of Trust Board business and issues delegated to the Audit Committee for consideration and advice, including action taken included;

- Agreement of the Internal and External Audit Plans for the year.
- Receiving Internal and External Audit Reports and subsequently monitoring progress against Audit Action Plans. The Audit Action Plan, which tracks the implementation of the recommendations of Audits is regularly reviewed by the Audit Committee.
- Agreeing the Annual Counter Fraud Plan and monitoring counter fraud activities.
- Regular review of the Declaration of Interests and Gifts, Hospitality, Sponsorship and Honoraria Register.
- Monitoring the development and draft content of the Trust's Accountability Report.
- Monitoring of Governance Arrangements across the organisation, including hosted bodies.
- Monitoring the legislative Compliance Register.
- Monitoring overall risk management process by reviewing the Trust Risk Register at each meeting.
- Approved an Interim Board Assurance Framework (see more detail below).

BOARD ASSURANCE FRAMEWORK

The Audit Committee and Trust Board approved an interim Board Assurance Framework (BAF) in November 2019.

A more complete BAF will be developed ensuring appropriate up to date risk management arrangements and is planned for implementation by October 2020.

Further detail in respect of the activity on the Audit Committee during 2019-2020 is captured in Appendix 1 on page 59.

ENGAGEMENT WITH THE LOCAL PARTNERSHIP FORUM

In support of the Trust Board, the Trust also has a Local Partnership Forum that met twice during 2019-2020, with Joint Chairs who are each nominated from the Trade Union Representatives and Executive Directors. The role of the Local Partnership Forum is to supply the main (but not only) forum within the Trust where the Directors of the Trust and Trade Union Representatives can discuss together and develop appropriate directions and responses to all major service development and change management issues.

Examples of engagement with the Local Partnership Forum during 2019-2020 are outlined in Appendix 1 on page 60.

TRUST BOARD DEVELOPMENT AND EFFECTIVENESS

The Board Development Sessions which were held during 2019-2020 are outlined below:

April 2019 –Board Briefing Session

- Exploring the NHS Staff Survey Results
- Radiotherapy Performance Update
- Commercial Partnerships Update
- nVCC Project Update

September 2019 – Board Development / Board Briefing Session

- Strategic Development. Interactive Session - where are we now and developing a new mission and vision for the Trust
- Organisational Design Presentation
- Integrated Medium Term Plan (IMTP) – Update
- Paediatric Radiotherapy
- Brexit Briefing

October 2019 – Board Development / Board Briefing Session

- Strategic Development - emerging themes and options for the Trust mission and vision
- Presentation on the Welsh Blood Service – Blood Supply Chain and Blood Health Plan
- Presentation on the Evaluation of the Acute Assessment Unit

November 2019 – Board Development / Board Briefing Session

- Strategic Development – Developing Strategic Goals
- Presentation on the Integrated Medium Term Plan (IMTP) – Update
- Cwm Taf Morgannwg Reviews and Reflections
- Education Showcase

December 2019 – Board Development / Board Briefing Session

- Cwm Taf Reflections – All Wales Self-Assessment of Quality Governance Arrangements
- Mount Vernon Findings and Reflections
- Integrated Medium Term Plan (IMTP) – Update

February 2020 – Board Development / Board Briefing Session

- Organisational Narrative and Canterbury Reflections
- Wellbeing of Future Generations Act (WBFGA)– the Board was joined by Sophie Howe, WBFGA Commissioner
- Socio Economic Duty Update
- Strategic Development
- Blood Collection Operating Model
- Information Governance Core Skills Training

STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

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

June 2019 – Amendments to the Charitable Funds Committee and Local Partnership Forum Terms of Reference.

July 2019 – Amendments to the Charitable Funds Committee, Information Governance & IM&T Committee, Quality & Safety Committee and Research, Development and Innovation Committee Terms of Reference.

September 2019 – Amendments to the nVCC Scrutiny Committee Terms of Reference.

November 2019 – Revised Model Standing Orders issued by Welsh Government were implemented and approved by the Board in November 2019.

March 2020 – Amendments to the Remuneration and Terms of Service Committee and Information Governance and IM&T Committee Terms of Reference.

March 2020 - Variation to Standing Orders Board Committee Management during COVID-19.

TRUST BOARD APPOINTMENTS DURING 2019-2020

The Trust made the following Trust Board appointments/reappointments:

Independent Members

- Professor Donald Fraser, Independent Member University commenced his first term with the Trust on the 2nd December 2019.
- Mr Gareth Jones, Independent Member Legal commenced his first term with the Trust on the 2nd December 2019.
- Mrs Hilary Jones, Independent Member Estates & Planning commenced her first term with the Trust on the 1st March 2020.

- Mr Martin Veale, Independent Member Finance, Audit and Governance will commence his second term with the Trust on the 1st April 2020.
- Professor Donna Mead, Chair will commence her second term with the Trust on the 1st May 2020.

Executive Directors

- Nicola Williams, Executive Director of Nursing, Allied Health Professions and Health Sciences commenced in post on 26th August 2019.

Executive Team (Non Board Members)

- Mr Steve Coombe commenced as Interim Director of Trust Assurance on the 23rd July 2019.
- Mrs Lauren Fear commenced as Interim Director of Corporate Governance on the 2nd December 2019.
- Mr Alan Prosser commenced as Interim Director of the Welsh Blood Service in March 2019.
- Mr Paul Wilkins commenced as Interim Director of the Velindre Cancer Centre in September 2019.

On 23 March 2020, the Welsh Government suspended all Ministerial Public Appointment campaigns with immediate effect. At the time of this suspension the Trust was due to commence an appointment campaign for a new Independent Member as Mrs Jan Pickles third term is coming to end on 31 September 2020. Action to be taken in respect of this appointment will be confirmed by early July 2020.

PURPOSE OF THE SYSTEM OF INTERNAL CONTROL (TRUST ASSURANCE FRAMEWORK)

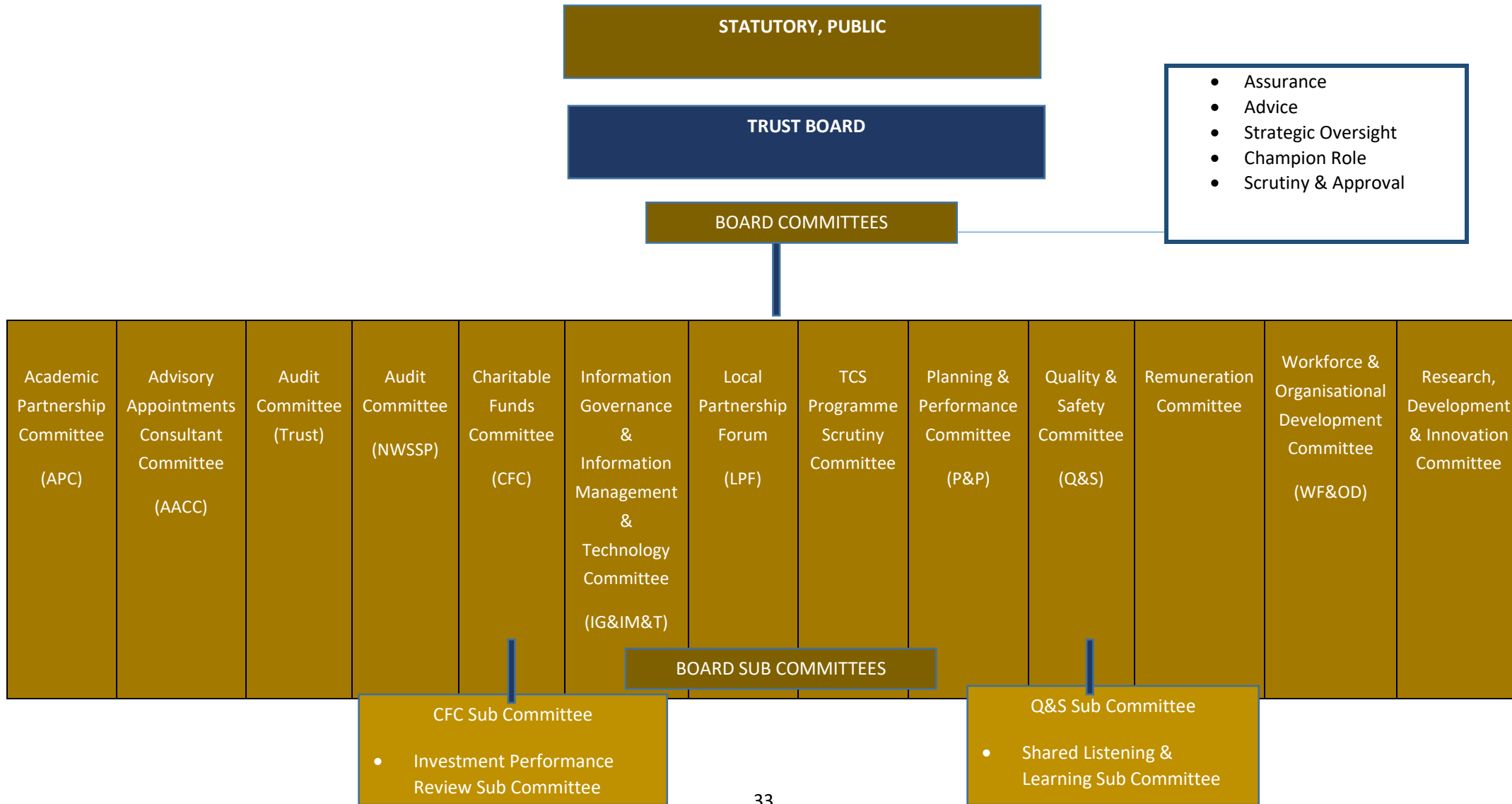
The system of internal control (Trust Assurance Framework) is designed to manage risk to a reasonable level rather than to eliminate all risks, it can therefore only provide reasonable and not absolute assurances of effectiveness.

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 31st March 2020 and up to the date of approval of the 2019-2020 annual report and accounts.

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

An overarching summary of the Trust's Governance Accountability Framework is illustrated below;



GOVERNANCE OF THE CHARITABLE FUNDS

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

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

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

The CFC is supported by the Charitable Funds Operational Management Group that meets as and when required through a face to face or virtual format.

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

Further information in respect of the Charitable Funds is available in the Trustee's Annual Report which can be accessed via the Charitable Funds page on the Trust website: <http://www.velindre-tr.wales.nhs.uk/key-publications>. The Charitable Funds Committee Annual Report for 2019 will be formally received and approved during the Trust Recovery Phase to COVID 19. Thereafter, the Annual Report for 2019 will be published on the Trust website by September 2020.

Hosted organisations utilise the existing Trust's Committee Structure illustrated earlier in this report.

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

NWSSP has a 'NHS Wales Shared Services Partnership Committee' which was established as a sub-committee of Velindre University NHS Trust Board in 2012 to comply with Ministerial Directions. The NWSSP Committee has membership from each statutory body in NHS Wales, and is chaired by an Independent Chair. The NWSSP Committee reports to Velindre University NHS Trust Board and all other health body Boards in Wales via their representative member on the Committee. NWSSP have their own Standing Orders which are appended to the Velindre University NHS Trust Standing Orders.

As a result of a number of independent reviews undertaken relating to NWIS, in January 2018 the Trust Board approved an "NWIS Hosting Assurance Requirements Framework", the purpose of which was to clarify the assurance requirements from NWIS to the Velindre University NHS Trust Board as host and how these assurances will be gained from NWIS.

The role of the Audit Committee in respect of this framework is to receive regular, standing agenda reporting on:

1. Internal and External Audit Plans
2. Internal and External Audit Reports with completed management action plans
3. Progress reports against audit recommendations (to be highlighted to Welsh Government if progress is deemed unsatisfactory)
4. Risk Register
5. Compliance and activity governed by the Trust Standards of Behaviour Policy (i.e. Declarations of Interest, Gifts & Hospitality)
6. Single Tender Actions

This new approach was implemented with effect from the February 2018 Audit Committee and was reviewed and strengthened during March / April 2019.

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

CAPACITY TO HANDLE RISK

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

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

The Trust involves its public stakeholders in managing risks that impact on them. For example, there is ongoing public engagement as an integral part of the development process of the Transforming Cancer Services (TCS) Programme and the Infrastructure Project. A series of stakeholder events have been undertaken, and will continue throughout the lifespan of the TCS Programme. Risks from the TCS Programme are reviewed and monitored by the TCS Programme Scrutiny Committee, and are escalated to the Trust risk register in accordance with the Trust risk escalation process. Information on the risks managed and mitigated during 2019-2020 is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site, via the following [link](#).

RISK MANAGEMENT

The Trust has an approved Risk Assessment Policy in place. The Policy details a robust risk assessment process to identify, assess and manage organisational risks which are reported on a risk register to the Trust Board.

The Trust Board is ultimately responsible for overseeing the Trust's risk register and holding the Executive to account for ensuring management action is taken to minimise risk. The Trust Board delegates' responsibility to the Trust's Quality & Safety Committee for overseeing the risk management process and the Trust's Audit Committee retains the oversight to ensure the system of risk management is effective. The overall aim of the Trust's Risk Management approach is to progress a comprehensive risk management programme to ensure that:

- There is compliance with statutory legislation
- All sources and consequences of risk are identified
- Risks are assessed and either eliminated or minimised
- Damage and injuries are reduced, and people's health and well-being is optimised
- Resources diverted away from patient/service user care to fund risk reduction are minimised
- Lessons are learnt from concerns in order to share best practise and prevent reoccurrence.

The Trust has a series of controls in place to manage and mitigate these risks.

The Chief Executive, as Accountable Officer for the Trust, has overall accountability and responsibility for having an effective risk management system in place within the Trust, including hosted organisations. The Chief Executive is responsible for meeting all statutory requirements and adhering to guidance issued by the Welsh Government Department of Health & Social Services in respect of governance. Within the Trust's Risk Management Policy, the Chief Executive has set clear measurable risk management objectives for the Executive Directors and Service Directors with delegated responsibility for risk management and governance.

The Director of Corporate Governance has organisational lead responsibility to the Chief Executive and the Board for risk management. Each Executive Director is responsible for overseeing effective management of risk within their area of responsibility, and Executive Directors are supported in these duties by the Service Directors and Senior Managers across the organisation.

Every member of staff, including clinicians, is responsible for ensuring that their own actions contribute to the wellbeing of patients/service users, staff, visitors and the organisation. They are expected to contribute to the identification, reporting and assessment of risks and to take positive action to manage them appropriately.

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

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

Risk Management and risk resourcing is managed by Divisional Directors through their business plans. All divisions/departments have processes for assessing risk and risk registers are created as appropriate. Risks are updated and reviewed within the service divisions. The divisional Strategic Management Team (SMT) works with their supporting groups/Committees to ensure effective controls are in place for their risks to be managed at a tolerable level.

Risks are referred to the appropriate Committees of the Trust Board for scrutiny and to identify additional control measures. In turn, the Committees provide assurance to

the Trust Board that all reasonably practicable steps have been taken to reduce the risk, that effective controls are in place and the risk is being managed at a tolerable level.

TRUST RISK REGISTER

The organisation's risk profile is visible through the Trust Risk Register. Risks are identified at the commencement of new or amended activities and through the ongoing review of existing risks. Risk assessments are undertaken to assess the impact upon the service and other stakeholders. Public Stakeholders are involved in the assessment of risk through public consultations, Patient Liaison Group representation and Community Health Council at Trust Board and Committee meetings, feedback received in respect of Patient Experience surveys and Donor Forums and learning from Concerns received from patients, donors, relatives and/or carers.

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

The significant risks on the Trust Risk Register as at the 31st March 2020 and up to the date of approval of the annual report and accounts are outlined below. Further details in respect of the Trust's key risks are outlined within the Trust's Annual Quality Statement (AQS). The AQS is included within the Trust Annual Report, which is held on the Trust Internet site under key publications.

The Trust uses a Risk Quantification Matrix to evaluate its risk rating. A simple risk quantification is identified by multiplying the Impact X Likelihood = Risk Rating.

Impact	Description	IMPACT	Likelihood	Description	LIKELIHOOD	Risk Score	Risk Level	Risk Rating
1	Insignificant	No injury	5	Almost Certain	Will happen frequently		Score	Risk Rating
2	Minor	Minor injury	4	Likely	Probably will happen, not regularly		1-3	Low
3	Moderate	Moderate injury RIDDOR reportable	3	Possible	Might happen occasionally		4-6	Moderate
4	Major	Major Injury Severe	2	Unlikely	Not expected to happen		8-12	Significant
5	Catastrophic	Death	1	Rare	Never happened		15-25	Critical

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. 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 Trust, although I am confident that all appropriate action has been taken. The identified risks are as follows:

- Implications of COVID-19 outbreak to the patients, staff and operations of the Trust (Risk Score of 25). This encompasses a number of key risk areas:
 - Maintaining appropriate stock levels of Personal Protective Equipment
 - Workforce capacity / capability due to COVID-19 related workforce absence
 - Workforce well-being
 - Digital capacity / capability
 - Blood supply to customer hospitals
 - Changes in upstream clinical pathways / capacity
 - System unable to cope with forecast demand / acuity & impact on cancer patients / staff

Velindre University NHS Trust continues to work closely with a wide range of partners, including the Welsh Government as it moves beyond the response phase into the recovery phase. It will be necessary to ensure that 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.

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. As at the 31st March 2020, and up to the date of approval of the annual report and accounts, the organisations risk profile relating to non-COVID-19 risks includes:

Quality Risk Domain:

- The continued failure to replace the existing Welsh Transplantation and Immunogenetics Laboratory (WTAIL) Information Management Systems, means there is a significant, ongoing risk that both current and future requests to deliver new WTAIL services will not be able to be supported and that, ultimately, WTAIL will be unable to deliver critical service modernisation that will meet service user expectations, presenting a quality, financial and reputational risk to the Trust if alternative service provision had to be provided (Risk Score 20).

Reputation and Public Confidence:

- Achieving the proposed timescales for the opening of the new Velindre Cancer Centre (nVCC) (Risk Score 16).
- Non-delivery of the expected benefits from the Transforming Cancer Services Programme (TCS) (Risk Score 16).

Workforce and Organisational Development:

- The potential impact on staff wellbeing during the change process of the Welsh Blood Service Blood Supply Chain 2020 Programme (Risk Score 12).

Compliance:

- Achieving compliance against the new Welsh Language Standards (under the Welsh Language (Wales) Measure 2011) within the timescales set by the Welsh Language Commissioner (Risk Score 12).
- Brexit – Disruption, delays or inability to provide full range of treatments and services if the government fails to achieve a withdrawal agreement when the UK leaves the EU (Risk Score 8).
- Deficiencies in compartmentation (fire-resisting construction, fire doors and fire dampers) – Velindre Cancer Centre (Risk Score 15).

Performance & Service Sustainability:

- Radiotherapy Planning CT scanners are nearing the end of useful life. This equipment will not have service/maintenance support after March 2020 (Risk Score 6).

Finance:

- The total quantum for funding for addressing COVID-19 across Wales remains fluid and uncertain. There is a risk that the organisation's operational cost of addressing the pandemic cannot be contained within available funding resulting in a potential breach of the planned outturn for 2020-2021 (Risk Score 12).

Health & Safety:

- Lack of mechanical ventilation at the VCC site (including in-patient ward areas) (Risk Score 12).
- There is a risk that staff could contract COVID 19 in their working environment as a result of poor social distancing or hygiene levels & secondly there is a risk that social distancing measures will impact on site utilisation and subsequently service delivery capacity (Risk Score 16).

Further information on how risks are being managed and mitigated is detailed in the Trust Risk Register which is received by the Trust Board. Trust Board papers are available on the Trust Internet site, via the following [link](#).

RISK MANAGEMENT STRATEGY

The Trusts' current Risk Management Strategy was written for the period 2015-2018. The content is still extant but is now under further review. This was commenced in 2019 but not yet completed. Timescales will be aligned to the implementation of the Board Assurance Framework, which is due for implementation in October 2020.

Risk management continues to be an integral component of the Trust's service delivery, and will ensure alignment to the three year Integrated Business Plan and other supporting strategies.

RISK APPETITE STATEMENT

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

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

The Trust's Risk Appetite Statement was reviewed and approved at Trust Board in September 2018, and considers the most significant risks to which the Trust is exposed. It provides an outline of the approach to managing these risks. All strategic and business plans for operational areas must be consistent with this Statement. Given the range of the Trust's activities and responsibilities, it is not appropriate to make a single overarching statement of the Trust's attitude to risk. Instead, a range of risk appetite statements arising from the different areas of our work has been developed in the following areas:

- Safety
- Quality
- Compliance

- Research & Development
- Partnerships & Innovation
- Reputation & Public Confidence
- Performance & Service Sustainability
- Financial Sustainability
- Workforce & Organisational Development
- Partnerships

The full Risk Appetite Statement is available via this [link](#).

The Risk Appetite Statement will be further reviewed by October 2020 aligned to the implementation of the Board Assurance Framework and review of the Risk Management Strategy.

HEALTH AND CARE STANDARDS FOR WALES

The Health and Care Standards published in April 2015, set out the requirements for the delivery of health care in Wales at every level and in every setting. The onus is on all NHS organisations to demonstrate that the standards are being used and are met on a continuous basis.

The Trust has an established framework through which self-assessments are undertaken and action taken to implement improvements and changes required to enable the Trust to deliver the highest quality of services to the people of Wales.

The Trust's service divisions and hosted organisations use the Standards to self-assess at all levels and across all activities to:


- Map against professional standards and operational plans
- Assess how well they currently meet the standards
- Identify what they do well and what could be shared wider
- Identify what they do less well and what can be done to improve delivery
- Make changes which contribute to overall quality improvement within their service.

In addition to the Trust undertaking a self-assessment, a selection of Standards were validated by Internal Audit during May 2020:

- Standard 1.0 – Governance, Leadership & Accountability
- Standard 2.1 - Managing risk and promoting Health & Safety
- Standard 3.2 - Communicating Effectively
- Standard 4.1 - Dignified Care

The audit of the Health & Care Standards in Wales conducted by Internal Audit sought to provide assurance that the Trust has adequate procedures in place to ensure that it is operating in accordance with the Standards and that appropriate self-assessment against the Standards is undertaken.

The level of assurance given as to the effectiveness of the system of internal control in place to manage the risks associated with establishment controls within the Health and Care Standards is **Reasonable Assurance**.

RATING	INDICATOR	DEFINITION
<p>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. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>

Guidance for the completion of the Health & Care Standards self -assessments have been made available to all relevant staff, Divisional and Executive leads along with Independent Members.

There is a timetable in place that detailed key actions and related dates for the self-assessment process. Appropriate leads at Divisional, Corporate and Executive level had been identified for the Standards, as well as Independent Members appointed to each area, but due to the current issues with COVID 19 the approval process had to be amended. These amendments were submitted and approved at the Executive Management Board.

Due to the on-going issues relating to COVID-19, regular updates on the self-assessment process have been submitted to the Executive Management Board.

There have been regular progress reports on the Health and Care Standards Improvement Plan 2018 /2019 to the Trust's Quality and Safety Committee along with the Executive Management Board.

GOVERNANCE & ACCOUNTABILITY ASSESSMENT/TRUST BOARD EFFECTIVENESS

The Board is required to undertake an annual self-assessment of its effectiveness. The approach taken this year was to bring together the various sources of assurance internal and external that would support the Board in considering its overall level of maturity for the Trust in respect of good governance and Board effectiveness.

At the Trust's Annual Board Governance and Effectiveness Assessment meeting on the 15th May 2020, Board members were taken through the process and concluded that the Trust's self-assessment of the overall maturity level for 2019-2020 was assessed at Level 4; this remained the same as the 2018-2019 assessment.

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

The above process has been subject to independent internal assurance by the organisation's Head of Internal Audit. The internal audit review confirmed that a satisfactory process exists for the review and completion of the Governance and Accountability assessment, involving Executives and, Independent Members. There

were no recommendations received in respect of the completion of the Governance and Accountability assessment.

REVIEW OF EFFECTIVENESS

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

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

At the Annual Board Governance and Effectiveness Assessment meeting (mentioned above) the Trust Board concluded an overall maturity level for 2019-2020 as Level 4; which is defined as 'having well developed plans and processes and can demonstrate sustainable improvement throughout the organisation'.

The scrutiny of these arrangements is in part informed through the internal mechanisms already referred to, but also through the independent and impartial views expressed by a range of bodies external to the Trust, these include;

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

INTERNAL AUDIT OPINION & SCORES FOR 2019-2020

Internal audit provides the Chief Executive and the Board through the Audit Committee with a flow of assurance on the system of internal control. The Chief Executive and Internal Audit agreed a programme of audit work, which was approved by the Audit Committee, and delivered in accordance with public sector internal audit standards by the NHS Wales Internal Audit Service, part of the NHS Wales Shared Services Partnership. The programme of audit work is designed to focus on significant risks and local improvement priorities. The subject areas covered during 2019-2020 were:

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

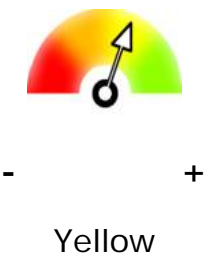
The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance available to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

THE HEAD OF INTERNAL AUDIT OPINION

As a result of the COVID-19 pandemic and the response to it from the Trust, Internal Audit has not been able to complete its audit programme in full. However, the Head of Internal Audit is satisfied that sufficient audit work has been undertaken during the year to be able to give an overall opinion in line with the requirements of the Public Sector Internal Audit Standards. Regular audit progress reports have been submitted to the Audit Committee during the year.

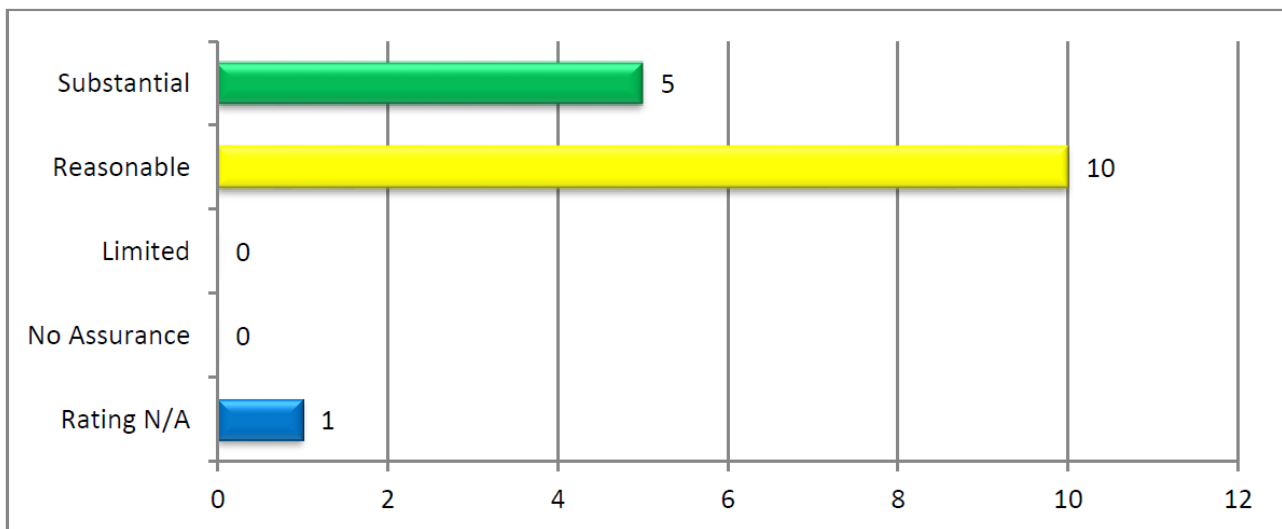
The Head of Internal Audit assessment should be interpreted in this context when reviewing the effectiveness of the system of internal control and be seen as an internal driver for continuous improvement.

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

Reasonable assurance		<p>The Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.</p>
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In reaching this opinion the Head of Internal Audit identified that the majority of reviews during the year concluded positively with robust control arrangements operating in some areas. From the reports issued during the year, five were allocated Substantial Assurance and ten were allocated Reasonable Assurance. No reports were allocated limited or no assurance. In total 16 audits were reported during the year. Figure 1 presents the assurance ratings and the number of audits derived for each.

Figure 1 Summary of audit ratings



The management response to all assurance reports will be reviewed by the Audit Committee and progress against management actions will be monitored at each Audit Committee meeting until all actions have been appropriately implemented.

In addition, the Head of Internal Audit has considered residual risk exposure across those assignments where limited or no assurance was reported. Further, where audit assignments planned this year did not proceed to full audits following preliminary planning work and these were either: removed from the plan; removed from the plan and replaced with another audit; or deferred until a future audit year.

Where changes were made to the audit plan then the reasons were presented to the Audit Committee for consideration and approval. Notwithstanding that the opinion is restricted to those areas which were subject to audit review; the Head of Internal Audit has considered the impact of changes made to the plan when forming their overall opinion.

The Internal Audit Reports which outline the management responses and detailed actions which have been agreed to address the weaknesses identified are published within the Trust Audit Committee papers which are available on the Trust Internet site by [clicking here](#). The table in Appendix 1 details the dates of the meetings when the reports were received.

AUDIT WALES STRUCTURED ASSESSMENT 2019

The Trust's External Auditors, Audit Wales, conducted a Structured Assessment during 2019 that focussed on the corporate arrangements for ensuring that resources are used efficiently, effectively and economically. This year, auditors paid critical attention to the progress made to address recommendations and opportunities for improvement identified in 2018 and previous years. The report grouped findings under four themes – the Trust's governance arrangements, strategic planning, managing financial resources and managing the workforce.

The main conclusions from the 2019 report are outlined below;

- **Governance Arrangements:** The Board and its sub-committees are generally effective, but risks and related controls and assurances are not mapped to strategic priorities and there are gaps in information flows relating to clinical audit. Positive progress is being made to redesign the organisational structure to better support the transformation of cancer and blood services.

- **Strategic Planning:** The Trust continues to strengthen its strategic planning arrangements, however, whilst the Board is beginning to scrutinise delivery against plans, the effectiveness of scrutiny is limited by the absence of signposting of progress made against delivering strategic priorities.
- **Managing financial resources:** The Trust has effective financial planning, management and monitoring arrangements and has identified more realistic and sustainable financial savings.
- **Managing workforce productivity and efficiency:** The Trust is taking positive steps to improve staff retention and recruitment and has a comprehensive and proactive approach to staff health and wellbeing.

Recommendations are being addressed by the Executive Management Board and progress will be monitored by the Audit Committee by scrutiny of the Audit Action Plan. Velindre University NHS Trust– Structured Assessment 2019 report is published and available from the Audit Wales internet site by [clicking here.](#) The Trust’s management response to the 2019 structured assessment recommendations is captured within the WAO report.

INFORMATION GOVERNANCE

The Trust has established arrangements for Information Governance to ensure that appropriate use and access to information the Trust and its associated organisations hold, including confidential patient and donor information is managed in line with the relevant Information Governance law, regulations and Information Commissioner’s Office guidance. This is guided by such legislation and guidance that includes General Data Protection Regulation, Data Protection Act 2018 and Caldicott. The Medical Director is the Trust’s Caldicott Guardian, and supported by designated Caldicott Guardian roles at both respective Trust Divisions, the Director of Finance is the Senior Information Risk Owner (SIRO) and the Trust has appointed a Data Protection Officer (DPO).

Since its inception in May 2018, and during 2019/2020 the Trust has continued to integrate the requirements of the General Data Protection Regulation (GDPR) and Data Protection Act 2018 (DPA) into its “Business as Usual” activities. Information Asset Register and Data Protection Impact Assessment processes have been established, and in recognition of the evolving Trust Information Governance agenda, the Trust continues to implement processes and communication of associated national

and local GDPR and DPA guidance's via its Information Governance Peer Working Group (IGPWR). The IGPWR consists of membership of IG leads from within the respective Divisions and Hosted Organisations of the Trust, with regular reports on all IG related matters provided at Trust-wide forums, namely the Information Governance & Information Management & Technology Committee.

The Trust continues to be proactive in the NHS Wales Information Governance management support framework to ensure consistency of policy and standards of rules across NHS Wales organisations.

During 2019/2020, the Trust completed the inaugural NHS Wales IG Toolkit for Health Boards and Trusts. A Toolkit that enabled the Trust to measure a level of compliance against National Information Governance Standards and data protection legislation to ascertain whether information was being handled and protected appropriately across the organisation.

The statement on the quality of data reported to the Trust Board is included within the Annual Quality Statement within the Velindre University NHS Trust Annual Report. In 2019/20, the Annual Quality Statement timing is not aligned to the production of the Annual Governance Statement due to the review of timelines. In summary, information is provided from our data management and quality improvement systems. To the best of our knowledge, this information is accurate and gives a true reflection of the organisation.

BUSINESS CONTINUITY AND EMERGENCY PREPAREDNESS

The Trust continues to make significant progress in its business continuity and emergency preparedness framework.

A Trust wide business continuity steering group supports the framework and governance within the Trust. Additionally supported by a Trust wide policy, communications plan and command and control guidance.

The changing environment of risk results in the strategies and plans being reviewed regularly. Emerging threats are considered in the development and enhancement of risk mitigation strategies and the organisation's response mechanisms. These plans are commensurate with the level of risk the Trust anticipates to be exposed to.

Plans have been tested in the last 12 months, and include Major Incident Communications test, Clinical Emergency Communication tests, participation in Exercise Wales Connect, Pandemic Flu workshops and Brexit related workshops. Engagement in exercises has allowed the Trust to encompass lessons learned and to further improve the current procedures.

The Trust has undertaken a significant amount of work with regard to Brexit and specifically undertaken detailed planning in relation to the UK's transition from the EU with regard to a 'No Deal' Brexit. The planning has been multi-faceted and based on risk, across a number of varying themes and integrated with NHS Wales, Local Authorities, the Welsh Government and the Local Resilience Forums (LRFs) it partners with. There has been a specific focus on key risks which include supply chain continuity for medicines, medical devices and clinical consumables. In addition, the Welsh Blood Service has worked closely with UK blood services and enhanced the mutual aid arrangements between services to ensure the safety of the blood supply chain.

The Trust has actively engaged with Welsh Government and Public Health Wales Trust on the Coronavirus Planning & Response Group.

The Trust continues to engage with LRFs around key strategies for workload, training and exercises. The Trust has continued to explore training needs analysis for Strategic and Tactical officers for Emergency Management.

INTEGRATED MEDIUM TERM PLAN (IMTP)

Velindre University NHS Trust is a very ambitious organisation striving to provide services which are recognised as excellent by the people who use them, the people who work in them and by our key partners.

Velindre University NHS Trust vision is:

'To be recognised locally, nationally, and internationally as a renowned organisation of excellence for patient and donor care, education and research'

This vision is supported by a clear set of goals, values and a small number of strategic themes, which provide a framework to operate within.

The NHS in Wales is a planned system and each Health Board and the Trust is required to have a fully costed three-year rolling Integrated Medium Term Plan (IMTP). The IMTP outlines the key actions which will be taken to support the Trust in delivering its strategy.

In accordance with the set statutory duty, the Trust had its IMTP, covering the period 2019-2022, approved by the Welsh Government. Having an approved IMTP provides the Trust with a degree of earned operational autonomy and demonstrates to all of our stakeholders that the organisation possesses the requisite level of maturity to plan and deliver our services with confidence over a three year period.

Delivery of the IMTP during 2019-2020 was subject to scrutiny and assurance through the Planning and Performance Committee and the Trust Board. Through this scrutiny and review process it is clear that great progress has been made across the organisation in working towards the realisation of the Velindre Cancer Centre (VCC) and the Welsh Blood Service (WBS) strategic objectives. Key achievements are described in some detail in the Trust’s Annual Performance Report, but noteworthy progress against divisional strategic objectives in 2019/20 is summarised below.

SUMMARY OF OUR KEY ACHIEVEMENTS IN 2019-2020

Achievements at VCC in 2019 / 2020

Patient Support Unit for patients undergoing treatment for cancers of the Head and Neck open and fully operational from October 2019. The Unit provides a focused service for patients which has resulted in a reduction in unavoidable hospital admissions.

VCC’s palliative care service was awarded a 2019 Excellence in Patient Care Award by the Royal College of Physicians and received a 2019 European Association Award for Palliative Care Researcher of the Year at the organisation’s World Congress in Berlin.

Achieved Welsh Government’s two antimicrobial stewardship prescribing improvement goals in 2019/20 ensuring the on-going safety of patients.

Granted a Defence Employer Recognition Scheme Silver Award recognising our commitment to providing support and advocate on behalf of members of the defence and armed forces communities.

Welsh Point of Care Testing implemented in July 2019.

Further increased the range of treatments available and the number of patients accessing the Medicines@Home service, eliminating pharmacy waits for these patients.

Established a psychological support service to support the Wales Infected Blood Support Scheme.

VCC’s Welfare Rights Team were awarded a Benefits Advice Quality Standard.

Achievements at WBS in 2019/20

Five external regulator audits have been successfully completed. In particular, we have retained our NEQAS and WMDR accreditations as well as all mandatory licenses.

Prudent and sustainable blood supply - The WBS has continued to realign the way in which the service plans, collects, manufactures and distributes blood components across Wales via the Blood Supply Chain 2020 transformation programme, which is entering its final phase of delivery.

The Welsh Transplantation and Immunogenetics Laboratory (WTAIL) participated in the Organ Donation Transplant initiative to treat patients with organs from Hepatitis C positive donors. This medical breakthrough allows patients to receive a transplant, before then receiving treatment to cure the infection afterwards.

Completed a major update to its core Blood Establishment Computer System – ePROGESA. The delivery of the “semester patch” represents a key milestone for the WBS, as it enables the future delivery of a number of central components of our wider IT strategy.

Supported a study examining the possibility of overcoming immunological barriers to kidney transplantation. The Welsh Bone Marrow Donation Registry (WBMDR) is increasing the support of UK and international donors: receipting matched research.

Establishment of Blood Health National Oversight Group and five key workstreams to deliver against the Blood Health Plan strategic aims.

In collaboration with Betsi Cadwaladr University Health Board we have successfully completed a trial to reduce platelets wastage by 50% across.

In respect of financial performance, the Trust reported a balanced position against its income and expenditure position for the year ending 31st March 2020, as reflected in the Annual Accounts.

We recognise the success we have had in working towards our strategic objectives. However, we are aware that we must focus our attention on certain areas given the challenging context in which we work. Again, we discuss these issues at greater length in the Trust's Annual Performance Report.

Looking ahead the Trust has updated its plan for 2020-2023 and the Trust Board approved the IMTP for 2020-2023 in accordance with the NHS Wales Planning Framework on the 30th January 2020. The Trust was due to have received an approval decision, in regard to its 2020-2023 IMTP, from the Welsh Government by 31st March 2020. The Trust was notified on 19th March that the IMTP Welsh Government review and approval process was to be paused due to the challenges caused by COVID-19. However, the Trust were informed that:

'Following a robust assessment, your IMTP is considered to be approvable, which stands you in good stead for the future and provides a baseline for future planning discussions'.

The final version of the IMTP for 2020-2023 is available upon request from the Director of Corporate Governance.

Further information in respect of progress against the IMTP is captured within the Performance Report in the "Performance Summary" section.

MINISTERIAL DIRECTIONS

Whilst Ministerial Directions are received by Local Health Boards, these are not always applicable to Velindre University NHS Trust. Those considered of relevance to the Trust are listed below:

- **Ministerial Direction regarding the NHS Pension Tax Proposal 2019-2020**
The Trust has disseminated this direction as appropriate and reported it to the Trust Remuneration Committee.

All Ministerial Directions issued throughout the year are available on the Welsh Government website.

Welsh Health Circulars issued by Welsh Government are logged by the Governance Function and assigned an Executive Lead to assess the impact to the Trust and take forward necessary actions as appropriate. A register and action log is maintained by the Governance Function. A list of Welsh Health Circulars issued by the Welsh Government during 2019-2020 is available at: <https://gov.wales/health-circulars>

EQUALITY & DIVERSITY

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

The control measures include:

- Trust Strategic Equality Plan and Objectives (2020 – 2024);
- Trust the Gender Pay Gap Report which includes the Equality Monitoring Report;
- Equality reports to Quality and Safety Committee on the Trust's Equality Objectives and Actions;
- Reports to the Equality and Human Rights Commissions' enquiries;
- Report to the Welsh Government Equalities Team;
- Provision of evidence to the Health Care Standards Audit, specifically Standard 2;
- Equality Impact Assessments.

CONCLUSION

As indicated throughout this statement, 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 the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2020/21 and beyond. I will ensure our Governance Framework considers and responds to this need.

The system of internal control has been in place for the year ended 31st March 2020 and up to the date of approval of the 2019-2020 annual report and accounts.

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

Signed by:

Mr. Steve Ham
Chief Executive

Date: 25th June 2020

APPENDIX 1 – GOVERNANCE STATEMENT –
TRUST BOARD AND COMMITTEE ACTIVITY 2019-2020

The table below outlines the key highlights and activity considered by the Trust Board and its Committees during 2019-20, please note this is not an exhaustive list.

Meeting:	Meeting Dates:	Activity:
<p>Velindre University NHS Trust - Public Trust Board meeting.</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 28.05.2019 • 27.06.2019 • 25.07.2019 • 26.09.2019 • 28.11.2019 • 19.12.2019 • 30.01.2020 • 26.03.2020 <p>All meetings were quorate.</p>	<p>Programme/Project Updates:</p> <ul style="list-style-type: none"> • Transforming Cancer Services Programme. • New Velindre Cancer Centre (nVCC) Project. • Blood Supply Chain 2020. <p>Finance:</p> <ul style="list-style-type: none"> • Updating the Board on the financial position of the Trust. • Approving the Annual Accounts and Accountability Report in May 2019. <p>Performance:</p> <p>Considered and scrutinised the Delivering Excellence Performance reports at each meeting.</p> <p>Planning:</p> <ul style="list-style-type: none"> • Progress updates and approval in respect of the Integrated Medium Term Plan (IMTP) and consideration of IMTP Service Plans. <p>Risk Management:</p> <ul style="list-style-type: none"> • Scrutiny of the Trust’s Risk Register. <p>Integrated Governance:</p> <ul style="list-style-type: none"> • Audit Wales Structured Assessment Report 2019 and Annual Audit Report 2019 • Revisions to the Standing Orders • Highlight Reports from Board Committees • Hosting Assurance Arrangements • Updates in respect of the Infected Blood

Meeting:	Meeting Dates:	Activity:
		<p>Inquiry (IBI).</p> <ul style="list-style-type: none"> • Updates in respect of the Welsh Language Standards Implementation and Risk Assessment. • Updates in respect of Brexit.
Advisory Consultant Appointments Committee	Panels were held: 20.05.2019 02.09.2019 02.10.2019 11.02.2020	As and when required the Advisory Consultant Appointment Committee meet to manage the arrangements for appointments to NHS Consultant posts within the Trust.
Trust Audit Committee Meeting Agendas, Minutes and Papers are available on the Trust Internet site	<ul style="list-style-type: none"> • 11.04.2019 • 28.05.2019 • 24.07.2019 • 05.11.2019 • 06.02.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Audit Committee is to:</p> <p>Advise and assure the Board and the Accountable Officer on whether effective arrangements are in place - through the design and operation of the Trust's system of assurance - to support them in their decision taking and in discharging their accountabilities for securing the achievement of the Trust's objectives, in accordance with the standards of good governance determined for the NHS in Wales.</p> <p>Where appropriate, the Committee will advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further.</p> <p>The Audit Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
NHS Wales Shared Services Partnership Audit Committee	<ul style="list-style-type: none"> • 9 April 2019 • 9 July 2019 • 22 October 2019 	The NWSSP Audit Committee Annual Report for 2018-19 was received at their meeting in July 2019

Meeting:	Meeting Dates:	Activity:
	<ul style="list-style-type: none"> • 21 January 2020 <p>All meetings were quorate.</p>	<p>and is available via the following link:</p> <p>NWSSP Audit Committee Annual Report 2018-19</p> <p>The 2019-20 Annual Report will be published after the meeting in July 2020.</p>
<p>Charitable Funds Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 05.06.2019 • 24.09.2019 • 03.12.2019 • 20.03.2020 (<i>stood down due to COVID 19</i>) <p>All meetings were quorate.</p>	<p>The Velindre Trust Board was appointed as corporate trustee of the charitable funds by virtue of the Velindre National Health Service Trust (Establishment) Order No. 2838 that came into existence on 1st December 1993, and that its Board serves as its agent in the administration of the charitable funds held by the Trust.</p> <p>The purpose of the Committee" is to make and monitor arrangements for the control and management of the Trust's Charitable Funds.</p> <p>The Charitable Funds Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
<p>Information Governance & IM&T Committee (IG&IMT)</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 07.05.2019 • 10.09.2019 • 10.12.2019 • 28.02.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Information Governance & IM&T Committee "the Committee" is to provide:</p> <ul style="list-style-type: none"> ○ evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the: <ul style="list-style-type: none"> • technological advancements and structures • sustainability and creativity • Expertise and development • quality and integrity; • safety and security; and • appropriate access and use of information

Meeting:	Meeting Dates:	Activity:
		<p>and information technology to support its provision of high quality healthcare; and</p> <ul style="list-style-type: none"> o assurance to the Board in relation to the Trust's arrangements for developing, creating, collecting, storing, safeguarding, disseminating, sharing, using and disposing of information and information technology in accordance with its: <ul style="list-style-type: none"> • stated objectives; • legislative responsibilities, e.g., the Data Protection Act and Freedom of Information Act; and • any relevant requirements and standards determined for the NHS in Wales. <p>The Information Governance & IM&T Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
Local Partnership Forum (LPF)	<ul style="list-style-type: none"> • 24.6.2019 • 28.10.2019 <p>All meetings were quorate.</p>	<p>The purpose of the Local Partnership Forum (LPF) is;</p> <ul style="list-style-type: none"> o To provide a formal mechanism where the Trust, as employer and trade unions/professional bodies representing Trust employees (hereafter referred to as staff organisations) work together to improve health services for the citizens served by the Trust – achieved through a regular and timely process of consultation, negotiation and communication. In doing so, the LPF must effectively represent the views and interests of

Meeting:	Meeting Dates:	Activity:
		<p>the Trust's workforce.</p> <ul style="list-style-type: none"> ○ It is the forum where the Trust and staff organisations will engage with each other to inform, debate and seek to agree local priorities on workforce and health service issues; and inform thinking around national priorities on health matters. ○ The Trust may specifically request advice and feedback from the LPF on any aspect of its business and the LPF may also offer advice and feedback even if not specifically requested by the Trust. The LPF may provide advice to the Board: <ul style="list-style-type: none"> • In written advice or • In any other form specified by the Board. <p>The Local Partnership Forum Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
<p>Planning & Performance Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 16.05.2019 • 09.07.2019 • 12.09.2019 • 14.11.2019 • 20.01.2020 • 12.03.2020 (<i>stood down due to COVID 19</i>) <p>The January 2020 meeting was not quorate.</p>	<p>The purpose of the Planning & Performance Committee is to:</p> <p>To advise and assure the Trust Board on all aspects of planning and performance and the associated arrangements across the Trust.</p> <p>Where appropriate, the Committee will advise the Board and the Accountable Officer on where and how the Trust-wide approach to planning and the Trust's Performance Management Framework may be strengthened and further developed.</p>

Meeting:	Meeting Dates:	Activity:
		<p>The Planning & Performance Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
<p>Quality & Safety Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 17.06.2019 • 04.09.2019 • 05.12.2019 • 30.03.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Quality & Safety Committee “the Committee” is to provide:</p> <p>Evidence based and timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regard to the quality and safety of healthcare; and</p> <p>Assurance to the Board in relation to the Trust’s arrangements for safeguarding and improving the quality and safety of patient and service user centred healthcare in accordance with its stated objectives and the requirements and standards determined for the NHS in Wales.</p> <p>The Quality & Safety Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>
<p>Remuneration Committee</p>	<ul style="list-style-type: none"> • 18.04.2019 • 27.06.2019 • 11.09.2019 • 24.10.2019 • 30.01.2020 • 20.02.2020 	<ul style="list-style-type: none"> • Considered Voluntary Early Release applications received during the year for approval. • Agenda for Change Pay Award 2019 / Pay Deals for NHS Staff 2019 • Considered cases of potential redundancies. • Board Appointments/Recruitment Updates

Meeting:	Meeting Dates:	Activity:
	All meetings were quorate.	<ul style="list-style-type: none"> • Executive Appraisal and Objectives • Terms of Reference Review • Pension Tax Proposal
<p>Research, Development & Innovation (RDI) Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 27th June 2018 • 26th September 2018 • 5th December 2018 • 21st February 2019 <p>All meetings were quorate.</p>	<p>The purpose of the RD&I Committee is to provide:</p> <ul style="list-style-type: none"> • Strategy and policy oversight for Innovation and Research activities at the Trust and advise on and monitor performance in these areas. • Promotion and encouragement of an Innovation and Research ethos and culture which is integral to the Trusts vision, mission and values. • Evidence based timely advice to the Board to assist it in discharging its functions and meeting its responsibilities with regards to the quality and safety of Innovation and Research activity. In the relation to research this includes activity carried out within the Trust both as a research sponsor and host organisation. • Assurance to the Board in relation to the Trust's arrangements for ensuring compliance with the, and the EU Clinical Trials Directive 2004 as amended from time to time. • Foster collaboration and make recommendations on adoption and dissemination. • Consideration of relevant matters with reference to the parameters identified for risk appetite in relation to research, development and innovation as set by the Board. <p>The R,D&I Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>

Meeting:	Meeting Dates:	Activity:
<p>Workforce & Organisational Development (WF&OD) Committee</p> <p>Meeting Agendas, Minutes and Papers are available on the Trust Internet site</p>	<ul style="list-style-type: none"> • 02.05.2019 • 08.10.2019 • 15.01.2020 <p>All meetings were quorate.</p>	<p>The purpose of the Workforce and Organisational Development Committee ("the Committee") is:</p> <ul style="list-style-type: none"> • To advise and assure the Trust Board on all aspects of Workforce & Organisational Development matters and the associated arrangements across the Trust. <p>The Workforce & OD Committee Annual Report for 2019, which outlines the activity of the Committee for the year ending 31st December 2019 will be formally approved during the Recovery Phase to COVID-19, and subsequently published on the Trust Internet site by September 2020.</p>

APPENDIX 2–Board Member Attendance-Trust Board Meetings 2019-20

	28.05.19	27.06.19	25.07.19	26.09.19	28.11.19	19.12.19	30.01.20	26.03.20
Professor Donna Mead, Chair	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Stephen Harries, Interim Vice Chair	✓	✓	✓	✓	✓	✓	✓	✓
Mr Martin Veale, Independent Member	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Janet Pickles, Independent Member	✓	Apologies	✓	✓	✓	✓	✓	✓
Mr Phil Roberts, Independent Member	Apologies	✓	✓	✓	✓	✓	✓	
Mrs Hilary Jones, Independent Member								✓
Judge Ray Singh, Independent Member Until 31.10.19	✓	✓	✓	✓				
Mr Gareth Jones, Independent Member						Apologies	✓	✓
Professor Jane Hopkinson, Independent Member until 31.8.2019	✓	✓	✓	✓				

	28.05.19	27.06.19	25.07.19	26.09.19	28.11.19	19.12.19	30.01.20	26.03.20
Professor Donald Fraser Independent Member						Apologies	✓	Apologies
Mr Steve Ham, Chief Executive	✓	✓	✓	✓	Apologies	✓	✓	✓
Mr Mark Osland, Executive Director of Finance	✓	✓	✓	Apologies	✓	✓	✓	✓
Dr Jacinta Abraham, Executive Medical Director	Apologies	✓	✓	✓	✓	Apologies	✓	✓
Ms Sarah Morley, Executive Director of Organisational Development & Workforce	✓	✓	✓	Apologies	✓	Apologies	Apologies	Apologies
Mrs Susan Thomas, Acting Executive Director of Organisational Development & Workforce						✓	✓	Apologies
Mrs Nicola Williams, Executive Director of Nursing, AHP's & Health Sciences – Commenced August 2019				✓	✓	✓	✓	✓

	28.05.19	27.06.19	25.07.19	26.09.19	28.11.19	19.12.19	30.01.20	26.03.2020
Mrs Jayne Elias, Acting Executive Director of Nursing & Quality until August 2019	✓	✓	✓					

To note that for newer Independent Members dates for Trust Boards were only provided shortly before starting with the Trust and therefore had to be aligned with existing commitments.

FINANCIAL ACCOUNTABILITY REPORT

The Trust continues to operate in a challenging financial environment like all organisations in NHS Wales. Opportunities to make efficiency savings and identify recurring reductions in costs whilst maintaining services are sought wherever possible by Directors, finance teams and staff across the organisation.

Despite these challenges the Trust was able to achieve all three financial targets set by Welsh Government in 2019/2020, most notably that of expenditure not exceeding income. This will remain a difficult task in 2020/2021 and the foreseeable future, and therefore will continue to be of priority focus for the organisation.

FINANCIAL TARGETS

The Trust has met all three of its financial targets for the year ended 31 March 2020:

- Breakeven duty - The Trust achieved a surplus of £24,000 in 2019/2020 (2018/2019: surplus of £31,000), resulting in a surplus of £104,000 over a three year period. The Trust has therefore achieved its statutory financial duty to achieve financial breakeven over a rolling three year period.
- The Trust submitted an Integrated Medium Term Plan for the period 2019/2020 - 2021/2022 in accordance with the NHS Wales Planning Framework, which was subsequently approved by the Cabinet Secretary. The Integrated Medium Term Plan relates only to the Trust's core activities and does not apply to the organisations hosted by the Trust. The Trust has therefore met its statutory duty to have an approved plan for the period 2019/2020 to 2021/2022.
- Creditor payments - The Trust is required to pay 95% of the number of non-NHS bills within 30 days of the receipt of goods or a valid invoice (whichever is the later). The Trust has met this target, paying 97% (2018/2019: 97%) within the required time.

The Trust ordinarily would have four financial targets to meet: the fourth being the External Finance Limit (EFL). The Welsh Government has temporarily removed this target for 2019/2020.

FEES AND CHARGES - AUDITOR REMUNERATION

Fees paid to the Audit Wales for their statutory audit and performance audit work were £208,996.

MATERIAL REMOTE CONTINGENT LIABILITIES

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP). The WRP returns from Welsh Health Organisations estimate that in 2019/2020 the Trust has remote contingent liabilities of £38m (2018/2019: £17.5m) which relate to potential litigation claims against NHS Wales that could arise in the future due to known incidents. Due to the nature and uncertainty of these potential claims, no provision has been made for them within the accounts.

LONG TERM EXPENDITURE TRENDS

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
	£000	£000	£000	£000	£000
Total Revenue	440,033	637,132	712,828	525,607	572,642
Pay	132,653	144,112	149,866	160,551	182,684
Non Pay	289,643	478,901	549,774	352,075	373,015
Depreciation	16,629	15,989	17,595	16,466	17,186
Total Expenditure	438,925	639,002	717,235	529,092	572,885
Non-operating revenue and costs	927	1,725	5,613	3,295	440
Total Consolidated surplus/(deficit)	2,035	(145)	1,206	(190)	197

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

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
	£000	£000	£000	£000	£000
Surplus/(deficit) excluding charitable fund and donated assets	40	35	49	31	24

Notes

During 2015/2016 Health Courier Services and GP trainees transferred to the Trust.

During 2016/2017 the Trust established a National Technology Adoption Hub. The Surgical Material Testing Laboratory transferred to, and Health and Care Research Wales Workforce, transferred from the Trust.

During 2018/2019 – the Wales Workforce Education & Development Services (WEDS), which was part of the NHS Wales Shared Services Partnership (NWSSP), was transferred from the Trust into the newly established Health Education & Improvement Wales (HEIW). The transfer of WEDS resulted in a significant reduction in the income and expenditure reported within the above table but had no impact on the surplus / deficit for the year.

During 2019/2020 two new All Wales services were established within NWSSP – the Medical Examiner Scheme and the General Medical Practice Indemnity Scheme.

MODERN SLAVERY ACT 2015 – TRANSPARENCY IN SUPPLY CHAINS STATEMENT 2019/2020

This statement is made to comply with Section 54 of the Modern Slavery Act 2015 and the Welsh Government's Code of Practice: Ethical Employment in Supply Chains. The Statement sets out the steps that Velindre University NHS Trust has taken and is continuing to take, to make sure that modern slavery and / or human trafficking is not taking place within the Trust or supply chain during the year ending 31 March 2020.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Trust has a zero-tolerance approach to any form of modern slavery (slavery,

servitude, human trafficking and forced labour). We are committed to acting ethically and with integrity and transparency in all business activity and to establish effective systems and controls, to safeguard against any form of modern slavery occurring within the Trust's supply chain.

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

The Trust will not undertake any employment practices that;

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

Current Policies and Initiatives

The Trust is fully aware of its responsibilities towards patients, donors, service users, employees and the local community, and expects all employees and suppliers to act ethically and with integrity, in all our business relationships. During 2019, the Trust identified and reported suspected modern slavery cases, in compliance with legislation and our Safeguarding of Adults and Children Policies.

The Trust produced its first 'Ethical Employment Statement' in 2019, which was approved by the Trust Board and published in the 2019/2020 Annual Report and on the Trust's Internet / Intranet sites. This report set out the Trust's commitment to producing an annual written statement, in relation to its obligations under the Modern Slavery Act (2015) in 2019.

The following steps have been taken by the Trust during 2019/2020, to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business:

People

- The Trust is fully compliant with the six NHS pre-employment check requirements, to verify that applicants meet the preconditions of the role they are applying for. This includes a right to work in the UK check;
- The Trust has a robust IR35 policy and processes in place, which ensures that there is no unfair use of false self-employed workers or workers being

engaged under umbrella schemes. This process ensures the fair and appropriate engagement of all workers and prevents individuals from avoiding paying Tax and National Insurance contributions. ;

- The Trust does not engage or employ employees or workers on Zero Hours Contracts. The Trust does employ Bank Staff, but these staff are provided with the opportunity to apply for substantive posts should they wish to
- The Trust pays our lowest paid employees on Pay Band 2 (the lowest NHS Wales pay band). This salary is compliant with the National Living Wage. This was achieved by closing Pay Band 1 to all new appointees during December 2018. All existing Pay Band 1 employees were transferred onto Band 2 during March 2019;
- The Trust has an Equality and Diversity Policy and a range of processes and procedures which ensures that no potential applicant, employee or worker engaged by the Trust is in any way unduly disadvantaged in terms of pay, employment rights, employment, training and development and career opportunities;
- The Trust has in place a Raising Concerns Policy which confirms that all Trust employees, workers, contractors etc. can raise concerns (using a variety of methods) about how colleagues or people receiving our services are being treated, or about practices within our business or supply chain, without fear of reprisals.
- The Trust has in place a range of workforce policies e.g. Grievance Policy, Dignity at Work Procedure, Anonymous Communications, Violence, Domestic Abuse and Sexual Violence in the Workplace; etc. Our policies enable our employees to raise concerns about poor working practices;
- The Trust has an online 'Your Voice' service which provides our employees with an alternative platform to raise concerns about poor working practices;
- The Trust complies fully with the Transfer of Undertaking (Protection of Employment) Regulations ensuring that Trust employees that may be required to transfer to a new organisation, will retain their current NHS Terms and Conditions of Service; and
- The Trust does not make use of blacklist / prohibited list information;

Procurement and our Supply Chain

- The Trust's Procurement Team operates within the current UK and NHS procurement regulations and includes a mandatory exclusion question regarding the Modern Slavery Act 2015:
- The Trust's NWSSP Supplier Policy sets out the manner in which we behave as an organisation and how we expect procurement employees and suppliers to act;
- The Trust's Procurement Team's approach to procurement and our supply chain includes:

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

Training

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

Policies and Initiatives 2020 /2021

In the forthcoming year, the Trust is committed to taking the following actions to continue to ensure that modern slavery and / or human trafficking is not taking place

within our organisation or supply chain during the year ending 31 March 2021.

People

- The Trust will review its IR35 Policy and process in 2020 to ensure compliance with the revisions to the IR35 Legislation, which comes into effect on the 6th April 2021;
- The Trust will use internal communications to promote and raise employee awareness of modern slavery and human trafficking.
- The Trust will publicise and promote Anti-Slavery Day on the 18th October 2020, to encourage all employees to take action, as appropriate, within their role, to address this issue.
- The Trust will purchase and implement a new digital 'Speaking up with Confidence' system, to replace the current 'Your Voice' email system. The new system will facilitate a two way anonymous communications system and process, using an independent third party.
- The Trust's Safeguarding lead will be updating the Safeguarding Guidance Booklet for staff to include the modern slavery pathway.

REMUNERATION & STAFF REPORT

The details of the Remuneration Relationship are reported on page 86 of this document, and note 10.6 of the Annual Accounts.

The pay and terms and conditions of employment for the Executive Team and senior managers have been, and will be determined by the Velindre University NHS Trust Remuneration and Terms of Service Committee, within the framework set by the Welsh Government. The Remuneration and Terms of Service Committee also considered and approved applications relating to the voluntary early release scheme. The Trust Remuneration Committee members are Independent Members of the Board and a Trade Union Representative. The Committee is chaired by the Trust Chair. Details of the membership of the Remuneration & Terms of Service Committee are captured on pages 9-20 of the Directors' Report section of this report.

Existing public sector pay arrangements apply to all staff including members of the Executive Team. All members of the Executive Team are on pay points and not pay scales. In accordance with the Welsh Government Pay Letter ESP (W) 1/2019, all members of the Executive Team were entitled to a 2% consolidated pay increase, with effect from the 1st April 2019.

The performance of members of the Executive Team is assessed against personal objectives and against the overall performance of the Trust. The Trust does not operate a performance related pay scheme.

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

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

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

The remuneration report is required to contain information about senior managers' remuneration. The senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Director of Transformation, Planning, and Digital, the Chief Operating Officer and the Director of Corporate Governance / Trust Secretary. Full details of senior managers' remuneration are shown later in the table on page 79.

The totals in some of the following tables may differ from those in the Annual Accounts as they represent staff in post at 31st March 2020 whilst the Annual Accounts (note 10.2) shows the average number of employees during the year.

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

Guide to Tackling Unfair Employment Practices and False Self-Employment - <https://gov.wales/docs/dpsp/publications/valuewales/170620-unfair-employment-en.pdf> - ANNEX 10

STAFF COMPOSITION BY GENDER

A breakdown of the workforce by gender is set out in the table below. This figure represents the composition as at 31st March 2020.

*FTE – Full-time Equivalent

Gender	Headcount	FTE*	% of Headcount
Female	2,710	2,393.32	60
Male	1,823	1,759.73	40
Grand Total	4,533	4,153.05	100.00

A breakdown of the Board Members and Senior Managers by gender is set out in the table below. This figure represents the composition as at 31st March 2020. The data confirms that there are more female than male Trust Board Members and Senior Managers. Female employees are employed in five out of the nine Trust Board and Senior Manager posts.

Job Title	Gender	Headcount	FTE	% of Headcount
Chief Executive	Male	1	1.00	12.35
Interim Chief Operating Officer	Female	1	1.00	12.35
Executive Director of Finance	Male	1	1.00	12.35
Medical Director	Female	1	0.80	9.00

Job Title	Gender	Headcount	FTE	% of Headcount
Executive Director of Nursing, AHP and Healthcare Science	Female	1	1.00	12.35
Executive Director of Workforce and Organisational Development	Female	1	1.00	12.35
Director of Transformation, Planning & Digital	Male	1	1.00	12.35
Director of Corporate Governance / Trust Secretary	Female	1	1.00	12.35
Interim Director of Trust Assurance	Male	1	0.41	4.55
Grand Total		9	8.21	100.00
	Male	4		44.5
	Female	5		55.5

STAFF COMPOSITION BY STAFF GROUP

During 2019/20 the average full time equivalent (FTE) number of staff permanently employed by the Trust was 4,016. The average number of employees is calculated as the full time equivalent number of employees in each week of the financial year divided by the number of weeks in the financial year. The table below provides a breakdown of the workforce by staff grouping and in addition to permanently employed staff, shows staff on inward secondment, agency staff, and other staff.

Average FTE Number of Employees

	Permanently Employed	Staff on Inward Secondment	Agency Staff	Other Staff	2019/20 Total	2018/19 Total
Administrative, Clerical and Board Members	2,477	23	43	14	2,557	2,402
Ambulance Staff	0	0	0	0	0	0
Medical and Dental	513	1	0	5	519	476
Nursing and Midwifery Registered	188	0	1	0	189	185
Professional, Scientific and Technical Staff	56	0	0	0	56	52
Additional Clinical Services	198	0	0	3	201	201
Allied Health Professionals	114	0	11	0	125	119
Healthcare Scientists	135	1	0	2	138	133
Estates and Ancillary	335	0	14	7	356	336
Students	0	0	0	0	0	0
Total	4,016	25	69	31	4,141	3,904

SICKNESS ABSENCE DATA 2019/20

The data shows an overall increase in sickness absence levels during 2019/20 and as a result the Trust did not achieve the Welsh Government Sickness Absence Rate of 3.54% during this period.

	2019/20	2018/19	Variance
Total Days Lost (Long Term):	50,813	40,847	9,966.0
Total Days Lost (Short Term):	20,397	15,009	5,388.0
Total Days Lost:	71,210	55,856	15,354.0
Total Staff Years Lost: (Average Staff Employed in the Period – Full Time Equivalent)	4,015.17	4,119	-103.83
Average Working Days Lost:	9.82	7.90	1.90
Total Staff Employed in Period (Headcount):	4,384	4,223	161
Total Staff Employed in Period with No Absence (Headcount):	1,988	2,305	-317
Percentage Staff with No Sick Leave:	45.35	54.58	-9.23

The Workforce Team has continued to provide Managing Attendance at Work (MAAW) training sessions for managers in partnership with trade union representatives. The Workforce Team has also been providing regular coaching of managers on undertaking sickness audits, which assists them to effectively manage their new and ongoing sickness cases in accordance with the Trust's Policy. This approach is also helping to embed a culture whereby the organisation takes a more proactive approach to the management of attendance at work. The Workforce team are also providing managers, the Executive Management Board and Senior Management Teams with monthly sickness absence data via a dashboard. The dashboard provides both high level and detailed analysis of absences across the Trust, including the reasons for absence. The Trust is using this data to develop appropriate health and wellbeing interventions for our staff, which address the top three reasons for sickness absence.

The Trust also offers and provides staff with free access to a diverse range of traditional medical, psychological and complementary therapy interventions, to assist them to proactively and reactively manage their health and wellbeing. This includes an Employee Assistance Programme, which family members can also access for free. The Trust recognises that menopause related health and wellbeing issues can have a significant impact on the whole workforce, not just our female employees.

The top reason for sickness absence across the Trust continues to be psychological ill health. To provide staff with appropriate support in year, the Trust has focused on interventions to support the psychological wellbeing of our staff. This has included continuing to provide menopause education and awareness sessions for managers and staff and launching the MIND 'Time to Change Pledge', to show our commitment to changing how we think and act about mental health at every level of the organisation.

STAFF POLICIES

During 2019/20 in accordance with the Trust workforce policy review schedule, a significant number of policies and procedures were reviewed and approved by the Workforce and Organisational Development Committee. The Trust achieved an 86% compliance rate in year. All Trust policies and procedures are equality impact assessed against the nine protected characteristics, to ensure that they do not discriminate against people who apply to work in the Trust or are employed by the Trust. All Trust policies and procedures are available to access via the Trust Internet website, via the [link](#).

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

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

The amount included in the table for pension benefit is based on the increase in accrued pension adjusted for inflation. This will generally take into account an

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

The salary and pension disclosures reflect the senior managers' information. As indicated on page 59 the senior management team consists of the Chief Executive, the Executive Directors and the Independent Members (Non-Executive Directors), the Director of Transformation, Planning, and Digital, the Chief Operating Officer, and the Director of Corporate Governance / Trust Secretary.

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

Name and Title	2019/2020					2018/2019				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Executive Directors and Senior Managers										
Steve Ham Chief Executive	140-145	0	0	17	155-160	135-140	0	0	12	145-150
Mark Osland Executive Director of Finance ¹	105-110	0	0	26	130-135	100-105	0	0	25	125-130
Jacinta Abraham Medical Director ²	110-115	25-30	1	38	175-180	110-115	25-30	1	172	310-315
Catherine O'Brien Interim Chief Operating Officer	115-120	0-5 ³	0	45	160-165	5-10	0	0	2	10-15
Georgina Galletly Director of Corporate Governance/Trust Secretary ⁴	25-30	0	0	29	55-60	65-70	0	0	62	130-135
Steve Combe Interim Director of Trust Assurance	30-35	0	0	0 ⁵	30-35	-	-	-	-	-
Lauren Fear Interim Director of Corporate Governance ⁶	25-30	0	0	7	35-40	-	-	-	-	-
Jayne Elias Interim Executive Director of Nursing & Service Improvement	40-45	0	0	- ⁷	-	5-10	0	0	-	-

Name and Title	2019/2020					2018/2019				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Nicola Williams Executive Director of Nursing, AHP and Healthcare Science	60-65	0	0	- ⁸	-	-	-	-	-	-
Sarah Morley Executive Director of Workforce and Organisational Development	90-95	0	0	21	115-120	90-95	0	0	0	90-95
Susan Thomas Interim Executive Director of Workforce and Organisational Development	10-15	0	0	- ⁹	-	-	-	-	-	-
Carl James Director of Transformation, Planning, and Digital ¹⁰	115-120	0	52 ¹¹	26	145-150	110-115	0	26	24	135-140

Notes:

1 – M Osland’s role title has changed during 2019/2020 from Executive Director of Finance and Informatics to Executive Director of Finance.

2 – J Abraham’s benefits in kind relate to taxable mileage payments and other remuneration relates to clinical responsibilities.

3 – C O’Brien’s other remuneration relates to on call payments.

4 – G Galletly was seconded to Cwm Taf Morgannwg UHB from 26/07/2019.

5 – S Combe was appointed on an interim basis on the 23/07/2019 to undertake the duties of G Galletly following her secondment to Cwm Taff Morgannwg UHB. S Combe chose not to be covered by the NHS pension arrangements during the reporting year.

6 – L Fear was appointed on an interim basis from 02/12/2019.

7 – J Elias was appointed on an interim basis for the period 01/03/2019 to 31/08/2019. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at the time and cannot be reproduced at a later date. Therefore the total remuneration figure cannot be calculated.

8 – N Williams was appointed to the role of Executive Director of Nursing, AHP and Clinical Scientists on 27/08/2019. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at the time and cannot be reproduced at a later date. Therefore the total remuneration figure cannot be calculated.

9 – S Thomas was appointed on an interim basis to the role of Executive Director of Workforce and Organisational Development to cover a period of absence from 10/02/2020 to 09/05/2020 for S Morley. The pension benefit has not been provided by the NHS Pensions Agency and therefore the total remuneration cannot be disclosed.

10 – C James' role title has changed during 2019/2020 from Director of Strategic Transformation, Planning, Performance and Estates to Director of Transformation, Planning and Digital.

11 – C James' benefits in kind relate to the use of a Trust lease car and taxable mileage payments.

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

Name and Title	2019/2020					2018/2019				
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (to the nearest £100)	Pension benefits (to the nearest £1,000)	Total (to the nearest £5,000)
Independent Members/Non -Executive Directors										
Donna Mead	40-45	0	0	0	40-45	35-40	0	0	0	35-40
Ray Singh ¹	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Phil Roberts ²	5-10	0	0	0	5-10	10-15	0	0	0	10-15
Jane Hopkinson ³	0-5	0	0	0	0-5	5-10	0	0	0	5-10
Janet Pickles	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Martin Veale	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Stephen Harries	30-35	0	0	0	30-35	15-20	0	0	0	15-20
Donald Fraser ⁴	0-5	0	0	0	0-5	-	-	-	-	-
Gareth Jones ⁵	0-5	0	0	0	0-5	-	-	-	-	-
Hilary Jones ⁶	0-5	0	0	0	0-5	-	-	-	-	-

Notes:

- 1 – R Singh's term ended 31/10/2019.
- 2 – P Roberts' term ended 29/02/2020.
- 3 – J Hopkinson's term ended 31/08/2019.
- 4 – D Fraser's term started 02/12/2019.
- 5 – G Jones' term started 02/12/2019.
- 6 – H Jones' terms started 01/03/2020.

SALARY AND PENSION DISCLOSURE

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or an arrangement to secure pension benefits in another pension scheme or an arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

REAL INCREASE IN CETV

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

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

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2020 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Steve Ham Chief Executive	0-2.5	2.5-5	35-40	115-120	- ¹	906	-	0
Mark Osland Executive Director of Finance	0-2.5	0	5-10	0	108	74	17	0
Jacinta Abraham Medical Director	2.5-5	0-2.5	40-45	95-100	842	764	40	0
Catherine O'Brien Interim Chief Operating Officer	2.5-5	0	20-25	0	309	253	33	0
Georgina Galletly Director of Corporate Governance/Trust Secretary ²	0-2.5	2.5-5	25-30	55-60	432	343	21	0
Steve Combe Interim Director of Trust Assurance ³	0	0	0	0	0	0	0	0
Lauren Fear Interim Director of Corporate	0-2.5	0	0-5	0	5	0	1	0

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2020 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Governance ⁴								
Jayne Elias Interim Executive Director of Nursing and Service Improvement ⁵	-	-	40-45	-	902	-	-	0
Nicola Williams Executive Director Nursing, AHP and Healthcare Science ⁶	-	-	40-45	125-130	885	-	-	0
Sarah Morley Executive Director of Workforce and Organisational Development	0-2.5	(0-2.5)	25-30	60-65	532	486	21	0
Susan Thomas Interim Executive Director of Workforce and Organisational Development ⁷	-	-	-	-	-	-	-	0
Carl James Director of Transformation, Planning & Digital	0-2.5	0	45-50	0	594	545	20	0

Notes:

1 – S Ham - no CETV will be shown for senior managers over Normal Pension Age (NPA).

2 – G Galletly was seconded to Cwm Taf Morgannwg UHB from 26/07/2019. Pension benefits relate to benefits accrued during the year, not just the period relating to their senior management service.

3 – S Combe chose not to be covered by the NHS pension arrangements during the reporting year.

4 – L Fear was appointed on an interim basis from 02/12/2019. She was not previously a member of the NHS Pension Scheme.

5 – J Elias - the Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at that time and cannot be reproduced at a later date.

6 – N Williams was appointed on the 27/08/2019. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at that time and cannot be reproduced at a later date.

7 – S Thomas was the Interim Director of Workforce and Organisational Development from 10/02/2020 to 09/05/2020. The Pensions Agency are unable to provide comparator information for 2018/2019 as it was not generated at that time and cannot be reproduced at a later date. The information for 2019/2020 was not generated by the Pensions Agency as the temporary appointment started after the deadline for information requests had passed.

As Independent Members do not receive pensionable remuneration, there are no entries in respect of pensions for Independent Members. The method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP) on 08/08/2019. If an individual was entitled to a GMP, this will affect the calculation of the real increase in CETV.

REPORTING OF OTHER COMPENSATION SCHEMES – EXIT PACKAGES

During 2019/2020 exit packages were approved for 8 staff with a value of £209,837 (16 staff, value £434,256 2018/2019). £102,501 exit costs were paid in 2019/2020, the year of departure (£222,143 2018/2019). These packages were paid in accordance with recognised NHS terms and conditions of service/Trust Policy. None of the exit packages reported related to senior officers and none of the payments related to a special severance payment. The actual date of departure might be in a subsequent period.

REMUNERATION RELATIONSHIP

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 Velindre University NHS Trust in the financial year 2019/2020 was £140,000 - £145,000 (2018/2019, £135,000 - £140,000). This was 4.9 times (2018/2019, 5.0) the median remuneration of the workforce, which was £29,009 (2018/2019, £27,581).

In 2019/2020, 9 (2018/2019, 14) employees received remuneration in excess of the highest paid Director.

Remuneration for all staff ranged from £17,700 to £207,000 (2018/2019 £17,500 to £202,700).

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

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

In establishing the highest paid Director (Chief Executive) the Trust has taken into account the proportion of remuneration received by Directors for clinical and director responsibilities.

EXPENDITURE ON CONSULTANCY

During 2019/2020 the Trust spent £3,600,569 of its revenue funding on external consultancy fees (£2,067,470 related to the NHS Wales Informatics Service and £836,096 to the NHS Wales Shared Services Partnership); and £2,613,765 of its capital funding (£1,385,920 related to the NHS Wales Informatics Service and £71,205 to the NHS Wales Shared Services Partnership).

Examples include:

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

TAX ASSURANCE FOR OFF-PAYROLL ENGAGEMENTS

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments must publish information on their highly paid and/or senior off-payroll engagements. The information, contained in the three tables below, includes all off-payroll engagements as at 31 March 2020 for those earning more than £245 per day and that last longer than six months for the core department, its executive agencies and its arm's length bodies.

Table 1: For all off-payroll engagements as of 31 March 2020, for those earning more than £245 per day and that last for longer than six months

No. of Existing Engagements as of 31 March 2020	37
Of which the number that have existed:	
for less than one year at time of reporting.	11
for between one and two years at time of reporting.	17
for between two and three years at time of reporting.	7
No. that have existed for between three and four years at time of reporting.	2
No. that have existed for four or more years at time of reporting.	0

Within the total number of off-payroll engagements disclosed, seven engagements related to staff seconded from other NHS Wales Organisations.

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

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	7
Of which:	
No. assessed as caught by IR 35	6
No. assessed as not caught by IR 35	1
No. engaged directly (via PSC contracted to department) and are on the departmental payroll.	0
No. of engagements reassessed for consistency/assurance purposes during the year	4
No. of engagements that saw a change to IR 35 status following the consistency review	0

Within the total number of new off-payroll engagements disclosed, one engagement related to staff seconded from another NHS Wales Organisation.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	0

NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT

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

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

The Trust ensures public funds are used appropriately and to deliver the intended objectives. Expenditure is compliant with the relevant legislation. Charges for services provided by public sector organisations pass on the full cost of providing those services.

The Trust hosts the Welsh Risk Pool (WRP) as part of NHS Wales Shared Services Partnership (NWSSP) and therefore its accounts include the estimates of remote contingent liabilities from Welsh Health Organisations for potential litigation claims that could arise in the future due to known incidents. In 2019/2020, the financial statements of the Trust are reporting total remote contingent liabilities of £38m.

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 Velindre University NHS Trust and its group for the year ended 31 March 2020 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Taxpayers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 Velindre University NHS Trust and its group as at 31 March 2020 and of its surplus 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 Trust and its group 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 24 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 Trust has disclosed the existence of a contingent liability at 31 March 2020, and 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 trust's or its group'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.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities, which govern them.

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 trust and its group 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

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of Directors and the Chief Executive

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 22 and 21 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 trust's and its group'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

Velindre University NHS Trust

FINANCE REPORT 2019-20



Ymddiriedolaeth GIG
Prifysgol Felindre
Velindre University
NHS Trust



Canolfan Ganser Felindre
Velindre Cancer Centre



Gwasanaeth Gwaed Cymru
Welsh Blood Service

Velindre University NHS Trust

Foreword

These accounts for the period ended 31 March 2020 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Public Health Wales NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

Statutory background

The Trust was established by Statutory Instrument on 1 April 1994, and at that time was a single specialty Trust providing only Cancer Services. Over the last 26 years, the Trust has significantly evolved and expanded. The main function of the Trust is to provide all-Wales and regional clinical health services to the NHS and the people of Wales. The Trust consists of two clinical divisions: the Welsh Blood Service and Velindre Cancer Centre.

In addition to the above services, the Trust is host to a number of organisations. At period ended 31 March 2020, these included:

- NHS Wales Informatics Service (NWIS) which was established as a hosted body on 1 April 2010;
- NHS Wales Shared Services Partnership (NWSSP) which was set up on 1 April 2011; following which the functions of a number of separate services were transferred into NWSSP. NWSSP became a hosted body within Velindre NHS Trust on 1 June 2012. Two new All Wales services were established within NWSSP during 2019-2020 - the Medical Examiner Scheme and the General Medical Practice Indemnity Scheme.
- Health Technology Wales (HTW) which was established on 1 April 2016 and which continued to receive grant funding from Welsh Government under the Efficiency through Technology Programme.

Performance Management and Financial Results

This 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 2019-2020. 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 2016-2017.

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). Each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account. The first assessment of performance against the 3-year statutory duty under Schedules 4 2(1) and 4 2(2) was at the end of 2016-2017, being the first three year period of assessment.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
		NHS Trust		Consolidated	
			Reclassified		Reclassified
Revenue from patient care activities	3	429,374	410,449	429,374	410,449
Other operating revenue	4	142,612	114,597	143,268	115,158
Operating expenses	5.1	(572,235)	(528,132)	(572,885)	(529,092)
Operating (deficit)/surplus		(249)	(3,086)	(243)	(3,485)
Investment revenue	6	109	100	259	254
Other gains and losses	7	2	45	2	45
Finance costs	8	179	2,996	179	2,996
Consolidated Total				197	(190)
Retained surplus	2.1.1	41	55		
Other Comprehensive Income					
Items that will not be reclassified to net operating costs:					
Net gain/(loss) on revaluation of property, plant and equipment		1,007	849	1,007	849
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	(518)	146
Movements in other reserves		0	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Impairments and reversals		0	0	0	0
Transfers between reserves		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Sub total		1,007	849	489	995
Items that may be reclassified subsequently to net operating costs					
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Sub total		0	0	0	0
Total other comprehensive income for the year		1,007	849	489	995
Total comprehensive income for the year		1,048	904	686	805

2018/2019 revenue from 'other operating revenue' has been reclassified as 'revenue from patient care activities'. Further detail of this amendment is provided in notes 3 and 4 to these accounts.

The notes on pages 6 to 73 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	31 March 2020	31 March 2019	31 March 2020	31 March 2019
		NHS Trust		Consolidated	
		£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	13	129,554	126,554	129,554	126,554
Intangible assets	14	17,644	15,043	17,644	15,043
Trade and other receivables	17.1	862,962	798,646	862,962	798,646
Other financial assets	18	0	0	4,606	5,406
Total non-current assets		1,010,160	940,243	1,014,766	945,649
Current assets					
Inventories	16.1	13,134	8,960	13,134	8,960
Trade and other receivables	17.1	414,260	384,216	414,353	383,846
Other financial assets	18	0	0	0	0
Cash and cash equivalents	19	18,263	20,949	19,735	22,384
		445,657	414,125	447,222	415,190
Non-current assets held for sale	13.2	0	0	0	0
Total current assets		445,657	414,125	447,222	415,190
Total assets		1,455,817	1,354,368	1,461,988	1,360,839
Current liabilities					
Trade and other payables	20	(166,270)	(122,983)	(166,450)	(123,099)
Borrowings	21	(21)	(24)	(21)	(24)
Other financial liabilities	22	0	0	0	0
Provisions	23	(272,376)	(283,743)	(272,376)	(283,743)
Total current liabilities		(438,667)	(406,750)	(438,847)	(406,866)
Net current assets/(liabilities)		6,990	7,375	8,375	8,324
Total assets less current liabilities		1,017,150	947,618	1,023,141	953,973
Non-current liabilities					
Trade and other payables	20	0	0	0	0
Borrowings	21	(8)	(29)	(8)	(29)
Other financial liabilities	22	0	0	0	0
Provisions	23	(863,259)	(799,411)	(863,259)	(799,411)
Total non-current liabilities		(863,267)	(799,440)	(863,267)	(799,440)
Total assets employed		153,883	148,178	159,873	154,533
Financed by Taxpayers' equity:					
Public dividend capital		113,118	108,461	113,118	108,461
Retained earnings		12,432	12,353	12,432	12,353
Revaluation reserve		28,333	27,364	28,333	27,364
Other reserves		0	0	0	0
Funds Held on Trust Reserves				5,990	6,355
Total taxpayers' equity		153,883	148,178	159,873	154,533

The financial statements were approved by the Board on 25 June 2020 and signed on behalf of the Board by:

Steve Ham, Chief Executive and Accountable Officer

Date: 25 June 2020

The notes on pages 6 to 73 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2019-20	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000	FHOT Reserves £000	Consolidated Total £000
Changes in taxpayers' equity for 2019-20						
Balance as at 31 March 2019	108,461	12,353	27,364	148,178	6,355	154,533
Adjustment	0	0	0	0	0	0
Balance at 1 April 2019	108,461	12,353	27,364	148,178	6,355	154,533
Retained surplus/(deficit) for the year		41		41		41
Net gain/(loss) on revaluation of property, plant and equipment		0	1,007	1,007		1,007
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	(518)	(518)
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	0	0		0
Other reserve movement		0	0	0		0
Transfers between reserves		38	(38)	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	79	969	1,048	(518)	530
New Public Dividend Capital received	4,522			4,522		4,522
Public Dividend Capital repaid in year	0			0		0
Public Dividend Capital extinguished/written off	0			0		0
Other movements in PDC in year	135			135		135
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					153	153
Balance at 31 March 2020	113,118	12,432	28,333	153,883	5,990	159,873

The notes on pages 6 to 73 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2018-19	Restated			Total £000	Funds held on Trust Reserves £000	Consolidated Total £000
	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000			
Changes in taxpayers' equity for 2018-19						
Balance at 31 March 2018	93,567	13,945	26,478	133,990	6,461	140,451
Adjustment for Implementation of IFRS 9	0	(1,610)	0	(1,610)	0	(1,610)
Balance at 1 April 2018	93,567	12,335	26,478	132,380	6,461	138,841
Retained surplus/(deficit) for the year		55		55		55
Net gain/(loss) on revaluation of property, plant and equipment		0	849	849		849
Net gain/(loss) on revaluation of intangible assets		0	0	0		0
Net gain/(loss) on revaluation of financial assets		0	0	0	146	146
Net gain/(loss) on revaluation of assets held for sale		0	0	0		0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0		0
Impairments and reversals		0	0	0		0
Other reserve movement		0	0	0		0
Transfers between reserves		(37)	37	0		0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0		0
Reserves eliminated on dissolution	0			0		0
Total in year movement	0	18	886	904	146	1,050
New Public Dividend Capital received	14,894			14,894		14,894
Public Dividend Capital repaid in year	0			0		0
Public Dividend Capital extinguished/written off	0			0		0
Other movements in PDC in year	0			0		0
FHoT - Endowment					0	0
FHoT - Restricted					0	0
FHoT - Unrestricted					(252)	(252)
Balance at 31 March 2019	108,461	12,353	27,364	148,178	6,355	154,533

The notes on pages 6 to 73 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

		2019-20	2018-19	2019-20	2018-19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus/(deficit)	SOCI	(249)	(3,086)	(243)	(3,485)
Movements in working capital	30	(52,654)	(17,393)	(52,849)	(16,772)
Other cash flow adjustments	31	171,398	145,485	171,398	145,485
Provisions utilised		(101,749)	(110,409)	(101,749)	(110,409)
Interest paid		(2)	(3)	(2)	(3)
Net cash inflow (outflow) from operating activities		16,744	14,594	16,555	14,816
Cash flows from investing activities					
Interest received		109	100	259	254
(Payments) for property, plant and equipment		(15,279)	(25,366)	(15,279)	(25,366)
Proceeds from disposal of property, plant and equipment		10	45	10	45
(Payments) for intangible assets		(8,768)	(3,188)	(8,768)	(3,188)
Proceeds from disposal of intangible assets		0	0	0	0
Payments for investments with Welsh Government		0	0	0	0
Proceeds from disposals with Welsh Government		0	0	0	0
(Payments) for financial assets		0	0	(1,385)	(328)
Proceeds from disposal of financial assets		0	0	1,461	343
Net cash inflow (outflow) from investing activities		(23,928)	(28,409)	(23,702)	(28,240)
Net cash inflow (outflow) before financing		(7,184)	(13,815)	(7,147)	(13,424)
Cash flows from financing activities					
Public Dividend Capital received		4,522	14,894	4,522	14,894
Public Dividend Capital repaid		0	0	0	0
Loans received from Welsh Government		0	0	0	0
Other loans received		0	0	0	0
Loans repaid to Welsh Government		0	0	0	0
Other loans repaid		0	0	0	0
Other capital receipts		0	0	0	0
Capital elements of finance leases and on-SOFP PFI		(24)	(23)	(24)	(23)
Cash transferred (to)/from other NHS Wales bodies		0	0	0	0
Net cash inflow (outflow) from financing activities		4,498	14,871	4,498	14,871
Net increase (decrease) in cash and cash equivalents		(2,686)	1,056	(2,649)	1,447
Cash [and] cash equivalents at the beginning of the financial year	19	20,949	19,893	22,384	20,937
Cash [and] cash equivalents at the end of the financial year	19	18,263	20,949	19,735	22,384

The notes on pages 6 to 73 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of NHS Trusts (NHST) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2019-2020 Manual for Accounts. The accounting policies contained in that manual follow the 2019-2020 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 NHST Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NHST for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NHST are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

1.2 Acquisitions and discontinued operations

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

1.3 Revenue

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

From 2018-2019, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FReM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income 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

Short-term employee benefits

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

Retirement benefit costs

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

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

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated in 2019-2020 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, and in Wales the additional 6.3% would be funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA, the NHS Pensions Agency).

However, NHS Wales organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in the 2019-2020 annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Note 37 'Other Information' starting on page 71 of these accounts.

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

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

NEST Pension Scheme

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

1.5 Other expenses

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

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are

under single managerial control; or

- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation

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

Land and buildings used for services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

In 2017-2018 a formal revaluation exercise was applied to land and properties. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

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

From 2015-2016, IFRS 13 Fair Value Measurement must be complied with in full. However IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

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

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the NHS organisation or the asset which would prevent access to the market at the reporting date. If the NHS organisation could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

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

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any carrying value of the item replaced is written-out and charged to the SoCI. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This ensures that asset carrying values are not materially overstated.

For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7 Intangible assets

Recognition

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

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

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

Measurement

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

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

increases in development costs and technological advances.

1.8 Depreciation, amortisation and impairments

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

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

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

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

1.9 Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits 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 SoCI on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

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

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

1.11 Leases

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 recognised in calculating the NHS Trust's surplus/deficit charged.

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) operate a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was implemented in 2019-2020. The WRPS is hosted by Velindre University NHS Trust.

1.14.2 Future Liability Scheme (FLS)

General Medical Practice Indemnity (GMPI)

The FLS is a state backed scheme to provide clinical negligence General Medical Practice Indemnity (GMPI) for providers of GP services in Wales.

In March 2019, the Minister issued a Direction to Velindre University NHS Trust to enable Legal and Risk Services to operate the Scheme. The GMPI is underpinned by new secondary legislation, The NHS (Clinical Negligence Scheme) (Wales) Regulations 2019 which came into force on 1 April 2019.

1.15 Financial Instruments

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

1.16 Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses.

All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1 Financial assets are initially recognised at fair value

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

1.16.2 Financial assets at fair value through SoCI

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

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4 Available for sale financial assets

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

1.16.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the SOFP date, the NHS Wales organisation assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Expenditure and the carrying amount of the asset is reduced directly, or through a provision of impairment of receivables.

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

1.16.6 Other financial assets

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

1.17 Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. Loans from Welsh Government are recognised at historical cost.

1.17.1 Financial liabilities are initially recognised at fair value through SoCI

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

1.17.2 Financial liabilities at fair value through the SoCI

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

1.17.3 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18 Value Added Tax (VAT)

Most of the activities of the NHS Wales organisation are outside the scope of VAT and, in general, output 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 SoCI. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings in the SoCI on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

The NHS Wales organisation accounts for all losses and special payments gross (including assistance from the WRPS).

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

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

1.22 Pooled budget

The NHS Wales organisation has not entered into pooled budgets with Local Authorities.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the SoFP date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the WRPS.

1.25 Provisions

The NHS Wales organisation provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the WRPS which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the NHS Wales organisations, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement	0 – 5%
	Accounting Treatment	Contingent Liability
Possible	Probability of Settlement	6% - 49%
	Accounting Treatment	Defence Fee - Provision* Contingent Liability for all other estimated expenditure
Probable	Probability of Settlement	50% - 94%
	Accounting Treatment	Full Provision
Certain	Probability of Settlement	95% - 100%
	Accounting Treatment	Full Provision

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

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of -0.75%.

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.

Discounting provisions

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

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

The HM Treasury short term nominal discount rate of 0.51% (2018/19: 0.76%) is applied to the RPI proportion of the lump sum estimate using the retail price index (RPI) inflation rate of 3.35%.

The remainder is discounted by applying the Annual Survey of Hours and Earnings (ASHE) real discount rate of 0.7%.

PPO Provisions

The majority of high value (>£1M) claims settle with a Periodical Payment Order (PPO) where part or all of the final settlement value is paid over the life time of the claimant.

When cases settle with a PPO arrangement, an individual provision is created by multiplying the claimants' index linked annual payment value by the number of years' life expectancy.

Future cashflows are modelled based on individual claim data and include any agreed future steps in payment value.

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

For 2019-20, the nominal short, medium, long and very long term rates are; 0.51%, (0-5 years), 0.55%, (+5-10 years) 1.99%(+10-40 years) and 1.99% (over 40 years) respectively.

The inflation factor applied is dependent upon the rate agreed as part of the settlement of the claimant's case. Where annual payments are required to be uplifted by the RPI, the RPI rate of 3.35% has been used. Where annual payments are required to be uplifted based on market data for carers' wages, the annual survey of hours and earnings (ASHE) discount rate of 0.7% has been applied.

The probabilities of survival for each claimant are based on estimated life expectancy, agreed by medical experts in each case.

1.26 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.27 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS Wales organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.28 Absorption accounting

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

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

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

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

IFRS14 Regulatory Deferral Accounts 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 1 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.

1.30 Accounting standards issued that have been adopted early

During 2019-2020 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31 Charities

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

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

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

1.32 Subsidiaries

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

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

1.33 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.34 Public Dividend Capital (PDC) and PDC dividend

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

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

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

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

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

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

2.1.1 Financial Duty

	Annual financial performance			2017-18 to 2019-20
	2017-18 £000	2018-19 £000	2019-20 £000	Financial duty £000
Retained surplus	54	55	41	150
Less Donated asset / grant funded revenue adjustment	(5)	(24)	(17)	(46)
Adjusted surplus/ (Deficit)	49	31	24	104

Velindre University NHS Trust has met its financial duty to break even over the 3 years 2017-2018 to 2019-2020.

2.1.2 Integrated Medium Term Plan (IMTP)

The NHS Wales Planning Framework issued to NHS Trusts places a requirement upon NHS Trusts to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Trust has submitted an Integrated Medium Term Plan for the period 2019-2020 to 2021-2022 in accordance with NHS Wales Planning Framework.

The Minister for Health and Social Services approval

Status
Date

Financial duty
2019-20
to
2021-22

Approved
26/03/2019

Velindre University NHS Trust has met its annual financial duty to have an approved financial plan for the period 2019-2020 to 2021-2022.

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

Due to the circumstances that arose as a result of Coronavirus Covid 19:

- the suspension of the National loan fund temporary deposit facility, and
- the requirement to issue year-end capital adjustments,

the requirement to achieve the administrative External Financing Target has been suspended for 2019-2020.

2.3. Creditor payment

The Trust is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The Trust has achieved the following results:

	2019-20	2018-19
Total number of non-NHS bills paid	74,370	70,966
Total number of non-NHS bills paid within target	72,416	69,141
Percentage of non-NHS bills paid within target	97.4%	97.4%
The Trust has met the target.		

3. Revenue from patient care activities	Reclassified		Reclassified	
	2019-20	2018-19	2019-20	2018-19
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Local health boards	72,603	65,772	72,603	65,772
Services Committees (WHSSC & EASC)	46,281	40,451	46,281	40,451
Welsh NHS Trusts	1,654	1,506	1,654	1,506
Health Education and Improvement Wales (HEIW)	228	0	228	0
Foundation Trusts	60	0	60	0
Other NHS England bodies	20	754	20	754
Other NHS Bodies	1	0	1	0
Local Authorities	0	0	0	0
Welsh Government	5,856	3,130	5,856	3,130
Welsh Government Welsh Risk Pool Reimbursements				
NHS Wales Secondary Health Sector	170,523	128,124	170,523	128,124
NHS Wales Primary Sector Future Liability Scheme Reimbursement	0	0	0	0
NHS Wales Redress	2,056	2,514	2,056	2,514
Other	0	0	0	0
Welsh Government - Hosted Bodies	128,426	166,082	128,426	166,082
Non NHS:				
Private patient income	1,375	2,089	1,375	2,089
Overseas patients (non-reciprocal)	0	0	0	0
Injury Costs Recovery (ICR) Scheme	0	0	0	0
Other revenue from activities	291	27	291	27
Total	429,374	410,449	429,374	410,449

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
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4. Other operating revenue

4. Other operating revenue	2019-20		2018-19	
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Income generation	1,273	1,323	1,273	1,323
Patient transport services	0	0	0	0
Education, training and research	5,725	4,507	5,725	4,507
Charitable and other contributions to expenditure	3,587	3,654	1,444	892
Incoming FHoT Revenue				
Unrestricted - donations and legacies			2,799	3,323
Restricted - donations and legacies			0	0
Receipt of donations for capital acquisitions	18	24	18	24
Receipt of government grants for capital acquisitions	0	0	0	0
Non-patient care services to other bodies	652	499	652	499
Rental revenue from finance leases	0	0	0	0
Rental revenue from operating leases	0	0	0	0
Other revenue:				
Provision of pathology/microbiology services	0	0	0	0
Accommodation and catering charges	200	163	200	163
Mortuary fees	0	0	0	0
Staff payments for use of cars	99	53	99	53
Business unit	0	0	0	0
Other	131,058	104,374	131,058	104,374
Total	142,612	114,597	143,268	115,158

Other revenue comprises:

NHS Wales Shared Services Partnership	96,991	75,763	96,991	196,131
NHS Wales Informatics Services	31,095	25,890	31,095	70,790
Other	2,971	2,721	2,971	3,535
Total	131,057	104,374	131,057	270,456

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Business Services Agency on the Trust's behalf. The notional income of £7,714,537 is reported above under 'Welsh Government' and 'Welsh Government Hosted Bodies' lines and has been allocated as follows:

Welsh Government	£2,656,537 (Trust's core divisions)
Welsh Government - Hosted Bodies	£5,058,000 (split NWIS £1,445,000 and NWSSP £3,613,000)

2018/2019 reclassified: income received by Trust hosted bodies NWIS and NWSSP from Welsh Government previously reported in note 4 as 'other' has been reclassified to note 3 as 'Welsh Government - Hosted Bodies'.

5. Operating expenses	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Local Health Boards	7,927	5,671	7,927	5,671
Welsh NHS Trusts	222	330	222	330
Health Education and Improvement Wales (HEIW)	0	0	0	0
Goods and services from other non Welsh NHS bodies	0	0	0	0
WHSSC/EASC	0	37	0	37
Local Authorities	75	68	75	68
Purchase of healthcare from non-NHS bodies	0	0	0	0
Welsh Government	0	0	0	0
Other NHS Trusts	495	0	495	0
Directors' costs	1,280	1,098	1,280	1,098
Staff costs	181,403	159,453	181,403	159,453
Supplies and services - clinical	62,651	53,984	62,651	53,984
Supplies and services - general	49,001	41,660	49,001	41,660
Consultancy Services	3,601	1,759	3,601	1,759
Establishment	15,814	14,569	15,814	14,569
Transport	2,329	2,230	2,329	2,230
Premises	52,715	42,100	52,715	42,100
FHoT Resources expended				
Costs of generating funds			285	551
Charitable activities			365	409
Governance Costs			0	0
Impairments and Reversals of Receivables	0	0	0	0
Depreciation	11,677	9,439	11,677	9,439
Amortisation	5,509	7,027	5,509	7,027
Impairments and reversals of property, plant and equipment	0	0	0	0
Impairments and reversals of intangible assets	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0
Audit fees	209	209	209	209
Other auditors' remuneration	0	0	0	0
Losses, special payments and irrecoverable debts	172,357	133,496	172,357	133,496
Research and development	0	0	0	0
Other operating expenses	4,970	55,002	4,970	55,002
Total	572,235	528,132	572,885	529,092

On 1st April 2019 employer pension contributions increased by 6.3%. Welsh Government funded this by making payment directly to the NHS Pensions Agency on the Trust's behalf. The notional expenditure of £7,714,537 is reported above under staff costs.

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	Reclassified		Reclassified	
	2019-20 £000	2018-19 £000	2019-20 £000	2018-19 £000
Increase/(decrease) in provision for future payments:	NHS Trust		Consolidated	
Clinical negligence:-				
Secondary care	161,267	126,928	161,267	126,928
Primary care	0	0	0	0
Redress Secondary Care	3,350	4,455	3,350	4,455
Redress Primary Care	0	0	0	0
Personal injury	4,653	748	4,653	748
All other losses and special payments	0	1	0	1
Defence legal fees and other administrative costs	2,675	985	2,675	985
Structured Settlements Welsh Risk Pool	412	379	412	379
Gross increase/(decrease) in provision for future payments	172,357	133,496	172,357	133,496
Contribution to Welsh Risk Pool	0	0	0	0
Premium for other insurance arrangements	0	0	0	0
Irrecoverable debts	0	0	0	0
Less: income received/ due from Welsh Risk Pool	0	0	0	0
Total charge	172,357	133,496	172,357	133,496

The Clinical Negligence figure includes £1,431,502 (2018/2019 £1,671,439) in respect of payments made under Redress for the first 9 months of 2019/2020. A further £624,370 for the final quarter is within the creditor balance pending reimbursement in 2019/2020. Redress was previously administered directly by Welsh Government prior to 2018/2019.

2018/2019 clinical negligence costs and redress costs have been reclassified to show the split between secondary and primary care costs.

	2019-20	2018-19
	£	£
Permanent injury included within personal injury:	0	0

6. Investment revenue	2019-20	2018-19	2019-20	2018-19
Rental revenue :	£000	£000	£000	£000
PFI finance lease revenue:				
Planned	0	0	0	0
Contingent	0	0	0	0
Other finance lease revenue	0	0	0	0
Interest revenue:				
Bank accounts	109	100	109	100
Other loans and receivables	0	0	0	0
Impaired financial assets	0	0	0	0
Other financial assets	0	0	150	154
Total	109	100	259	254

7. Other gains and losses	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
Gain/(loss) on disposal of property, plant and equipment	(2)	45	(2)	45
Gain/(loss) on disposal of intangible assets	0	0	0	0
Gain/(loss) on disposal of assets held for sale	4	0	4	0
Gain/(loss) on disposal of financial assets	0	0	0	0
Gains/(loss) on foreign exchange	0	0	0	0
Change in fair value of financial assets at fair value through income statement	0	0	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0
Total	2	45	2	45

8. Finance costs	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
Interest on loans and overdrafts	0	0	0	0
Interest on obligations under finance leases	2	3	2	3
Interest on obligations under PFI contracts:				
Main finance cost	0	0	0	0
Contingent finance cost	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0
Other interest expense	0	0	0	0
Total interest expense	2	3	2	3
Provisions unwinding of discount	(279)	(2,604)	(279)	(2,604)
Periodical Payment Order unwinding of discount	98	(395)	98	(395)
Other finance costs	0	0	0	0
Total	(179)	(2,996)	(179)	(2,996)

9. Operating leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by Velindre University NHS Trust for properties and equipment.

Payments recognised as an expense	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Minimum lease payments	2,905	3,009	2,905	3,009
Contingent rents	0	0	0	0
Sub-lease payments	0	0	0	0
Total	2,905	3,009	2,905	3,009

Total future minimum lease payments	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
Payable:	NHS Trust		Consolidated	
Not later than one year	2,752	2,994	2,752	2,994
Between one and five years	5,462	6,606	5,462	6,606
After 5 years	756	1,599	756	1,599
Total	8,970	11,199	8,970	11,199

Total future sublease payments expected to be received	0	0	0	0
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9. Operating leases (continued)

9.2 Trust as lessor

There are no significant leasing arrangements where the Trust is the lessor.

Rental Revenue

Receipts recognised as income	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Rent	0	0	0	0
Contingent rent	0	0	0	0
Other	0	0	0	0
Total rental revenue	0	0	0	0

Total future minimum lease payments Receivable:	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Not later than one year	0	0	0	0
Between one and five years	0	0	0	0
After 5 years	0	0	0	0
Total	0	0	0	0

10. Employee costs and numbers

10.1 Employee costs	Permanently	Staff on	Agency	Other	2019-20	2018-19
	employed	Inward	Staff	Staff	£000	£000
	staff	Secondment				
	£000	£000	£000	£000	£000	£000
Salaries and wages	141,037	1,458	3,342	994	146,831	133,253
Social security costs	13,272	48	0	1	13,321	12,129
Employer contributions to NHS Pensions Scheme	25,324	37	0	0	25,361	16,299
Other pension costs	29	0	0	0	29	14
Other post-employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Total	179,662	1,543	3,342	995	185,542	161,695
Of the total above:						
Charged to capital					2,983	1,255
Charged to revenue					182,559	160,440
Total					185,542	161,695

Net movement in accrued employee benefits (untaken staff leave accrual included above) (139) (21)

Other staff includes temporary workers paid directly by Velindre University NHS Trust and staff sub-contracted or recharged from other NHS or public bodies.

In 2019/2020, the Welsh Government paid £7.715m on behalf of Velindre University NHS Trust to the NHS Business Services Agency in respect of an increase in employer's pension contribution of 6.3%. This is recognised in the 'employer contributions to NHS pensions Scheme' line above, in the 'permanently employed staff' column.

10.2 Average number of employees

	Permanently	Staff on	Agency	Other	2019-20	2018-19
	Employed	Inward	Staff	Staff	Total	Total
	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	2,477	23	43	14	2,557	2,402
Ambulance staff	0	0	0	0	0	0
Medical and dental	513	1	0	5	519	476
Nursing, midwifery registered	188	0	1	0	189	185
Professional, scientific and technical staff	56	0	0	0	56	52
Additional Clinical Services	198	0	0	3	201	201
Allied Health Professions	114	0	11	0	125	119
Healthcare scientists	135	1	0	2	138	133
Estates and Ancillary	335	0	14	7	356	336
Students	0	0	0	0	0	0
Total	4,016	25	69	31	4,141	3,904

The average number is calculated using the full time equivalent (FTE) of employees.

10.3. Retirements due to ill-health

	2019-20	2018-19
Number	4	5
Estimated additional pension costs £	278,470	668,774

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.

10.4 Employee benefits

The Trust operates four salary sacrifice schemes (childcare vouchers, cycle to work, home electronics and lease cars) for the financial benefit of its employees. It also provides an Easter and summer childcare subsidy scheme, a respite care subsidy scheme, and a purchase of annual leave scheme. In addition, staff have access to a non contributory Employee Assistance Programme which provides financial wellbeing support, and in 2019-2020 a financial wellbeing scheme was launched to provide staff with access to simple financial education, salary deducted loans, and a range of savings and investment products.

10.5 Reporting of other compensation schemes - exit packages

	2019-20	2019-20	2019-20	2019-20	2018-19
				Number of departures where special payments have been made Whole	
Exit packages cost band (including any special payment element)	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only	Number of departures where special payments have been made Whole	Total number of exit packages Whole numbers only
less than £10,000	1	1	2	0	2
£10,000 to £25,000	0	3	3	0	7
£25,000 to £50,000	0	2	2	0	6
£50,000 to £100,000	0	1	1	0	1
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	1	7	8	0	16

	2019-20	2019-20	2019-20	2019-20	2018-19
				Cost of special element included in	
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £	exit packages £	Total cost of exit packages £
less than £10,000	7,434	9,240	16,674	0	8,397
£10,000 to £25,000	0	59,622	59,622	0	114,307
£25,000 to £50,000	0	81,873	81,873	0	240,309
£50,000 to £100,000	0	51,668	51,668	0	71,243
£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	7,434	202,403	209,837	0	434,256

Redundancy, voluntary early release, and other departure costs have been paid in accordance with the provisions of the relevant schemes / legislation. Where the Trust has agreed early retirements or compulsory redundancies, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table (see note 10.3 for details of ill health retirement costs).

The disclosure reports the number and value of exit packages agreed in the year in line with the Welsh Government manual for accounts.

£102,501 exit costs were paid in 2019-2020, the year of departure (2018-2019 £222,143).

10.6 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 Velindre University NHS Trust in the financial year 2019-2020 was £140,000 to £145,000 (2018-2019, £135,000 to £140,000). This was 4.9 times (2018-2019, 5.0 times) the median remuneration of the workforce, which was £29,009 (2018-2019, £27,581).

In 2019-2020, 9 (2018-2019, 14) employees received remuneration in excess of the highest-paid director.

Remuneration for all staff ranged from £17,700 to £207,000 (2018-2019, £17,500 to £202,700).

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

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

11. Pensions

PENSION COSTS

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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 2019-2020 tax year (2018-2019 £6,032 and £46,350).

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

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

The Welsh Government requires that trusts pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	2019-20	2019-20	2018-19	2018-19
	Number	£000	Number	£000
NHS				
Total bills paid in year	2,425	42,009	2,396	34,421
Total bills paid within target	2,165	35,768	1,904	26,558
Percentage of bills paid within target	89.3%	85.1%	79.5%	77.2%
Non-NHS				
Total bills paid in year	74,370	243,194	70,966	248,731
Total bills paid within target	72,416	220,230	69,141	244,073
Percentage of bills paid within target	97.4%	90.6%	97.4%	98.1%
Total				
Total bills paid in year	76,795	285,203	73,362	283,152
Total bills paid within target	74,581	255,998	71,045	270,631
Percentage of bills paid within target	97.1%	89.8%	96.8%	95.6%

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

	2019-20	2018-19
	£	£
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

13. Property, plant and equipment :

2019-20

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	18,106	65,544	258	21,601	32,131	5,817	26,258	1,277	170,992	0	170,992
Indexation	(178)	1,285	5	0	0	0	0	0	1,112	0	1,112
Additions - purchased	0	569	0	5,888	1,189	637	5,105	271	13,659	0	13,659
Additions - donated	0	0	0	0	18	0	0	0	18	0	18
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	38	0	(2,506)	0	0	2,468	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(8)	0	0	(1,022)	(645)	(303)	(97)	(2,075)	0	(2,075)
At 31 March 2020	17,928	67,428	263	24,983	32,316	5,809	33,528	1,451	183,706	0	183,706
Depreciation											
At 1 April 2019	0	6,003	17	0	19,752	3,061	14,884	721	44,438	0	44,438
Indexation	0	105	0	0	0	0	0	0	105	0	105
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(8)	0	0	(1,023)	(637)	(303)	(97)	(2,068)	0	(2,068)
Charged during the year	0	2,650	9	0	2,605	631	5,635	147	11,677	0	11,677
At 31 March 2020	0	8,750	26	0	21,334	3,055	20,216	771	54,152	0	54,152
Net book value											
At 1 April 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554
Net book value											
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
Net book value at 31 March 2020 comprises :											
Purchased	17,928	54,214	237	24,983	10,909	2,754	13,299	680	125,004	0	125,004
Donated	0	4,464	0	0	73	0	13	0	4,550	0	4,550
Government Granted	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554
Asset Financing:											
Owned	17,928	58,542	237	24,983	10,982	2,754	13,285	680	129,391	0	129,391
Held on finance lease	0	136	0	0	0	0	27	0	163	0	163
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2020	17,928	58,678	237	24,983	10,982	2,754	13,312	680	129,554	0	129,554

The net book value of land, buildings and dwellings at 31 March 2020 comprises :

	£000	£000	£000
Freehold	60,301	0	60,301
Long Leasehold	11,501	0	11,501
Short Leasehold	5,040	0	5,040
Total	76,842	0	76,842

The NHS Trust 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 Institution of Chartered Surveyors' Valuation Standards, 6th Edition. Trusts are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

Additional capital purchases were made in relation to the COVID-19 pandemic: £46k for the Trust's core divisions and £334k for NWSSP. Whilst NWIS had placed orders with suppliers for capital items, none were fulfilled prior to 31st March 2020. Further detail is available within note 37.2 to these accounts.

13. Property, plant and equipment :

2018-19	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	17,751	53,144	255	12,530	29,987	4,574	24,340	1,099	143,680	0	143,680
Indexation	355	523	3	0	0	0	0	0	881	0	881
Additions - purchased	0	11,662	0	9,540	2,231	1,577	2,886	262	28,158	0	28,158
Additions - donated	0	0	0	0	0	0	15	0	15	0	15
Additions - government granted	0	0	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	469	0	(469)	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	(21)	0	0	(21)	0	(21)
Disposals other than by sale	0	(254)	0	0	(87)	(313)	(983)	(84)	(1,721)	0	(1,721)
At 31 March 2019	18,106	65,544	258	21,601	32,131	5,817	26,258	1,277	170,992	0	170,992
Depreciation											
At 1 April 2018	0	4,002	8	0	17,209	2,908	11,895	687	36,709	0	36,709
Indexation	0	31	1	0	0	0	0	0	32	0	32
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	(21)	0	0	(21)	0	(21)
Disposals other than by sale	0	(254)	0	0	(87)	(313)	(983)	(84)	(1,721)	0	(1,721)
Charged during the year	0	2,224	8	0	2,630	487	3,972	118	9,439	0	9,439
At 31 March 2019	0	6,003	17	0	19,752	3,061	14,884	721	44,438	0	44,438
Net book value											
At 1 April 2018	17,751	49,142	247	12,530	12,778	1,666	12,445	412	106,971	0	106,971
Net book value											
At 31 March 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554
Net book value at 31 March 2019 comprises :											
Purchased	18,106	55,008	241	21,601	12,272	2,756	11,353	556	121,893	0	121,893
Donated	0	4,533	0	0	107	0	19	0	4,659	0	4,659
Government Granted	0	0	0	0	0	0	2	0	2	0	2
At 31 March 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554
Asset Financing:											
Owned	18,106	59,391	241	21,601	12,378	2,756	11,326	556	126,355	0	126,355
Held on finance lease	0	150	0	0	1	0	48	0	199	0	199
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2019	18,106	59,541	241	21,601	12,379	2,756	11,374	556	126,554	0	126,554

The net book value of land, buildings and dwellings at 31 March 2019 comprises :

	£000	£000	£000
Freehold	62,181	0	62,181
Long Leasehold	11,163	0	11,163
Short Leasehold	4,544	0	4,544
Total	77,888	0	77,888

The NHS Trust 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 Institution of Chartered Surveyors' Valuation Standards, 6th Edition. Trusts are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

Velindre University NHS Trust received the following donated assets during the year:

Medical Equipment	£17,658
Total	£17,658

ii) Valuations

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

iii) Asset Lives

Depreciated as follows:

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

iv) Compensation

An insurance claim was submitted for the vehicle related to the Welsh Blood Service (WBS) that was "deemed beyond economical repair". The asset had a NBV of £7.4k which is shown in note 7 "Other Gains & Losses". The Trust later received an insurance payout of £5.5k.

v) Write Downs

The Trust revised the life of the assets associated with the Data centre in Blaenavon. It was agreed that the life of the assets in the hall at the time of an incident were to be reduced by an average 1 year as of 01/06/2019. Due to this action the Trust incurred an additional £1.073m depreciation charge, which was agreed by Welsh Government.

vi) The Trust does not hold any property where the value is materially different from its open market value.

vii) Assets Held for Sale or sold in the period.

There are no assets being held for sale as at 31/03/2020. Assets that have been sold within the year are reported under note 7 "Other Gains & Losses". A brief summary of these assets can also be found below.

vii) Consultancy Services

The Trust capitalised a total of £2.614m on consultancy fees in 2019/2020. These figures are included within the additions (category dependant) in notes 13 and 14.

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
WBS Vehicle	Write off	(2)
NWSSP Vehicles (13)	Assets fully depreciated	4
		<hr/> 2 <hr/>

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total	FHoT assets	ConsolidatedTo tal
	£000	£000	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2019	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
Balance c/f 31 March 2020	0	0	0	0	0	0	0	0
Balance b/f 1 April 2018	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0	0	0
Balance c/f 31 March 2019	0	0	0	0	0	0	0	0

NWSSP own a piece of land in Denbigh that is being held for sale as 31/03/2020. In accordance with IFRS 5 the land is being held at the NBV of £5k. Given that the fair value less costs to sell is higher than the carrying value, no adjustment has been made to these accounts.

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	45,523	5,962	4,862	0	0	0	56,347	0	56,347
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Additions									
- purchased	6,143	1,925	43	0	0	0	8,111	0	8,111
- internally generated	0	0	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(3,747)	(475)	0	0	0	0	(4,222)	0	(4,222)
At 31 March 2020	47,919	7,412	4,905	0	0	0	60,236	0	60,236
Amortisation									
At 1 April 2019	35,669	2,812	2,823	0	0	0	41,304	0	41,304
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	3,920	618	971	0	0	0	5,509	0	5,509
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(3,746)	(475)	0	0	0	0	(4,221)	0	(4,221)
Accumulated amortisation at 31 March 2020	35,843	2,955	3,794	0	0	0	42,592	0	42,592
Net book value At 1 April 2019	9,854	3,150	2,039	0	0	0	15,043	0	15,043
Net book value At 31 March 2020	12,076	4,457	1,111	0	0	0	17,644	0	17,644
Net book value									
Purchased	13,214	3,309	1,111	0	0	0	17,634	0	17,634
Donated	10	0	0	0	0	0	10	0	10
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0	0	0
At 31 March 2020	13,224	3,309	1,111	0	0	0	17,644	0	17,644

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total	FHoT	Consolidated Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	45,075	3,512	4,862	0	0	0	53,449	0	53,449
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Additions									
- purchased	648	2,540	0	0	0	0	3,188	0	3,188
- internally generated	0	0	0	0	0	0	0	0	0
- donated	10	0	0	0	0	0	10	0	10
- government granted	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(210)	(90)	0	0	0	0	(300)	0	(300)
At 31 March 2019	45,523	5,962	4,862	0	0	0	56,347	0	56,347
Amortisation									
At 1 April 2018	30,216	2,508	1,853	0	0	0	34,577	0	34,577
Revaluation		0			0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Charged during the year	5,663	394	970	0	0	0	7,027	0	7,027
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Disposals other than by sale	(210)	(90)	0	0	0	0	(300)	0	(300)
Accumulated amortisation at 31 March 2019	35,669	2,812	2,823	0	0	0	41,304	0	41,304
Net book value									
At 1 April 2018	14,859	1,004	3,009	0	0	0	18,872	0	18,872
Net book value									
At 31 March 2019	9,854	3,150	2,039	0	0	0	15,043	0	15,043
Net book value									
Purchased	9,839	0	2,039	0	0	0	11,878	0	11,878
Donated	16	0	0	0	0	0	16	0	16
Government granted	0	0	0	0	0	0	0	0	0
Internally Generated	0	3,149	0	0	0	0	3,149	0	3,149
At 31 March 2019	9,855	3,149	2,039	0	0	0	15,043	0	15,043

14. Intangible assets

Disclosures:

i) Donated Intangible Assets

There were no intangible assets donated this year.

Intangible assets comprise of licenses for use of purchased IT software such as financial systems, internally generated IT software and various licences and trade marks.

An assessment is performed on an annual basis to determine that the assets are still available for use and that there is a continued market for their use. The fair values are based on the original cost and amortised based upon finite lives detailed below, and are as detailed in the note to the accounts.

The useful lives and amortisation rates used is 5 years and no intangible assets are assessed as having indefinite useful lives.

No intangible assets have been acquired by Government Grant.

15. Impairments

Impairments in the period arose from:	2019-20		2018-19	
	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets 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	0	0	0	0
Other	0	0	0	0
Reversal of impairment	0	0	0	0
Impairments charged to operating expenses	0	0	0	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	0	0	0	0
Revaluation reserve	0	0	0	0
Total	0	0	0	0
FHoT Operating expenses in SoCNI	0	0	0	0
FHoT reserves	0	0	0	0
NHS Consolidated Total	0	0	0	0

There have been no impairments during the year ended 31st March 2020.

16. Inventories

16.1 Inventories

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Drugs	1,523	1,152	1,523	1,152
Consumables	9,034	5,719	9,034	5,719
Energy	0	0	0	0
Work in progress	0	0	0	0
Other	2,577	2,089	2,577	2,089
Total	13,134	8,960	13,134	8,960
Of which held at net realisable value:	0	0	0	0

£3.1m of the additional stock held in 2019/2020 has been purchased by NWSSP. Approximately £2.1m of this additional stock is being held in respect of Brexit, with a further £1m attributable to COVID-19 requirements across NHS Wales.

16.2 Inventories recognised in expenses

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Inventories recognised as an expense in the period	54,225	48,525	54,225	48,525
Write-down of inventories (including losses)	29	33	29	33
Reversal of write-downs that reduced the expense	0	0	0	0
Total	54,254	48,558	54,254	48,558

17. Trade and other receivables

17.1 Trade and other receivables

	Reclassified		Reclassified	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current	NHS Trust		Consolidated	
Welsh Government	376,844	354,914	376,844	354,914
WHSSC & EASC	167	855	167	855
Welsh Health Boards	16,765	10,616	16,765	10,616
Welsh NHS Trusts	708	579	708	579
Health Education and Improvement Wales (HEIW)	259	435	259	435
Non - Welsh Trusts	56	133	56	133
Other NHS	28	59	28	59
Welsh Risk Pool Claim reimbursement:-	0	0	0	0
NHS Wales Secondary Health Sector	99	105	99	105
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	151	98	151	98
Capital debtors- Tangible	84	0	84	0
Capital debtors- Intangible	0	0	0	0
Other debtors	4,771	6,316	4,814	5,840
FHoT debtor			50	106
Provision for impairment of trade receivables	(1,809)	(1,931)	(1,809)	(1,931)
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	12,390	9,371	12,390	9,371
Accrued income	3,747	2,666	3,747	2,666
Sub-total	414,260	384,216	414,353	383,846
Non-current				
Welsh Government	861,947	798,646	861,947	798,646
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Non - Welsh Trusts	0	0	0	0
Other NHS	0	0	0	0
Welsh Risk Pool Claim reimbursement				
NHS Wales Secondary Health Sector	0	0	0	0
NHS Wales Primary Sector FLS Reimbursement	0	0	0	0
NHS Wales Redress	0	0	0	0
Other	0	0	0	0
Local Authorities	0	0	0	0
Capital debtors- Tangible	0	0	0	0
Capital debtors- Intangible	0	0	0	0
Other debtors	0	0	0	0
FHoT debtor			0	0
Provision for impairment of trade receivables	0	0	0	0
Pension Prepayments				
NHS Pensions Agency	0	0	0	0
NEST	0	0	0	0
Other prepayments	1,015	0	1,015	0
Accrued income	0	0	0	0
Sub-total	862,962	798,646	862,962	798,646
Total trade and other receivables	1,277,222	1,182,862	1,277,315	1,182,492

The great majority of trade is with other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

The value of trade receivables that are past their payment date but not impaired is £7,845,000 (£3,955,000 in 2018/2019).

2018/2019 Welsh Risk Pool debtors have been restated to show the split between secondary and primary care, and redress cases where appropriate.

Included within the Welsh Government debtor is £790k to fund NWIS COVID-19 related revenue costs.

17.2 Receivables past their due date but not impaired

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
By up to 3 months	7,242	3,209	7,242	3,209
By 3 to 6 months	486	210	486	210
By more than 6 months	117	536	117	536
Balance at end of financial year	7,845	3,955	7,845	3,955

The increase in receivables past their due date by up to 3 months but not impaired is primarily due to an increase in the stock issued to and subsequent invoices raised to other NHS Wales organisations towards the end of January and in February 2020, due to the requirements of the COVID-19 pandemic.

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

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Balance at 31 March		(314)		(314)
Adjustment for Implementation of IFRS 9		(1,610)		(1,610)
Balance at 1 April	(1,931)	(1,924)	(1,931)	(1,924)
Transfer to other NHS Wales body	0	0	0	0
Provision utilised (Amount written off during the year)	143	10	143	10
Provision written back during the year no longer required	0	0	0	0
(Increase)/Decrease in provision during year	(25)	(17)	(25)	(17)
ECL/Bad debts recovered during year	4	0	4	0
Balance at end of financial year	(1,809)	(1,931)	(1,809)	(1,931)

17.4 Receivables VAT

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Trade receivables	250	62	250	62
Other	0	0	0	0
Total	250	62	250	62

18. Other financial assets

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Total	0	0	0	0
Non-Current				
Shares and equity type investments				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	0	0
Available for sale at FV	0	0	0	0
Deposits	0	0	0	0
Loans	0	0	0	0
Derivatives	0	0	0	0
Other (Specify)				
Held to maturity investments at amortised costs	0	0	0	0
At fair value through SOCI	0	0	4,606	5,406
Available for sale at FV	0	0	0	0
Total	0	0	4,606	5,406

19. Cash and cash equivalents

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
			Consolidated	
Opening Balance	20,949	19,893	22,384	20,937
Net change in year	(2,686)	1,056	(2,649)	1,447
Closing Balance	18,263	20,949	19,735	22,384
Made up of:				
Cash with Government Banking Service (GBS)	18,225	20,934	18,225	20,934
Cash with Commercial banks	0	0	1,472	1,435
Cash in hand	38	15	38	15
Total cash	18,263	20,949	19,735	22,384
Current investments	0	0	0	0
Cash and cash equivalents as in SoFP	18,263	20,949	19,735	22,384
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0
Cash & cash equivalents as in Statement of Cash Flows	18,263	20,949	19,735	22,384

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

Lease Liabilities £nil
PFI liabilities £nil

The movement relates to cash, no comparative information is required by IAS 7 in 2019/2020.

20. Trade and other payables at the SoFP Date	Reclassified		Reclassified	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Welsh Government	7,103	16	7,103	16
WHSSC & EASC	24	24	24	24
Welsh Health Boards	113,389	72,394	113,389	72,394
Welsh NHS Trusts	1,899	2,799	1,899	2,799
Health Education and Improvement Wales (HEIW)	13	0	13	0
Other NHS	415	263	415	263
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	7	1,364	7	1,364
National Insurance contributions payable to HMRC	6	1,880	6	1,880
Non-NHS trade payables - revenue	9,194	12,114	9,194	12,114
Local Authorities	192	119	192	119
Capital payables-Tangible	6,375	7,911	6,375	7,912
Capital payables- Intangible	1,299	1,956	1,299	1,956
Overdraft	0	0	0	0
FHoT payables			180	115
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	2,483	2,268	2,483	2,268
Non NHS Accruals	21,886	17,332	21,886	17,332
Deferred Income:				
Deferred income brought forward	2,543	2,950	2,543	2,950
Deferred income additions	1,280	1,060	1,280	1,060
Transfer to/from current/non current deferred income	0	0	0	0
Released to the Income Statement	(1,838)	(1,467)	(1,838)	(1,467)
Other liabilities - all other payables	0	0	0	0
PFI assets – deferred credits	0	0	0	0
PFI - Payments on account	0	0	0	0
Sub-total	166,270	122,983	166,450	123,099

The Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

Included within the above is £857k payable by NWIS, £374k payable by NWSSP and £34k by the Trust's core divisions to suppliers for COVID-19 related costs.

2018/2019 capital payables have been reclassified and split between tangible and intangible payables.

20. Trade and other payables at the SoFP Date (cont)

	31 March		31 March	
	2020	Reclassified 31 March	2020	Reclassified 31 March
	£000	2019	£000	2019
		£000		£000
Non-current	NHS Trust		Consolidated	
Welsh Government	0	0	0	0
WHSSC & EASC	0	0	0	0
Welsh Health Boards	0	0	0	0
Welsh NHS Trusts	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	0	0	0
Other NHS	0	0	0	0
Taxation and social security payable / refunds:				
Refunds of taxation by HMRC	0	0	0	0
VAT payable to HMRC	0	0	0	0
Other taxes payable to HMRC	0	0	0	0
National Insurance contributions payable to HMRC	0	0	0	0
Non-NHS trade payables - revenue	0	0	0	0
Local Authorities	0	0	0	0
Capital payables- Tangible	0	0	0	0
Capital payables- Intangible	0	0	0	0
Overdraft	0	0	0	0
FHoT payables			0	0
Rentals due under operating leases	0	0	0	0
Obligations due under finance leases and HP contracts	0	0	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0	0	0
Pensions: staff	0	0	0	0
Non NHS Accruals	0	0	0	0
Deferred Income:				
Deferred income brought forward	0	0	0	0
Deferred income additions	0	0	0	0
Transfer to/from current/non current deferred income	0	0	0	0
Released to the Income Statement	0	0	0	0
Other liabilities - all other payables	0	0	0	0
PFI assets –deferred credits	0	0	0	0
Payments on account	0	0	0	0
Sub-total	0	0	0	0
Total	166,270	122,983	166,450	123,099

21. Borrowings	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Bank overdraft - Government Banking Service (GBS)	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	21	24	21	24
Other	0	0	0	0
Total	21	24	21	24
Non-current				
Bank overdraft - GBS	0	0	0	0
Bank overdraft - Commercial bank	0	0	0	0
Loans from:				
Welsh Government	0	0	0	0
Other entities	0	0	0	0
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	8	29	8	29
Other	0	0	0	0
Total	8	29	8	29

21.2 Loan advance/strategic assistance funding

Amounts falling due:	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
In one year or less	0	0	0	0
Between one and two years	0	0	0	0
Between two and five years	0	0	0	0
In five years or more	0	0	0	0
Sub-total	0	0	0	0
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	0	0	0	0
Sub-total	0	0	0	0
Total repayable after five years by instalments	0	0	0	0

The Trust has not received a loan advance or strategic funding from the Welsh Government.

22. Other financial liabilities

	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
Current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
Non-current	£000	£000	£000	£000
	NHS Trust		Consolidated	
Financial Guarantees				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Derivatives at fair value through SoCI	0	0	0	0
Other				
At amortised cost	0	0	0	0
At fair value through SoCI	0	0	0	0
Total	0	0	0	0

23. Provisions
2019-20

Reclassified

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	260,174	(32,011)	(18,252)	(41,351)	0	233,169	(74,236)	(82,810)	(279)	244,404
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,941	0	0	(7)	0	4,099	(1,880)	(818)	0	3,335
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,240	0	0	(31)	0	5,408	(2,049)	(765)	0	4,803
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	4,641	0	0	(430)	0	3,645	(1,608)	(1,634)	0	4,614
Structured Settlements - WRPS	13,819	627	0	0	0	14,693	(13,972)	(710)	98	14,555
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	26	0	0	(20)	0	0	19
Restructurings	0		0	0	0	0	0	0		0
Other	908		0	0	0	537	0	(800)		645
Total	283,743	(31,384)	(18,258)	(41,793)	0	261,552	(93,765)	(87,538)	(181)	272,376
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	283,743	(31,384)	(18,258)	(41,793)	0	261,552	(93,765)	(87,538)	(181)	272,376

Non Current

Clinical negligence:-										
Secondary Care	386,660	0	0	41,163	0	63,700	(7,693)	(52,792)	0	431,038
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	1,138	(29)	(1,069)	0	40
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	300	0	0	31	0	24	0	(14)	0	341
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,992	0	0	625	0	1,209	(262)	(545)	0	4,019
Structured Settlements - WRPS	408,696	31,384	0	0	0	4,326	0	(17,898)	0	426,508
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	102		0	(26)	0	14	0	0	0	90
Restructurings	0		0	0	0	0	0	0		0
Other	661		0	0	0	562	0	0		1,223
Total	799,411	31,384	0	41,793	0	70,973	(7,984)	(72,318)	0	863,259
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	799,411	31,384	0	41,793	0	70,973	(7,984)	(72,318)	0	863,259

TOTAL

Clinical negligence:-										
Secondary Care	646,834	(32,011)	(18,252)	(188)	0	296,869	(81,929)	(135,602)	(279)	675,442
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,941	0	0	(7)	0	5,237	(1,909)	(1,887)	0	3,375
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,540	0	0	0	0	5,432	(2,049)	(779)	0	5,144
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	7,633	0	0	195	0	4,854	(1,870)	(2,179)	0	8,633
Structured Settlements - WRPS	422,515	32,011	0	0	0	19,019	(13,972)	(18,608)	98	441,063
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	121		(6)	0	0	14	(20)	0	0	109
Restructurings	0		0	0	0	0	0	0		0
Other	1,569		0	0	0	1,099	0	(800)		1,868
Total	1,083,154	0	(18,258)	0	0	332,525	(101,749)	(159,856)	(181)	1,135,635
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,083,154	0	(18,258)	0	0	332,525	(101,749)	(159,856)	(181)	1,135,635

Expected timing of cash flows:

	In year to 31 March 2021 £000	Between 01-Apr-21 to 31 March 2025 £000	Thereafter £000	Totals £000
Clinical negligence:-				
Secondary Care	244,404	303,331	127,707	675,442
Primary Care	0	0	0	0
Redress Secondary Care	3,335	40	0	3,375
Redress Primary Care	0	0	0	0
Personal injury	4,803	341	0	5,144
All other losses and special payments	1	0	0	1
Defence legal fees and other administration	4,614	4,019	0	8,633
Structured Settlements - WRPS	14,555	60,910	365,598	441,063
Pensions - former directors	0	0	0	0
Pensions - other staff	19	68	22	109
Restructuring	0	0	0	0
Other	645	1,128	95	1,868
Total	272,376	369,837	493,422	1,135,635
FHoT	0	0	0	0
Consolidated Total	272,376	369,837	493,422	1,135,635

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

23. Provisions NHS Trust
2019-20

Reclassified

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	0	0	0	0	0	114	(114)	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	15	0	0	0	0	0	0	(15)	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1	0	0	0	0	8	(8)	(1)	0	0
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	22	0	0	0	0	106	(14)	(43)	0	71
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		(6)	26	0	0	(20)	0	0	19
Restructurings	0		0	0	0	0	0	0		0
Other	908		0	0	0	537	0	(800)		645
Total	966	0	(6)	26	0	766	(156)	(860)	0	736
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	966	0	(6)	26	0	766	(156)	(860)	0	736

Non Current

Clinical negligence:-										
Secondary Care	0	0	0	0	0	0	0	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	102		0	(26)	0	14	0	0	0	90
Restructurings	0		0	0	0	0	0	0		0
Other	661		0	0	0	562	0	0		1,223
Total	763	0	0	(26)	0	576	0	0	0	1,313
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	763	0	0	(26)	0	576	0	0	0	1,313

TOTAL

Clinical negligence:-										
Secondary Care	0	0	0	0	0	114	(114)	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	15	0	0	0	0	0	0	(15)	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1	0	0	0	0	8	(8)	(1)	0	0
All other losses and special payments	1	0	0	0	0	1	0	(1)	0	1
Defence legal fees and other administration	22	0	0	0	0	106	(14)	(43)	0	71
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	121		(6)	0	0	14	(20)	0	0	109
Restructurings	0		0	0	0	0	0	0		0
Other	1,569		0	0	0	1,099	0	(800)		1,868
Total	1,729	0	(6)	0	0	1,342	(156)	(860)	0	2,049
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,729	0	(6)	0	0	1,342	(156)	(860)	0	2,049

Expected timing of cash flows:

	In year to 31 March 2021	Between 01-Apr-21 to 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	0	0	0	0
Primary Care	0	0	0	0
Redress Secondary Care	0	0	0	0
Redress Primary Care	0	0	0	0
Personal injury	0	0	0	0
All other losses and special payments	1	0	0	1
Defence legal fees and other administration	71	0	0	71
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	19	68	22	109
Restructuring	0	0	0	0
Other	645	1,128	95	1,868
Total	736	1,196	117	2,049
FHoT	0	0	0	0
Consolidated Total	736	1,196	117	2,049

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

23. Provisions WRP
2019-20

Reclassified

	At 1 April 2019	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	260,173	(32,011)	(18,252)	(41,351)	0	233,199	(74,157)	(82,810)	(279)	244,512
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,940	0	0	(7)	0	4,099	(1,894)	(803)	0	3,335
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,239	0	0	(31)	0	5,400	(2,041)	(764)	0	4,803
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	4,620	0	0	(430)	0	3,726	(1,657)	(1,591)	0	4,668
Structured Settlements - WRPS	13,819	627	0	0	0	14,693	(13,972)	(710)	98	14,555
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0		0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	282,791	(31,384)	(18,252)	(41,819)	0	261,117	(93,721)	(86,678)	(181)	271,873
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	282,791	(31,384)	(18,252)	(41,819)	0	261,117	(93,721)	(86,678)	(181)	271,873

Non Current

Clinical negligence:-										
Secondary Care	386,660	0	0	41,163	0	63,700	(7,693)	(52,792)	0	431,038
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	1,138	(29)	(1,069)	0	40
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	300	0	0	31	0	24	0	(14)	0	341
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	2,992	0	0	626	0	1,209	(262)	(545)	0	4,020
Structured Settlements - WRPS	408,696	31,384	0	0	0	4,326	0	(17,898)	0	426,508
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0		0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	798,648	31,384	0	41,820	0	70,397	(7,984)	(72,318)	0	861,947
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	798,648	31,384	0	41,820	0	70,397	(7,984)	(72,318)	0	861,947

TOTAL

Clinical negligence:-										
Secondary Care	646,833	(32,011)	(18,252)	(188)	0	296,899	(81,850)	(135,602)	(279)	675,550
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	1,940	0	0	(7)	0	5,237	(1,923)	(1,872)	0	3,375
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,539	0	0	0	0	5,424	(2,041)	(778)	0	5,144
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	7,612	0	0	196	0	4,935	(1,919)	(2,136)	0	8,688
Structured Settlements - WRPS	422,515	32,011	0	0	0	19,019	(13,972)	(18,608)	98	441,063
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	0		0	0	0	0	0	0		0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	1,081,439	0	(18,252)	1	0	331,514	(101,705)	(158,996)	(181)	1,133,820
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,081,439	0	(18,252)	1	0	331,514	(101,705)	(158,996)	(181)	1,133,820

Expected timing of cash flows:

	In year to 31 March 2021	Between 01-Apr-21 to 31 March 2025	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence:-				
Secondary Care	244,512	303,331	127,707	675,550
Primary Care	0	0	0	0
Redress Secondary Care	3,335	40	0	3,375
Redress Primary Care	0	0	0	0
Personal injury	4,803	341	0	5,144
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	4,668	4,020	0	8,688
Structured Settlements - WRPS	14,555	60,909	365,599	441,063
Pensions - former directors	0	0	0	0
Pensions - other staff	0	0	0	0
Restructuring	0	0	0	0
Other	0	0	0	0
Total	271,873	368,641	493,306	1,133,820
FHoT	0	0	0	0
Consolidated Total	271,873	368,641	493,306	1,133,820

The provisions relate to amounts over £25,000 in respect of ongoing claims against the NHS in Wales, the outcome of which will not be determined until the case has been finalised.

Timings of cashflow have been profiled to match total current liabilities. However, the total will include cases which may settle with a structured settlement, so the underlying cashflows will be over a number of years. Also, there can be delays in settlement dates anticipated for next year which will further impact the cash flow timings.

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

23. Provisions (continued)

2018-19

NHS Trust and Welsh Risk Pool

	At 1 April 2018	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	258,701	(65,119)	(2,819)	76,292	0	184,678	(85,387)	(103,568)	(2,604)	260,174
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	4,455	(2,514)	0	0	1,941
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6,672	0	0	(18)	0	4,073	(4,862)	(3,625)	0	2,240
All other losses and special payments	0	0	0	0	0	1	0	0	0	1
Defence legal fees and other administration	4,543	0	0	579	0	3,090	(1,189)	(2,382)	0	4,641
Structured Settlements - WRPS	11,187	2,148	0	0	0	13,372	(12,054)	(439)	(395)	13,819
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	20		(7)	25	0	0	(19)	0	0	19
Restructurings	0		0	0	0	0	0	0		0
Other	743		0	0	0	999	(834)	0		908
Total	281,866	(62,971)	(2,826)	76,878	0	210,668	(106,859)	(110,014)	(2,999)	283,743
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	281,866	(62,971)	(2,826)	76,878	0	210,668	(106,859)	(110,014)	(2,999)	283,743
Non Current										
Clinical negligence:-										
Secondary Care	420,776	0	0	(76,488)	0	53,662	(3,446)	(7,844)	0	386,660
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6	0	0	(6)	0	300	0	0	0	300
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	3,178	0	0	(359)	0	644	(104)	(367)	0	2,992
Structured Settlements - WRPS	358,279	62,971	0	0	0	4,024	0	(16,578)	0	408,696
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	132		0	(25)	0	(5)	0	0	0	102
Restructurings	0		0	0	0	0	0	0		0
Other	283		0	0	0	378	0	0		661
Total	782,654	62,971	0	(76,878)	0	59,003	(3,550)	(24,789)	0	799,411
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	782,654	62,971	0	(76,878)	0	59,003	(3,550)	(24,789)	0	799,411
TOTAL										
Clinical negligence:-										
Secondary Care	679,477	(65,119)	(2,819)	(196)	0	238,340	(88,833)	(111,412)	(2,604)	646,834
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	4,455	(2,514)	0	0	1,941
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6,678	0	0	(24)	0	4,373	(4,862)	(3,625)	0	2,540
All other losses and special payments	0	0	0	0	0	1	0	0	0	1
Defence legal fees and other administration	7,721	0	0	220	0	3,734	(1,293)	(2,749)	0	7,633
Structured Settlements - WRPS	369,466	65,119	0	0	0	17,396	(12,054)	(17,017)	(395)	422,515
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	152		(7)	0	0	(5)	(19)	0	0	121
Restructurings	0		0	0	0	0	0	0		0
Other	1,026		0	0	0	1,377	(834)	0		1,569
Total	1,064,520	0	(2,826)	0	0	269,671	(110,409)	(134,803)	(2,999)	1,083,154
FHoT	0	0	0	0	0	0	0	0	0	0
Consolidated Total	1,064,520	0	(2,826)	0	0	269,671	(110,409)	(134,803)	(2,999)	1,083,154

2018/2019 clinical negligence provisions have been reclassified between secondary and primary care, and redress secondary and primary care.

24 Contingencies

24.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:

	Reclassified		Reclassified	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Legal claims for alleged medical or employer negligence;			0	
Secondary care	1,097,725	936,248	1,097,725	936,248
Primary Care	71	0	71	0
Secondary care - Redress	1,174	0	1,174	0
Primary Care - Redress	0	0	0	0
Doubtful debts	0	0	0	0
Equal pay cases	0	0	0	0
Defence costs	0	0	0	0
Other: Damage to third party equipment	1,020	117	1,020	117
Total value of disputed claims	1,099,990	936,365	1,099,990	936,365
Amount recovered under insurance arrangements in the event of these claims being successful	(1,099,883)	(936,133)	(1,099,883)	(936,133)
Net contingent liability	107	232	107	232

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme. The above figures include contingent liabilities for all Health Bodies in Wales. They also include a liability for damage to equipment which is included in a claim NWIS are making (see note 24.3 contingent assets below).

From 2019/2020 legal claims for alleged medical or employer negligence claims are analysed separately between primary and secondary care, and also for redress claims. The 2018/2019 values shown in the table above have been reviewed and only relate to secondary care (non redress) cases.

Pensions tax annual allowance - Scheme Pays arrangements 2019/2020

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

- clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-2020 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement;
- The Trust will then pay them a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be fully funded by the Welsh Government with no net cost to the Trust. Clinical staff have until 31 July 2021 to opt for this scheme and the ability to make changes up to 31 July 2024.

Using information provided by the Government Actuaries Department and the NHS Business Services Authority, a national average discounted value per nomination (calculated at £3,345) could be used by NHS bodies to estimate a local provision by multiplying it by the number of staff expected to take up the offer.

At the date of approval of these accounts, there was no evidence of take-up of the scheme by our clinical staff in 2019/2020 and no information was available to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2020, the existence of an unquantified contingent liability is instead disclosed.

24.2. Remote contingent liabilities

	31 March 2020		31 March 2019	
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Guarantees	0	0	0	0
Indemnities	38,006	17,465	38,006	17,465
Letters of comfort	0	0	0	0
Total	38,006	17,465	38,006	17,465

24.3 Contingent assets

	31 March 2020		31 March 2019	
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Damage to equipment	2,821	0	2,821	0
	0	0	0	0
	0	0	0	0
Total	2,821	0	2,821	0

The above contingent asset relates to a claim being made by NWIS for damage to equipment. Associated with this is a claim being made against NWIS by a third party which is shown as a contingent liability in note 24.1 above.

25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date were:

	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	NHS Trust		Consolidated	
	£000	£000	£000	£000
Property, plant and equipment	6,406	904	6,406	904
Intangible assets	2,842	2,678	2,842	2,678
Total	9,248	3,582	9,248	3,582

26. Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2020	
	Number	£
Clinical negligence	331	66,827,409
Personal injury	32	1,169,944
All other losses and special payments	349	1,874,601
Total	712	69,871,954

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year £	Cumulative amount £
Cases where cumulative amount exceeds £300,000				
Aneurin Bevan UHB	7	Clinical Negligence	4,299,898	4,299,898
Betsi Cadwaladr UHB	12	Clinical Negligence	10,290,889	12,304,262
Cardiff & Vale UHB	9	Clinical Negligence	17,213,712	21,680,743
Cwm Taf Morgannwg UHB	3	Clinical Negligence	1,130,730	1,130,730
Hywel Dda UHB	5	Clinical Negligence	2,583,207	3,028,063
Powys THB	0		0	0
Swansea Bay UHB	8	7 x Clinical Negligence; 1 x Damage to Property	8,019,423	13,719,424
Public Health Wales NHST	2	Clinical Negligence	2,130,098	2,130,098
Velindre UNHST	0		0	0
Welsh Ambulance Service NHST	0		0	0
Health Education & Improvement Wales	0		0	0
Sub-total	46		45,667,957	58,293,218
All other cases	666		24,203,997	109,618,449
Total cases	712		69,871,954	167,911,667

26.2 Velindre NHS Trust excluding WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2020	
	Number	£
Clinical negligence	0	0
Personal injury	1	7,647
All other losses and special payments	116	159,077
Total	117	166,724

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in	
			year	Cumulative amount
Cases where cumulative amount exceeds £300,000			£	£
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
	0		0	0
Sub-total	0		0	0
All other cases	117		166,724	166,724
Total cases	117		166,724	166,724

26. 3 WRP Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2020	
	Number	£
Clinical negligence	331	66,827,409
Personal injury	31	1,162,297
All other losses and special payments	233	1,715,524
Total	595	69,705,230

Analysis of cases:

Case Reference	Number	Case Type	Amounts paid out in year £	Cumulative amount £
Cases where cumulative amount exceeds £300,000				
Aneurin Bevan UHB	7	Clinical Negligence	4,299,898	4,299,898
Betsi Cadwaladr UHB	12	Clinical Negligence	10,290,889	12,304,262
Cardiff & Vale UHB	9	Clinical Negligence	17,213,712	21,680,743
Cwm Taf Morgannwg UHB	3	Clinical Negligence	1,130,730	1,130,730
Hywel Dda UHB	5	Clinical Negligence	2,583,207	3,028,063
Powys THB	0		0	0
Swansea Bay UHB	8	7 x Clinical Negligence; 1 x Damage to Property	8,019,423	13,719,424
Public Health Wales NHST	2	Clinical Negligence	2,130,098	2,130,098
Velindre UNHST	0		0	0
Welsh Ambulance Service NHST	0		0	0
Health Education & Improvement Wales	0		0	0
Sub-total	46		45,667,957	58,293,218
All other cases	549		24,037,273	109,451,726
Total cases	595		69,705,230	167,744,944

27. Finance leases

27.1 Finance leases obligations (as lessee)

Velindre University NHS Trust leases certain items of plant and equipment , which are mainly printers, under finance leases. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of Velindre University NHS Trust's lease obligations is approximately equal to their carrying amount. Velindre University NHS Trust's obligation under finance leases are secured by the lessors' rights over the leased assets disclosed in note 13.

Amounts payable under finance leases:

LAND	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	£000	£000	£000	£000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

BUILDINGS

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in: Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

OTHER

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Minimum lease payments				
Within one year	21	26	21	26
Between one and five years	9	30	9	30
After five years	0	0	0	0
Less finance charges allocated to future periods	(1)	(3)	(1)	(3)
Minimum lease payments	29	53	29	53
Included in: Current borrowings	21	24	21	24
Non-current borrowings	8	29	8	29
Total	29	53	29	53
Present value of minimum lease payments				
Within one year	21	24	21	24
Between one and five years	9	29	9	29
After five years	(1)	0	(1)	0
Total present value of minimum lease payments	29	53	29	53
Included in: Current borrowings	21	24	21	24
Non-current borrowings	8	29	8	29
Total	29	53	29	53

27.2 Finance lease receivables (as lessor)

The Trust has no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Gross investment in leases				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0
Present value of minimum lease payments				
Within one year	0	0	0	0
Between one and five years	0	0	0	0
After five years	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0
Total present value of minimum lease payments	0	0	0	0
Included in:				
Current borrowings	0	0	0	0
Non-current borrowings	0	0	0	0
Total	0	0	0	0

27.3 Finance Lease Commitment

The Trust does not have any commitments becoming operational in a future period.

28. Private finance transactions

Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)

The Trust has no PFI or PPP Schemes.

29. Financial Risk Management

IFRS 7, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

NHS Trusts are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust treasury activity is subject to review by the Trust's internal auditors.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from the Welsh Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

Interest-rate risks

The great majority of NHS Trust's financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

Foreign currency risk

NHS Trusts have no or negligible foreign currency income or expenditure and therefore are not exposed to significant foreign currency risk.

Credit Risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures are in receivables from customers as disclosed in the trade and other receivables note.

General

The powers of the Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

30. Movements in working capital

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Movements in working capital				
(Increase) / decrease in inventories	(4,174)	(2,937)	(4,174)	(2,937)
(Increase) / decrease in trade and other receivables - non-current	(64,316)	(16,407)	(64,316)	(16,135)
(Increase) / decrease in trade and other receivables - current	(30,044)	(6,396)	(30,507)	(5,986)
Increase / (decrease) in trade and other payables - non-current	0	0	0	0
Increase / (decrease) in trade and other payables - current	43,287	9,751	43,351	9,677
Total	(55,247)	(15,989)	(55,646)	(15,381)
Adjustment for accrual movements in fixed assets - creditors	2,193	(2,639)	2,194	(2,640)
Adjustment for accrual movements in fixed assets - debtors	84	(153)	84	(153)
Other adjustments	316	1,388	519	1,402
Total	(52,654)	(17,393)	(52,849)	(16,772)

31. Other cash flow adjustments

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
	NHS Trust		Consolidated	
Other cash flow adjustments				
Depreciation	11,677	9,439	11,677	9,439
Amortisation	5,509	7,027	5,509	7,027
(Gains)/Loss on Disposal	0	0	0	0
Impairments and reversals	0	0	0	0
Release of PFI deferred credits	0	0	0	0
Donated assets received credited to revenue but non-cash	(18)	(24)	(18)	(24)
Government Grant assets received credited to revenue but non-cash	0	0	0	0
Non-cash movements in provisions	154,230	129,043	154,230	129,043
Total	171,398	145,485	171,398	145,485

32. Events after reporting period

The need to plan and respond to the Covid-19 pandemic has impacted significantly on the Trust, wider NHS and society as a whole. This 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 Trust and wider society throughout 2020/2021 and beyond, and the Trust's Governance Framework will need to consider and respond to this need on an on-going basis.

33. Related Party transactions

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services.

The Welsh Government is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely:

	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	15,287	239,041	7,103	1,238,790
WHSSC	96	46,720	24	167
Aneurin Bevan UHB	12,748	40,611	13,441	2,903
Betsi Cadwaladr UHB	18,801	21,808	14,264	1,905
Cardiff and Vale UHB	26,838	34,826	23,201	5,696
Cwm Taf Morgannwg UHB	8,347	30,214	32,773	2,648
Hywel Dda UHB	7,998	13,561	19,049	1,525
Powys THB	667	3,143	492	173
Swansea Bay UHB	17,195	17,564	10,169	1,915
Public Health Wales NHS Trust	2,956	4,643	788	491
Welsh Ambulance Service NHS Trust	1,478	1,845	1,021	217
Health Education & Improvement Wales	76	24,717	13	259
Welsh Risk Pool	0	0	0	99
Welsh Local Authorities	2,630	13	192	151
City Hospice	3	220	3	22
Cardiff University	2,181	17	238	87
Swansea University	174	48	23	11
Cardiff Metropolitan University	25	0	1	0
University of South Wales	292	5	46	1
University of Wales	170	0	15	0
Bangor University	0	0	5	0
Glyndwr University	0	0	0	0
Other	0	0	0	0
	117,962	478,996	122,861	1,257,060

In addition, the Trust has had a number of material transactions with other Government departments and other central and local Government bodies. The majority of these transactions have been with universities as disclosed above; other transactions include payments to English, Scottish and Irish NHS organisations amounting to £2,217,062 (2018/2019 £493,181); of this total £1,310,014 related to an English Trust that provides a lease car salary sacrifice scheme to Trust employees.

The Trust Board is the corporate trustee of Velindre University NHS Trust Charitable Funds. During the year the Trust received £2,143,000 (2018/2019 £2,762,000) from Velindre University NHS Trust Charitable Funds.

Transactions with City Hospice have been disclosed as an Independent Member of the Trust was a Trustee of City Hospice for part of the 2019/2020 financial year, and the transactions are deemed to be of a material value to City Hospice.

The Welsh Government receipts exclude £4,522,000 that relates to Public Dividend Capital (PDC) received during 2019/2020 (2018/2019 £14,894,000).

34. Third party assets

The Trust held £nil cash at bank and in hand at 31 March 2020 (31 March 2019, £nil) which relates to monies held by the Trust on behalf of patients. Cash held in Patient's Investment Accounts amounted to £nil at 31 March 2020 (31 March 2019, £nil).

35. Pooled budgets

Velindre University NHS Trust has no pooled budgets.

Velindre University NHS Trust Annual Accounts 2019-2020

36. Operating Segments

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

36. Operating Segments

	VELINDRE		NWIS		NWSSP		WRP		TOTAL		FHOT		ELIMINATIONS		CONSOLIDATED	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Operating Revenue																
Segmental Income	148,916	127,487	88,461	70,790	162,088	196,130	172,521	130,638	571,986	525,045	2,799	3,323	(2,143)	(2,762)	572,642	525,606
	148,916	127,487	88,461	70,790	162,088	196,130	172,521	130,638	571,986	525,045	2,799	3,323	(2,143)	(2,762)	572,642	525,606
Operating Expenses	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Welsh Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WHSSC & EASC	0	0	0	0	0	37	0	0	0	37	0	0	0	0	0	37
Local Health Boards	299	291	3,978	1,646	3,650	3,735	0	0	7,927	5,672	0	0	0	0	7,927	5,672
Welsh NHS Trusts	0	0	152	163	70	168	0	0	222	331	0	0	0	0	222	331
Other NHS Trusts	0	0	0	0	495	0	0	0	495	0	0	0	0	0	495	0
Goods and services from other NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of healthcare from non-NHS bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Welsh Local Authorities	0	27	75	40	0	0	0	0	75	67	0	0	0	0	75	67
Other Local Authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Directors' costs	1,280	1,098	0	0	0	0	0	0	1,280	1,098	0	0	0	0	1,280	1,098
Staff costs	66,112	54,322	31,338	27,906	83,955	77,225	0	0	181,405	159,453	0	0	0	0	181,405	159,453
Supplies and services - clinical	62,112	53,473	18	21	521	490	0	0	62,651	53,984	0	0	0	0	62,651	53,984
Supplies and services - general	790	592	203	263	48,008	40,805	0	0	49,001	41,660	0	0	0	0	49,001	41,660
Consultancy Services	697	313	2,067	1,109	836	336	0	0	3,600	1,758	0	0	0	0	3,600	1,758
Establishment	2,523	2,342	7,218	4,912	6,073	7,315	0	0	15,814	14,569	0	0	0	0	15,814	14,569
Transport	967	928	23	15	1,339	1,286	0	0	2,329	2,229	0	0	0	0	2,329	2,229
Premises	7,297	6,493	35,555	26,897	9,863	8,710	0	0	52,715	42,100	0	0	0	0	52,715	42,100
Costs of generating funds	0	0	0	0	0	0	0	0	0	0	518	743	(233)	(192)	285	551
Charitable activities	0	0	0	0	0	0	0	0	0	0	2,175	2,935	(1,810)	(2,526)	365	409
Governance Costs	0	0	0	0	0	0	0	0	0	0	100	44	(100)	(44)	0	0
Impairments and Reversals of Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	6,041	5,944	3,638	2,052	1,999	1,444	0	0	11,678	9,440	0	0	0	0	11,678	9,440
Amortisation	420	383	4,748	6,344	339	302	0	0	5,507	7,029	0	0	0	0	5,507	7,029
Impairments and reversals of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impairments and reversals of non current assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit fees	209	209	0	0	0	0	0	0	209	209	0	0	0	0	209	209
Other auditors' remuneration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	(446)	(203)	0	0	102	61	172,702	133,637	172,358	133,495	0	0	0	0	172,358	133,495
Research and development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other operating expenses	689	1,331	(552)	(578)	4,832	54,247	0	0	4,969	55,000	0	0	0	0	4,969	55,000
Total	148,990	127,543	88,461	70,790	162,082	196,161	172,702	133,637	572,235	528,131	2,793	3,722	(2,143)	(2,762)	572,885	529,091
Investment Revenue	109	100	0	0	0	0	0	0	109	100	150	154	0	0	259	254
Other Gains and Losses	(2)	0	0	0	4	45	0	0	2	45	0	0	0	0	2	45
Finance Costs	(2)	(3)	0	0	0	0	181	2,999	179	2,996	0	0	0	0	179	2,996
SURPLUS / (DEFICIT)	31	41	0	0	10	14	0	0	41	55	156	(245)	0	0	197	(190)

37. Other Information

37.1. 6.3% Staff Employer Pension Contributions - Notional Element □

The value of notional transactions is based on estimated costs for the twelve month period 1 April 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 Trust 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 INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

£'000

Revenue from patient care activities	2019-20	7,715
Operating expenses	2019-20	7,715

3. Analysis of gross operating costs

3. Revenue from patient care activities

Welsh Government	2019-20	2,657
Welsh Government - Hosted Bodies	2019-20	5,058

5.1 Operating expenses

Directors' costs	2019-20	76
Staff costs	2019-20	7,639

37. Other Information (continued)

37.2 COVID-19 Income and Expenditure

Towards the end of the 2019-2020 financial year, the COVID-19 pandemic required some additional financial expenditure to be incurred. This expenditure was not significant in comparison to the overall income and expenditure reported within these accounts, but is summarised below for information.

Information has also been provided within some specific notes to these accounts where appropriate.

Trust's Core Divisions

Total revenue expenditure was £34k and was funded from existing budgets with no additional funding sought or provided. The majority of this expenditure related to Personal Protective Equipment (PPE), cleaning, additional signage and additional software licences.

Capital expenditure of £46k was incurred to purchase laptops and software to enable reporting of scans within the Velindre Cancer Centre Radiology department. Funding for these items was provided by Welsh Government as an addition to the agreed 2019/2020 Capital Programme.

NHS Wales Shared Services Partnership (NWSSP)

NWSSP revenue expenditure was £648k and largely related to both pay and non pay costs incurred by the Health Courier and Procurement Services in addition to non-pay costs of PPE purchased centrally and provided to NHS Wales. £507k funding was received by Welsh Government with the remainder funded by NWSSP.

Capital expenditure of £334k was provided for ventilators that were purchased and capitalised within NWSSP. During the pandemic these are being treated as national assets to provide flexibility so that ventilators can be transferred to areas of need. Funding for these items was provided by Welsh Government as an addition to the agreed 2019/2020 Capital Programme.

NHS Wales Informatics Services (NWIS)

NWIS revenue expenditure was £857k and primarily related to additional licences and text message functionality for GPs, for which additional funding was provided by Welsh Government.

No capital orders were fulfilled by suppliers prior to 31st March 2020, so there is no capital expenditure linked to COVID-19 reported for NWIS within these accounts.

37. Other Information (continued)

37.3 IFRS 16

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 NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group, Finance Department.

The Trust expects the introduction of IFRS 16 will not have a significant impact and this will be worked through for disclosure in the 2020-2021 financial statements.

37.4 Brexit

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

NHS TRUSTS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities)